

City of Salinas

200 Lincoln Ave., Salinas, CA 93901

www.cityofsalinas.org



Meeting Agenda - Final

Tuesday, September 12, 2023

4:00 PM

SALINAS ROTUNDA

City Council

Mayor Kimbley Craig

Councilmembers:

Carla Viviana González, District 1 - Tony Barrera, District 2

Steve McShane, District 3 - Orlando Osornio, District 4

Andrew Sandoval, District 5 - Anthony Rocha, District 6

Steven S. Carrigan, City Manager

Christopher A. Callihan, City Attorney

City Clerk's Office: (831) 758-7381

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PLEDGE OF ALLEGIANCE**ROLL CALL****PROCLAMATIONS**

National Childhood Cancer Awareness Month, September 2023

National Library Card Sign Up Month, September 2023

National Recovery Month, September 2023

National Hispanic Heritage Month, September 15 – October 15, 2023

PUBLIC COMMENT PROCEDURES

If you wish to make a general public comment or comment on a specific agenda item, you are encouraged to attend the City Council meeting in person. Public comment may also be submitted via email at PublicComment@ci.salinas.ca.us and will be entered into the record.

PUBLIC COMMENT TIME RESTRICTIONS

Public comments generally are limited to two minutes per speaker; the Mayor may further limit the time for public comments depending on the agenda schedule.

GENERAL PUBLIC COMMENTS

Receive public communications on items that are not on the agenda and that are in the City of Salinas' subject matter jurisdiction. Comments on Consent, Consideration, and Closed session items should be held until the items are reached. The public may request that the legislative body consider adding an item for consideration on a future agenda. The public may comment on scheduled agenda items, including closed session items, as they are considered.

PRESENTATION

Councilmember comments on presentations are generally limited to three minutes.

Monterey County Water Resources Agency

PUBLIC HEARING

[ID#23-438](#)

United States Department of Housing and Urban Development Consolidated Annual Performance and Evaluation Report for FY 2022-23

Recommendation: Approve a Resolution affirming the Fiscal Year 2022-23 Consolidated Annual Performance and Evaluation Report (CAPER) and authorize submittal to the United States Department of Housing and Urban Development.

CONSIDERATION

[ID#23-565](#)

Audited Basic Financial Statements for the Year End June 30, 2022

Recommendation: Approve a Resolution approving the Audited Basic Financial Statements for Fiscal Year ended June 30, 2022.

[ID#23-542](#)

Pavement Restoration: Street Repair Plan

Recommendation: Approve a Resolution establishing the priorities for street spot repairs within each Council District.

[ID#23-553](#)

Ordinance Prohibiting Discrimination on the basis of sexual orientation, gender identity, or gender expression

Recommendation: Consider adopting an Ordinance to add article XIV to Chapter 5 of the Salinas Municipal Code to prohibit discrimination on the basis of sexual orientation, gender identity, or gender expression.

CONSENT AGENDA

All matters listed under Consent Agenda may be enacted by one motion unless a member of the Council or the public requests discussion or a separate vote.

[ID#23-571](#)

Minutes

Recommendation: Approve minutes of August 22, 2023.

[ID#23-563](#)

Financial Claims

Recommendation: Approve financial claims report.

[ID#23-405](#)

2nd Reading, Special Curb Marking Ordinance Update

Recommendation: Consider adopting an Ordinance amending Chapter 20, Article VI, Stopping, Standing and Parking, of the Salinas Municipal Code.

[ID#23-456](#)

Agreement with Salinas Valley TVB, Inc for the operation of the Salinas California Welcome Center

Recommendation: Approve a Resolution authorizing an Agreement with the Salinas Valley TVB, Inc. to operate a California Welcome Center in Salinas; and directing staff to continue to evaluate the use of the City's Tourism Improvement District (TID) funds and to provide quarterly updates on monthly operation and financial reporting to the Finance Committee.

ID#23-496 **2nd Reading, Ordinance amending Article VI of Chapter 9 of the Salinas Municipal Code - Flood Damage Prevention**

Recommendation: Consider adopting an Ordinance amending Article VI of Chapter 9 the Salinas Municipal Code to update the regulations governing flood damage prevention.

ID#23-537 **90-Minute Parking Zone at 431 Abbott Street**

Recommendation: Approve a Resolution establishing a total of 80 feet of 90-minute parking zone located at 431 Abbott Street.

ID#23-538 **Establishment of an Affordable Housing Enterprise Fund**

Recommendation: Approve a Resolution authorizing the establishment of an Affordable Housing Enterprise Fund with corresponding revenue and expense accounts; and the allocation of all rental income received from City-owned properties purchased for use as affordable housing to the Affordable Housing Enterprise Fund.

ID#23-540 **2023 California International Airshow Permit**

Recommendation: Approve a Resolution authorizing the City Manager, or their designee to execute an Airport Use Permit for the 2023 California International Airshow, to be conducted by the Monterey County Airshow Association, Inc. at the Salinas Municipal Airport.

ID#23-541 **REACH Air Medical Services, LLC Facility Lease Agreement**

Recommendation: Approve a Resolution authorizing the Mayor to execute a facility lease agreement between the City of Salinas and REACH Air Medical Services, LLC at the Salinas Municipal Airport.

ID#23-543 **The David and Lucile Packard Foundation Fund of the Community Foundation for Monterey County Thriving Youth Strategy**

Recommendation: Approve a Resolution accepting the David and Lucile Packard Foundation Fund of the Community Foundation of Monterey County grant award in the amount of \$38,000 and authorize execution of all related grant acceptance documents; and the establishment of an increase of the Learning Center fund appropriation of \$38,000.

ID#23-544 **California Library Literacy Services ESL Literacy Grant Award**

Recommendation: Approve a Resolution accepting the California Library Literacy Services (CLLS) grant award in the amount of \$47,385 in support of ESL Adult Literacy and authorize execution of all grant acceptance documents with the California State Library.

ID#23-550 **Amendment to Professional Services Agreement with MV Cheng & Associates, Inc.**

Recommendation: Approve a Resolution authorizing the City Manager to execute an amendment to a professional services agreement with MV Cheng & Associates, Inc. ("MV Cheng") for accounting, financial reporting, and other finance-related services for an additional amount of \$50,000; and approving payment of \$19,681.25 to MV Cheng for the cost of services previously provided to the City during Fiscal Year 2022-23.

[ID#23-551](#) 2024 City Council Meeting Calendar

Recommendation: Approve the 2024 City Council Meeting Calendar.

[ID#23-561](#) United States Postal Service Building (USPS) - Office Space Lease

Recommendation: Approve a Resolution approving an Office Space Lease Agreement between the City of Salinas and the USPS, for office space on the first floor of the Post Office building located at 100 W. Alisal Street, Salinas, California.

[ID#23-564](#) Purchase and Sales Agreement for 1028 Larkin Circle

Recommendation: Approve a Resolution authorizing the Mayor to execute a Purchase and Sales Agreement (PSA) in the amount of \$690,000 for a single-family residence located at 1028 Larkin Circle in the City of Salinas utilizing the American Rescue Plan Act (ARPA) funding for the purchase.

[ID#23-566](#) Permit Center Reorganization, Reclassification, and Workforce Allocation Adjustment

Recommendation: Approve a Resolution amending the FY23-24 workforce for the Permit Services Division of the Community Development Department.

COUNCILMEMBERS' REPORTS, APPOINTMENTS AND FUTURE AGENDA ITEMS

Receive communication from Councilmembers on reports, appointments and future agenda items. Councilmember comments are generally limited to three minutes.

CLOSED SESSION

*Receive public communications from the audience on Closed session items.
The City Council will recess to closed session pursuant to:*

- [ID#23-570](#)**
- a. Labor Negotiations** - California Government Code Section 54957.6, with its designated labor representatives Steven S. Carrigan, City Manager; Jim Pia, Assistant City Manager/Acting Finance Director; Christopher A. Callihan, City Attorney; Katherine Hogan, Assistant City Attorney; Marina Horta-Gallegos, Human Resources Director; Sylvia Enriquez, Senior Human Resources Analyst; Che Johnson, Liebert Cassidy Whitmore, regarding labor relations with Service Employees International Union (SEIU), SEIU Supervisors, Salinas Municipal Employees Association/SEIU, Association of Management Personnel, Police Officers Association, Police Management Association, International Association of Firefighters, Fire Supervisors Association, Confidential Management Employees, Confidential Non-Management Employees, and Department Directors.
 - b. Pending Litigation** - California Government Code Section 54956.9(d)(1), conference with legal counsel regarding, Santa Rita Union High School District, et al. v. City of Salinas et al., Monterey County Superior Court Case No. 20CV000242.
 - c. Pending Litigation** - California Government Code Section 54956.9(d)(1),

conference with legal counsel regarding, Alisal Union School District, et al. v. City of Salinas, et al., Monterey County Superior Court Case No. 20CV00340.

ADJOURNMENT

Patricia M. Barajas, City Clerk

AGENDA MATERIAL / ADDENDUM

Any addendums will be posted within 72 hours of regular meetings or 24 hours of special meetings and in accordance with Californian Government Code Section 54954.2 and 54956. City Council agenda reports and other writings distributed to the legislative body may be viewed at the Salinas City Clerk's Office, 200 Lincoln Avenue, Salinas, and are posted on the City's website at www.cityofsalinas.org in accordance with California Government Code section 54597.5. The City Council may take action that is different than the proposed action reflected on the agenda.

Disability-related modification or accommodation, including auxiliary aids or services, may be requested by any person with a disability who requires a modification or accommodation in order to participate in the meeting. Language interpretation may be requested as soon as possible but by no later than 5 p.m. of the last business day prior to the meeting. Requests should be referred to the City Clerk's Office At 200 Lincoln Avenue, Salinas, 758-7381, as soon as possible but by no later than 5 p.m. of the last business day prior to the meeting. Hearing impaired or TTY/TDD text telephone users may contact the city by dialing 711 for the California Relay Service (CRS) or by telephoning any other service providers' CRS telephone number.

PUBLIC NOTIFICATION

This agenda was posted on September 7, 2023 in the Salinas Rotunda and City's website.

Meetings are streamed live at <https://salinas.legistar.com/Calendar.aspx>, televised live on Comcast Channel 25 and on <http://www.youtube.com/thesalinaschannel> at 4:00 p.m. on the date of the regularly scheduled meeting and will be broadcast throughout the day on Friday, Saturday, Monday and Wednesday following the meeting. For the most up-to-date Broadcast Schedule for The Salinas Channel on Comcast 25, please visit or subscribe to our Google Calendar located at <http://tinyurl.com/SalinasChannel25>. All past City Council meetings may also be viewed on the Salinas Channel on YouTube at <http://www.youtube.com/thesalinaschannel>.



Legislation Text

File #: ID#23-438, **Version:** 1

United States Department of Housing and Urban Development Consolidated Annual Performance and Evaluation Report for FY 2022-23

Approve a Resolution affirming the Fiscal Year 2022-23 Consolidated Annual Performance and Evaluation Report (CAPER) and authorize submittal to the United States Department of Housing and Urban Development.



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: SEPTEMBER 12, 2023

DEPARTMENT: COMMUNITY DEVELOPMENT

FROM: LISA BRINTON, DIRECTOR

THROUGH: ROD POWELL, ASSISTANT DIRECTOR

BY: CRISTINA GONZALEZ, COMMUNITY DEVELOPMENT ANALYST
FRANCISCO BRAMBILA, ACTING PLANNING MANAGER

TITLE: UNITED STATES DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT CONSOLIDATED ANNUAL PERFORMANCE AND
EVALUATION REPORT FOR FY 2022-23

RECOMMENDED MOTION:

It is recommended that City Council approve a resolution affirming the Fiscal Year 2022-23 Consolidated Annual Performance and Evaluation Report and authorizing submittal to the United States Department of Housing and Urban Development.

EXECUTIVE SUMMARY:

The City of Salinas (City), as a designated entitlement jurisdiction, is a direct funding recipient of the United States Department of Housing and Urban Development's (HUD) Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), HOME American Rescue Plan (HOME-ARP), and Emergency Solutions Grants (ESG) Programs. As a requirement of the continued receipt of entitlement funding, each year the City must compile and submit a Consolidated Annual Performance and Evaluation Report (CAPER) to United States Department of Housing and Urban Development (HUD). The CAPER provides a comprehensive summary of expenditures, activities, and accomplishments for each of the City's HUD programs for the past fiscal year. This document also serves as a mechanism and opportunity for public evaluation regarding the City's progress in carrying out goals and objectives as stated in its FY 2020-24 Consolidated Plan (Con Plan) and FY 2022-23 Annual Action Plan (AAP). The CAPER is due to HUD no later than ninety (90) days after the end of the City's FY 2022-23. This year, the CAPER is due to HUD no later than September 30, 2023.

BACKGROUND:

The CAPER is a one-year evaluative summary document which describes all eligible projects, programs and activities funded through CDBG, CDBG-CV, HOME, HOME-ARP, ESG and ESG-CV funds and their relationship to the City's housing, homelessness, and community development

priorities and needs. In accordance with the City’s adopted Citizen Participation Plan (CPP), HUD requires a minimum fifteen (15) day public comment period for the CAPER. In compliance with this mandate, a draft CAPER public notice was published in The Monterey Herald on August 26, 2023. The draft CAPER was also made available to the public on the City’s website; at City libraries, City Hall, and the Community Development Department office building; and by request through mail or email. The public comment period for the FY 2022-23 CAPER began on August 26, 2023, and ends on September 12, 2023. This City Council public hearing provides an additional opportunity for the public to provide City Council feedback regarding the draft CAPER and provide input on community development needs within the City. A summary of all public comments received during the public comment period will be included in the City’s final CAPER submission to HUD.

DISCUSSION:

Entitlement Funding & Program Income (PI)

The City is an entitlement jurisdiction for CDBG, CDBG-CV, HOME, HOME-ARP, ESG and ESG-CV programs. HUD provides annual grants on a formula basis to entitled cities and counties to develop viable urban communities by providing decent housing and a suitable living environment and by expanding economic opportunities, principally for low- and moderate-income persons. The City also utilizes program income (PI) related to its various entitlement funds to further fund certain eligible activities on an annual basis. PI is the gross income received by the City that is generated from the use of CDBG and HOME funds. The table below represents total entitlement funding and PI available for FY 2022-23 for CDBG, CDBG-CV, HOME, HOME-ARP, ESG and ESG-CV.

Funding Source	Entitlement Amount	Program Income	Total Funding Available	Total Expenditures
CDBG	\$7,895,276*	\$78,850	\$7,974,126	\$1,361,221
CDBG-CV	\$784,463**	\$0	\$784,463	\$146,103
HOME	\$2,038,430*	\$93,841	\$2,132,271	\$121,982
HOME-ARP	\$2,918,774	\$0	\$2,918,774	\$0
ESG	\$520,705*	\$0	\$520,705	\$465,992
ESG-CV	\$1,752,704**	\$0	\$1,752,704	\$1,646,889
Total	\$15,910,352	\$172,691	\$16,083,043	\$3,745,427

**Includes remaining funds from prior years.*

***Remaining funds from one time allocation.*

Community Development Block Grant (CDBG)

CDBG Entitlement Funds may be used to provide decent housing, support suitable living conditions, and expand economic opportunities, principally for low- and moderate-income persons. CDBG funds may be used for activities which include, but are not limited to:

- Acquisition of real property
- Relocation and demolition
- Rehabilitation of residential and non-residential structures

- Construction of public facilities and improvements, such as water and sewer facilities, streets, neighborhood centers, and the conversion of school buildings for eligible purposes
- Public services (up to 15% of CDBG allocation)
- Activities relating to energy conservation and renewable energy resources
- Provision of assistance to profit-motivated businesses to carry out economic development and job creation/retention activities

In FY 2022-23, the City utilized CDBG funds to support public services, economic development, and public facilities. The following tables show the activities performed with CDBG Entitlement and CDBG-CV funds and their accomplishments for FY 2022-23. Due to the Covid-19 pandemic, implementation of some programs and activities have been delayed.

CDBG Program					
Agency	Activity Name	Funding Category	Available Funding	Expenditures	Outcome
City of Salinas	Program Administration (20% Grant & PI)	Administration	\$430,343	\$430,343	N/A
City of Salinas	Sherwood Recreation Center – Phase 4	Public Facility	\$1,898,663*	\$5,715	Public Facility
City of Salinas	Hebron Recreation Center	Public Facility	\$1,406,613*	\$251,306	Public Facility
City of Salinas	Chinatown Improvements	Public Facility	\$577,980	\$0	Public Facility
First United Methodist Church	Kitchen Remodel	Public Facility	\$466,866*	\$304,285	Public Facility
Alisal Union School District	Buckhorn Early Childhood Development Center	Public Facility	\$968,000*	\$4,321	Public Facility
Interim Inc.	Catalyst Apartments Rehabilitation	Housing	\$518,144*	\$142,270	5 Housing Units
City of Salinas	Natividad Creek and Closter Park Restroom Renovation	Public Facility	\$798,633*	\$54,041	Public Facility
Interim Inc.	Sun Rose Apartments	Housing	\$540,996*	\$147,459	1 - 8-bed Housing Unit
ECHO	Fair Housing and Tenant/Landlord Services	Public Service	\$100,000	\$91,582	165 Households
City of Salinas	Salinas Outreach and Response Team	Public Service	\$135,800	\$0	Households

* Includes funding from previous fiscal years

CDBG-CV Program					
Agency	Activity Name	Funding Category	Available Funding*	FY 2022-23 Expenditures	Outcome
City of Salinas	Program Administration (20% of Grant)	Administration	\$480,031	\$57,830	N/A
City of Salinas	Housing Information, Referral Services & Fair Housing	Public Service	\$400,000	\$52,164	272 Households
City of Salinas	Economic Development and Technical Assistance	Public Service	\$375,000	\$79,614	52 Businesses
Downtown Streets Inc.	Salinas Downtown Streets Team	Public Service	\$238,000	\$113,122	113 Persons
Eden Council for Hope and Opportunity	Fair Housing & Tenant/Landlord Services (CV)	Public Service	\$184,000	\$51,582	23 Households

* Available funding since start of program

Emergency Solutions Grant (ESG)

The ESG and ESG-CV programs utilize federal funds to support communities in providing street outreach, emergency shelter, rental assistance, and related services. These programs provide resources for adults and families with children experiencing or are at-risk of homelessness. The street outreach and emergency shelter program components are capped at 60% of the ESG total funding. This 60% cap was waived by HUD for ESG-CV funds. Additional uses of the ESG and ESG-CV are to provide homelessness prevention assistance to households who are at risk of homelessness, and assistance to rapidly re-house persons who are experiencing homelessness. ESG and ESG-CV funds also provide assistance including short-term or medium-term rental assistance, housing navigation and placement, and housing stability case management.

The City's ESG allocation for FY 2022-23 was \$178,942, however the City had \$341,763.33 of unexpended funds from prior years for a total of \$520,705.33 of available funds for FY 2022-23. From the original award, the City had \$1,752,703.69 in available ESG-CV funds at the beginning of FY 2022-23 to continue funding essential services. The following tables show the agency name, program funded, total number of unduplicated persons served, budgeted amount, and total FY 2022-23 expenditures.

ESG Program					
Agency	Activity Name	Funding Category	Available Funding*	Expenditures	Outcome
City of Salinas	Program Administration	Administration	\$39,793	\$24,564	N/A
City of Salinas	Salinas Outreach and Response Team (SORT)	Public Service	\$237,000	\$187,668	384 Persons
Bay Area Community Services (BACS)	SHARE & Rapid Re-Housing	Public Service	\$198,605	\$198,584	

**Includes funding from previous fiscal years.*

ESG – CV Program					
Agency	Activity Name	Funding Category	Available Funding*	Expenditures	Outcome
City of Salinas	Program Administration (10% of Grant)	Administration	\$643,217	\$77,602	NA
University Corporation at Monterey Bay	Rapid Re-housing (RRH) Program	Public Service	\$381,890	\$256,810	996 Persons
CCCIL	RRH, Outreach, and Shelter Services	Public Service	\$733,505	\$3,359	
Coalition of Homeless Services Providers	HMIS System Operator	Public Service	\$37,545	\$37,545	
Community Homeless Solutions	Chinatown Navigation Center, Shelter and Trailers Operations	Public Service	\$1,546,634	\$348,770	
Downtown Streets Team, Inc.	Salinas Downtown Streets Team - Street Outreach	Public Service	\$575,739	\$168,162	
Interim, Inc.	MCHOME	Public Service	\$250,000	\$82,642	
City of Salinas	SORT & Sanitation Stations	Public Service	\$488,207	\$139,536	
Bay Area Community Services	SHARE Center Operations	Public Services	\$532,465	\$532,465	

**Available funding since start of the program.*

HOME Investment Partnerships Program

The HOME Investment Partnerships Program supports local housing strategies intended to increase home ownership and affordable housing opportunities for low- and very low-income households.

Eligible uses of funds include tenant-based rental assistance, housing rehabilitation, assistance to homebuyers, and new construction of housing. HOME funding may also be used for site acquisition, site improvements, demolition, relocation, and other necessary and reasonable activities related to the development of non-luxury housing.

In FY 2022-23, the City used HOME grant funds for housing activities that expanded the supply of decent, safe, and affordable housing. The FY 2022-23 HOME housing development funds have yet to be allocated to a specific development project, but the City's does have several potential projects moving forward and intends to commit these funds as soon as an appropriate development timelines and other committed source funding is in place.

HOME Program					
Agency	Activity Name	Funding Category	Available Funding*	Expenditures	Outcome
City of Salinas	Program Administration	Administration	\$418,419	\$114,036	N/A
Monterey County Housing Development Corporation	Parkside Manor Phase I	Housing	\$1,017,540	\$7,947	6 Housing Units
To be committed in the future	To be committed on the future	Housing	\$ 1,705,905	\$0	TBD

* Includes funding from previous fiscal years.

HOME American Rescue Plan

The Allocation Plan for the HOME ARP was developed and submitted to HUD on March 21, 2023, and approved on May 26, 2023. In its Plan, the City recommended that 15% of its HOME-ARP allocation (\$437,816.10) be used for allowable program administration and planning activities and that the remaining allocation of \$2,480,957.90 (85%) be directed toward supportive service funding associated with two of three Homekey permanent supportive housing sites (Step Up on Sanborn and Step Up on Fairview) and other emerging “bed generating” projects. It is estimated that up to ninety-nine (99) Homekey units for qualifying populations could be supported with the recommended HOME-ARP AP. This recommendation is strongly supported by the robust input provided by local service providers, stakeholders, and other community organizations during the required consultation process. Expenditure of HOME ARP funds are not projected to occur until FY 26-27.

HOME-ARP Program					
Agency	Activity Name	Funding Category	Available Funding	Expenditures	Outcome
City of Salinas	Program Administration	Administration	\$437,816.10	\$0	N/A

Step Up on Second St	Step Up on Sanborn	Supportive Services	\$2,480,957.90	\$0	Persons
	Step Up on Fairview				

CEQA CONSIDERATION:

The City of Salinas determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) per Guidelines Section 15378.

STRATEGIC PLAN INITIATIVE:

HUD funded activities and projects are supportive of City of Salinas Strategic Plan 2022-2025 Goals and Strategies relative to Economic Development, Housing/Affordable Housing, and Effective and Culturally Responsive Government.

DEPARTMENT COORDINATION:

This agenda item originates from the City's CDD Housing & Community Development Division with coordination and consultation of other City departments including the City Attorney, and Finance, Public Works, and Library and Community Services Departments.

FISCAL AND SUSTAINABILITY IMPACT:

There is no direct fiscal impact the General Fund. HUD entitlement fund allocations are provided directly to the City by HUD and require no commitment of matching City funds.

ATTACHMENTS:

Resolution
FY 2022-23 CAPER – Draft

RESOLUTION NO. _____ (N.C.S.)

A RESOLUTION OF THE SALINAS CITY COUNCIL AFFIRMING THE FY 2022-23 CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT AND AUTHORIZING SUBMITTAL TO THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WHEREAS, the FY 2022-23 Consolidated Annual Performance and Evaluation Report (CAPER) is an annual report describing eligible projects, programs and activities that were undertaken with United States Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) Program, CDBG CARES Act COVID-19 (CDBG-CV), Home Investment Partnerships Program (HOME), HOME American Rescue Plan (HOME-ARP), Emergency Solutions Grants (ESG) Program, and ESG-CV funds for the period of July 1, 2022 through June 30, 2023; and

WHEREAS, the FY 2022-232 CAPER summarizes the City of Salinas' (City) progress in meeting the public service, community development, and affordable housing needs in relation to the 2020-24 Consolidated Plan (Con Plan) and FY 2022-23 Annual Action Plan (AAP) for activities carried out under CDBG, CDBG-CV, HOME, HOME-ARP, ESG and ESG-CV programs; and

WHEREAS, in accordance with 24 CFR Part 91.105, the City is required to conduct a public hearing each year to obtain citizens' views on housing and community development needs; and

WHEREAS, HUD regulations in accordance with the City's adopted Citizen Participation Plan (CPP) requires a minimum fifteen (15) day CAPER public comment period; and

WHEREAS, the FY 2022-23 CAPER is due to HUD no later than September 30, 2023; and

WHEREAS, a notice was published in The Monterey Herald on August 26, 2023, announcing the minimum fifteen (15) day CAPER public comment period beginning August 26, 2023 through September 12, 2023 and informed the public of an upcoming public hearing at the City Council meeting scheduled for September 12, 2023; and

WHEREAS, at that scheduled hearing, the City Council accepted comments on housing and community development needs in a public hearing announced for that purpose; and

NOW, THEREFORE, BE IT RESOLVED that the Salinas City Council hereby affirms the FY 2022-23 CAPER and authorizes the submission to HUD including all public comments received; and

BE IT FURTHER RESOLVED that the Salinas City Council hereby authorizes the City Manager or designee, for and on behalf of the City, to submit the FY 2022-23 CAPER to HUD by September 30, 2023.

PASSED AND APPROVED this 12th day of September 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Kimbley Craig, Mayor

ATTEST:

Patricia M. Barajas, City Clerk

City of Salinas FY 2022-23

CONSOLIDATED ANNUAL PERFORMANCE EVALUATION REPORT

(CAPER - JULY 1, 2022 TO JUNE 30, 2023)



Community Development Department
Housing & Community Development Division
65 W. Alisal St, 2nd Floor
Salinas, CA 93901
(831) 758-7334



DRAFT

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CR-05 - Goals and Outcomes

Progress the jurisdiction has made in carrying out its strategic plan and its action plan. 91.520(a)

This is an overview that includes major initiatives and highlights those that were proposed and executed throughout the program year. The City of Salinas (City) is designated as an entitlement community for three funding programs administered by HUD: Community Development Block Grant (CDBG); HOME Investment Partnerships; and Emergency Solutions Grants (ESG). The FY 2022-23 Consolidated Annual Performance Evaluation Report (CAPER) describes the City's affordable housing and community development activities between July 1, 2022, through June 30, 2023. **The CAPER also provides an evaluation of the City's progress in carrying out the goals and objectives as stated in the Five-Year Consolidated Plan FY 2020–24 and the FY 2022-23 Action Plan.** This CAPER also reports on the activities performed with CDBG-CV and ESG-CV funds.

Affordable Housing Multi-Family and Single-Family:

- **Housing Services Program:** The Housing Services Program was suspended due to staffing shortage and no allocation of funds during FY 2021-22 or FY 2022-23. The Program is currently being re-evaluated, and the City intends to re-instate this program in the future.
- **Parkside Manor Housing Development Project – Phase I:** The Parkside Manor Housing Development Project – Phase I is located at 1112 Parkside Street in the City of Salinas. In FY 2021-22, the developer, Monterey County Housing Authority Development Corporation (MCHADC), demolished 48 existing senior housing units and committed to the construction of 80 new senior residential units, along with supporting improved infrastructure and amenities. Parkside Manor Housing Development Project - Phase I received a total of \$1,017,540 of HOME funds. As of the end of the fiscal year, 98% of the funds (\$938,389.20) were disbursed to the Housing Authority of the County of Monterey. The City retains 2% of the funds (\$19,150.80) until the project is completed and all closeout data are received. Construction of the building was completed on November 23, 2022, and had its grand opening on January 19, 2023. The City and the Housing Authority of the County of Monterey are currently working on the final closing documents and final disbursement of the HOME funds.
- **Sun Rose Apartments Project:** The Sun Rose Apartments is a new construction project being developed by Interim Inc. This new housing facility will include an 11-unit transitional and permanent housing unit with supportive services for 18 very low-income individuals with mental health disabilities who are homeless, chronically homeless, or at-risk of homelessness. The facility includes a three-story building with two patios, eight parking spaces, seven 1-bedroom units, three studio units, and an 8-bedroom transitional unit with shared amenities. The project was awarded \$547,860 in CDBG funds for construction and an additional \$47,860 for Activity Delivery funds. In conjunction with the CDBG funds, the City extended its support by providing an additional \$500,000 in the form of a loan using Housing Successor Agency (HSA) Funds. This financial boost became necessary to navigate the increase of construction costs. However, the project encountered noteworthy setbacks in establishing power supply to the facility due to PG&E-related challenges. Despite these setbacks, the project is on track to be finalized in the summer of 2023.
- **Catalyst Apartments Rehabilitation Project:** The rehabilitation of the Catalyst Apartments, an affordable rental complex, was spearheaded by Interim Inc., a non-profit developer, beginning March of 2021. The project was awarded \$500,000 for the rehabilitation of the five unit one-bedroom apartment complex which will house individuals with mental disabilities and \$50,000 for Activity Delivery. The rehabilitation included significant improvements to the building exterior, interior and common areas. The project was completed in January 2022. City and Interim staff reconciled all close out documents, issued the final payment, and close the project in IDIS in June of 2023.

HOME American Rescue Plan: The Allocation Plan (AP) for the HOME American Rescue Plan (ARP) was submitted to HUD for final review and approval in October of 2022. By January 2023, HUD granted its final approval and awarded

a total of \$2,918,774. The City is proposing to fund supportive services at two HomeKey sites, both currently undergoing rehabilitation. These sites will collectively create 101 affordable rental housing units to house persons experiencing homelessness. The supportive services for participants of the program will include but are not limited to case management, housing services and counseling, transportation, financial assistance, and substance abuse treatment. It is anticipated that the financial allocation for supportive services will be sustained for a minimum duration of four years with an estimated annual budget of \$620,000.

Homeless Facilities and Services: The City continued to fund homeless services and facilities using ESG funds. The following services have been provided through ESG to date:

- Salinas Outreach and Response Team (SORT): SORT was developed during FY 2021-22, to provide outreach and engagement services to unsheltered encampments. A total of 41 persons were enrolled in street outreach services through ESG. In FY 2022-23 a total of 187 persons were enrolled and engaged in case management services. 19 persons were successfully housed through street-based coordination and support. A total of 3 persons successfully entered into an emergency shelter program.
- Salinas Housing Advancement, Resources & Education (SHARE) Center: During FY 2021-22 the City and Monterey County joined efforts to fund the SHARE Center operated by Bay Area Community Services (BACS). The SHARE Center is a 24-hour shelter and housing navigation center located at 845 E. Laurel Drive in Salinas. During FY 2022-23 a total of 122 persons were served and 53 persons secured housing through financial assistance.

In addition, the City provided funding for the development of Sun Rose Apartments, a supportive housing facility of 11 units to benefit persons with mental illness. The City also provided funding for the rehabilitation the Catalyst Apartments, a five-unit apartment complex,. This project also assisted and benefited persons with mental illnesses (see **"Affordable Housing Multi-Family and Single-Family" Projects** above for more details).

Neighborhood Conditions: During FY 2022-23, one public service program was funded with CDBG funds.

- Fair Housing and Tenant/Landlord Services Program: Eden Council for Hope and Opportunity (ECHO) provides fair housing counseling and investigation and tenant/landlord counseling and conciliation regarding rental housing rights and responsibilities and the protections available regarding laws and ordinances. ECHO assisted 163 households during this fiscal year.

Public facilities and improvements:

- Hebbbron Family Center Project: The Hebbbron Family Center Project is located on 683 Fremont Street. This project is being developed and managed by the City's Public Works and Library and Community Services Departments. The project was awarded \$1,306,613 in CDBG Entitlement Funds from FY 2020-21 and FY 2021-22 CDBG program funds for the soft cost activities of the project and \$100,000 for Activity Delivery. The funds are earmarked for the soft costs of the project which include: design, development, and project/construction management. In FY 2022-23, the Environmental Assessment for the project was completed submitted to HUD in November 2022. Subsequently in December 2022, the demolition permit for the center was approved and in April of 2023, the existing Hebbbron Family Center was demolished. The design and development team continued to work on the schematics and design of the new center. The project will continue into FY 2023-24 and is expected to be completed by April of 2025.
- Sherwood Recreation Center Project – Phase IV: The Sherwood Recreation Center is located on 920 N. Main Street. This project is being managed by the City's Community Development and Library and Community Services Departments. The CDBG Entitlement funding for Phase IV of this project was initially allocated under FY 2020-21 and FY 2021-22 AAP and it included a total of \$1,728,633 for the direct construction and improvements of the project and \$170,000 for Activity Delivery. The City identified an emerging project, the Hebbbron Family Center, which required prioritization of funds. This urgency required to reallocate a portion of the funds from the Sherwood Recreation Center to the Hebbbron Family Center project and this was done through a substantial amendment. The amounts reallocated from the Sherwood Recreation Center – Phase IV were then allocated under the City's FY 2022-23 AAP to carry forward with this project as intended. On

December 2022, the City completed an Exempt ERR for emergency roof repairs due a severe storm. On November 2022, City staff released a Request for Qualifications (RFQ) for a Project and Construction Management consultant to assist the Housing and Community Development Division with several public facility projects. This RFQ included the Sherwood Recreation Center – Phase IV. The RFQ closed on December 2022 with two proposals submitted. City staff reviewed proposals and conducted interviews. CSG Consultants, Inc. (CSG) were the selected company to assist the City with these services. The City entered into a Master Services Agreement with CSG in February of 2023. CSG begun the design phase of the project as well as the CEST level ERR for the construction pieces of the project. The design and environmental review phase of the project are expected to be completed by December 2023. The project is expected be completed by June 2024.

- Chinatown Neighborhood Improvements: The Chinatown Neighborhood Improvements is not project that includes one parcel, but rather the Chinatown neighborhood in the City of Salinas. This project is being manage **by the City's Community Development Department**. The potential project area is to match the same area of the Chinatown Revitalization Plan. This neighborhood project received a total of \$577,980 in CDBG Entitlement funds towards construction activities with an additional \$30,000 earmarked as Activity Delivery. In FY 2022-23, City staff collaborated with the Salinas Downtown Community Board which includes stakeholders from the business sector, nonprofits, and neighborhood residents. This board is focused on preserving the history and cultural identity of the Salinas Chinatown. Eighty-six (86%) percent of board members participated in a survey to reestablish priorities and identify implementation projects for funding in the Chinatown neighborhood. Feedback revealed strong support for infrastructure, sanitation, and beautification projects. On August 2022, City staff completed an Exempt Environmental Review Record for the soft cost activities of the project. On the RFQ for Project and Construction Management that was released in December 2022, this project was included. City staff have engage CSG to begin working on the project. The City also started collaborating with the Public Works Department to narrow down a more specific project in the Chinatown neighborhood that can be accomplished with the awarded CDBG funds.
- First United Methodist Church Kitchen Rehabilitation: The FUMC is located at 404 Lincoln Avenue. The project is being manage by the Salinas First United Methodist Church Project. The project was awarded \$494,662 of CDBG Entitlement Funds from FY 2017-18 for the rehabilitation activities of the project. The project was schedule to be completed in FY 2022-23, yet due to construction supply shortages, the project completion was delayed, and an extension was granted for construction and expenditure of funds to September 2023. In FY 2022-23, the City disbursed \$326,814.54 and retained 5% of the funds (\$24,743.10) until project completion. Projected completion for the facility is projected for September of 2023.
- Early Childhood Development Center (ECDC): The ECDC project is located on 1018 Buckhorn Drive. This project is being manage by the Alisal Union School District (AUSD) and the project received \$880,000 of CDBG Entitlement Funds for the construction of the project and an additional \$88,000 for Activity Delivery from FY 2019-20. In FY 2022-23, the City and AUSD completed and executed the CDBG and the Land Use Disposition (LDA) Agreements. AUSD submitted this project to the California Division of the State Architect (DSA) for review and approval and expects final approval for the project by September 2023. If approved on-time, the project may be taken out to bid on November 2023, start construction by January 2024, be completed by January 2025 and be placed in operations by May 2025.
- Natividad Creek and Closter Park Restroom Rehabilitation Projects: Initially this project was going to include two parks, the Natividad Creek Park and the Closter Park, yet, due to budget constraints and cost, City staff determined to move only with one project, the Natividad Creek Park Restroom Rehabilitation. This project is located on 1395 Nogal Drive. This project is being managed by **City's Community Development and Library and Community Services Departments**. The rehabilitation activities of this project included ADA upgrades inside and outside the restroom as well as new ADA parking stalls. The City awarded \$442,070 in CDBG Entitlement funds through its FY 2019-20 AAP. In FY 2022-23, City staff released two Request for Proposals (RFP), in December 2022 and April 2023, but was unable to award contract. After the two **unsuccessful RPF's**, **staff** directly requested proposals from contractors, and awarded the contract to HA

Construction on June 20, 2023. Projected is scheduled to begin construction in September 2023 and rehabilitation activities are expected to be completed by the end of 2023.

CDBG-CV

The City received \$1,190,782 as CDBG-CV1 funds and \$1,209,375 in CDBG-CV3 funds, for a total of \$2,400,157 in CDBG-CV funds through a Substantial Amendment to the FY 2019-20 AAP. The City continued to expend the CV funds over the FY 2022-23 period. Specifically, the following activities were underway:

- Eden Council for Hope and Opportunity (ECHO): ECHO is educating the community regarding the housing protections available post COVID-19. In addition, ECHO responds to fair housing complains, conducts audits, and provides conciliation and mediation services. ECHO assisted 170 persons.
- Salinas Downtown Street Team: This program launched cleanup crews in Chinatown and Downtown Salinas comprised of unhoused Team Members who would receive basic needs stipend for their participation. Team Members are provided with case management services related to housing stability. Team Members will receive pre-employment services to facilitate their path to regular employment. This program assisted 113 persons in FY 21-22. In FY 22-23 this program served 50 persons through regular CDBG funds.
- City of Salinas Housing Information and Referral Services: The City of Salinas has been providing housing information, education, and referral services to Salinas residents through the Emergency Rental Assistance Program (ERAP), created in response to the COVID-19 Pandemic. As of June 2023, the City of Salinas has assisted 272 households through the ERAP Program.
- The Grow Salinas Fund (GSF) / Economic Development Technical Assistance: Through this activity City of Salinas Business Navigator assisted about 285 unduplicated businesses and 233 duplicated businesses. Of those 389 were located in the ANSRA, 292 were existing businesses and 97 were new. About 129 were located outside of this area and 97 were existing and 32 were new. 3 businesses located outside of the ANSRA are currently being assisted for the City's Outdoor Dining Forgivable Loan Program. For the City of Salinas Marketing and Technology Micro-Grants, 7 businesses located outside of the ANSRA are being assisted in the process and one has been fully funded, 22 businesses located in the ANSRA are being assisted in the application process and 5 have been fully funded. Additionally, businesses were assisted through emails, phone calls, acquiring and renewing business licenses, referrals to community business organizations and promotion of workshops.

ESG-CV

The City was awarded a total of \$6,432,171 in ESG-CV funds through a Substantial Amendment to the FY 2019-20 AAP, and continued to spend the CV funds over the FY 2022-23 period. From the original award, the City had \$1,752,703.69 in available ESG-CV funds at the beginning of FY 2022-23 to continue funding essential services such as Rapid Re-housing, Emergency Shelter, Street Outreach, HMIS, and grant administration for the homeless population. By the end of the fiscal year, the City had \$105,814.24 in funds remaining from this program. There are no additional plans from Congress to fund ESG-CV program as it was a program to respond to the COVID-19 pandemic. The following activities were underway during FY 2022-23:

- Coalition of Homeless Providers (CHSP): CHSP serves as the HMIS program coordinator and CE lead agency for the Monterey and San Benito Counties. During FY 2022-23 CHSP expended \$37,545 to continue serving as the HMIS program coordinator.
- Salinas Housing Advancement, Resources & Education (SHARE) Center: During FY 2021-22 the City and Monterey County joined efforts to fund the SHARE Center operated by BACS. The SHARE Center is a 24-hour shelter and housing navigation center located at 845 E. Laurel Drive in Salinas. During FY 2022-23 BACS expended a total of \$532,465 in Emergency Shelter funds to serve 122 persons.
- Emergency Shelter for Persons with Disabilities program: (CCCIL): Final disbursement of \$3,358.55 for Central Coast Center for Independent Living's (CCCIL) Emergency Shelter for Persons with Disabilities

program was done in FY 2022-23. This disbursement was for the Emergency Shelter and Rapid Re-housing components. All persons served under this program were reported in prior fiscal year.

- Chinatown Navigation Center (CNC): The CNC provides overnight shelter seven days per week to single homeless women and men. Community Homeless Solutions (CHS) served as the operator for the CNC. There were \$348,769.60 in Emergency Shelter expenses during FY 2022-23. Clients are provided warm meals, a sleeping area and security services. Overall, the CNC provided 11,750 bed nights of emergency shelter and served a total of 214 persons.
- Downtown Street Team (DTS): There were a total of \$168,161.66 in Street Outreach disbursements during FY 2022-23 and served 56 persons through ESG-CV with an opportunity to become a cleanup crew member and receive case management and employment training.
- MCHOME Program: A total of \$82,641.91 were disbursed during FY 2022-23 to Interim Inc., to provide street outreach and emergency shelter services through motel vouchers to homeless individuals with serious mental illness. Interim outreached 26 individuals and provided 343 bed nights of emergency shelter.
- Emergency Motel Program Services and Rapid Re-housing Services: A total of \$256,809.98 were disbursed for these two programs by University Corporation at Monterey Bay (UCMB), which provided street outreach and rapid rehousing stabilization services to 422 persons. FY 22-23 UCMB continued to partner with CCCIL to operate the Emergency motel program. A total of 84 persons were served through ESG-CV and a total of 23 persons were permanently housed.
- Salinas Outreach and Response Team (SORT): The City created SORT in FY 2021-22 to better serve and coordinate services for the homeless community during the COVID-19 pandemic. In FY 2022-23 a total of \$217,137.45 in Emergency Shelter and Street Outreach were disbursed to SORT. The SORT team continued to provide linkages and referrals to essential services to 433 persons through outreach and engagement services, additionally SORT evolved to provide street-based case management services to 34 persons through ESG-CV. A total of 8 persons were housed through street outreach coordination and a total of 19 persons successfully enrolled in an emergency shelter program through referrals from SORT.

Comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward meeting goals and objectives. 91.520(g)

Categories, priority levels, funding sources and amounts, outcomes/objectives, goal outcome indicators, units of measure, targets, actual outcomes/outputs, and percentage completed for each of the grantee's program year goals.

Table 1 - Accomplishments – Program Year & Strategic Plan to Date

Goal	Category	Source / Amount	Indicator	Unit of Measure	Expected – Strategic Plan	Actual – Strategic Plan	Percent Complete	Expected – Program Year	Actual – Program Year	Percent Complete
Increased Decent and Affordable Housing	Affordable Housing	HOME: \$1,713,852	Rental units constructed	Household Housing Unit	25	17	68.00%	5	5	100.00%
			Homeowner Housing Rehabilitated	Household Housing Unit	25	3	8.00%	0	0	NA
Enhanced Homeless Facilities and Services	Homeless	CDBG: \$135,800 ESG: \$494,021 ESG-CV: \$1,667,842 HOME-ARP: \$2,480,958	TBRA/Rapid Re-Housing	Persons Assisted	50	134	268%	10	53	530%
			Public Service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	500	300	60%	50	187	374%
			Homeless Person Overnight Shelter	Persons Assisted	1,300	221	17%	225	0	0.00%
			Homelessness Prevention	Persons Assisted	25	1	4.00%	5	0	0.00%

Goal	Category	Source / Amount	Indicator	Unit of Measure	Expected – Strategic Plan	Actual – Strategic Plan	Percent Complete	Expected – Program Year	Actual – Program Year	Percent Complete
Enhanced Neighborhood Conditions	Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$1,570,872 CDBG-CV: \$742,729	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	100,000	0	0.00%	51,200	0	0.00%
			Public Service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	4,000	584	14.60%	200	163	81.50%
			Businesses Assisted	Businesses Assisted	20	0	0.00%	0	0	0.00%

Assess how the jurisdiction's use of funds, particularly CDBG, addresses the priorities and specific objectives identified in the plan, giving special attention to the highest priority activities identified.

During FY 2022-23, the City continued to implement the priority needs established in the City's current FY 2020-24 Consolidated Plan. All High Priority Needs identified in the Consolidated Plan received funding from CDBG, HOME, and/or ESG programs. The City was able to achieve or remain on track to achieve most of its goals and objectives. Specifically, the City pursued the following affordable housing projects (described in detail earlier):

- Parkside Manor Housing Development Project – Phase I: This project is located at 1112 Parkside Street in the City of Salinas. In FY 2021-22, the developer demolished 48 existing senior housing units and proposed the construction of 80 new senior residential units, along with supporting improved infrastructure and amenities. During FY 2022-23, the General Contractor completed construction of the project in November 2022. Although the Housing Authority of the County of Monterey held a grand opening on January 19, 2023, tenants were allowed to move in November 2022.
- Sun Rose Apartments: This project is an 11-unit transitional/permanent supportive housing facility with supportive services for very low-income individuals with mental health disabilities who are homeless, chronically homeless, or at-risk of homelessness. The address is confidential. This new construction project consists of a three-story building, two patios and eight parking spaces. The development includes seven 1-bedroom units, three studio units and an

8-bedroom transitional unit with shared amenities. Building permits for this Project were approved and issued in June of 2021 and construction is currently underway with an anticipated completion by the summer of 2023.

- Catalyst Apartments Rehabilitation Project: The non-profit developer, Interim Inc. began the renovation of the Catalyst Apartments in March of 2021. The address for this project is confidential. This affordable rental complex included the rehabilitation of 5 1-bedroom apartment units. Construction was completed in January of 2022. Interim Inc. and City staff collaborated to close-out documents, issue final payment, closed the project in IDIS by June 2023.
- Salinas Housing Advancement, Resources & Education Navigation Center (SHARE): In FY 2021-22 and FY 2022-23 ESG funds were used to provide rapid rehousing financial assistance to the SHARE center to quickly and efficiently move persons from emergency shelter into permanent housing. A total of 85 persons have been housed through the use of these funds in the past two fiscal years. The City is surpassing the 5-year rapid rehousing goal.
- First United Methodist Church (FUMC) Kitchen Rehabilitation: On March 29, 2019, the FUMC and the City entered into a CDBG Grant Funding Agreement for a project that includes but is not limited to the reconstruction of the existing kitchen facility, lead and asbestos remediation, sewer line repairs, modification of existing bathrooms and ADA improvements. In FY 2022-23, the City disbursed \$326,814.54 and is currently retaining 5% of the funds (\$24,743.10) until project completion. Rehabilitation of the facility is expected to be completed no later than December 2023.

DRAFT

CR-10 - Racial and Ethnic composition of families assisted

Describe the families assisted (including the racial and ethnic status of families assisted). 91.520(a)

	CDBG	CDBG-CV	HOME*	ESG	ESG-CV
White	159	234		258	94
Black or African American	4	16		27	14
Asian	0	2		4	0
American Indian or American Native	0	2		11	4
Asian and White	0	0			0
Native Hawaiian or Other Pacific Islander	0	1		1	0
Other	0	17		8	6
Total	163	272		309	118
Hispanic	104	159		222	65
Not Hispanic	59	113		87	53

* No HOME projects were completed in FY 2022-23

Narrative

The City assisted 163 residents/households with public services through the ECHO Fair Housing Services that are available citywide. This table also includes the 272 persons assisted with CDBG-CV funds. However, some of the assisted residents preferred not to answer or **didn't provide an answer for ethnicity, which are not provided in the above table**. About 79 percent of those assisted with CDBG were Hispanic.

While the Catalyst Apartments project has been completed. The City is in the process closing out the project and tenant data is not yet available.

In addition to 309 persons assisted with ESG, the table above also includes 118 persons assisted with ESG-CV funds. Only persons enrolled into the HMIS are included in this table. For additional details on ESG-funded homeless prevention and intervention services, please refer to the SAGE – HMIS database and report.

CR-15 - Resources and Investments 91.520(a)

Identify the resources made available

Source of Funds	Source	Resources Made Available	Amount Expended During Program Year
CDBG	Public	\$7,974,126	\$1,361,220
CDBG-CV	Public	\$784,463	\$146,103
HOME	Public	\$2,132,271	\$121,982
HOME-ARP	Public	\$2,918,774	\$0.00
ESG	Public	\$520,705	\$465,992
ESG-CV	Public	\$1,752,704	\$1,646,889

Table 2 - Resources Made Available

Narrative

The CDBG allocation for FY 2022-23 was \$2,073,339 and the City also received \$78,849.69 in Program Income (PI). The City had an unexpended \$5,821,937 from previous program years for a total of \$7,974,125.69 of available resources. Of the \$1,361,220.84 expended during FY 2022-23, \$305,347.68 (22.4%) benefitted the Alisal NRSA the rehabilitation of the Hebborn Family Center and Natividad Creek Park.

The City was allocated a total of \$2,400,157 in CDBG-CV program funds in FY 2020-21. As of the beginning of FY 2022-23, the City had expended a total of \$1,615,694.49 of its allocation. During FY 2022-23, the City expended a total of \$146,102.71 on public services and homeless assistance in response to COVID, along with administration of these activities. There is still a total of \$638,359.80 remaining to draw until the end of the term in August 2026.

The City's HOME allocation for FY 2022-23 was \$911,007 and received a total of \$93,841.39 of PI. The City also had an unexpended amount of \$1,127,423 from prior fiscal years, bringing the total amount of HOME funding available to \$2,132,271.43 for FY 2022-23. Of the available funds \$121,982.28 were expended during this period.

The Allocation Plan (AP) for the HOME American Rescue Plan (ARP) was submitted to HUD for final review and approval in October of 2022. By May 26, 2023, HUD granted its final approval and awarded a total of \$2,918,774. There were no expenditures during FY 2022-23.

The City's ESG allocation for FY 2022-23 was \$178,942, however the City had \$341,763.33 of unexpended funds from prior years for a total of \$520,705.33 of available funds for FY 2022-23. There were \$465,991.56 of expenditures during this period.

The City was awarded a total of \$6,432,171 in ESG-CV funds through a Substantial Amendment to the FY 2019-20 AAP, and continued to spend the CV funds over the FY 2022-23 period. From the original award, the City had \$1,752,703.69 in available ESG-CV funds at the beginning of FY 2022-23 to continue funding essential services such as Rapid Re-housing, Emergency Shelter, Street Outreach, HMIS, and grant administration for the homeless population. By the end of the fiscal year, the City had expended \$1,646,889.45 leaving \$105,814.24 in funds remaining from this program.

In summary, of all funds expended during FY 2022-23 (CDBG, CDBG-CV, ESG, ESG-CV, and HOME, totaling \$3,745,427.27), the funds benefitting the target areas include:

- Alisal NRSA - \$305,347.68 (CDBG);
- Chinatown Revitalization Area - \$348,769.60 (ESG-CV)

Identify the geographic distribution and location of investments

Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description
Alisal Neighborhood Revitalization Strategy Area	0		Two CDBG Public Facilities
Chinatown Revitalization Area	17		One ESG-CV Public Service Activity

Table 3 – Identify the geographic distribution and location of investments

Narrative

Alisal Neighborhood Revitalization Strategy Area (NRSA)

This area represents one of the most distressed neighborhoods in the City. This area has some of the highest concentrations of poverty and substandard living conditions in the City. The area faces challenges such as inadequate public infrastructure, high levels of unemployment, high levels of poverty, and violent criminal activity. Within the Alisal NRSA, 26.4% of all residents' lives in poverty, a higher proportion than the City overall (17.2 percent).

For the FY 2022-23 Action Plan, no CDBG funds were allocated to activities benefitting the Alisal NRSA. However, during FY 2022-23, the City expended funding from prior years on the rehabilitation of the Hebron Family Center and Natividad Creek Park, both of which are in the Alisal NRSA. A third project, Early Childhood Development Center, is not located in the Alisal NRSA, yet the project will serve children living in the Alisal NRSA.

Chinatown Area

The 12 blocks that form the Chinatown area are primarily located within Census Tract 18.02 Block Group (BG) 2. This BG has a population of about 2,000, with 78.5 percent being low and moderate income. Large numbers of homeless individuals have been camping in Chinatown over the past decade. The Coalition of Homeless Service Providers has counted 300 people living on the streets within this area at the height of the encampments within this neighborhood.

During FY 2022-23, the City allocated funds to provide services to address the needs of the unsheltered in this area include ESG-CV funding to Community Homeless Solutions to operate the Chinatown Navigation Center (CNC) and provide rapid rehousing services that benefit the households Chinatown Area. Along with daily walk-in shower and restroom service, hygiene and clothing closet. In addition, through the Salinas Outreach and Response Team (SORT) services such as engagement, linkages and referrals to other services were provided to households living in Chinatown and throughout the City. SORT takes an active role in locating and connecting the unsheltered households to the CNC and SHARE Center to encourage shelter and connect them to housing pathway services.

In addition to the two above mentioned activities, in FY 2021-22 AAP, the City had allocated a total of \$607,980 in CDBG program funds to the Chinatown Neighborhood Improvements project for construction and activity delivery. However, through a substantial amendment to the FY 2021-22 AAP, the funds for this activity were reallocated to the Hebbroon Family Center project. Nevertheless, the funding amounts de-obligated from the Chinatown Neighborhood Improvements project were re-obligated under the City's FY 2022-23 AAP.

Chinatown Slum and Blight Designation

On May 16, 2019, Kimberly Nash, the Director of the Community Planning and Development Division, accepted the Chinatown Slum and Blight Designation Report. With the designation of Chinatown as a Slum and Blight Area, the City **has a greater opportunity to revitalize it. Chinatown is at the heart of Salinas and it's an integral part of the City's rich** history. This designation was effective July 1, 2017 and will continue for a period of 10 years after. The designation covers an area of six-blocks that are physically separated from the surrounding Downtown and the Intermodal Transit Center by the Union Pacific railroad tracks and by the main arterials such as East Market Street, Sherwood Drive, East Rossi Street, Monterey Street and North Main Street. The neighborhood includes the following minor streets: East Lake Street, California Street, Soledad Street, Market Way, Bridge Street. Within the neighborhood, there are three (3) alleys: Bridge, Rossi, and Lake.

Leveraging

Explain how federal funds leveraged additional resources (private, state, and local funds), including a description of how matching requirements were satisfied, as well as how any publicly owned land or property located within the jurisdiction that were used to address the needs identified in the plan.

During FY 2022-23, there were several affordable housing projects which were described in detail earlier. These projects include the Catalyst Apartments, Sun Rose Apartments, and Parkside Manor-Phase I; and required the layering of multiple funding resources.

The City also received HOME-ARP funds in the amount of \$2,918,774. These funds are intended to provide supportive services at two HomeKey sites that are currently under rehabilitation.

For Public Services subrecipients, ESG funding is often an essential source of funding that allows access to other **funds. None of the subrecipients' essential safety** net programs are funded exclusively by ESG. Local community foundations require matching funding and City of Salinas CDBG funds have frequently fulfilled that requirement.

There are also other more subtle forms of leverage. Public investment in a particular neighborhood (upgrading water mains or installing traffic signals or street lighting), for example, can be an inducement for additional investment by area property owners affected by the improvements.

In addition, the City is working on establishing several new public/community facilities on City-owned properties:

1081 Buckhorn Drive: The City purchased 1081 Buckhorn Drive with HUD Economic Development Initiatives (EDI) funds with the specific objective to develop a childcare center. This 0.8-acre property is located immediately outside of the Alisal NRSA; it is expected that this childcare center would primarily serve Alisal residents. The City is working with the Alisal Union **School District (AUSD) to develop the site for the District's Early Childhood** (Preschool) and Day Care programs. The Alisal Union School District (AUSD) and City completed the Environmental Assessment for the Early Childhood Development Center and obtained an Authority to Use Grant Funds (AUGF) in November of 2020. AUSD will submit this project to the California Division of the State Architect (DSA) for review and approval. DSA approval is expected to be accomplished by September 2023. The project is estimated to go out to bid on November 2023, begin construction in January 2024, be completed by January 2025 and placed in operations by May 2025.

HOME Match Contribution: The excess match carried over from the previous program year 2021 is \$6,372,712. There was no match contribution for program year 2022.

Fiscal Year Summary – HOME Match	
1. Excess match from prior Federal fiscal year	\$6,372,712
2. Match contributed during current Federal fiscal year	\$0
3. Total match available for current Federal fiscal year (Line 1 plus Line 2)	\$6,372,712
4. Match liability for current Federal fiscal year	\$0
5. Excess match carried over to next Federal fiscal year (Line 3 minus Line 4)	\$6,372,712

Table 4 – Fiscal Year Summary - HOME Match Report

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Match Contribution for the Federal Fiscal Year								
Project No. or Other ID	Date of Contribution	Cash (non-Federal sources)	Foregone Taxes, Fees, Charges	Appraised Land/Real Property	Required Infrastructure	Site Preparation, Construction Materials, Donated labor	Bond Financing	Total Match
N/A								

Table 5 – Match Contribution for the Federal Fiscal Year

HOME MBE/WBE report

Program Income – Enter the program amounts for the reporting period				
Balance on hand at beginning of reporting period	Amount received during reporting period	Total amount expended during reporting period	Amount expended for TBRA	Balance on hand at end of reporting period
\$668,868.24	\$93,841.39	\$33,642.89	\$0	\$729,066.74

Table 6 – Program Income

Minority Business Enterprises and Women Business Enterprises – Indicate the number and dollar value of contracts for HOME projects completed during the reporting period						
	Total	Minority Business Enterprises				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Contracts						
Number		0	0	0	0	
Dollar Amount		0	0	0	0	
Sub-Contracts						
Number		0	0	0	0	
Dollar Amount		0	0	0	0	
	Total	Women Business Enterprises	Male			
Contracts						
Number	0	0	0			
Dollar Amount	\$0.0	\$0.0	\$0.0			
Sub-Contracts						
Number	0	0	0			
Dollar Amount	\$0.0	\$0.0	\$0.0			

Table 7 – Minority Business and Women Business Enterprises

Minority Owners of Rental Property – Indicate the number of HOME assisted rental property owners and the total amount of HOME funds in these rental properties assisted						
	Total	Minority Property Owners				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Number	0	0	0	0	0	0
Dollar Amount	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Table 8 – Minority Owners of Rental Property

Relocation and Real Property Acquisition – Indicate the number of persons displaced, the cost of relocation payments, the number of parcels acquired, and the cost of acquisition						
Parcels Acquired		0		\$0		
Businesses Displaced		0		\$0		
Nonprofit Organizations Displaced		0		\$0		
Households Temporarily Relocated, not Displaced		0		\$0		
Households Displaced	Total	Minority Property Enterprises				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Number	0	0	0	0	0	0
Cost	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Table 9 – Relocation and Real Property Acquisition

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CR-20 - Affordable Housing 91.520(b)

Evaluation of the jurisdiction's progress in providing affordable housing, including the number and types of families served, the number of extremely low-income, low-income, moderate-income, and middle-income persons served.

	One-Year Goal	Actual
Number of homeless households to be provided affordable housing units	0	0
Number of non-homeless households to be provided affordable housing units	5	6
Number of special-needs households to be provided affordable housing units	0	0
Total	5	6

Table 10 – Number of Households

	One-Year Goal	Actual
Number of households supported through rental assistance	0	0
Number of households supported through the production of new units	5	0
Number of households supported through the rehab of existing units	0	5
Number of households supported through the acquisition of existing units	0	0
Total	5	5

Table 11 – Number of Households Supported

Discuss the difference between goals and outcomes and problems encountered in meeting these goals.

Under the City's Affordable Housing Goal for FY 2022-23, the City proposed to reserve 90 percent of the available HOME funds for an affordable housing project to be determined in the future. Through HOME program funds, the City contributed to the completion a 100% affordable 80 units senior project known as Parkside Manor Phase I, restricting 6 units in the Project as HOME units. Through CDBG program funds, the City contributed to the completion of the five-unit Catalyst Apartments Rehabilitation project which provides housing to persons with mental disabilities. The City also provided CDBG program funds towards the Sun Rose Apartments for the one 8-bedroom transitional unit within this 11-unit development.

Discuss how these outcomes will impact future annual action plans.

Due to the COVID-19 pandemic, the City has focused much of its attention to addressing the urgent needs associated with COVID-19 response. Housing rehabilitation activities were suspended during FY 2022-23 and program is being evaluated for re-instatement.

Include the number of extremely low-income, low-income, and moderate-income persons served by each activity where information on income by family size is required to determine the eligibility of the activity.

Number of Persons Served	CDBG Actual	HOME Actual
Extremely Low-income	0	0
Low-income	5	0
Moderate-income	0	0
Total	5	0

Table 12 – Number of Persons Served

Narrative Information

The City utilizes its CDBG and HOME funds to provide affordable housing for the low-income population. For example, Parkside Manor Apartments - Phase I is a housing project that will benefit seniors and was completed in FY 2022-23. The Sun Rose Apartments project is a hybrid facility consisting of transitional and permanent supportive housing that will benefit persons with mental disabilities and is expected to be completed by the end of 2023. The Catalyst Apartments Rehabilitation project will also benefit persons with mental disabilities, and was completed in FY 2022-23.

The Housing Services Program (Direct/Deferred Loans) allows homeowners to remain in their homes while making repairs on their deteriorated home. Housing Accessibility Assistance (HAA) Grants also help individuals with disabilities maintain and preserve access to adequate housing. Currently, the program has been suspended because of staffing shortages and no funds were allocated in FY 2022-23.

CR-25 - Homeless and Other Special Needs 91.220(d, e); 91.320(d, e); 91.520(c)

Evaluate the jurisdiction's progress in meeting its specific objectives for reducing and ending homelessness through:

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The Salinas Outreach and Response Team participates in the planning and facilitation of homeless outreach meetings in partnership with the Coalition of Homeless Service Providers. This includes all the homeless service providers including California State University Monterey Bay (HEART), Interim Inc (MCHOME), Junipero Franciscan Workers, Community Human Services (SVSOP), Access Support Network, and Community Homeless Solutions. These meetings were created to improve system processes and coordination of outreach services to address the complex needs of the unsheltered regionally. In FY 2022-23, The City of Salinas continued to fund both BACS and The Salinas Outreach and Response Team through ESG. Both programs demonstrating greater numbers of successes as outlined in the ESG narrative.

City of Salinas: The City of Salinas participates in the Chinatown Homeless Action Team (CHAT) with representatives of the Coalition of Homeless Service Providers, Interim Inc., California State University Monterey Bay (CSUMB), Sun Street Centers, Mid-Peninsula Housing Coalition, Housing Resource Center of Monterey County (HRC) and the Franciscan Workers of Junipero Serra. CHAT meets monthly.

The City also meets with the Coalition of Homeless Services Providers by participating in a monthly Administration and Implementation Meeting. The City has also attended bi-monthly meetings with the Community Foundation of Monterey County. Leaders from Monterey County, including City Managers, key City staff, non-profit institutions and the Community Foundation have met to try and create solutions to alleviate conditions in Chinatown and provide solutions, including housing and resources.

City staff also participate in the Salinas Downtown Community Board group that meets monthly to create a vision for Chinatown. This group is composed of service providers, City and County staff, and other stakeholders in the neighborhood. City staff also attend the Housing Pipeline Committee meetings held by the Coalition of Homeless Service Providers. The purpose of this group is to aid in understanding the availability of housing resources for homeless residents and to create new solutions to facilitate additional housing supply throughout the County. In addition, City staff participates in the Homeless Management Information System (HMIS) Oversight Committee meetings as well as the Homeless Prevention and Rapid Rehousing Program committee (HPRP). **The City's Mayor** also sits on the Leadership Council for the Regional Continuum of Care (CoC).

Addressing the emergency shelter and transitional housing needs of homeless persons

Homeless Funding: In 2016 the City became the administrative entity (AE) to administer State ESG and California Emergency Solutions and Housing (CESH) programs for San Benito and Monterey Counties. This collaboration has added emergency homeless funding and increased capacity to serve homeless in our CoC. In FY 2022-23, the City and the County joined efforts to fund the SHARE Center operated by BACS. In addition to the SHARE Center, the City funds the operations of the Chinatown Navigation Center (CNC) using ESG-CV funds, operated by Community Homeless Solutions to provide sanitation and onsite management of services for the homeless individuals in Chinatown. In conjunction with these services, the City also purchased, installed, and furnish a Sprung Structure that can temporarily house up to 51 individuals which are also managed and operated by Community Homeless Solutions. There are two RVs reserved in the scenario that there are COVID positive cases at the CNC. This activity was in response to the COVID-19 pandemic. In FY 2022-23 through other leveraged funds the City and County are partnering to expand the project room key program in Salinas under another similar model, The Emergency Motel Program which offers 37 rooms, 11 with double beds, 26 single beds. University Corporation of Monterey Bay provides case management services at the EMP and are partially funded by ESG-CV.

Emergency Shelter: Community Homeless Solutions (CHS), Bay Area Community Services (BACS) and Victory Mission provide emergency shelters to the homeless population in Salinas.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: likely to become homeless after being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); and, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

Discharge Policies: On May 8, 2007, the City of Salinas adopted a Discharge Coordination Policy pertaining to the discharge of persons from publicly funded institutions and systems of care. As the City neither owns nor operates any such facilities, the impact was largely symbolic. The Countywide Continuum of Care organization seeks to coordinate discharge policies among publicly funded institutions and systems of care. The **“Lead Me Home: The Game Plan for Housing Homeless People in Monterey and San Benito Counties”** established the Discharge Planning Committee as well as Action Teams for Foster Youth, Health and Criminal Justice seeing to develop a county-wide discharge planning policy.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

In Salinas, homeless service agencies generally work to get homeless individuals into permanent housing as quickly as possible.

Bay Area Community Services: BACS provided emergency shelter services and rapid re-housing through SHARE Center Operations to 154 persons. Specifically, 132 persons were provided shelter services and 22 persons were assisted with rapid re-housing.

CR-30 - Public Housing 91.220(h); 91.320(j)

Actions taken to address the needs of public housing

The Housing Authority of the County of Monterey (HACM) serves as the housing authority for the County as a whole except the City of Soledad. The City of Salinas does not permanently own, manage, or otherwise control any residential **property, including any property that could be categorized as “public housing.”** HACM has converted all public housing units countywide to Project-Based Rental Assistance. To-date, the City has completed a total of 27 California Tax Credit Allocation Committee (CTCAC) Local Review Agency (LRA) Project Evaluation Forms for HACM regarding proposed Residential Assistance Demonstration (RAD) proposed projects.

Actions taken to encourage public housing residents to become more involved in management and participate in homeownership

HACM has taken the lead in developing innovative models to enable the homeless and other low-income families to achieve economic independence and self-sufficiency. Their multi-faceted plan to improve the operation of public housing units and assist clients toward self-sufficiency is detailed in their periodically updated Five Year Action Plan.

Actions taken to provide assistance to troubled PHAs

HACM has not been designated by HUD as “troubled.”

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CR-35 - Other Actions 91.220(j)-(k); 91.320(i)-(j)

Actions taken to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment. 91.220 (j); 91.320 (i)

The most critical barrier to affordable housing in Salinas is that the need for decent, affordable housing far exceeds the City's available resources. With the elimination of redevelopment funds, the City's ability to address its affordable housing needs was seriously compromised. In addition, rising housing costs combined with the decrease in the availability of public funds has forced the City to suspend its First-Time Homebuyer Program. The City continues to aggressively pursue funding available at the local, state, and federal levels to supplement its limited funds.

The City values its partnership with nonprofit housing developers such as CHISPA, MidPen, and MCHADC in pursuing innovative strategies to address the City's affordable housing needs and providing more permanent housing options for the homeless.

Another method the City has utilized to assist developers is providing fee deferrals for certain eligible impact fees. The City typically structures the fee deferral as a low-interest loan over a fifty-five-year period to be paid by the residual receipts.

The City also updated its Inclusionary Housing Ordinance in June 2017 to add more flexible options for developers to produce affordable units on-site. Projects that are 100% affordable are exempt under the updated Inclusionary Housing Ordinance.

The City also has a Density Bonus Ordinance which provides incentives and concessions to developers who propose a certain percentage of affordable housing in their developments. The City continues to adjust to the new Density Bonus laws put into effect by the State of California.

The **City's Zoning** Ordinance has been updated to allow more flexibility for auxiliary (accessory) dwelling units to be constructed.

The City is updating its Housing Element for the 2023-2031 planning period. This update will establish the City housing programs and activities for the next eight years to facilitate the development and preservation of housing. The Draft Housing Element includes a number of actions to mitigate constraints to housing development, including Zoning Code amendments to facilitate the development of housing for special needs populations.

Actions taken to address obstacles to meeting underserved needs. 91.220(k); 91.320(j)

The homeless are among the most underserved group in Salinas, with ESG funding at a level far below what is needed to address the City's homeless issues. In response, the City has used its CDBG allocation to provide public facilities and services that can benefit this group. In FY 2022-23, the City also used its remaining allocation of ESG-CV and some CDBG-CV funds to help finance services and projects that served this underrepresented group.

In addition, the City has been working with the Counties of Monterey and San Benito Continuum of Care to implement homeless programs and services using State ESG funds. The City serves as the lead agency for administering the State ESG program. These funds are used for homeless prevention services, emergency shelter services, rapid rehousing, and outreach.

The following agencies were approved for funding with the FY 2022-23 State ESG funds:

- City of Salinas – Program Administration and The Salinas Outreach and Response Team
- Community Homeless Solutions – Domestic Violence Emergency Shelter
- Central Coast Center for Independent Living – Emergency Shelter and Rapid Rehousing services

Actions taken to reduce lead-based paint hazards. 91.220(k); 91.320(j)

As a condition required to receive HUD funds, the City of Salinas complies with HUD's Lead Safe Housing Regulation (Title 24, Part 35). Potential project sites with housing units constructed prior to 1978 are tested by a certified lead inspection firm (for lead paint and, where applicable, for other possible materials containing lead, such as ceramic tiles). When found, lead remediation is performed by certified LBP contractor before the General Contractor is permit to begin other construction activities.

In FY 2022-23, there were three (3) housing/transitional housing projects and one (1) public facility under construction. Of the 3 housing/transitional housing projects, two (2) were built before 1978 (Parkside Manor-Phase I and Sun Street Apartment (formerly known as Soledad House)) and one (1) was built after 1978 (Catalyst Apartments). Parkside Manor - Phase I is a permanent housing project and all of the building that contain lead and asbestos containing materials were properly disposed during the demolition of the structures. Similarly, and as part of the Sun Street Apartments, a transitional/permanent supportive housing project, that involved the demolition of Soledad House. This original structure contained lead and asbestos containing materials. During the demolition phase of the project, all lead and asbestos were properly disposed by certified LBP contractors. Regarding the one (1) public facility under construction in FY 2022-23, the First United Methodist Church Kitchen Rehabilitation, the facility was constructed prior to 1978. The lead and asbestos remediation for this facility happened in FY 2021-22.

The Parkside Manor- Phase I project involved the demolition of 48 existing units with lead-based paint abatement at 1112 Parkside Street. These units were replaced with 80 new senior residential units. Construction of the project was completed in November 2022 and tenants began moving in subsequently.

Sun Street Apartments involved the demolition of an 8-bedroom house containing lead and asbestos containing materials at a confidential address. The original house will be replaced by an 11-unit apartment complex. Nine units will be permanent supportive housing and one unit will be transitional housing. The City assisted with funding to help support the construction of the transitional housing unit in this complex. This project is very close to being completed and it is expected that tenants will begin to move in the 1st or 2nd quarter of FY 2023-24.

Actions taken to reduce the number of poverty-level families. 91.220(k); 91.320(j)
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The City's anti-poverty strategy is enumerated below, with specific FY 2022-23 actions noted within each category:

1. Continue to support the efforts of housing developers providing affordable housing opportunities in Salinas, particularly rental and multi-family housing. The City currently has four (4) projects that are under construction. One project will provide permanent/transitional housing and the remaining three will provide permanent and permanent supportive housing to low-income households and homeless individuals.
2. In FY 2022-23, the Housing Services Program, which provided Housing Rehabilitation Loans, Housing Accessibility Assistance (HAA) Grants, and Lead Based Paint (LBP) Grants was suspended and is currently being re-evaluated.
3. Continue to support fair housing services to enable seniors to remain in their own homes, and to addresses basic needs.
4. Continue to support homeless service providers in Salinas and the larger community. Bay Area Community Services served 132 **persons and the City's** Salinas Outreach and Response Team served 187 persons.
5. The Hebborn Family Center (HFC) will offer a safe, fun, and positive environment where youth would be able to participate in a variety of enrichment activities in a recreational setting. HFC will offer a Youth Homework Center, Drop-in After School program, Summer Program, Girl Scout Troop 541, Karate Classes, Read Grow Play, Citizenship Classes, Food Bank and a variety of other recreation programs. The HFC was demolished and the new HFC is currently under schematic design.
6. Continue to promote Section 3 Employment and Economic Opportunities for low-income residents and **business concerns through the City's various housing programs and public improvement projects. Section 3** Clause is included in all bid package for public works projects as well as all affordable housing projects funded with federal funds. Section 3 information is collected annually and reported back to HUD. The City transitioned

into the new HUD Section 3 Rule. City will work with developers and consultants to comply with the new Section 3 Rule.

Actions taken to develop institutional structure. 91.220(k); 91.320(j)

The City will continue to pursue other sources of funds to leverage HUD funding and entice housing developers to create affordable housing developments within the City. The City is in the process of engaging local affordable housing developers and learn the future housing development plans and offer existing and future sources of funds from the State of California and HUD.

The City is committed to continue funding the SHARE Center, CNC and SORT using HUD, State and local funds, to alleviate homelessness using HUD, state and local funds.

The City has also established a Housing and Land Use Committee to oversee the use of HUD funds. This committee provides an additional forum for nonprofits and stakeholders to communicate with the City and community members regarding housing and community development needs and plans for future projects. The committee is tasked with the objective of enhancing coordination and improving the effectiveness and efficiency in using HUD funds. Specifically, the committee evaluated the planned projects and funding, with input from the service providers and stakeholders, made changes to the criteria for allocating funds, and established a minimum grant amount for each agency before final awards **are approved by City Council through the approval of the City's Annual Action Plan.**

The City utilizes City Data Services for efficient and accurate management of the grant funds.

Actions taken to enhance coordination between public and private housing and social service agencies. 91.220(k); 91.320(j)

The City of Salinas partners with its strong network of public and private housing and social service agencies to provide housing and community development programs in the City. Coordination efforts are ongoing. In addition, the City is working with the Counties of Monterey and San Benito Continuum of Care to implement homeless programs and services using State ESG and CESH funds. This funding source available to the region allows the City to provide an increased level of services for the homeless and at-risk homeless. The City serves as the lead agency for this funding program. The City is also in constant contact and collaboration with the Housing Authority of the County of Monterey (HACM) in the development of affordable housing projects and the provision of housing vouchers for projects funded with federal, state and local funds.

Identify actions taken to overcome the effects of any impediments identified in the **jurisdiction's** analysis of impediments to fair housing choice. 91.520(a)

The City is in the process of updating the Housing Element of the General Plan for the 2023-2031 planning period. A major focus of this update is the new State requirement to affirmatively further fair housing. The Draft Housing Element contains a range of meaningful actions to address five fair housing themes, including:

- Fair housing outreach and enforcement
 - Target outreach to areas with concentrations of racial/ethnic minority populations and concentrations of renter-households
 - Target code enforcement activities in Alisal NRSA where substandard housing units are more common
- Housing mobility
 - Proactively pursue and leverage governmental and non-governmental funds to increase the inventory of affordable housing
 - Pursue PIP funding and maintain the Prohousing Designation
 - Amend the Zoning Code to facilitate the development of affordable housing and a variety of housing types, including emergency shelters, supportive housing, low barrier navigation centers, etc.

- New opportunities in high resource areas
 - Acquire and assemble sites to develop affordable housing particularly in high opportunity areas
 - Promote the establishment of Affordable **Housing Overlay Zones in 'High Opportunity Areas'** that include a bundle of effective and flexible incentives to encourage developers to build affordable housing
 - Facilitate ADU/JADU construction through promotion on the City website, subsidies for owners providing affordable ADUs, and extension of elimination of development impact fees for ADUs between 800-1,200 sq. ft.
 - Implement the Family Homeless Challenge Grant by purchasing single family homes and construction of ADUs for unhoused families
- Place-based strategies for neighborhood improvement
 - Explore the creation of a Community Revitalization Investment Authority for Downtown, Chinatown, and Alisal
 - Develop and adopt the East Area Specific Plan
 - Reassess and reinstate the Housing Services Program
 - Increase public services through the establishment of a CBDO focused on youth services, fair housing services and tenant/landlord counseling, and/or small business counseling, education, and technical assistance services
- Tenant protection and anti-displacement
 - Adopted a Residential Rental Registration Ordinance which will allow the City to broaden the tenant-landlord services
 - Explore development of rent stabilization ordinance, tenant relocation assistance ordinance, and just cause for eviction ordinance
 - Reassess and reinstate the First Time Homebuyer Program

The Draft Housing Element is expected to be adopted by the end of 2023 and implementation of some of these activities are already underway.

CR-40 - Monitoring 91.220 and 91.230

Describe the standards and procedures used to monitor activities carried out in furtherance of the plan and used to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

During FY 2022-23, the City performed a desk review monitoring of all CDBG, ESG, and HOME subrecipients through its on-line grant management system, City Data Services (CDS). Due to COVID-19, the City is conducting virtual monitoring's of programs and case files of its subrecipients.

The City's monitoring procedures for the implementation of its CDBG, HOME, and ESG programs are summarized in Attachment B.

Citizen Participation Plan 91.105(d); 91.115(d)

Describe the efforts to provide citizens with reasonable notice and an opportunity to comment on performance reports.

Citizen participation is one of the most important components of the Consolidated Plan (CP) process.

Publicity: Bilingual (Spanish-English) public notices for a public hearing were released in The Monterey County Herald to inform the public that a draft CAPER was available for review and public comment. The public notices were also posted at the City's website, **the City's Libraries, City Hall**, City Council Chambers and Community Development Department; and were distributed to the City's NOFA distribution list.

Public Review of Draft Documents: The City conducted a minimum of 15-day public review period from August 26, 2023, through September 12, 2023. The Draft CAPER was made available at the following locations:

- the City website: <https://www.cityofsalinas.org/Residents/Community/Housing-Community-Development>
- in-person at the Community Development Department, **City Clerk's office at City Hall**, John Steinbeck Library, Cesar Chavez Library, and El Gabilan Library
- and through mail when requested.

The Consolidated Plan, amendments, annual Action Plans, and performance reports will be available for five years at Salinas Community Development Department.

CR-45 - CDBG 91.520(c)

Specify the nature **of, and reasons for, any changes in the jurisdiction's program** objectives and indications of how the jurisdiction would change its programs as a result of its experiences.

The City received a State grant award of \$8.1 million for the reconstruction of the Hebbroon Family Center. To initiate the process, Library and Community Services and Public Works Departments identified a consultant to assist with construction and program management in an amount just under \$1.3 million. The departments requested CDBG funding to offset these pre-development costs. The request was reviewed in consultation with HUD and deemed the project as **an eligible activity to receive CDBG funds as it is located within the City's Alisal Neighborhood Revitalization Strategy Area** and satisfies the National Objective of benefiting a Low Mod Area where 51% of the residents fall within the low- and moderate-income categories.

On May 24, 2022, the City amended its FY 2020-21 and FY 2021-22 Action Plans to allocate funding to a new project, the Hebbroon Family Center. The amendment consisted in reallocating \$798,633 from the Sherwood Recreation Center Phase IV project previously allocated through the FY 2020-21 AAP and \$607,980 from Chinatown Neighborhood Improvements project allocated in the FY 2021-22 AAP. However, the condition for this amendment was that the funding for these projects would be reallocated in the FY 2022-23 AAP.

At the end City Council approved the reallocation of up to \$1,440,613 of CDBG funds to the Hebbroon Family Center project through its substantial amendment. In recognition of the reprioritization of CDBG funding to support the Hebbroon Family Center project and the importance of completing both the Sherwood Recreation Center Phase IV and Chinatown Improvements projects, the City restored the prior funding to each of these projects through the FY 2022-23 AAP allocation process.

[BEDI grantees] Describe accomplishments and program outcomes during the last year.

Not applicable.

CR-50 - HOME 91.520(d)

Include the results of on-site inspections of affordable rental housing assisted under the program to determine compliance with housing codes and other applicable regulations

Please list those projects that should have been inspected on-site this program year based upon the schedule in §92.504(d). Indicate which of these were inspected and a summary of issues that were detected during the inspection. For those that were not inspected, please indicate the reason and how you will remedy the situation.

The following list below represents all of the City's HOME-assisted affordable multi-family rental housing projects and shows the total number of HOME assisted units in each project:

- California House (436 California Street) – 5 units
- Foster Care Housing (7 Spoleto Circle) - 1 unit
- Gateway Apartments (25 Lincoln Avenue) – 20 units
- Haciendas Phase I (233 Calle Cebu) – 4 units
- Haciendas Phase II (241 Calle Cebu) – 4 units
- Haciendas Phase III (Hikari) – 9 units
- Haciendas Phase IV (34 E. Rossi Street) – 3 units
- Jardines Del Monte (1253 Del Monte Avenue) – 5 units
- La Gloria Apartments (539 E. Market Street) – 10 units
- Los Padres Apartments (1260 John Street) - 5 units
- Lupine Gardens (300 Casentini Street) – 20 units
- Parkside Manor Phase I (1112 Parkside Street) - 6 units
- Sherwood Village (808 N. Main Street) – 43 units
- Soledad House (439 Soledad Street) – 8 units
- Tresor Apartments (1041 Buckhorn Drive) – 8 units
- Tynan Village (323 Front Street) – 41 units
- Wesley Oaks (138 Carr Avenue) – 6 units
- Moon Gate Plaza – 12 Units

Due to COVID-19, City staff was not able to complete any on-site inspection of affordable units in FY 2022-23. The City will resume with the onsite inspections of all projects with HOME units in FY 2023-24.

In a typical year, City staff will conduct an on-site HOME site visit which includes an internal unit inspection for each HOME-assisted unit, common area inspection and external property inspection. City staff uses a HOME checklist to cross reference the property conditions.

For the years that a HOME onsite inspection is not required and in accordance with the HOME final rule and §92.504(d), the City uses its customized online grant management software system (City Data Services), which allows all property owners/managers to annually submit unit inspection reports and data as part of the **City's** Annual Compliance Monitoring. The desk monitoring review consists of developer property unit inspection reports, annual income recertification reports, insurance documentation in which the developer submits annually to the City through CDS. City staff has established a HOME spreadsheet which informs staff when the inspections are due on each of the properties and will continue to use this spreadsheet.

In accordance with the HOME final rule and §92.504(d), the City will ensure that on-site inspections will occur within 12 months after project completion and at least once every 3 years thereafter during the period of affordability. In addition, the property owner/manager must annually certify to the City that each building and all HOME-assisted units in the project are suitable for occupancy, considering State and local health, safety, and other applicable codes, ordinances, and requirements, and the ongoing property standards established by the City to meet the requirements of §92.251. The City will ensure that inspections will be based on a statistically valid sample of units appropriate for the size of the HOME-assisted project, as set forth by HUD.

Provide an assessment of the jurisdiction's affirmative marketing actions for HOME units. 92.351(b)

There are three components to the City's "affirmative marketing" of activities funded by the HUD entitlement grants: 1) Outreach regarding program design and administration; 2) Marketing of programs operated by the City; and 3) Marketing of activities operated by sub-recipients and sub-grantees.

Language barriers can be an impediment to accessing housing of choice. Reflective of the demographics in the City, 68.5 percent of all Salinas residents spoke languages other than English at home, according to the American Community Survey (ACS). Over half of these residents spoke English "less than very well." Linguistic isolation is more severe among Hispanics than among Asians, with approximately 64 percent of Salinas residents speaking "Spanish or Spanish Creole" at home compared to only 3.8 percent speaking "Asian and Pacific Islander languages." Among "Spanish or Spanish Creole" speaking households approximately 58.3 percent spoke English "less than very well".

The City's Citizen Participation Plan (CPP) includes guidelines for Limited English Proficiency (LEP).

The City also had hard copies and electronic brochures (English and Spanish) for the Housing Services Program when it was available.

Outreach Regarding Program Design and Administration: In keeping with the updated CPP, notices for Action Plan, CAPER, and community development needs hearings and annual Request for Proposals are typically published in Spanish and English in the local newspapers, City's websites, libraries, City Hall and Community Development Department. The City also subscribes to the California Relay Service to accommodate TDD (telecommunication devices for the deaf) users; published public notices provide a TDD number. The City also provides notice to local agencies that serve groups that may need notice in a different format. Spanish/English translation is typically made available during City Council meetings and at every public hearing regarding Action Plans and other HUD-funded topics.

Marketing of Programs Operated by City: The City's HUD-funded activities are administered by the Housing and Community Development Division of the Community Development Department. Of the current full-time positions allocated to the Division, at least three are certified by the City as bilingual English/Spanish, including the first point of contact for telephone and walk-in inquiries. Promotional materials are produced in both English and Spanish as well as marketing when published in newspapers. From time to time, targeted outreach for housing rehabilitation and first-time homebuyer activities is focused upon Spanish-speaking residents, including information to bilingual realtors and mortgage loan packagers, and Spanish language Public Service Announcements to the local news media.

Marketing of Programs Operated by Subrecipients: All City funding agreements employing funds from HUD grants require affirmative marketing activities. The City's monitoring plan includes verification that affirmative marketing is being employed. Many of the funded non-profit agencies routinely provide their services in a bilingual format. City housing activities that are not HUD-funded (e.g., inclusionary housing and density bonus programs) routinely require affirmative marketing to the community.

Refer to IDIS reports to describe the amount and use of program income for projects, including the number of projects and owner and tenant characteristics

The City received \$93,841.39 in HOME program income. Program income has primarily been used to augment funding for the City's multi-family housing projects underway.

Describe other actions taken to foster and maintain affordable housing. 91.220(k) (STATES ONLY: Including the coordination of LIHTC with the development of affordable housing). 91.320(j)

¹ American Community Survey offers the following sub-categories for members of the population that "Speak a language other than English": "Spanish or Spanish Creole"; "Other Indo-European languages"; "Asian or Pacific Island languages"; and "Other languages"

In addition to using HOME funds for the creation of affordable housing units, the City also has an Inclusionary Housing Ordinance that requires a specific percentage of affordable units be included in new housing developments. The City updated this Ordinance in 2017 to improve its effectiveness in fostering affordable housing.

The City also has a Density Bonus Ordinance that developers can utilize, in which the developer would provide a certain percentage of affordable housing in exchange for a greater density of market-rate units allowed in a project.

City staff assists with the completion of the California Tax Credit Allocation Committee (CTCAC) Local Review Agency (LRA) Evaluation Forms for each proposed project that applies for CTCAC funding within the jurisdiction.

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CR-58 – Section 3

Identify the number of individuals assisted and the types of assistance provided

During FY 2022-23, the City's expended funds primarily on public and homeless services, as well as program administration. These programs are not subject to Section 3 requirements. Projects subject to Section 3 requirements include:

- Hebbbron Family Center
- Sherwood Recreation Center
- Chinatown Neighborhood Improvements
- First United Methodist Church
- Buckhorn Early Childhood Development Center
- Catalyst Apartments Rehabilitation
- Sun Rose Apartments
- Natividad Creek Park Restroom Rehabilitation
- Parkside Manor Phase I

Total Labor Hours	CDBG	HOME	ESG	HOPWA	HTF
Total Number of Activities	0	0	0	0	0
Total Labor Hours					
Total Section 3 Worker Hours					
Total Targeted Section 3 Worker Hours					

Table 13 – Total Labor Hours

Qualitative Efforts - Number of Activities by Program	CDBG	HOME	ESG	HOPWA	HTF
Outreach efforts to generate job applicants who are Public Housing Targeted Workers					
Outreach efforts to generate job applicants who are Other Funding Targeted Workers.					
Direct, on-the job training (including apprenticeships).					
Indirect training such as arranging for, contracting for, or paying tuition for, off-site training.					
Technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching).					
Outreach efforts to identify and secure bids from Section 3 business concerns.					
Technical assistance to help Section 3 business concerns understand and bid on contracts.					
Division of contracts into smaller jobs to facilitate participation by Section 3 business concerns.					
Provided or connected residents with assistance in seeking employment including: drafting resumes, preparing for interviews, finding job opportunities, connecting residents to job placement services.					

Held one or more job fairs.					
Provided or connected residents with supportive services that can provide direct services or referrals.					
Provided or connected residents with supportive services that provide one or more of the following: work readiness health screenings, interview clothing, uniforms, test fees, transportation.					
Assisted residents with finding childcare.					
Assisted residents to apply for, or attend community college or a four year educational institution.					
Assisted residents to apply for, or attend vocational/technical training.					
Assisted residents to obtain financial literacy training and/or coaching.					
Bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.					
Provided or connected residents with training on computer use or online technologies.					
Promoting the use of a business registry designed to create opportunities for disadvantaged and small businesses.					
Outreach, engagement, or referrals with the state one-stop system, as designed in Section 121(e)(2) of the Workforce Innovation and Opportunity Act.					
Other.					

Table 14 – Qualitative Efforts - Number of Activities by Program

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CR-60 - ESG 91.520(g) (ESG Recipients only)

ESG Supplement to the CAPER in *e-snaps*

For Paperwork Reduction Act

1. Recipient Information—All Recipients Complete

Basic Grant Information

Recipient Name	SALINAS
Organizational DUNS Number	010919447
EIN/TIN Number	946000412
Identify the Field Office	San Francisco
Identify CoC(s) in which the recipient or subrecipient(s) will provide ESG assistance	Monterey County

ESG Contact Name

Prefix	Mr.
First Name	Rod
Middle Name	
Last Name	Powell
Suffix	
Title	Assistance Director

ESG Contact Address

Street Address 1	200 Lincoln Ave
Street Address 2	
City	Salinas
State	CA
ZIP Code	93901-
Phone Number	(831)758-7487
Extension	
Fax Number	
Email Address	rodp@ci.salinas.ca.us

ESG Secondary Contact

Prefix	Mr.
First Name	Francisco
Last Name	Brambilla
Suffix	
Title	Management Analyst (Acting Planning Manager)
Phone Number	(831) 758-7334
Extension	
Email Address	frankb@ci.salinas.ca.us

2. Reporting Period—All Recipients Complete

Program Year Start Date	07/01/2022
Program Year End Date	06/30/2023

3a. Subrecipient Form – Complete one form for each subrecipient

Subrecipient or Contractor Name	Bay Area Community Services
City	Oakland
State	CA
Zip Code	94609
UEI	73931628
Is subrecipient a victim services provider	No
Subrecipient Organization Type	Other Non-Profit Organization
ESG Subgrant or Contract Award Amount	\$86,521

CR-65 - Persons Assisted

Reporting for ESG funding is now completed in a separate system SAGE.

4. Persons Served

4a. Complete for Homelessness Prevention Activities

Number of Persons in Households	Total
Adults	0
Children	0
Don't Know/Refused/Other	0
Missing Information	0
Total	0

Table 15 – Household Information for Homeless Prevention Activities

4b. Complete for Rapid Re-Housing Activities

Number of Persons in Households	Total
Adults	0
Children	0
Don't Know/Refused/Other	0
Missing Information	0
Total	0

Table 16 – Household Information for Rapid Re-Housing Activities

4c. Complete for Shelter

Number of Persons in Households	Total
Adults	0
Children	0
Don't Know/Refused/Other	0
Missing Information	0
Total	0

Table 17 – Shelter Information

4d. Street Outreach

Number of Persons in Households	Total
Adults	0
Children	0
Don't Know/Refused/Other	0
Missing Information	0
Total	0

Table 18 – Household Information for Street Outreach

4e. Totals for all Persons Served with ESG

Number of Persons in Households	Total
Adults	0
Children	0
Don't Know/Refused/Other	0
Missing Information	0
Total	0

Table 19 – Household Information for Persons Served with ESG

5. Gender—Complete for All Activities

	Total
Male	0
Female	0
Transgender	0
Don't Know/Refused/Other	0
Missing Information	0
Total	0

Table 20 – Gender Information

6. Age—Complete for All Activities

	Total
Under 18	0
18-24	0
25 and over	0
Don't Know/Refused/Other	0
Missing Information	0
Total	0

Table 21 – Age Information

7. Special Populations Served—Complete for All Activities

Number of Persons in Households

Subpopulation	Total	Total Persons Served – Prevention	Total Persons Served – RRH	Total Persons Served in Emergency Shelters
Veterans	0	0	0	0
Victims of Domestic Violence	0	0	0	0
Elderly	0	0	0	0
HIV/AIDS	0	0	0	0
Chronically Homeless	0	0	0	0
Persons with Disabilities:				
Severely Mentally Ill	0	0	0	0
Chronic Substance Abuse	0	0	0	0
Other Disability	0	0	0	0
Total (unduplicated if possible)	0	0	0	0

Table 22 – Special Population Served

CR-70 – ESG 91.520(g) - Assistance Provided and Outcomes

8. Shelter Utilization

Number of New Units – Rehabbed	0
Number of New Units – Conversion	0
Total Number of bed - nights available	0
Total Number of bed - nights provided	0
Capacity Utilization	0

Table 23 – Shelter Capacity

9. Project Outcomes Data measured under the performance standards developed in consultation with the CoC(s)

The City's ESG program is designed to complement the Monterey County Continuum of Care system, focusing on homeless prevention, rapid re-housing, and providing emergency shelters and essential services. To further enhance the City's ability to meeting the outcome and performance goals in the Continuum of Care Strategy, the City is taking the lead in the implementation of State ESG funds.

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CR-75 – Expenditures

11. Expenditures

11a. ESG Expenditures for Homelessness Prevention

	Dollar Amount of Expenditures in Program Year		
	2019	2020	2021
Expenditures for Rental Assistance	0	0	0
Expenditures for Housing Relocation and Stabilization Services - Financial Assistance	0	0	0
Expenditures for Housing Relocation & Stabilization Services - Services	0	0	0
Expenditures for Homeless Prevention under Emergency Shelter Grants Program	0	0	0
Subtotal Homelessness Prevention	0	0	0

Table 24 – ESG Expenditures for Homelessness Prevention

11b. ESG Expenditures for Rapid Re-Housing

	Dollar Amount of Expenditures in Program Year		
	2019	2020	2021
Expenditures for Rental Assistance	0	0	0
Expenditures for Housing Relocation and Stabilization Services - Financial Assistance	0	0	0
Expenditures for Housing Relocation & Stabilization Services - Services	0	0	0
Expenditures for Homeless Assistance under Emergency Shelter Grants Program	0	0	0
Subtotal Rapid Re-Housing	0	0	0

Table 25 – ESG Expenditures for Rapid Re-Housing

11c. ESG Expenditures for Emergency Shelter

	Dollar Amount of Expenditures in Program Year		
	2019	2020	2021
Essential Services	0	0	0
Operations	0	0	0
Renovation	0	0	0
Major Rehab	0	0	0
Conversion	0	0	0
Subtotal	0	0	0

Table 26 – ESG Expenditures for Emergency Shelter

11d. Other Grant Expenditures

	Dollar Amount of Expenditures in Program Year		
	2019	2020	2021
Street Outreach	0	0	0
HMIS	0	0	0
Administration	0	0	0
Subtotal	0	0	0

Table 27 - Other Grant Expenditures

11e. Total ESG Grant Funds

Total ESG Funds Expended	2019	2020	2021
	0	0	0

Table 28 - Total ESG Funds Expended

11f. Match Source

	2019	2020	2021
Other Non-ESG HUD Funds	0	0	0
Other Federal Funds	0	0	0
State Government	0	0	0
Local Government	0	0	0
Private Funds	0	0	0
Other	0	0	0
Fees	0	0	0
Program Income	0	0	0
Total Match Amount	0	0	0

Table 29 - Other Funds Expended on Eligible ESG Activities

11g. Total

Total Amount of Funds Expended on ESG Activities	2019	2020	2021
	0	0	0

Table 30 - Total Amount of Funds Expended on ESG Activities

Attachment A: Public Participation
Public Hearing and Summary of Comments

Public Hearing- September 12, 2023, at 4:00PM

To be provided

Written Comments

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Attachment B: Monitoring Procedures

The City Housing Division maintains accurate records, both program and financial, pertaining to community development activities, including housing and emergency shelter grant activities. Emergency Solutions Grant (ESG) and CDBG-funded public service activities are monitored continuously. Documentation, including activity reports, is required to be submitted with all payment requests. All loan servicing functions (pay-offs, partial payments, subordinations, annual affidavits, etc.) of outstanding loans in the City loan portfolio are also handled in-house using City Data Services (CDS) interactive computer software system. The City utilizes CDS for loan servicing and monitoring functions for activity reports (monthly, quarterly, annually), invoices, inspections, progress payments, loan payoffs and audit confirmations.

The City's **Labor Compliance Officer** through the Public Works Department as well consultants oversee compliance with federal labor standards requirements (e.g., Davis-Bacon) for all Capital Improvement Projects (CIPs) assisted with CDBG funds. Further staff oversees compliance with all federal labor standards requirements on a project-by-project basis for all other CDBG- and HOME-assisted projects, beginning with contract drafting and pre-construction conferences and proceeding through the necessary contractor submittals to project close-out. In limited instances, qualified subrecipients (e.g., HACM and CHISPA) have the resources to oversee federal labor standards with their own staff or enter into a service contract with a Labor Compliance Consulting entity to oversee all federal labor compliance responsibilities. The Public Works Compliance Officer attends labor compliance training when available through the State or Federal agencies to stay abreast of any regulatory changes.

The City continues to implement its formal process of executing a Memorandum of Record (MOR) with other City Departments upon allocation of CDBG funds for Capital Improvement Projects (CIPs). The MOR continues to serve as an alternate method to a Funding Agreement for ensuring program compliance for federally assisted capital improvement projects. Since implementation of the MOR process, compliance issues have declined, and successful compliance has increased. The Community Development Department, and Housing Division staff, requires that Public Works and other departments that were allocated CDBG funds report in City Data Services (CDS). The City reviews and monitors regularly and ensures compliance through monthly and quarterly desk reviews and attends construction meetings throughout the duration of the project.

The City has also implemented various steps to further ensure compliance by all CIPs with applicable CDBG program regulations. The MOR was enhanced to include additional language pertaining to submittal of reports on a timely manner. This will assist with early detection of critical project impediments with potential to impact the annual CDBG Timeliness Ratio criteria and will allow for implementation of effective remediation steps. Further language was added **to the MOR regarding compliance with 24 CFR Part 570.505 applicable to real property within the City's control which** was acquired or improved in whole or in part using CDBG funds in excess of \$25,000 and Change of Use Requirements for all Public Facilities & Improvements eligible under §570.201(c). A key focus during assessments is compliance with **the adopted Consolidated Plan and the City's Housing Element, plus support to the City Council's Goals. Information** gathered is employed to evaluate progress towards established goals; to confirm compliance with statutory and regulatory requirements of governing federal legislation (e.g., National Affordable Housing Act); to determine possible revisions to City policy and procedure, including the Consolidated Plan and Housing Element; and, to prepare performance reports such as this document.

Monitoring Consolidated Plan and HUD Program Compliance: The primary action in this regard occurs during the review of proposals received as a result of the annual funding RFP. Proposals are evaluated and compared based **upon the policies and priorities in place and then City staff's allocation recommendations are based upon the results of** this analysis. Any proposed amendments to the Action Plan during the program year are also evaluated on this basis. In each case, the various timeliness rules, with respect to commitment and expenditure of funds, are also considered. All funding agreements contain deadlines governing timely use of funds; Salinas has a long-standing record of meeting CDBG, HOME, and ESG commitment and drawdown standards. Subrecipient funding agreements require compliance with not only the relevant federal regulations and OMB guidance, but are drafted to ensure that funded activities are carried out as contemplated in the Action Plan. Division staff continues to closely monitor the performance of other City

departments whenever they receive allocations of the federal funds in question through the implementation of the Memorandum of Record (MOR) used for program and reporting compliance of CDBG assisted projects.

Compliance with Housing Standards: Compliance with housing standards is ongoing. Division staff schedules visits to assisted housing sites following completion of construction or rehabilitation. Recipients of deferred payment rehabilitation loans are evaluated every five years to determine feasibility and continued use of a deferred loan or conversion to amortize loans; the process includes a site visit to determine the upkeep of the unit and gathering of financial household information to determine eligibility. Desk monitoring of completed new construction projects is conducted to determine the appropriate intervals for performing site visits; in addition, almost all major projects receive restricted financing from other sources (e.g., federal tax credits, State funds), which typically include rigorous ongoing monitoring requirements.

In addition, transitioning of the multi-family reporting process into the CDS database was completed in FY 2013. The CDS database tracks all funded CDBG and HOME multi-family projects from award phase, construction phase to project completion. Thereafter, the project moves into the annual reporting category where it will remain active, meaning Annual Data Collection Forms will be submitted until the expiration of the affordability period. This provides Grantees with a more efficient data gathering process and offers a more consistent method in collecting annual reports and reviewing data for compliance. City staff continues to work with the CDS database programmers to ensure accurate **compliance with project's income/rent restrictions. Various challenges were encountered as numerous affordable** housing projects have multiple rent/income restrictions imposed by other program regulations such as the City's Inclusionary Housing Program and the Housing Successor Agency (HSA). Thus, making it arduous to achieve comprehensive program compliance for each restricted unit. Staff continues to research and implement system changes to attain comprehensive program compliance for all existing affordable housing projects.

As stated previously, City staff continues to enforce revised reporting policies for all CDBG and HOME projects. Annual, Quarterly or Monthly Reporting is accomplished through CDS. Grantees continue to submit Quarterly Progress Reports (QPR) with reporting periods as follows: Period 1- July 1 to September 30; Period 2-October 1 to December 31; Period 3- January 1 to March 31; and Period 4-April 1 to June 30. Current reporting requirements during Period four for all CDBG and HOME assisted projects remains the same as prior years as grantees are required to submit an Annual Project Narrative following the end of the fiscal year.

While the City no longer offers the First-Time Homebuyer Program (FTHB) for new assistance, all active FTHB program participants are monitored to determine that homeowners are using subject properties as their principal place of residence, maintaining proper hazard insurance and are current on property taxes. Additional monitoring takes place throughout the year as homeowners contact staff to receive information on refinancing, subordination, loan payoff or just to ask questions about their loans. During these consultations, staff confirms that the information provided matches information in their project file.

As part of the City's deferred rehabilitation loan program, staff has prepared a plan to begin the monitoring of these loans every five years as stipulated in their agreement; subject properties will be monitored for: deferred loan continued eligibility, using home as their principal place of residence, maintaining proper hazard insurance and are current on property taxes. The City also utilizes CDS as a notification tool to remind staff when a loan is due for a review.

Public Services: Staff prepares an annual Monitoring Plan. Monitoring of program progress, accomplishments, and compliance with HUD program rules is an ongoing activity conducted by staff by means of thorough review of monthly and quarterly reimbursement requests, activity reports, and rate of expenditures.

Staff completes a Risk Assessment of every subrecipient every year and in most cases, a Desk Review Monitoring, utilizing two checklists designed for that purpose. The Desk Review Monitoring draws on information in the file, but also documents submitted during the application process (e.g., annual agency audit) since most have submitted applications for the following fiscal year. To determine compliance with accommodations for Persons of Limited English Proficiency, staff requests copies of outreach materials and applications.

Monitoring standards used are HUD's forms under CDBG standards "Checklist for On-site Monitoring of a Subrecipient" in the "Managing CDBG, A Guidebook for Grantees on Subrecipient Oversight", as well as City of Salinas' CDBG Desk

Guide and ESG Manual. Forms used to complete the monitoring visit are in the “CPD Grantee Monitoring Handbook” under CDBG Entitlement depending upon the type of activity provided. Staff notifies the agency about potential visit dates to conduct a site visit and requests review of program documents such as but not limited to agency's payroll ledger, employee timecards, receipts for other claimed expenses, the most recent financial audit, personnel policies, equal opportunity policy, case files, and client files that support the reported data for Salinas clients (as noted on the monthly and quarterly Activity Data Report). After the monitoring visit, a follow up letter is sent stating the results of the visit. If there are any issues or signs of noncompliance, it is discussed in detail with the program manager/executive director to assist in bringing the agency in compliance at the exit conference. Currently there have been no findings for any agency. Staff is currently in the follow-up phase of the onsite monitoring process.

CDBG-Public Facilities: Public Facility Improvement Projects (where improvements have been completed) are required to annually submit an “Annual Data Collection Form” designed to capture service data such as: the total number of direct beneficiaries, race and ethnicity of each beneficiary, and all data required under HUD's Community Planning and Development Performance Measurement System. The City's Housing staff has currently transitioned all open projects to the CDS website, thus streamlining the reporting process and creating an improved database of all funded projects. As in prior reports, all data continues to be gathered on a monthly and/or quarterly and annual basis. Upon receipt of data, staff continues to review to ensure compliance with appropriate national objectives.

CDBG-Capital Improvement Projects: Staff continues to monitor projects during the design phase, bid opening phase, construction phase and completion phase to ensure compliance with all applicable federal provisions (i.e., Davis-Bacon, Minority Business Enterprise/Women Business Enterprise, Section 3, Executive Order 11246, Executive Order 11063, and Title 24 CFR Part 85). The City continues to revise and improve its existing tools to assist with project monitoring during these phases. Such tools include Federal Labor Compliance Checklist; Contractor and Subcontractor Compliance Worksheet; Quarterly Progress Report; and monthly or bi-weekly correspondence with the subrecipient or assigned City of Salinas Construction Inspector. Additionally, the City continues to review the previously developed standard CDBG Bid Specification Package that includes all applicable federal forms and provisions to ensure all forms and data are current. The City will continue to assess current process and research better methods for ensuring compliance with all federal provisions. Currently, the established process continues to significantly reduce the amount of staff time previously required to achieve compliance.

As previously reported, Labor compliance in Capital Improvement Projects continues to be a high priority. The PW Labor Compliance Officer continues to increase her knowledge regarding the Federal labor compliance regulations and continues to attend State and Federal Labor Compliance trainings.

Attachment C: IDIS Report – PR 26

The City's PR 26 – CDBG Financial Summary Report is attached on the following pages.

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Office of Community Planning and Development
U.S. Department of Housing and Urban Development
Integrated Disbursement and Information System
PR26 - CDBG Financial Summary Report
Program Year 2022
SALINAS , CA

DATE: 08-24-23
TIME: 20:31
PAGE: 1

PART I: SUMMARY OF CDBG RESOURCES

01 UNEXPENDED CDBG FUNDS AT END OF PREVIOUS PROGRAM YEAR	5,821,937.00
02 ENTITLEMENT GRANT	2,073,339.00
03 SURPLUS URBAN RENEWAL	0.00
04 SECTION 108 GUARANTEED LOAN FUNDS	0.00
05 CURRENT YEAR PROGRAM INCOME	78,849.69
05a CURRENT YEAR SECTION 108 PROGRAM INCOME (FOR SI TYPE)	0.00
06 FUNDS RETURNED TO THE LINE-OF-CREDIT	14,339.50
06a FUNDS RETURNED TO THE LOCAL CDBG ACCOUNT	0.00
07 ADJUSTMENT TO COMPUTE TOTAL AVAILABLE	0.00
08 TOTAL AVAILABLE (SUM, LINES 01-07)	7,988,465.19

PART II: SUMMARY OF CDBG EXPENDITURES

09 DISBURSEMENTS OTHER THAN SECTION 108 REPAYMENTS AND PLANNING/ADMINISTRATION	864,285.19
10 ADJUSTMENT TO COMPUTE TOTAL AMOUNT SUBJECT TO LOW/MOD BENEFIT	0.00
11 AMOUNT SUBJECT TO LOW/MOD BENEFIT (LINE 09 + LINE 10)	864,285.19
12 DISBURSED IN IDIS FOR PLANNING/ADMINISTRATION	995,130.65
13 DISBURSED IN IDIS FOR SECTION 108 REPAYMENTS	0.00
14 ADJUSTMENT TO COMPUTE TOTAL EXPENDITURES	(498,195.00)
15 TOTAL EXPENDITURES (SUM, LINES 11-14)	1,361,220.84
16 UNEXPENDED BALANCE (LINE 08 - LINE 15)	6,627,244.35

PART III: LOWMOD BENEFIT THIS REPORTING PERIOD

17 EXPENDED FOR LOW/MOD HOUSING IN SPECIAL AREAS	0.00
18 EXPENDED FOR LOW/MOD MULTI-UNIT HOUSING	142,936.38
19 DISBURSED FOR OTHER LOW/MOD ACTIVITIES	721,348.81
20 ADJUSTMENT TO COMPUTE TOTAL LOW/MOD CREDIT	0.00
21 TOTAL LOW/MOD CREDIT (SUM, LINES 17-20)	864,285.19
22 PERCENT LOW/MOD CREDIT (LINE 21/LINE 11)	100.00%

LOW/MOD BENEFIT FOR MULTI-YEAR CERTIFICATIONS

23 PROGRAM YEARS(PY) COVERED IN CERTIFICATION	PY: PY: PY:
24 CUMULATIVE NET EXPENDITURES SUBJECT TO LOW/MOD BENEFIT CALCULATION	2,374,484.42
25 CUMULATIVE EXPENDITURES BENEFITING LOW/MOD PERSONS	2,374,484.42
26 PERCENT BENEFIT TO LOW/MOD PERSONS (LINE 25/LINE 24)	100.00%

PART IV: PUBLIC SERVICE (PS) CAP CALCULATIONS

27 DISBURSED IN IDIS FOR PUBLIC SERVICES	91,582.34
28 PS UNLIQUIDATED OBLIGATIONS AT END OF CURRENT PROGRAM YEAR	0.00
29 PS UNLIQUIDATED OBLIGATIONS AT END OF PREVIOUS PROGRAM YEAR	0.00
30 ADJUSTMENT TO COMPUTE TOTAL PS OBLIGATIONS	0.00
31 TOTAL PS OBLIGATIONS (LINE 27 + LINE 28 - LINE 29 + LINE 30)	91,582.34
32 ENTITLEMENT GRANT	2,073,339.00
33 PRIOR YEAR PROGRAM INCOME	203,711.77
34 ADJUSTMENT TO COMPUTE TOTAL SUBJECT TO PS CAP	0.00
35 TOTAL SUBJECT TO PS CAP (SUM, LINES 32-34)	2,277,050.77
36 PERCENT FUNDS OBLIGATED FOR PS ACTIVITIES (LINE 31/LINE 35)	4.02%

PART V: PLANNING AND ADMINISTRATION (PA) CAP

37 DISBURSED IN IDIS FOR PLANNING/ADMINISTRATION	995,130.65
38 PA UNLIQUIDATED OBLIGATIONS AT END OF CURRENT PROGRAM YEAR	0.00
39 PA UNLIQUIDATED OBLIGATIONS AT END OF PREVIOUS PROGRAM YEAR	0.00
40 ADJUSTMENT TO COMPUTE TOTAL PA OBLIGATIONS	(564,787.81)
41 TOTAL PA OBLIGATIONS (LINE 37 + LINE 38 - LINE 39 +LINE 40)	430,342.84
42 ENTITLEMENT GRANT	2,073,339.00
43 CURRENT YEAR PROGRAM INCOME	78,849.69
44 ADJUSTMENT TO COMPUTE TOTAL SUBJECT TO PA CAP	0.00
45 TOTAL SUBJECT TO PA CAP (SUM, LINES 42-44)	2,152,188.69
46 PERCENT FUNDS OBLIGATED FOR PA ACTIVITIES (LINE 41/LINE 45)	20.00%

LINE 17 DETAIL: ACTIVITIES TO CONSIDER IN DETERMINING THE AMOUNT TO ENTER ON LINE 17

No data returned for this view. This might be because the applied filter excludes all data.

LINE 18 DETAIL: ACTIVITIES TO CONSIDER IN DETERMINING THE AMOUNT TO ENTER ON LINE 18

Plan Year	IDIS Project	IDIS Activity	Activity Name	Matrix Code	National Objective	Drawn Amount
2019	4	1597	Catalyst Apartments Rehabilitation Project (2019)	14B	LMH	\$142,936.38
Total				14B	Matrix Code	\$142,936.38

LINE 19 DETAIL: ACTIVITIES INCLUDED IN THE COMPUTATION OF LINE 19

Plan Year	IDIS Project	IDIS Activity	Voucher Number	Activity Name	Matrix Code	National Objective	Drawn Amount
2017	24	1555	6668433	First United Methodist Church Kitchen Remodel	03C	LMC	\$121.13
2017	24	1555	6720900	First United Methodist Church Kitchen Remodel	03C	LMC	\$19,339.56
2017	24	1555	6741525	First United Methodist Church Kitchen Remodel	03C	LMC	\$97,000.00
2017	24	1555	6741929	First United Methodist Church Kitchen Remodel	03C	LMC	\$170,123.15
2017	24	1555	6794957	First United Methodist Church Kitchen Remodel	03C	LMC	\$17,822.35
2020	8	1596	6668433	Sun Rose Housing Development (2020)	03C	LMC	\$666.16
2020	8	1596	6715991	Sun Rose Housing Development (2020)	03C	LMC	\$416.37
2020	8	1596	6720894	Sun Rose Housing Development (2020)	03C	LMC	\$868.45
2020	8	1596	6720899	Sun Rose Housing Development (2020)	03C	LMC	\$915.82
2020	8	1596	6720900	Sun Rose Housing Development (2020)	03C	LMC	\$636.50
2020	8	1596	6741525	Sun Rose Housing Development (2020)	03C	LMC	\$501.92
2020	8	1596	6741929	Sun Rose Housing Development (2020)	03C	LMC	\$927.42
2020	8	1596	6741945	Sun Rose Housing Development (2020)	03C	LMC	\$1,445.93
2020	8	1596	6791984	Sun Rose Housing Development (2020)	03C	LMC	\$190.08
2020	8	1596	6795566	Sun Rose Housing Development (2020)	03C	LMC	\$1,513.15
2020	8	1596	6801208	Sun Rose Housing Development (2020)	03C	LMC	\$358.23
2020	8	1596	6801209	Sun Rose Housing Development (2020)	03C	LMC	\$990.74
					03C	Matrix Code	\$313,836.96
2019	5	1602	6668433	Natividad Creek Park Restroom Rehabilitation and ADA Improvements Project	03F	LMA	\$545.04
2019	5	1602	6715991	Natividad Creek Park Restroom Rehabilitation and ADA Improvements Project	03F	LMA	\$1,903.41
2019	5	1602	6720894	Natividad Creek Park Restroom Rehabilitation and ADA Improvements Project	03F	LMA	\$3,970.04
2019	5	1602	6720899	Natividad Creek Park Restroom Rehabilitation and ADA Improvements Project	03F	LMA	\$7,960.60
2019	5	1602	6720900	Natividad Creek Park Restroom Rehabilitation and ADA Improvements Project	03F	LMA	\$6,183.10
2019	5	1602	6741525	Natividad Creek Park Restroom Rehabilitation and ADA Improvements Project	03F	LMA	\$4,562.93
2019	5	1602	6741929	Natividad Creek Park Restroom Rehabilitation and ADA Improvements Project	03F	LMA	\$4,197.79
2019	5	1602	6741945	Natividad Creek Park Restroom Rehabilitation and ADA Improvements Project	03F	LMA	\$5,301.76
2019	5	1602	6741995	Natividad Creek Park Restroom Rehabilitation and ADA Improvements Project	03F	LMA	\$13,489.99
2019	5	1602	6791921	Natividad Creek Park Restroom Rehabilitation and ADA Improvements Project	03F	LMA	\$2,735.38
2019	5	1602	6791967	Natividad Creek Park Restroom Rehabilitation and ADA Improvements Project	03F	LMA	\$1,930.42
2019	5	1602	6791984	Natividad Creek Park Restroom Rehabilitation and ADA Improvements Project	03F	LMA	\$1,805.78
2020	9	1618	6801208	Sherwood Recreation Center Phase IV	03F	LMA	\$3,671.91
2020	9	1618	6801209	Sherwood Recreation Center Phase IV	03F	LMA	\$2,043.40
2022	9	1615	6791921	Hebbron Family Center (Soft Cost)	03F	LMA	\$84,372.60
2022	9	1615	6791967	Hebbron Family Center (Soft Cost)	03F	LMA	\$36,891.68
2022	9	1615	6791984	Hebbron Family Center (Soft Cost)	03F	LMA	\$2,661.15
2022	9	1615	6794962	Hebbron Family Center (Soft Cost)	03F	LMA	\$24,544.80
2022	9	1615	6794964	Hebbron Family Center (Soft Cost)	03F	LMA	\$34,046.56
2022	9	1615	6794965	Hebbron Family Center (Soft Cost)	03F	LMA	\$55,799.89
2022	9	1615	6794966	Hebbron Family Center (Soft Cost)	03F	LMA	\$1,553.04
2022	9	1615	6795566	Hebbron Family Center (Soft Cost)	03F	LMA	\$3,593.73
2022	9	1615	6801208	Hebbron Family Center (Soft Cost)	03F	LMA	\$5,015.29
2022	9	1615	6801209	Hebbron Family Center (Soft Cost)	03F	LMA	\$2,827.74
					03F	Matrix Code	\$311,608.03
2019	6	1614	6791921	Early Childhood Development Center Project	03M	LMC	\$729.43
2019	6	1614	6791967	Early Childhood Development Center Project	03M	LMC	\$755.38
2019	6	1614	6791984	Early Childhood Development Center Project	03M	LMC	\$475.20
2019	6	1614	6794964	Early Childhood Development Center Project	03M	LMC	\$48.81
2019	6	1614	6795566	Early Childhood Development Center Project	03M	LMC	\$756.58
2019	6	1614	6801208	Early Childhood Development Center Project	03M	LMC	\$895.59
2019	6	1614	6801209	Early Childhood Development Center Project	03M	LMC	\$660.49
					03M	Matrix Code	\$4,321.48



Office of Community Planning and Development
U.S. Department of Housing and Urban Development
Integrated Disbursement and Information System
PR26 - CDBG-CV Financial Summary Report
SALINAS , CA

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PART I: SUMMARY OF CDBG-CV RESOURCES

01 CDBG-CV GRANT	2,400,157.00
02 FUNDS RETURNED TO THE LINE-OF-CREDIT	0.00
03 FUNDS RETURNED TO THE LOCAL CDBG ACCOUNT	0.00
04 TOTAL CDBG-CV FUNDS AWARDED	2,400,157.00

PART II: SUMMARY OF CDBG-CV EXPENDITURES

05 DISBURSEMENTS OTHER THAN SECTION 108 REPAYMENTS AND PLANNING/ADMINISTRATION	1,380,389.79
06 DISBURSED IN IDIS FOR PLANNING/ADMINISTRATION	381,407.41
07 DISBURSED IN IDIS FOR SECTION 108 REPAYMENTS	0.00
08 TOTAL EXPENDITURES (SUM, LINES 05 - 07)	1,761,797.20
09 UNEXPENDED BALANCE (LINE 04 - LINE8)	638,359.80

PART III: LOW/MOD BENEFIT FOR THE CDBG-CV GRANT

10 EXPENDED FOR LOW/MOD HOUSING IN SPECIAL AREAS	0.00
11 EXPENDED FOR LOW/MOD MULTI-UNIT HOUSING	0.00
12 DISBURSED FOR OTHER LOW/MOD ACTIVITIES	1,380,389.79
13 TOTAL LOW/MOD CREDIT (SUM, LINES 10 - 12)	1,380,389.79
14 AMOUNT SUBJECT TO LOW/MOD BENEFIT (LINE 05)	1,380,389.79
15 PERCENT LOW/MOD CREDIT (LINE 13/LINE 14)	100.00%

PART IV: PUBLIC SERVICE (PS) CALCULATIONS

16 DISBURSED IN IDIS FOR PUBLIC SERVICES	939,500.24
17 CDBG-CV GRANT	2,400,157.00
18 PERCENT OF FUNDS DISBURSED FOR PS ACTIVITIES (LINE 16/LINE 17)	39.14%

PART V: PLANNING AND ADMINISTRATION (PA) CAP

19 DISBURSED IN IDIS FOR PLANNING/ADMINISTRATION	381,407.41
20 CDBG-CV GRANT	2,400,157.00
21 PERCENT OF FUNDS DISBURSED FOR PA ACTIVITIES (LINE 19/LINE 20)	15.89%

LINE 10 DETAIL: ACTIVITIES TO CONSIDER IN DETERMINING THE AMOUNT TO ENTER ON LINE 10

No data returned for this view. This might be because the applied filter excludes all data.

LINE 11 DETAIL: ACTIVITIES TO CONSIDER IN DETERMINING THE AMOUNT TO ENTER ON LINE 11

No data returned for this view. This might be because the applied filter excludes all data.

LINE 12 DETAIL: ACTIVITIES INCLUDED IN THE COMPUTATION OF LINE 12

Plan Year	IDIS Project	IDIS Activity	voucher Number	Activity Name	matrix Code	national Objective	Drawn Amount
2020	1	1580	6476163	Eden Council for Hope and Opportunity ECHO CDBG-CV	05J	LMC	\$13,075.86
			6525705	Eden Council for Hope and Opportunity ECHO CDBG-CV	05J	LMC	\$16,352.69
			6525715	Eden Council for Hope and Opportunity ECHO CDBG-CV	05J	LMC	\$24,668.64
			6531567	Eden Council for Hope and Opportunity ECHO CDBG-CV	05J	LMC	\$29,902.81
			6635798	Eden Council for Hope and Opportunity ECHO CDBG-CV	05J	LMC	\$19,585.34
			6635805	Eden Council for Hope and Opportunity ECHO CDBG-CV	05J	LMC	\$28,833.01
			6664858	Eden Council for Hope and Opportunity ECHO CDBG-CV	05J	LMC	\$16,623.40
			6667409	Eden Council for Hope and Opportunity ECHO CDBG-CV	05J	LMC	\$16,770.60
			6676634	Eden Council for Hope and Opportunity ECHO CDBG-CV	05J	LMC	\$9,769.99
			6741525	Eden Council for Hope and Opportunity ECHO CDBG-CV	05J	LMC	\$8,417.66
		1581	6461782	Food Bank for Monterey County CDBG-CV	05W	LMC	\$81,007.20
			6525683	Food Bank for Monterey County CDBG-CV	05W	LMC	\$158,461.92
			6525715	Food Bank for Monterey County CDBG-CV	05W	LMC	\$71,487.88
		1582	6525682	City of Salinas Housing Information and Referral Services - CDBG-CV	05X	LMC	\$440.85
			6525683	City of Salinas Housing Information and Referral Services - CDBG-CV	05X	LMC	\$2,344.18
			6525705	City of Salinas Housing Information and Referral Services - CDBG-CV	05X	LMC	\$344.75
			6525709	City of Salinas Housing Information and Referral Services - CDBG-CV	05X	LMC	\$12,102.66
			6525715	City of Salinas Housing Information and Referral Services - CDBG-CV	05X	LMC	\$8,276.12
			6525741	City of Salinas Housing Information and Referral Services - CDBG-CV	05X	LMC	\$4,214.16
			6531567	City of Salinas Housing Information and Referral Services - CDBG-CV	05X	LMC	\$13,799.63
			6616500	City of Salinas Housing Information and Referral Services - CDBG-CV	05X	LMC	\$7,202.30
			6616506	City of Salinas Housing Information and Referral Services - CDBG-CV	05X	LMC	\$8,607.13
			6635794	City of Salinas Housing Information and Referral Services - CDBG-CV	05X	LMC	\$9,001.79
			6635797	City of Salinas Housing Information and Referral Services - CDBG-CV	05X	LMC	\$165.25
			6635798	City of Salinas Housing Information and Referral Services - CDBG-CV	05X	LMC	\$523.35
			6635801	City of Salinas Housing Information and Referral Services - CDBG-CV	05X	LMC	\$7,881.21
			6635805	City of Salinas Housing Information and Referral Services - CDBG-CV	05X	LMC	\$6,776.82
			6635806	City of Salinas Housing Information and Referral Services - CDBG-CV	05X	LMC	\$5,879.39
			6635808	City of Salinas Housing Information and Referral Services - CDBG-CV	05X	LMC	\$8,784.21
			6664858	City of Salinas Housing Information and Referral Services - CDBG-CV	05X	LMC	\$5,036.44
			6667409	City of Salinas Housing Information and Referral Services - CDBG-CV	05X	LMC	\$5,691.72
			6676634	City of Salinas Housing Information and Referral Services - CDBG-CV	05X	LMC	\$8,092.24
			6736408	City of Salinas Housing Information and Referral Services - CDBG-CV	05X	LMC	\$7,716.50
			6736412	City of Salinas Housing Information and Referral Services - CDBG-CV	05X	LMC	\$7,115.86
			6736415	City of Salinas Housing Information and Referral Services - CDBG-CV	05X	LMC	\$4,736.06
			6736419	City of Salinas Housing Information and Referral Services - CDBG-CV	05X	LMC	\$3,573.58
			6736433	City of Salinas Housing Information and Referral Services - CDBG-CV	05X	LMC	\$4,818.47
		1583	6676634	City of Salinas Fair Housing CDBG-CV	05J	LMC	\$238.23
			6736408	City of Salinas Fair Housing CDBG-CV	05J	LMC	\$2,556.97
			6736412	City of Salinas Fair Housing CDBG-CV	05J	LMC	\$1,480.04
			6736415	City of Salinas Fair Housing CDBG-CV	05J	LMC	\$484.30
			6736419	City of Salinas Fair Housing CDBG-CV	05J	LMC	\$54.63
			6736433	City of Salinas Fair Housing CDBG-CV	05J	LMC	\$569.25

1589	6525682	Grow Salinas Fund - CV	18A	LMASA	\$930.28	
	6525683	Grow Salinas Fund - CV	18A	LMASA	\$3,315.20	
	6525705	Grow Salinas Fund - CV	18A	LMASA	\$5,176.84	
	6525709	Grow Salinas Fund - CV	18A	LMASA	\$4,615.20	
	6525715	Grow Salinas Fund - CV	18A	LMASA	\$1,676.61	
	6525741	Grow Salinas Fund - CV	18A	LMASA	\$198,590.04	
	6531567	Grow Salinas Fund - CV	18A	LMASA	\$2,554.34	
	1590	6676634	Economic Development Technical Assistance - CV	18B	LMASA	\$283.54
		6736408	Economic Development Technical Assistance - CV	18B	LMASA	\$2,641.96
		6736412	Economic Development Technical Assistance - CV	18B	LMASA	\$3,921.54
		6736415	Economic Development Technical Assistance - CV	18B	LMASA	\$2,738.83
		6736419	Economic Development Technical Assistance - CV	18B	LMASA	\$2,738.83
		6736433	Economic Development Technical Assistance - CV	18B	LMASA	\$2,738.83
	1591	6525682	Economic Development Technical Assistance - CV (Micro Business	18C	LMASA	\$9,361.38
		6525683	Economic Development Technical Assistance - CV (Micro Business	18C	LMASA	\$7,947.76
		6525705	Economic Development Technical Assistance - CV (Micro Business	18C	LMASA	\$8,130.84
		6525709	Economic Development Technical Assistance - CV (Micro Business	18C	LMASA	\$11,306.59
		6525715	Economic Development Technical Assistance - CV (Micro Business	18C	LMASA	\$8,130.84
		6525741	Economic Development Technical Assistance - CV (Micro Business	18C	LMASA	\$8,310.01
		6531567	Economic Development Technical Assistance - CV (Micro Business	18C	LMASA	\$11,417.16
		6616500	Economic Development Technical Assistance - CV (Micro Business	18C	LMASA	\$9,067.88
		6616506	Economic Development Technical Assistance - CV (Micro Business	18C	LMASA	\$6,559.84
		6635794	Economic Development Technical Assistance - CV (Micro Business	18C	LMASA	\$7,064.76
		6635797	Economic Development Technical Assistance - CV (Micro Business	18C	LMASA	\$7,405.08
6635798		Economic Development Technical Assistance - CV (Micro Business	18C	LMASA	\$8,356.62	
6635801		Economic Development Technical Assistance - CV (Micro Business	18C	LMASA	\$8,479.60	
6635805		Economic Development Technical Assistance - CV (Micro Business	18C	LMASA	\$8,582.72	
6635806		Economic Development Technical Assistance - CV (Micro Business	18C	LMASA	\$11,969.10	
6635808		Economic Development Technical Assistance - CV (Micro Business	18C	LMASA	\$12,326.73	
6664858		Economic Development Technical Assistance - CV (Micro Business	18C	LMASA	\$8,581.33	
6667409		Economic Development Technical Assistance - CV (Micro Business	18C	LMASA	\$10,734.32	
6676634		Economic Development Technical Assistance - CV (Micro Business	18C	LMASA	\$14,016.04	
6736408		Economic Development Technical Assistance - CV (Micro Business	18C	LMASA	\$2,904.79	
6736412		Economic Development Technical Assistance - CV (Micro Business	18C	LMASA	\$9,150.26	
6736415		Economic Development Technical Assistance - CV (Micro Business	18C	LMASA	\$6,387.95	
6736419		Economic Development Technical Assistance - CV (Micro Business	18C	LMASA	\$6,387.96	
6736433		Economic Development Technical Assistance - CV (Micro Business	18C	LMASA	\$6,387.95	
2	1592	6525705	Salvation Army Food Distribution CDBG-CV	03T	LMC	\$58,035.15
	1600	6531567	Salinas Downtown Streets Team 2nd Team - CV	05Z	LMC	\$31,307.22
	6635794	Salinas Downtown Streets Team 2nd Team - CV	05Z	LMC	\$31,486.87	
	6635797	Salinas Downtown Streets Team 2nd Team - CV	05Z	LMC	\$15,092.43	
	6635798	Salinas Downtown Streets Team 2nd Team - CV	05Z	LMC	\$14,174.89	
	6635801	Salinas Downtown Streets Team 2nd Team - CV	05Z	LMC	\$14,304.83	
	6635806	Salinas Downtown Streets Team 2nd Team - CV	05Z	LMC	\$18,511.49	
	6664858	Salinas Downtown Streets Team 2nd Team - CV	05Z	LMC	\$68,108.62	
	6667409	Salinas Downtown Streets Team 2nd Team - CV	05Z	LMC	\$11,327.36	
	6676634	Salinas Downtown Streets Team 2nd Team - CV	05Z	LMC	\$16,839.01	
	6736419	Salinas Downtown Streets Team 2nd Team - CV	05Z	LMC	\$12,174.04	
	6736433	Salinas Downtown Streets Team 2nd Team - CV	05Z	LMC	\$4,673.24	
					\$1,380,389.79	

LINE 16 DETAIL: ACTIVITIES INCLUDED IN THE COMPUTATION OF LINE 16

Plan Year	IDIS Project	IDIS Activity	Voucher Number	Activity Name	Matrix Code	National Objective	Drawn Amount
2020	1	1580	6476163	Eden Council for Hope and Opportunity ECHO CDBG-CV	05J	LMC	\$13,075.86
			6525705	Eden Council for Hope and Opportunity ECHO CDBG-CV	05J	LMC	\$16,352.69
			6525715	Eden Council for Hope and Opportunity ECHO CDBG-CV	05J	LMC	\$24,668.64
			6531567	Eden Council for Hope and Opportunity ECHO CDBG-CV	05J	LMC	\$29,902.81
			6635798	Eden Council for Hope and Opportunity ECHO CDBG-CV	05J	LMC	\$19,585.34
			6635805	Eden Council for Hope and Opportunity ECHO CDBG-CV	05J	LMC	\$28,833.01
			6664858	Eden Council for Hope and Opportunity ECHO CDBG-CV	05J	LMC	\$16,623.40
			6667409	Eden Council for Hope and Opportunity ECHO CDBG-CV	05J	LMC	\$16,770.60
			6676634	Eden Council for Hope and Opportunity ECHO CDBG-CV	05J	LMC	\$9,769.99
			6741525	Eden Council for Hope and Opportunity ECHO CDBG-CV	05J	LMC	\$8,417.66

	1581	6461782	Food Bank for Monterey County CDBG-CV	05W	LMC	\$81,007.20	
		6525683	Food Bank for Monterey County CDBG-CV	05W	LMC	\$158,461.92	
		6525715	Food Bank for Monterey County CDBG-CV	05W	LMC	\$71,487.88	
	1582	6525682	City of Salinas Housing Information and Referral Services - CDBG-CV	05X	LMC	\$440.85	
		6525683	City of Salinas Housing Information and Referral Services - CDBG-CV	05X	LMC	\$2,344.18	
		6525705	City of Salinas Housing Information and Referral Services - CDBG-CV	05X	LMC	\$344.75	
		6525709	City of Salinas Housing Information and Referral Services - CDBG-CV	05X	LMC	\$12,102.66	
		6525715	City of Salinas Housing Information and Referral Services - CDBG-CV	05X	LMC	\$8,276.12	
		6525741	City of Salinas Housing Information and Referral Services - CDBG-CV	05X	LMC	\$4,214.16	
		6531567	City of Salinas Housing Information and Referral Services - CDBG-CV	05X	LMC	\$13,799.63	
		6616500	City of Salinas Housing Information and Referral Services - CDBG-CV	05X	LMC	\$7,202.30	
		6616506	City of Salinas Housing Information and Referral Services - CDBG-CV	05X	LMC	\$8,607.13	
		6635794	City of Salinas Housing Information and Referral Services - CDBG-CV	05X	LMC	\$9,001.79	
		6635797	City of Salinas Housing Information and Referral Services - CDBG-CV	05X	LMC	\$165.25	
		6635798	City of Salinas Housing Information and Referral Services - CDBG-CV	05X	LMC	\$523.35	
		6635801	City of Salinas Housing Information and Referral Services - CDBG-CV	05X	LMC	\$7,881.21	
		6635805	City of Salinas Housing Information and Referral Services - CDBG-CV	05X	LMC	\$6,776.82	
		6635806	City of Salinas Housing Information and Referral Services - CDBG-CV	05X	LMC	\$5,879.39	
		6635808	City of Salinas Housing Information and Referral Services - CDBG-CV	05X	LMC	\$8,784.21	
		6664858	City of Salinas Housing Information and Referral Services - CDBG-CV	05X	LMC	\$5,036.44	
		6667409	City of Salinas Housing Information and Referral Services - CDBG-CV	05X	LMC	\$5,691.72	
		6676634	City of Salinas Housing Information and Referral Services - CDBG-CV	05X	LMC	\$8,092.24	
		6736408	City of Salinas Housing Information and Referral Services - CDBG-CV	05X	LMC	\$7,716.50	
		6736412	City of Salinas Housing Information and Referral Services - CDBG-CV	05X	LMC	\$7,115.86	
		6736415	City of Salinas Housing Information and Referral Services - CDBG-CV	05X	LMC	\$4,736.06	
		6736419	City of Salinas Housing Information and Referral Services - CDBG-CV	05X	LMC	\$3,573.58	
		6736433	City of Salinas Housing Information and Referral Services - CDBG-CV	05X	LMC	\$4,818.47	
		1583	6676634	City of Salinas Fair Housing CDBG-CV	05J	LMC	\$238.23
			6736408	City of Salinas Fair Housing CDBG-CV	05J	LMC	\$2,556.97
		6736412	City of Salinas Fair Housing CDBG-CV	05J	LMC	\$1,480.04	
		6736415	City of Salinas Fair Housing CDBG-CV	05J	LMC	\$484.30	
		6736419	City of Salinas Fair Housing CDBG-CV	05J	LMC	\$54.63	
		6736433	City of Salinas Fair Housing CDBG-CV	05J	LMC	\$569.25	
	1592	6525705	Salvation Army Food Distribution CDBG-CV	03T	LMC	\$58,035.15	
	1600	6531567	Salinas Downtown Streets Team 2nd Team - CV	05Z	LMC	\$31,307.22	
		6635794	Salinas Downtown Streets Team 2nd Team - CV	05Z	LMC	\$31,486.87	
		6635797	Salinas Downtown Streets Team 2nd Team - CV	05Z	LMC	\$15,092.43	
		6635798	Salinas Downtown Streets Team 2nd Team - CV	05Z	LMC	\$14,174.89	
		6635801	Salinas Downtown Streets Team 2nd Team - CV	05Z	LMC	\$14,304.83	
		6635806	Salinas Downtown Streets Team 2nd Team - CV	05Z	LMC	\$18,511.49	
		6664858	Salinas Downtown Streets Team 2nd Team - CV	05Z	LMC	\$68,108.62	
		6667409	Salinas Downtown Streets Team 2nd Team - CV	05Z	LMC	\$11,327.36	
		6676634	Salinas Downtown Streets Team 2nd Team - CV	05Z	LMC	\$16,839.01	
		6736419	Salinas Downtown Streets Team 2nd Team - CV	05Z	LMC	\$12,174.04	
		6736433	Salinas Downtown Streets Team 2nd Team - CV	05Z	LMC	\$4,673.24	
							\$939,500.24

LINE 19 DETAIL: ACTIVITIES INCLUDED IN THE COMPUTATION OF LINE 19

Plan Year	IDIS Project	IDIS Activity	voucher Number	Activity Name	matrix Code	national Objective	Drawn Amount
2020	3	1578	6413677	CDBG-CV Planning and Program Administration (2020)	21A		\$368.35
			6413680	CDBG-CV Planning and Program Administration (2020)	21A		\$11,230.09
			6413697	CDBG-CV Planning and Program Administration (2020)	21A		\$23,682.48
			6450561	CDBG-CV Planning and Program Administration (2020)	21A		\$30,615.05
			6461780	CDBG-CV Planning and Program Administration (2020)	21A		\$28,302.35
			6461781	CDBG-CV Planning and Program Administration (2020)	21A		\$20,673.89
			6461782	CDBG-CV Planning and Program Administration (2020)	21A		\$17,518.69
			6476163	CDBG-CV Planning and Program Administration (2020)	21A		\$21,230.02
			6525682	CDBG-CV Planning and Program Administration (2020)	21A		\$12,185.64
			6525683	CDBG-CV Planning and Program Administration (2020)	21A		\$12,630.26
			6525705	CDBG-CV Planning and Program Administration (2020)	21A		\$8,764.92
			6525709	CDBG-CV Planning and Program Administration (2020)	21A		\$9,080.63
			6525715	CDBG-CV Planning and Program Administration (2020)	21A		\$5,146.43
			6525741	CDBG-CV Planning and Program Administration (2020)	21A		\$4,764.03
			6531567	CDBG-CV Planning and Program Administration (2020)	21A		\$7,151.65

6616500	CDBG-CV Planning and Program Administration (2020)	21A	\$21,132.60
6616506	CDBG-CV Planning and Program Administration (2020)	21A	\$11,274.70
6635794	CDBG-CV Planning and Program Administration (2020)	21A	\$13,717.36
6635797	CDBG-CV Planning and Program Administration (2020)	21A	\$11,766.34
6635798	CDBG-CV Planning and Program Administration (2020)	21A	\$11,825.25
6635801	CDBG-CV Planning and Program Administration (2020)	21A	\$3,918.24
6635805	CDBG-CV Planning and Program Administration (2020)	21A	\$27,254.18
6635806	CDBG-CV Planning and Program Administration (2020)	21A	\$4,347.22
6635808	CDBG-CV Planning and Program Administration (2020)	21A	\$4,996.62
6664858	CDBG-CV Planning and Program Administration (2020)	21A	\$2,493.70
6667409	CDBG-CV Planning and Program Administration (2020)	21A	\$7,656.40
6676634	CDBG-CV Planning and Program Administration (2020)	21A	\$5,947.11
6736408	CDBG-CV Planning and Program Administration (2020)	21A	\$16,932.84
6736412	CDBG-CV Planning and Program Administration (2020)	21A	\$5,153.60
6736415	CDBG-CV Planning and Program Administration (2020)	21A	\$7,660.18
6736419	CDBG-CV Planning and Program Administration (2020)	21A	\$6,555.90
6736433	CDBG-CV Planning and Program Administration (2020)	21A	\$5,430.69
Total			\$381,407.41

DRAFT

Attachment D: CAPER Resolution

CAPER City resolution is pending and will be attached upon approval by the Salinas City Council.

DRAFT

Submission of the FY 2022-23 Consolidated Annual Performance and Evaluation Report to U.S Department of Housing and Urban Development

Community Development Department
Housing Division

Meeting Date: September 12, 2023



Sun Rose Apartments Construction



Recommended Action

It is recommended that City Council adopt a resolution approving the Fiscal Year 2022-23 Consolidated Annual Performance and Evaluation Report (CAPER) and authorize submittal to United States Department of Housing and Urban Development (HUD).



Executive Summary

City is a HUD entitlement jurisdiction:

- Community Development Block Grant (CDBG and CDBG-CV)
- HOME Investment Partnerships Program (HOME)
- HOME American Rescue Plan (HOME-ARP)
- Emergency Solutions Grants (ESG and ESG-CV)

CAPER is an annual assessment of all activities and accomplishments

- FY 2022-23 Annual Action Plan (AAP)
- FY 2020-24 Consolidated Plan (Con Plan) and the

HUD Submission Deadline: September 30, 2023



Background

HUD Citizen Participation Plan

- Minimum 15-day public comment period August 26th – September 12th, 2023
- Notices published in The Monterey Herald on August 26, 2023
- Draft CAPER available for public view
 - City website
 - In-person and by appointment at CDD offices
 - Email request
- Public Hearing: City Council Meeting - 4:00 p.m. September 12, 2023

FY 2022-23 HUD FUNDING AND EXPENDITURES

Program	Total Available Funding	Expenditures
CDBG	\$7,974,126*	\$1,361,221
CDBG-CV	\$784,463*	\$146,103
HOME	\$2,132,271*	\$121,982
HOME-ARP	\$2,918,774	\$0
ESG	\$520,705*	\$465,992
ESG-CV	\$1,752,704*	\$1,646,889
Total	\$16,083,043	\$3,745,427

* Includes remaining funds from prior fiscal years



Sun Rose Apartments Construction



Housing & Development Forum

FY 2022-23 CDBG Program

Agency	Funding Category	Funding Amount	Expenditures	Outcomes
City of Salinas	Program Administration (20% Grant & PI)	\$430,343	\$430,343	N/A
Interim Inc.	Housing	\$1,059,140*	\$289,729	6 Housing Units
City of Salinas First United Methodist Church Alisal Union School District	Public Facility	\$6,116,755*	\$619,668	5 Public Facilities
Salinas Outreach and Response Team (SORT) Eden Council for Hope and Opportunity (ECHO)	Public Service	\$235,800	\$91,582	165 Households

** Includes funding from previous fiscal years*

FY 2022-23 CDBG-CV

Agency	Funding Category	Funding Amount *	Expenditures	Outcomes
City of Salinas	Program Administration (20%)	\$480,031	\$57,830	N/A
City of Salinas Downtown Streets Inc. ECHO	Public Service	\$1,197,000	\$296,482	408 Households 52 Business

**Includes funding from prior fiscal years*

FY 2022-23 ESG Program

Agency	Funding Category	Funding Amount *	Expenditures	Outcomes
City of Salinas	Program Administration (7.5% of Grant)	\$39,792	\$24,564	N/A
Bay Area Community Services (BACS) Central Coast Center for Independent Living (CCCIL) SORT	Public Service	\$490,781	\$441,428	384 Persons

**Includes funding from prior fiscal years*



SHARE Center



SHARE Center Garden



(SORT)

FY 2022-23 ESG-CV

Agency	Funding Category	Funding Amount*	Expenditures	Outcomes
City of Salinas	Program Administration (10% of Grant)	\$643,217	\$77,602	N/A
City of Salinas CCCIL Community Homeless Solutions Coalition of Homeless Services Providers Downtown Streets Team, Inc. Interim, Inc. University Corporation at Monterey Bay Bay Area Community Services	Public Service	\$4,545,985	\$1,569,289	996 Households

**Includes funding from prior fiscal years*

FY 2022-23 HOME

Agency	Funding Category	Funding Amount*	Expenditures	Outcomes
City of Salinas	Program Administration	\$418,036	\$114,036	N/A
Monterey County Housing Development Corporation	Housing	\$1,017,540*	\$7,947	6 Housing Units
To be committed in the future	Housing	\$1,705,905	\$0	TBD

**Includes funding from prior fiscal years*



Parkside Manor Proposed Development



Parkside Manor Phase I Construction



Parkside Manor Phase I Construction

FY 2022-23 HOME-ARP

Agency	Funding Category	Available Funding	Expenditures	Outcome
City of Salinas	Program Administration	\$437,816.10	\$0	N/A
Step up on Second	Supportive Services	\$2,480,957.90	\$0	Households



CEQA Consideration

- The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378).

Strategic Plan 2022-2025

- Economic Development
- Housing/Affordable Housing
- Effective and Culturally Responsive Government

Fiscal Impact

- HUD provides Federal Funds directly to the City, therefore there is no impact to the General Fund.



Recommendation

The Community Development Department (CDD) recommends that the City Council adopt a Resolution approving the FY 2022-23 CAPER and authorizing its submittal to HUD.



City of Salinas

200 Lincoln Ave., Salinas,
CA 93901
www.cityofsalinas.org

Legislation Text

File #: ID#23-565, Version: 1

Audited Basic Financial Statements for the Year End June 30, 2022

Approve a Resolution approving the Audited Basic Financial Statements for Fiscal Year ended June 30, 2022.



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: SEPTEMBER 12, 2023

DEPARTMENT: FINANCE

FROM: JIM PIA, ACTING FINANCE DIRECTOR

BY: ERIC BURL, ACCOUNTING MANAGER
THE PUN GROUP, LLP

TITLE: AUDITED BASIC FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2022

RECOMMENDED MOTION:

A motion to accept the audited Basic Financial Statements for fiscal year ended June 30, 2022.

RECOMMENDATION:

Staff recommends that City Council accept the audited Basic Financial Statements for fiscal year ended June 30, 2022.

DISCUSSION:

Audited Basic Financial Statements

The Finance Department is pleased to present the audited financial statements for the fiscal year ended June 30, 2022. As noted in the Independent Auditor's Report, the transmittal letter in the Basic Financial Statements provides an overview of the City's financial activities for that fiscal year.

The PUN GROUP, LLP, the City's independent auditor, has completed this annual audit of City Budget affairs. The financial statements are presented in conformity with generally accepted accounting principles (GAAP) and are audited in accordance with generally accepted auditing standards.

CEQA CONSIDERATION:

Not a Project. The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378).

STRATEGIC PLAN INITIATIVE:

The audited financial statements are part of upholding the Council Goal of Operational Efficiencies.

DEPARTMENTAL COORDINATION:

The audited financial statements represent the good work of the City's Finance Department, and all departments working in the City.

FISCAL AND SUSTAINABILITY IMPACT:

Costs associated with the audit are included in the City's FY 2022-23 and current year budgets.

Attachments

Basic Financial Statements (Draft) fiscal year ended June 30, 2022

**CITY OF SALINAS,
CALIFORNIA**

Basic Financial Statements

Fiscal Year Ended June 30, 2022

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City of Salinas
Basic Financial Statements
For the Year Ended June 30, 2022

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City of Salinas
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City of Salinas
Basic Financial Statements
For the Year Ended June 30, 2022

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Basic Financial Statements

Fiscal Year Ended June 30, 2022



PREPARED BY
THE FINANCE DEPARTMENT

Jim Pia
Assistant City Manager /
Acting Finance Director

Eric Burl, Accounting Manager

AUDITORS

The Pun Group LLP
Accountants & Advisors
200 E. Sandpointe Avenue, Suite 600
Santa Ana, CA 92707



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City of Salinas

FINANCE DEPARTMENT • 200 Lincoln Ave • Salinas, California 93901

(831) 758-7420 • (831) 758-7937 (Fax) • www.ci.salinas.ca.us

September 12, 2023

***Honorable Mayor and Members of the City Council
City of Salinas, California***

We are pleased to submit the City of Salinas (City) Basic Financial Statements for the fiscal year ended June 30, 2022. The financial statements are presented in conformity with generally accepted accounting principles (GAAP) and are audited in accordance with generally accepted auditing standards.

Responsibility for the accuracy of the data and the fairness of presentation, including all notes and disclosures, rests with the City. We believe the data presented in this report is accurate in all material respects and all statements and disclosures necessary for the reader to obtain a thorough understanding of the City's financial activities have been included. Management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements.

While traditionally addressed to the governing body of the City, this report is intended to provide relevant financial information to the residents of the City of Salinas, City staff, creditors, investors and other concerned readers. We encourage all readers to contact the Finance Department with any questions or comments concerning this report.

The Pun Group LLP, a firm of certified public accountants, have audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2022, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Based upon the audit, the independent auditors concluded that there was reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended June 30, 2022, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on fair presentation of the financial statements, but also on the government’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City’s separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City’s MD&A can be found immediately following the report of the independent auditors.

This report is divided into two sections:

- The **Introductory Section** includes this letter of transmittal and an organizational overview of the City government.
- The **Financial Section** consists of the independent auditors’ report, Management’s Discussion and Analysis, and the Basic Financial Statements; which include the Government-Wide Financial Statements, Fund Financial Statements, Notes to Financial Statements, Required Supplementary Information and other Supplementary Information.

The Reporting Entity and Its Services

In defining the reporting entity, there are no other governmental units over which the City Council has financial accountability. Under new state law, the Salinas Redevelopment Agency, which was a component unit of the City, ceased to exist as of February 1, 2012, and therefore the assets and activities of the dissolved redevelopment agency are reported in a Fiduciary Fund (private purpose trust fund) in the financial statements of the City.

The City of Salinas was incorporated as a charter City on March 4, 1874 and operates under the Council-Manager form of government. The City is governed by a six-member Council elected by districts for four-year alternating terms and a Mayor elected at large for a two-year term. The Council appoints the City Attorney and the City Manager, who is responsible for day-to-day administration of the City under the policy direction of the Council.

The City of Salinas is the “county seat” of Monterey County and is located in the Central Coast region of California, 17 miles inland from the Monterey Bay, 325 miles north of Los Angeles and 106 miles south of San Francisco. Salinas is a charter City providing all typical City services: Public safety - police and fire, Public Works - maintenance services (streets, lighting, signals, facilities, parks and trees), development and permit services, current and advanced planning and traffic and facilities engineering, Library, Recreation and General administrative services. Business-type City services include: a Municipal Airport, Industrial Waste system, Sanitary Sewer, Water Utility and a Parking District. The State Department of Finance reports the City’s population at 162,222 as of January 1, 2020. The City FY 2021-22 budget includes 606.50 positions authorized on a full-time equivalent basis.

Three elementary school districts, a unified high school district and several private schools at both the primary and secondary level operate in the City of Salinas. Hartnell College, a State Community College, offers two-year degrees and occupational certificate programs. California State University, Monterey Bay is located less than 15 miles away on the former Fort Ord site. Graduate studies through Golden Gate University, Monterey Institute of International Studies and Chapman College are available nearby. Also in the area are Moss Landing Marine Laboratory, Monterey College of Law, Stanford University's Hopkins Marine Station and San Jose State University.

Salinas has extensive health and medical services with two of Monterey County's four hospitals located within the City. Salinas also offers skilled nursing and convalescent homes and residential retirement facilities for seniors, as well as over 220 practicing physicians.

Fire protection and basic and advanced life support are provided by the City's full-service Fire Department. Advanced life support services are provided by the Fire Department's paramedic program. The City of Salinas has a Police Department and receives additional support, as required, from the Monterey County Sheriff's Office and other regional, state and federal agencies.

The City's moderate climate encourages year-round use of its 550 plus acres of municipal parks, which include golf courses, tennis courts and swimming pools. The Salinas Community Center regularly hosts symphonies, ballets, concerts and conventions. Salinas is host to the annual Steinbeck Festival, the California Rodeo, and the California International Airshow. Salinas has a modern California Sports Complex and the National Steinbeck Center. Surrounding Salinas are diverse recreational opportunities including beautiful beaches and the world famed golf courses of the Monterey Bay Peninsula.

As the retail hub of the Central Coast, Salinas enjoys a wide selection and diversity in its stores. Northridge Shopping Center contains over 120 specialty shops and four major department stores – Macy's, Sears, Best Buy and J.C. Penney. Harden Ranch Plaza includes Wal-Mart, Target, Safeway, specialty stores, restaurants, and banking institutions. The Westridge Shopping Center is home to Costco, Wal-Mart, Office Max, Dick's Sporting Goods and a variety of national chain restaurants. The Salinas Auto Center houses nine local dealers and its retail area hosts Home Depot, Beverages and More (BevMo), Kohl's, and other specialty stores. Additionally, Salinas' location allows quick access to the Monterey Peninsula, as well as the San Jose area.

The City utilizes various Boards and Commissions in the conduct of its affairs. Commissions and Committees established by City Ordinance are:

- Airport Commission
- Library and Community Services Commission
- Traffic and Transportation Commission
- Planning Commission
- Measure G Oversight Committee
- Measure E Oversight Committee

Boards and Committees established by Resolution of the City Council are:

- Police Community Advisory Committee
- Animal Services Committee

- Design Review Board
- Board of Appeals
- Grievance Advisory Board
- Finance Committee
- Historical Resources Board

FINANCIAL INFORMATION

The City's management staff is responsible for establishing and maintaining internal controls that safeguard the assets of the government from loss, theft, or misuse and allow the compilation of adequate accounting data for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed its likely benefits and that the evaluation of costs and benefits is subject to management estimates and judgments.

Single Audit

As a recipient of Federal, State and County financial assistance, the City is responsible for providing assurance that adequate internal controls are in place to ensure compliance with applicable laws and regulations relating to these award programs. Internal controls are subject to periodic evaluation by management, the Finance Department staff, and the City's outside independent auditors.

As part of the City's single audit procedures, tests are performed to determine the effectiveness of the internal controls over major Federal award programs and the City's compliance with applicable laws and regulations related to these award programs.

Accounting System and Budgetary Control

The City's accounting and budgeting records for general governmental operations are maintained on a modified accrual basis, with the revenues being recorded when available and measurable. Expenditures are recorded when the services or goods are received or the liabilities incurred. Accounting and budgeting for the City's proprietary funds are maintained on the accrual basis.

The City also uses encumbrance accounting as another technique for accomplishing budgetary control. An encumbrance is a commitment of a future expenditure earmarked for a particular purpose that reduces the amount of budgetary authority available for general spending. At the end of the fiscal year, encumbered appropriations are carried forward and become part of the following year's budget while appropriations that have not been encumbered lapse and are available to be appropriated through the following fiscal year's budget process.

The City Council approves operating appropriations at the department and fund level prior to July 1, each year and may amend the budget during the fiscal year. Please refer to Required Supplementary Information to the financial statements for a more detailed discussion of budget policy and control. The City continues to meet its responsibility for sound financial management as demonstrated by the statements and schedules included in the financial section of this report.

Annual Financial Report

The purpose of the City's Annual Financial Report is to summarize the administrative and operational performance of the City during the previous fiscal year. The report is intended to highlight significant accomplishments that were achieved during the fiscal year ended June 30, 2022 and to provide a financial analysis of City performance.

Capital Assets and Depreciation

As of June 30, 2022, capital assets, including infrastructure assets, of the City of Salinas totaled \$862.2 million; accumulated depreciation totaled \$454.9 million, with the difference providing net capital assets of \$407.2 million. Net capital assets of the City's governmental activities (general government) are \$335.0 million and net capital assets for the City's business-type activities (enterprise funds) are \$72.2 million.

Capital assets include land, buildings, infrastructure (streets, curbs, gutters, sidewalks, bridges, streetlights, traffic signals, etc.), improvements other than buildings (park improvements, etc.), and machinery and equipment.

During FY 2021-22, depreciation expense on capital assets of the City's governmental activities (general government) was \$12.9 million and depreciation expense on capital assets of the City's business-type activities (enterprise funds) was \$3.6 million. Depreciation expense represents the amount at which assets are being used-up annually. Due to budget constraints over the years, the City has been unable to invest in the maintenance of capital assets at anywhere near the annual depreciation amount.

Please refer to the Notes to Basic Financial Statements, Note 11 for a complete discussion of the City's Capital Assets.

Long-term Debt Payable

At June 30, 2022, the City had \$154.8 million in long-term debt. Long-term debt includes capital leases and notes and bonds payable. While the General Fund guarantees most of the City's long-term debt, other funds, agencies or property owners make the majority of principal and interest payments. Examples of other funds, agencies or property owners include, the Industrial Waste Fund, Golf Courses Fund, the Sanitary Sewer Fund, Successor Agency to the former Salinas Redevelopment Agency property tax increments, and payments from property owners who are included in the City's various assessment districts.

Please refer to the Notes to Basic Financial Statements, Note 13, for a complete discussion of the City's Long-term Debt.

Fund Financial Statements-General Governmental Revenues

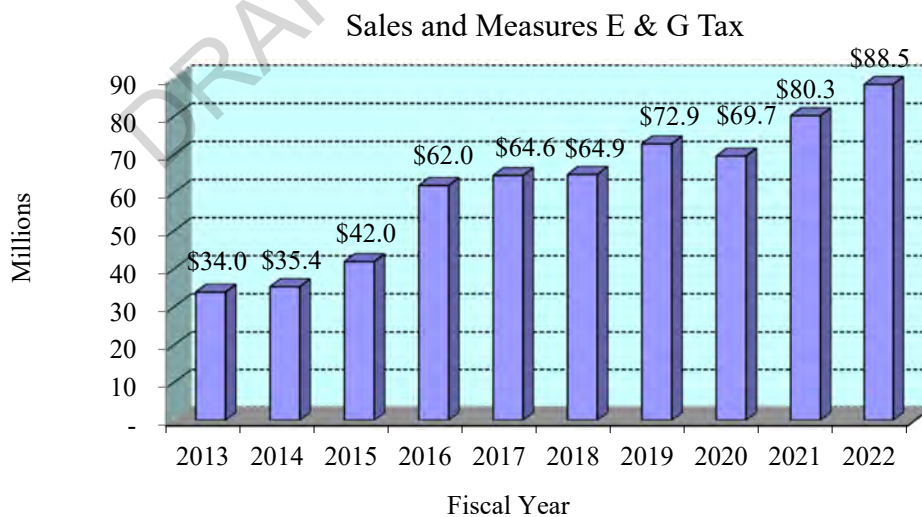
The current governmental operations of the City are accounted for in the General, Special Revenue, Debt Service, and Capital Project Funds. For the fiscal year ended June 30, 2022, total revenues for general governmental functions totaled \$214.4 million, an increase of 12.0% over the previous fiscal year.

Sales Tax

The City has a well-diversified economy and sales tax base. The sales and transaction and use tax increased \$8.2 million, or 10.2% from FY 2020-21. The increase can be attributed to the recovery from the COVID-19 pandemic and the effects it had on the economy. Sales tax was the largest single category of revenue this fiscal year producing 17.7% of the combined governmental fund type revenues. Transactions and Use Tax (Measures E and G) represents 23.6% of the combined governmental fund type revenues. Measures E and G transactions and use tax is a general tax and is reported as part of the General Fund. Combined, sales tax and transactions and use tax revenue total \$88.5 million or 41.3% of the combined governmental fund type revenues.

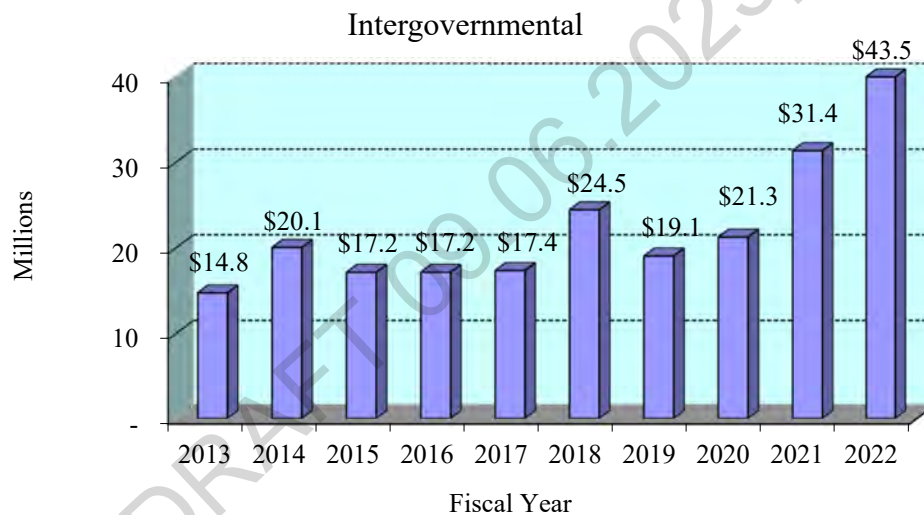
On November 8, 2005, the voters of Salinas approved Measure V, a 0.50% transactions and use tax. On November 6, 2012, the voters of Salinas approved to extend the 0.50% transaction and use tax with no sunset (Measure E). Measure E is a general tax and is reported as part of the General Fund, although the tax is accounted for in a separate sub-fund of the General Fund.

On November 4, 2014, the voters of Salinas approved Measure G, an ordinance imposing a one-cent general transactions and use tax. Measure G has a fifteen-year term and requires the City Council to establish an Oversight Committee. Measure G is a general tax and is reported as part of the General Fund, although the tax is accounted for in a separate sub-fund of the General Fund.



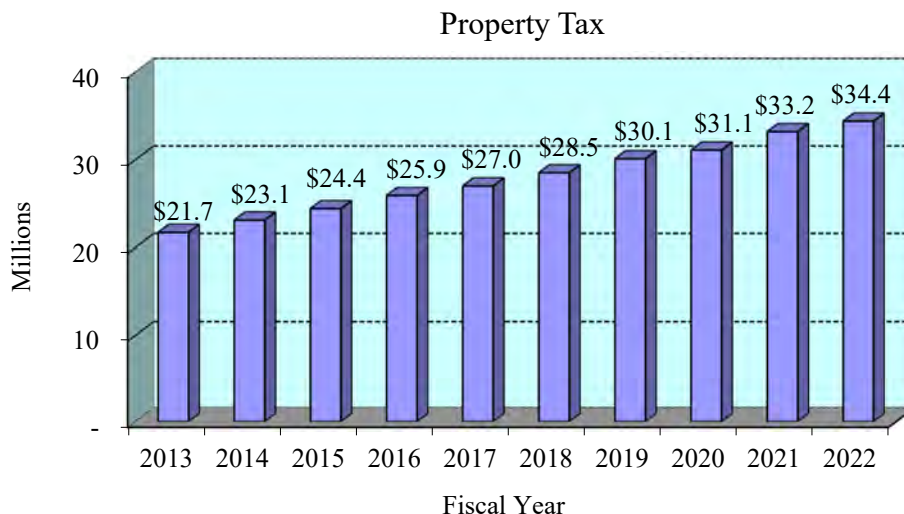
Intergovernmental

Intergovernmental revenue was the second largest single category of revenue during the fiscal year producing 20.3% of the combined governmental fund revenues. Intergovernmental revenues consist of vehicle licenses fees (1/3 of VLF), Federal and State Public Safety Funds, Federal Block Grants, State Gas Taxes and Federal and State Construction Grants. Intergovernmental revenue recovered from a 10-year low nine years ago. Intergovernmental revenue had an increase from the prior year of \$12.1 million, or 38.5%, mainly from increased Federal funding for the pandemic.



Property Tax

Property tax revenue was the third largest source of revenue during this fiscal year, producing 16.0% of the combined governmental fund type revenues. Property tax revenue includes Property tax-in-lieu of vehicle license fees (2/3 of VLF) of \$14.8 million that is now determined by the City's growth in assessed property values. Property tax experienced a low in 2012 of \$21.5 million and is now \$34.4 million.



Utility User's Tax and Other Taxes

Utility user's tax and other taxes produced 10.9% of the combined governmental fund type revenues. Other taxes include business license tax and franchise fees, among others. Utility user's tax increased \$0.4 million from the prior year, or 3.8%. Other taxes decreased from the prior year to \$11.5 million.

Assessment District Taxes

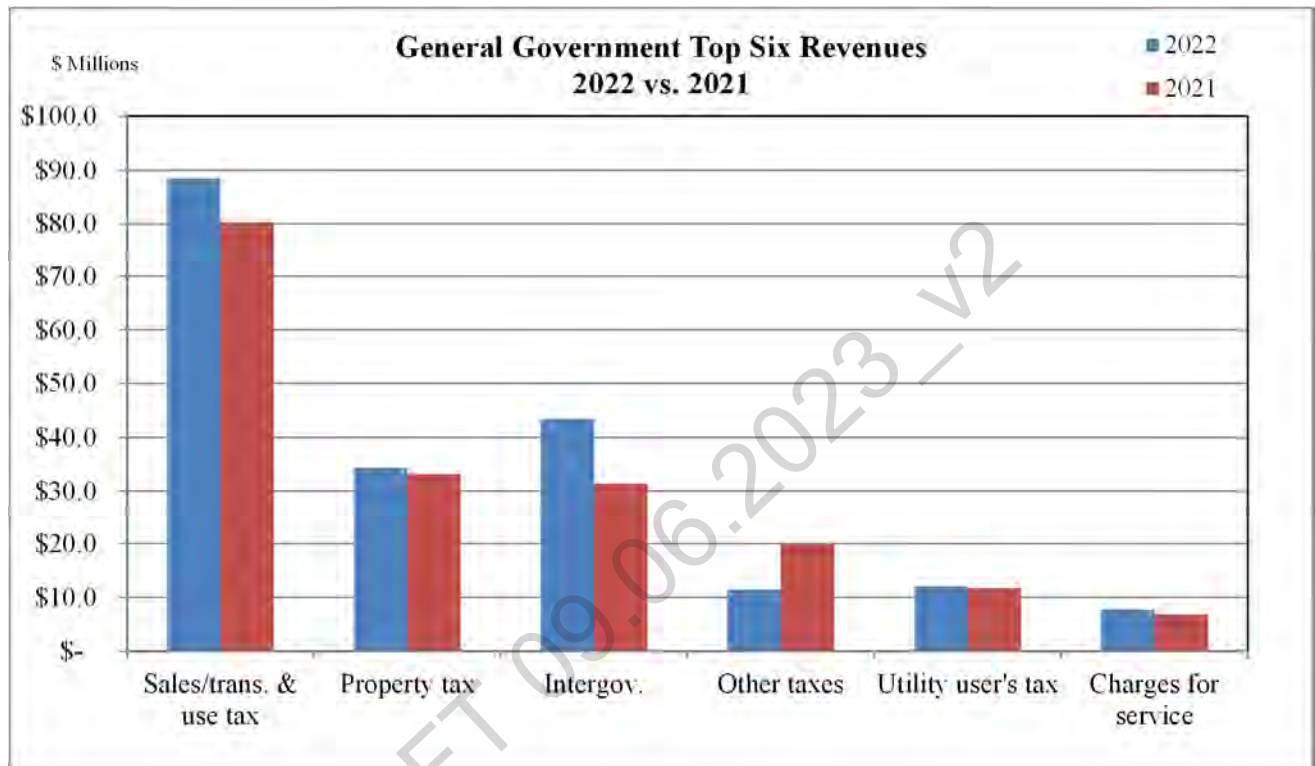
The Assessment District Debt Service Fund taxes increased by 2.0 million to \$0.7 million.

Charges for Services

The Charges for Services revenue increased by \$0.9 million, or 13.5% as a result of services returning to the pre-COVID-19 pandemic levels.

Revenues from various sources and the resulting changes over the last year are shown below.

Source of Revenues	2022 Amounts	Percent of Total	2021 Amounts	2022 vs. 2021 Increase/(decrease)	
				Dollars	Percent
Taxes - Special Assessments	\$ 749,723	0.3%	\$ 2,774,645	\$ (2,024,922)	-73.0%
Property tax	34,350,884	16.0%	33,234,237	1,116,647	3.4%
Sales/transaction & use tax	88,460,979	41.3%	80,275,160	8,185,819	10.2%
Utility user's tax	12,106,526	5.6%	11,664,913	441,613	3.8%
Other taxes	11,452,945	5.3%	19,869,125	(8,416,180)	-42.4%
License & permits	11,655,858	5.4%	812,083	10,843,775	1335.3%
Intergovernmental	43,503,917	20.3%	31,404,757	12,099,160	38.5%
Charges for service	7,779,989	3.6%	6,854,066	925,923	13.5%
Interest	(2,221,283)	-1.0%	673,582	(2,894,865)	-429.8%
Rental income	597,016	0.3%	927,623	(330,607)	-35.6%
Fines/forfeitures	736,590	0.3%	623,400	113,190	18.2%
Miscellaneous	5,205,563	2.4%	2,243,489	2,962,074	132.0%
TOTAL	<u>\$ 214,378,707</u>	<u>99.8%</u>	<u>\$ 191,357,080</u>	<u>\$ 23,021,627</u>	<u>12.0%</u>

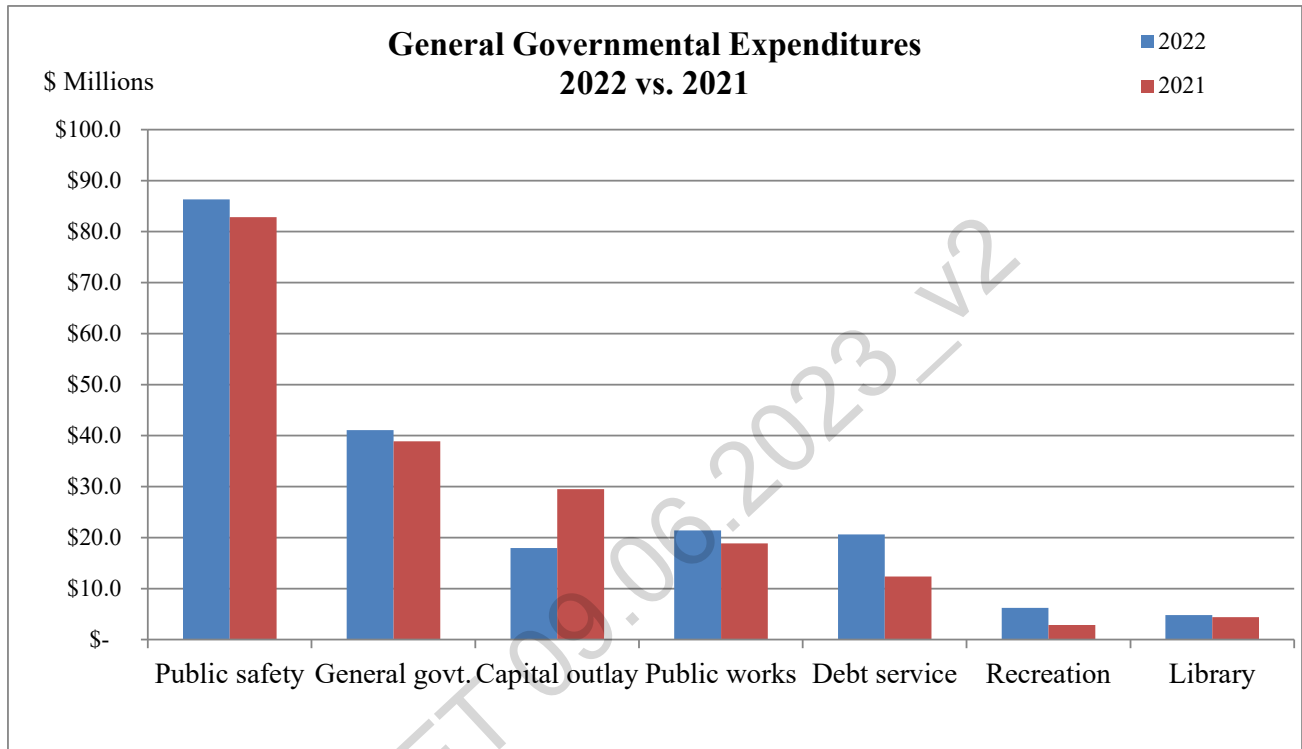


Fund Financial Statements-General Governmental Expenditures

Expenditures for governmental operations during the fiscal year ended June 30, 2022 were \$198.3 million, a net increase of 3.9% in total expenditures over the previous year.

Changes in expenditures by major function are as follows:

Function	2022	Percent of Total	2021	2022 vs. 2021 Increase/(decrease)	
				Dollars	Percent
General government	\$ 41,058,542	20.7%	\$ 39,992,586	\$ 1,065,956	2.7%
Public safety	86,257,361	43.5%	82,842,431	3,414,930	4.1%
Public works	21,406,979	10.8%	18,892,966	2,514,013	13.3%
Recreation	6,203,379	3.1%	2,935,550	3,267,829	111.3%
Library	4,759,516	2.4%	4,363,997	395,519	9.1%
Subtotal operations	159,685,777	80.5%	149,027,530	10,658,247	7.2%
Capital outlay	18,038,903	9.1%	29,525,238	(11,486,335)	-38.9%
Debt service:					
Principal	15,149,780	7.6%	6,465,528	8,684,252	134.3%
Interest	5,474,806	2.8%	5,951,232	(476,426)	-8.0%
Total	\$ 198,349,266	100.0%	\$ 190,969,528	\$ 7,379,738	3.9%



For the fiscal year ended June 30, 2022, total expenditures for general governmental functions totaled \$198.3 million, an increase of 3.9% over the previous fiscal year.

General Government increased by \$1.1 million, or 2.7%. Recreation increased by \$3.3 million, or 111.3%, Public Safety increased by \$3.4 million, or 4.1%, Public Works increased by \$2.5 million, or 13.3%, and Library expenditures increased by \$0.4 million, or 9.1%.

Principal payments increased by \$8.7 million while interest payments decreased by \$0.5 million, mostly due to a large pay down of the Police Services Building debt in the current year.

Capital Outlay (Project) expenditures decreased \$11.5 million or 38.9% from \$29.5 million in FY 2020-21 to \$18.0 million in FY 2021-22. During the year, there were 128 capital projects worked on. The largest project was the Bardin Rd. Safe Route to School with \$5.9 million spent in 2022. The second largest project was \$4.6 million spent on the East Lake Street Sewer Repairs. The third and fourth largest projects were \$2.7 and \$1.7 million on the E. Laurel Dr. Sidewalk and Lights and the Industrial Waste Treatment Facility Repairs projects, respectively.

Business-type Activities-Enterprise Funds

Enterprise Funds are the City's business-type activities (activities supported, at least in part, by fees or charges) and include the Salinas Municipal Airport, the Industrial Waste Facility, the Sanitary Sewer System, the Parking District, and Permit Services.

The Enterprise Fund's net position totaled \$56.2 million at June 30, 2022.

Internal Service Funds

Internal Service Funds are used to account for the City's fleet maintenance program and risk management program which administers employee benefits and the City's insurance programs including; 1) General Insurances-employee assistance program, unemployment claims, biennial physical exams and property insurance; 2) Workers' Compensation self-insurance program; and 3) General Liability self-insurance program.

At June 30, 2022, the Internal Service Funds liabilities for estimated claims payable totaled \$29.7 million, with \$25.3 million representing Workers' Compensation and \$4.3 million representing General Liability.

Total Workers' Compensation insurance claims liabilities are \$27.0 million at June 30, 2022. A portion of the liability is reported in the Internal Service Fund (\$25.3 million) and a portion is treated as long-term debt (\$1.6 million). The long-term debt portion represents future obligations of the Workers' Compensation Plan.

Fiduciary Funds

Fiduciary Funds are used to account for assets held in trust for others and cannot be used for general government purposes. The City maintains the following Fiduciary Funds: Private Purpose Trust Funds, Pension Trust Funds and Custodial Funds.

Private Purpose Trust Funds include a net position of \$1.0 million held by the City, which increased by \$0.1 million from the prior year. Of the net position, \$0.4 million is held by the City for the dissolved Redevelopment Agency, which is accounted for in the Successor Agency Trust, and a net position of \$0.6 million held by the City for Community Center and Sherwood Hall activities, Monterey One Water Fees, Sales Tax, Payroll Taxes, Deposits, Construction Bonds and other trust arrangements not properly reported in a pension trust.

Pension Trust Funds held by the City of \$13.6 million are employee deferred compensation funds.

Custodial Funds are assets held by the City for Economic Development, Salinas Valley Enterprise Zone, Employee Cafeteria Plan and Retired Employees Health Insurance Program. Agency assets held by the City total \$0.0 million (\$22,012).

Cash Management

In accordance with the provisions of California Government Code Section 53600 et. seq., the City is restricted to certain types of legal investments. These investments are included in the City's investment policy and are approved by City Council annually. In addition, the City's investment activity is reported to the City Council monthly pursuant to the California Government Code.

The City invests all idle funds daily. The cash management system of the City is designed to monitor revenues and expenditures to ensure the investment of monies to the fullest extent possible. The criteria, in order of priority, for selecting investments are safety, liquidity, and yield.

The City's investment in certificates of deposit and investment contracts are reported at cost, which is fair value. While recorded at fair market value in the financial statements, the City's investments are redeemable at 100% of cost.

Please refer to Note 3 for a complete discussion of the City's Cash and Investments.

The City's cash and investments at June 30, 2022 is as follows:

Cash and Cash Equivalents:	
Cash on hand	\$ 25,000
Demand accounts at banks	6,260,469
Money market	16,073,619
Deposits held in trust by fiscal agent	217,200
Money market held in trust by fiscal agent	-
Local Agency Investment Fund	89,354,488
Total cash and cash equivalents	<u>111,930,776</u>
Investments:	
Investments held by fiscal agent	137,056,490
Deferred compensation	4,354,495
Total investments	<u>141,410,985</u>
Total cash and investments	<u>\$ 253,341,761</u>

Property Assessment

Assessed valuation of citywide taxable properties increased \$415.2 million to \$13,051 million representing an increase of 3.3% over FY 2020-21.

The following table summarizes the growth and declines in assessed valuation.

Fiscal year	Before Redevelopment Increment	After Redevelopment Increment	Percent Change
2021-22	\$ 13,051,285,928	\$ 12,029,666,454	3.29%
2020-21	12,636,068,210	11,642,994,299	4.60%
2019-20	12,080,694,193	11,139,610,620	5.41%
2018-19	11,460,172,316	10,579,785,927	5.02%
2017-18	10,912,115,449	10,071,741,861	4.70%
2016-17	10,422,521,577	9,614,776,155	4.60%
2015-16	9,963,782,622	9,195,146,472	6.49%
2014-15	9,356,177,997	8,629,207,052	8.82%
2013-14	8,597,836,189	7,904,316,402	2.72%
2012-13	8,370,116,351	7,693,329,440	0.72%
2011-12	8,310,478,479	7,628,550,860	-0.61%
2010-11	8,361,701,633	7,473,844,928	-6.75%
2009-10	8,966,761,801	7,981,760,147	-11.25%
2008-09	10,102,973,741	9,158,540,984	-5.10%
2007-08	10,645,974,648	9,750,295,032	7.25%
2006-07	9,926,023,729	9,107,918,547	12.72%
2005-06	8,806,009,783	8,305,434,488	12.90%
2004-05	7,799,653,100	7,373,407,370	10.70%
2003-04	7,045,521,979	6,643,698,145	6.90%

Significant Events and Accomplishments

Through the leadership of the City Council and the City Manager, the city continues to produce amazing accomplishments. The City Council is committed to strategic goals, which guide the initiatives and activities of each City department. The following is a list of accomplishments during the year for each department:

❖ City Attorney Department

1. Support Efforts to Generate Revenue Sources to Invest in Existing Facilities and Infrastructure. *(Infrastructure and Environmental Sustainability)*
 - a. Advise on transactional support and fee/finance issues related to additional investment in existing facilities and infrastructure.
 - b. Advise on procurement and contracting for American Rescue Plan Act (ARPA) funded projects.
2. Support Efforts to Fund Storm Water Program and Additional Taxes and Fees. *(Infrastructure and Environmental Sustainability)*
 - a. Advise on and support efforts to establish new and additional fees and taxes to fund the City's storm water management program and maintenance of City parks and recreation facilities.
3. Municipal Code Update. *(Effective and Culturally Responsive Government; Infrastructure and Environmental Sustainability)*
 - a. Complete update of the Municipal Code to identify and to update self-imposed regulations that hinder operational efficiencies.
 - a. Update purchasing policies and purchasing manual, to include an environmentally friendly purchasing requirement.
 - b. Support efforts to establish a Youth Commission. *(Youth and Seniors)*
4. Cost-Recovery Program. *(Effective and Culturally Responsive Government)*
 - a. Continue to implement and manage a cost-recovery program so the City can recover its costs and can recover for damaged property.
5. Employment/Human Resources. *(Effective and Culturally Responsive Government)*
 - a. Continue to review and to update personnel policies, as needed. Continue to participate in and advise on employee issues during continued negotiations with the remaining bargaining groups.
6. Civil Litigation. *(Effective and Culturally Responsive Government)*
 - a. Continue to manage the bulk of civil litigation in-house, with less reliance on outside counsel, except for some unique and particularly specialized cases.
 - b. Work to resolve North of Boronda Future Growth Area-related litigation to facilitate development of new housing. *(Housing/Affordable Housing)*
7. Prosecution of Municipal Code Violations. *(Public Safety)*
 - a. Continue to prosecute misdemeanor violations of the Salinas Municipal Code.
8. Continue to address workers' compensation costs, continue moving toward sound actuarial funding. *(Effective and Culturally Responsive Government)*
 - a. Reduce general fund costs in management and administration of general liability and workers compensation programs.
 - b. Identify workers' compensation cases which are eligible for early resolution.
 - c. Develop and implement a City-wide Safety Training Program; participate in Safety Committee meetings.

- d. Assist with coordination of early Return to Work for Industrial and Non-industrial Injuries.
- e. Annually audit workers' compensation third party administrator's performance in managing claims and liabilities.
- f. Review and update actuarial data in workers' compensation program to ensure adequate funding and reduction in outstanding accrued liability.

❖ **Community Development Department**

1. Continue to implement the Alisal Vibrancy Plan including greening, litter abatement and public art/district identity improvements and the adoption of commercial corridor guidelines and a district identity plan. *(Strategic Goal: Economic Development)*
2. Continue to support small businesses through business navigation, loans, and connection to small business resources. *(Strategic Goal: Economic Development)*
3. Work with developers to entitle the Ferrasci Business Center Specific Plan (Target Area K) which will provide new employment and revenue generating opportunities. *(Strategic Goal: Economic Development)*
4. Evaluate the tax and regulatory environment for commercial cannabis and make data informed recommendations to City Council on improvements to the Commercial Cannabis Ordinance, tax rates, and permitting process to stabilize the industry in Salinas. *(Strategic Goal: Economic Development)*
5. Continue to work with the community, food vendors, and nonprofits to expand healthy foods choice and explore entrepreneurship opportunities such as new farmer's markets, food truck pods, development of a community/commercial kitchen, and community gardens. *(Strategic Goal: Economic Development)*
6. Coordinate with the County on the implementation of the Downtown Vibrancy and Alisal Vibrancy Plans to include undertaking planning activities for a downtown parking facility and city and county properties around the Division Street Opportunity site in the Alisal. *(Strategic Goals: Economic Development and Housing/Affordable Housing)*
7. Complete the entitlement process for a vibrant, multi-phase new mixed-use development at the corner of Abbott and John Street to include a 111-room hotel, 242 dwelling units, 107,900 sq ft of retail, and 30,900 sq ft of office. *(Strategic Goals: Economic Development and Housing/Affordable Housing)*
8. Proactively engage developers and leverage American Rescue Plan Act (ARPA) funding of \$7 million and other housing resources to incentivize and promote the production of low- and moderate-income housing for families, workforce, including farmworkers, and seniors. *(Strategic Goal: Housing/Affordable Housing)*
9. Launch preparation of the East Area Specific Plan to increase housing development opportunities and create healthy, walkable and sustainable neighborhoods. *(Strategic Goal: Housing/Affordable Housing)*

10. Continue to partner with the County of Monterey to develop an affordable multi-family housing project at 855 E. Laurel Drive. *(Strategic Goal: Housing/Affordable Housing)*
11. Continue to effectively operate an ARPA funded interim housing Motel Program in support of City Health & Safety Days and other emerging City initiatives and priorities. *(Strategic Goal: Housing/Affordable Housing)*
12. Effectively use SB2 grant funds to facilitate zone changes to mixed-use to increase housing development opportunities in the downtown, North and East Salinas. *(Strategic Goal: Housing/Affordable Housing)*
13. Support the continued rehabilitation and full occupancy of 202 units of affordable, permanent supportive housing at awarded HCD Homekey project sites. *(Strategic Goal: Housing/Affordable Housing)*
14. Continue to promote ADU development by completing pre-approved ADU plans, streamlining approval processes, updating regulations consistent with State law, and connecting applicants to financing. *(Strategic Goal: Housing/Affordable Housing)*
15. Facilitate the development of the Future Growth Area (FGA) by coordinating infrastructure investment and processing tentative map applications as quickly as possible. *(Strategic Goal: Housing/Affordable Housing)*
16. Initiate public engagement to facilitate the preparation of the City's first Climate Action Plan (CAP). *(Strategic Goal: Infrastructure and Environmental Sustainability)*
17. Establish a rental registration program to promote the life safety of housing units and provide tenant/landlord support to stabilize Salinas' housing stock and promote housing preservation. *(Strategic Goals: Public Safety and Housing/Affordable Housing)*
18. Improve code enforcement outcomes by coordinating with Fire Prevention, Police Department, Public Works, Monterey County Environmental Health, Republic Services, and Homeless Service Providers to address blighted properties and quality of life issues such as noise complaints. *(Strategic Goal: Public Safety)*
19. Increase inspection warrants and continue to implement administrative and legal remedies in gaining compliance on nuisance properties that may have health and safety dangers. *(Strategic Goal: Public Safety)*
20. Coordinate with Public Works and the Monterey County Health Department in working with vendors to comply with the City's vendor regulations and to improve health compliance related to food vending. *(Strategic Goal: Public Safety)*
21. Continue to expand community engagement opportunities and education to encourage compliance with City codes. *(Strategic Goal: Public Safety)*
22. Assist in providing funding to organizations in the areas of substance abuse and youth violence prevention. *(Strategic Goal: Public Safety)*

23. Effectively implement the Cal ICH Encampment Resolution Grant using ‘Housing First’ best practices to provide unhoused residents with viable pathways to housing and to allow for the restoration of former encampments sites to their intended public use. *(Strategic Goal: Public Safety)*
24. Coordinate with Library and Community Services and Public Works to implement park and recreational facility improvements including the design and construction of a new Hebbbron Family Center to implement the Alisal Vibrancy Plan. *(Strategic Goal: Youth and Seniors)*
25. Complete the final phase of rehabilitation of the Sherwood Recreation Center project in collaboration with Library and Community Services. *(Strategic Goal: Youth and Seniors)*
26. Continue to engage and collaborate with Salinas’ residents and stakeholders to ensure the incorporation of equity in the preparation of the General Plan Update. *(Strategic Goal: Effective and Culturally Responsive Government)*
27. Implement technology improvements at the Permit Center to facilitate the processing of construction permits via Project/Dox/OAS, a paperless system. *(Strategic Goal: Effective and Culturally Responsive Government)*
28. Increase virtual building inspections by 50% over the next fiscal year. *(Strategic Goal: Effective and Culturally Responsive Government)*
29. Implement a customer satisfaction survey to guide Permit Center Improvements *(Strategic Goal: Effective and Culturally Responsive Government)*
30. Optimize the land use management system – TRAKiT to facilitate data exchange and avoid duplicative entry to improve Permit Center productivity. *(Strategic Goal: Effective and Culturally Responsive Government)*

❖ **Finance Department**

1. Worked collaboratively with departments to balance the fiscal year budget.
2. Implemented group budgeting, which reduces the number of appropriation (i.e., expenditure budget) adjustments necessary by allowing expenses within a department’s individual accounts within a fund to be exceeded provided the department’s overall appropriation in the same fund is not, and zero-based budgeting, which requires that budgeting begin with \$0 in appropriations assumed. Together, these practices prevent budget “bloat,” inflated appropriations which result from carrying forward appropriation amounts year after year without consideration for whether they are necessary.
3. Amended the City’s financial policies, establishing and funding several new reserves to better position the City able to withstand financial emergencies and to make decisions strategically, rather than financially, and establishing minimum targets for annual infrastructure and facilities maintenance appropriations.

4. Completed the annual audited financial statements and Single Audit of Federally Assisted Grant Programs (Single Audit), receiving unmodified auditor's opinions/reports (i.e., opinions/reports wherein the auditor has concluded that the financial statements are presented fairly, in all material respects, in accordance with the applicable financial reporting framework).
5. Secured American Rescue Plan Act Funds of \$51.6 million for the City of Salinas.
6. Improved the calculation of available fund balances.
7. Acquired professional investment management and advisory services consultant, which is expected to significantly increase the City's investment returns.
8. Acquired property tax services consultant, which will assist the City in preparing more accurate property tax revenue projections, provide assessed value and revenue information for secured and unsecured properties in the City, and perform analysis to identify errors in misallocation of property taxes.
9. Completed Technology Current State Assessment and Technology Master Plan.
10. Develop training and educational plans to improve help desk "first call" resolution and improve support services across the City.
11. Established Unclaimed Monies webpage where outstanding (uncashed) checks issued by the City may be found along with instructions for submitting claims.
12. Supported labor negotiations with labor costing and budgetary/financial updates.

❖ **Fire Department**

1. Grants- The Fire Department applied for and was awarded a grant from the *Federal Urban Area Security Initiative (UASI)* in the amount of \$162,000 to upgrade the technology in the City's Mobile Command and Communications Vehicle (MCCV). The vehicle was procured in 2008 with State Homeland Security Grant Program (SHSGP) funding and is in need of upgrades to its' technology systems. This award assures the serviceability of this valuable resource for many years to come.

Assistance to Firefighters Grant (AFG) - The fire department was rewarded this unique grant for a second year in a row. In cooperation with the City of Monterey Fire Department, this grant provides funding up to \$800,000 for existing SFD firefighters to attend paramedic and offset the associated staffing costs.

2. Recruitment and Hiring - The Fire Department successfully hired and completed an academy of 8 lateral firefighter transfers from neighboring fire departments. This helped the department to hire local candidates and reduce some of the costs associated recruitment and training of personnel with existing firefighting experience.

Fire department administration was successful in partnering with the South Bay Regional Training Consortium, Hartnell College and Monterey Peninsula College in establishing a local Paramedic training program. This program administered through the community college system will provide the opportunity for local students to obtain this valuable training and will allow local departments to train existing staff to the advanced level of Paramedic.

SFD has partnered with the Mission Trails Regional Occupational Program (MTROP) to attract and train local youth for a career of service with the City of Salinas Fire Department. This supports the City Council's strategic goal of local recruitment and diversity in the City's workforce.

3. Emergency Medical Services – Amidst the global pandemic Salinas firefighters responded to several thousand COVID-19 related emergency responses without drastic impacts to continuity of services. The division took a lead role in establishing city-wide COVID guidelines and best practices for all City departments and participated in local and State efforts to provide vaccinations and education.
4. Promotional Exams –The Fire Department has completed numerous internal promotions to fill vacancies in various ranks, including Battalion Chief, Fire Captain, and Fire Engineer.
5. Fire Prevention Division – The division was able to fill its' 3rd vacancy in the full-time Fire Inspector position and is currently recruiting to fill vacancies in part-time positions. The division received Council approval to proceed with a re-classification/re-organization of inspection personnel to further improve the efficiency and accountability of inspections and help with recruitment and retention of staff. The division has eliminated nearly all of the pandemic-related back-log of inspections.
6. Operations/Suppression -The Fire Department took delivery of two new fire apparatus. These new fire engines will replace aged equipment at fire station #1 on West Alisal St. and fire station #6 on East Bolivar St.as part of the department's vehicle replacement program.
7. Facilities- Fire station #1 on West Alisal received a much needed new roof that will help extend the longevity of this facility and greatly improved the visual for the neighborhood. Additionally, the Council approved improvements to the west wing of City Hall have commenced and are anticipated to be completed by the new FY. The improvements to the west wing will combine the fire administration and prevention offices into one space and allows for efficiencies in supervision of staff, efficiencies in customer service, provides ample workspace for fire department administrative and prevention personnel. It also provides for training facilities that can also serve as the City's Emergency Operations Center (EOC) in times of crisis. Office spaces vacated in the permit center will allow for expansion of community development programs, services, and staffing as well.
8. Wellness/Safety – The Department has bolstered its' training and resource availability in the areas of mental health and critical incident stress reduction. Several members of the department have received specific training in Critical Incident Stress Management (CISM) as part of a broader national initiative to reduce mental health impacts on public safety personnel. The department has engaged with additional specialized counseling resources to augment and improve existing programs.

❖ **Human Resources Department**

1. Work collaboratively with Departments to administer the personnel recruitment and in-service training programs for City personnel (Strategic Goal: Effective and Culturally Responsive Government)
2. Administer the City's classification and compensation plans consistent with the Personnel Ordinance and Resolution (Strategic Goal: Effective and Culturally Responsive Government)
3. Continue streamlining hiring and employee onboarding (Strategic Goal: Public Safety and Effective and Culturally Responsive Government)
4. Continue ongoing collaboration with implementation of the Salinas Plan (Strategic Goal: Public Safety and Effective and Culturally Responsive Government)
5. Continue efforts on Blue Zone worksite designation (Strategic Goal: Effective and Culturally Responsive Government)
6. Streamline payroll for public safety - integration into New World ERP (Strategic Goal: Effective and Culturally Responsive Government)
7. Implement online performance evaluation module (Strategic Goal: Effective and Culturally Responsive Government)
8. Oversee the City's employer-employee relations matters with recognized employee organizations on matters within the scope of representation pursuant to Municipal Code (Strategic Goal: Effective and Culturally Responsive Government)

❖ **Library and Community Services Department**

1. Continue to develop and maintain reopening/ongoing operating standards for our libraries and recreation centers that mitigate the risk posed by the ongoing COVID-19 pandemic. (*Youth and Seniors*)
2. Continue to identify opportunities that support implementation of the Parks, Recreation & Libraries Master Plan. (*Youth and Seniors, Public Safety, Effective and Culturally Responsive Government, Infrastructure and Environmental Sustainability*)
3. Apply for and leverage multiple funding sources and partnerships to offer better programs and services with improved organizational outcomes. (*Youth and Seniors, Public Safety, Effective and Culturally Responsive Government, Infrastructure and Environmental Sustainability*)
4. Identify new collaborations with school districts to increase access to facilities through Joint Use Agreements and student support systems like on-site after school programs. (*Youth and Seniors*)

5. Continue to increase city-wide volunteer efforts to beautify and uplift AMOR Salinas Principals. (Youth and Seniors).
6. Continue to provide popular hybrid recreation and library programs, including take-home kits and virtual program options, while fully re-establishing in-person programs. (Youth and Seniors)
7. Complete and Publish the Community Alliance for Safety and Peace Strategic Plan on Violence Reduction for 2022-2025 and present to the City Council. (*Public Safety*)
8. Assess and prioritize maintenance of Department facilities to ensure a safe and welcoming environment that meets the needs of the community. (*Infrastructure and Environmental Sustainability, Public Safety, Youth and Seniors*)
9. Continue to offer prevention and intervention programs and services for at-risk youth and member of other vulnerable populations. (*Public Safety, Youth and Seniors, Effective and Culturally Responsive Government*)
10. Utilize Crime Prevention Through Environmental Design (CPTED) principles to improve safety in parks and around facilities. (*Infrastructure and Environmental Sustainability, Public Safety, Youth and Seniors*)
11. Develop a Park Maintenance Standard Manual that will identify standards of work to support a higher standard for upkeep and maintenance of the park system. (*Infrastructure and Environmental Sustainability, Effective and Culturally Responsive Government*)
12. Continue to support the Public Arts Commission, implementation of the Public Arts Ordinance and coordination of variety of stakeholders and funders to implement the Public Art Master Plan. (*Economic Development, Effective and Culturally Responsive Government*)
13. Leverage existing programs and efforts to develop a mural program to combat graffiti. (*Economic Development*)
14. Establish a Race Equity Plan. (*Effective and Culturally Responsive Government*)
15. Provide Diversity, Equity and Inclusion (DEI) training for policy-makers and staff. (*Effective and Culturally Responsive Government*)
16. Continue to manage the Hebbbron Family Center Revitalization Project and enter into a design-build contract. (*Economic Development, Infrastructure and Environmental Sustainability, Public Safety, Youth and Seniors*)
17. Continue to manage the Closter Park Renovation Project. (*Economic Development, Infrastructure and Environmental Sustainability, Public Safety, Youth and Seniors*)
18. Conduct an irrigation assessment of the City's park system. (*Infrastructure and Environmental Sustainability, Public Safety, Youth and Seniors*)

19. Continue to assess and upgrade playground structures, benches, and grills. *Infrastructure and Environmental Sustainability, Public Safety, Youth and Seniors*)
20. Review the library structure and finalize recommendations for a re-organization to identify a clear structure that improves service delivery. *(Effective and Culturally Responsive Government)*
21. Seek and implement new technologies and digital resources to increase the efficiency, convenience, and level of service to the community. *(Effective and Culturally Responsive Government)*
22. Expand the Library's device lending program to include laptops and hotspots, to alleviate digital divide in the community. *(Effective and Culturally Responsive Government)*
23. Continue to provide Adult and Family Literacy services, including English language and basic computer literacy, citizenship exam, and high school equivalency preparation classes. *(Youth and Seniors)*
24. Re-establish additional in-person sessions for Read Grow Play playgroup programs, restart Kinder mobile service for Salinas' kindergarteners, and continue to provide seasonal reading challenges for Salinas youth to encourage love of reading. *(Youth and Seniors)*
25. Continue to offer and expand the SMART card program for all school districts in Salinas *(Youth and Seniors)*
26. Fully launch makerspace for public access at El Gabilan Library and improve technology access at all libraries *(Effective and Culturally Responsive Government)*
27. Evaluate and expand the Library's digital collection and resources to increase relevancy and diversity of offerings *(Effective and Culturally Responsive Government)*
28. Expand library programs and partnerships for adults and young adults in health and wellness, financial literacy, local history and genealogy, and workforce and business development. *(Youth and Seniors, Economic Development)*
29. Identify opportunities to improve library staff training, engagement, and wellness to better retain and grow talents locally *(Effective and Culturally Responsive Government)*
30. Identify funding resources and implement building improvement efforts for John Steinbeck and Cesar Chavez Library. *(Effective and Culturally Responsive Government)*
31. Update the special event permit process to improve efficiencies, mitigate risk and create a positive customer service experience for the event organizer. *(Effective and Culturally Responsive Government, Economic Development)*

❖ **Police Department**

1. Continue to secure new grants and supplemental funding to support police operations and expand services to the community. *(Strategic Goal: Public Safety & Effective and Culturally Responsive Government)*
2. As recommended in the workload analysis, implement new patrol beat boundaries to greater balance workload. *(Strategic Goal: Public Safety)*
3. Effective utilization of resources and staffing to efficiently provide services to the community. *(Strategic Goal: Public Safety & Effective and Culturally Responsive Government)*
4. Maintain CSO staffing to address quality of life issues such as abandoned vehicles and community engagement. *(Strategic Goal: Public Safety & Effective and Culturally Responsive Government)*
5. Work collaboratively with Code Enforcement and the City Attorney's Office to address quality of life issues. *(Strategic Goal: Public Safety)*
6. Increase community engagement throughout all levels of the department. *(Strategic Goal: Public Safety & Effective and Culturally Responsive Government)*
7. Continue to work on evaluating and implementing the remaining Department of Justice's Collaborative Reform Initiative recommendations, as appropriate. *(Strategic Goal: Public Safety & Effective and Culturally Responsive Government)*
8. Continued to implement and expand the community policing concept to maintain and increase communication and transparency with the community. *(Strategic Goal: Public Safety)*

❖ **Public Works Department**

Investment Strategies/Risk Management

1. Downtown Vibrancy Plan Implementation
 - a. Complete construction of Main Street for 100, 200 and 300 block.
 - b. Complete construction of Downtown Complete streets, on West Alisal from Front Street to Blanco Road.
2. Support development of Salinas Travel Center project, Airport Lease Project, Unikool (John Street) Project, SkyWest Project, and the Sobel Project.
3. Complete the Mitigated Negative Declaration for Boronda Road Congestion Relief Project (future growth area).

4. Complete 75% design for Boronda Road and McKinnon roundabout.
5. Submit 90% plans of Williams Road to PG&E for the kickoff of the Utility Undergrounding design project.
6. Technical Support for the West Area and Central Area Specific Plans approval process.
7. Provide engineering and street maintenance support for various City special events.
8. Completed 90% Design for the Williams Road Improvements.
9. Continuing work to develop sustainable parking enterprises which help support the city's economic sectors.
10. Project closeout for the Sanborn/Elvee/HWY 101.
11. Completed the fiberoptic backbone for the Downtown Fiber Optic Network plan.
12. Complete Installation of new metal roof at Fire Station no. 1.
13. Support regional plan to extend commuter rail service to Salinas that will provide access to jobs in the Bay Area and Silicon Valley.
14. Development complete streets, multi-modal corridors, and a sustainable transportation to support responsible future growth area and mitigate vehicle miles travelled (VMT).
15. Supported the Airport Lease Project MND and began coordination with Caltrans as part of mitigation program to improve Airport Blvd/US 101 Ramps.
16. Support the Salinas Ag Industrial Center Development Project and continue coordinating with Caltrans and TAMC to improve US 101 access in South Salinas.
17. Completed plans and awarded a bid for the Pedestrian Crossing Enhancements Project.
18. Completed new Franchise Agreement for Solid Waste Services after over a year of negotiations.
19. Completed new agreement with Salinas Valley Solid Waste Authority which requires the relocation of the Sun Street Transfer Station outside the City.
20. Completed Agreement with California Water Board to accept \$8.8M in grant funds for the Industrial Wastewater Treatment Facility.

Public Safety

1. Continuing work with Monterey County Health Department, TAMC, and Blue Zones to develop Traffic Safety education programs.

2. Continued homeless encampment cleanups.
3. Begin construction of East Laurel Drive Pedestrian Improvements and Street Lighting.
4. Completed construction of Old Muni Pool phase 1, 2 and 3.
5. Begin construction of the Bardin Road Safe Routes to School Improvements.
6. Completed construction of the Alvin Drive Safe Routes to School Project.
7. Completed construction of three new traffic signals (Alvin Drive/Linwood and the Alvin Drive/El Dorado Intersections; and at North Main/Street/Navajo Drive in support of the El Gabilan Library Extension.
8. Completed Council approved Traffic Calming Projects at Geil Street.
9. Completed sidewalk repairs at District 3, District 4 and District 2 in the amount of \$900K through the Job Order Contract (JOC) Sidewalk Improvement Program.
10. Continued developing the Salinas Safe Routes to School Plan with Ecology Action and TAMC.
11. Completed new sidewalks and eliminated the “missing” pedestrian link on Maryal Drive serving Sherwood Park, Tatum’s Garden, the Rodeo Grounds and Boys and Girls Club.

Operational Efficiencies

1. Developing Sustainable Citywide Parking Management Program
 - a. Continued to manage the Parking Enterprise Programs
 - b. Demonstrated successful implementation of Parking Enforcement Enterprise; improving services while continuing to cover costs at the same time supporting the City’s economic and safety objectives. Expanded parking enforcement services to weekends and early evenings.
 - c. Indexed the rates in the Downtown Parking District to reduce dependence of the enterprise on the City General Fund.
 - d. Transitioned to a new parking citation management vendor
 - e. Prepared a facility condition assessment report for both Downtown garages to identify deferred maintenance and probable costs to repair
2. Utilized Geographic Information Systems (GIS) for spatial analysis. Spatial analysis lets staff evaluate suitability and capability, estimate, predict, interpret, and understand data. This capability is delivered to all City Departments to provide new perspectives to data driven decision-making.
3. Implemented innovative and emerging technology solutions to increase efficiency and effectiveness of City services.
4. Plan of EV stations transformer for the ITC center.

5. Embarked upon the development of a Community-Based Public/Private Partnership (P3) process to potentially fund green infrastructure projects throughout the City.
6. Developing Proposition 26 fees to fund the costs of NPDES inspection and plan review activities.
7. Continuing Implementation of the City Traffic Fee Ordinance.
8. Completed draft final plans for the Sherwood/Front St Adaptive Traffic Signal System Project.
9. Implemented measures to more closely track revenue and manage the City's Franchise Agreement for Solid Waste Services.

Excellent Infrastructure

1. Completed Mitigated Negative Declaration for Boronda Road Improvements which provides increase capacity to four lanes and 5 new roundabouts at key intersections.
2. Begin construction of 2021 Chip Seal project City Wide.
3. Complete 80% design of San Juan Grade Road rehabilitation.
4. Continuing Development of City's Active Transportation Plan.
5. Continue identifying funding for improvements for implementation of the East Alisal Corridor Plan.
6. Secured grant funding to stretch transportation dollars.
7. Hired consultant to update City Standard Plans and Specifications.
8. Updated Pavement Management System for future road maintenance.
9. Applied for HSIP Grants to fund a part of Williams Road Improvements.
10. Refreshed over 17,000 linear feet of crosswalks.
- 11 Complete Design of 2021 Slurry Seal Project City Wide.
- 12 Complete Design of Montebella Subdivision Slurry Seal project.
11. Complete Construction of East Alvin Drive Safe Routes to School Project.
12. Complete construction for North Main/Navajo traffic signal project.
13. Complete Construction of Downtown Complete Street Project.
14. Awarded the bid for the traffic signal at Alisal Street and Murphy Street.

15. Adopted the Vision Zero Plan to reduce severe injuries and fatalities on city streets.
16. Completed sludge removal project at the Industrial Wastewater Treatment Facility.

Labor Relations

The City completed negotiations with the two Fire units, the International Association of Fire Fighters (IAFF) and the Fire Supervisors Association. New Compensation Plans were approved for the unrepresented units consisting of Confidential Management, Confidential Non-Management, and most recently in February 2023, Department Directors. The City's negotiation team is starting negotiations with the three Service Employees International Union (SEIU) Local 521 units and with the Association of Management Personnel of Salinas (AMPS) on March 1, 2023. The MOUs for those four units expire June 30, 2023. The Salinas Police Officers Association MOU expires December 31, 2023.

Acknowledgements

The preparation of this Annual Financial Report could not have been accomplished without the professional, efficient, and dedicated service of the staff of the Finance Department. In particular, I would like to acknowledge and give a very special thanks to Accounting Manager, Eric Burl, and Finance Management Analyst, Abe Pedroza, both of whom are dedicated to the sound fiscal management of the City. The entire Finance staff deserves a special word of thanks for another year of hard work and quality performance. I also wish to thank our auditors, The Pun Group LLP, Accountants & Advisors, for their diligence, cooperation and assistance.

Sincere appreciation is also expressed to the City Manager and members of the City Council for their support in planning and conducting the financial operations of the City in a responsible, sustainable and progressive manner.

Respectfully submitted,

Jim Pia
Assistant City Manager / Acting Finance Director

Kimbley Craig

Mayor

Carla Viviana Gonzalez

Councilmember
District 1

Orlando Osornio

Councilmember
District 4

Tony Barrera

Councilmember
District 2

Christie Cromeenes

Councilmember
District 5

Steve McShane

Councilmember
District 3

Anthony Rocha

Councilmember
District 6

Steven S. Carrigan

City Manager

Christopher A. Callihan

City Attorney

Jim Pia

Assistant City Manager

David Jacobs

Public Works Director

Kristan Lundquist

Library and Community
Services Director

Megan Hunter

Community
Development Director

Roberto Filice

Chief of Police

Sam Klemek

Fire Chief

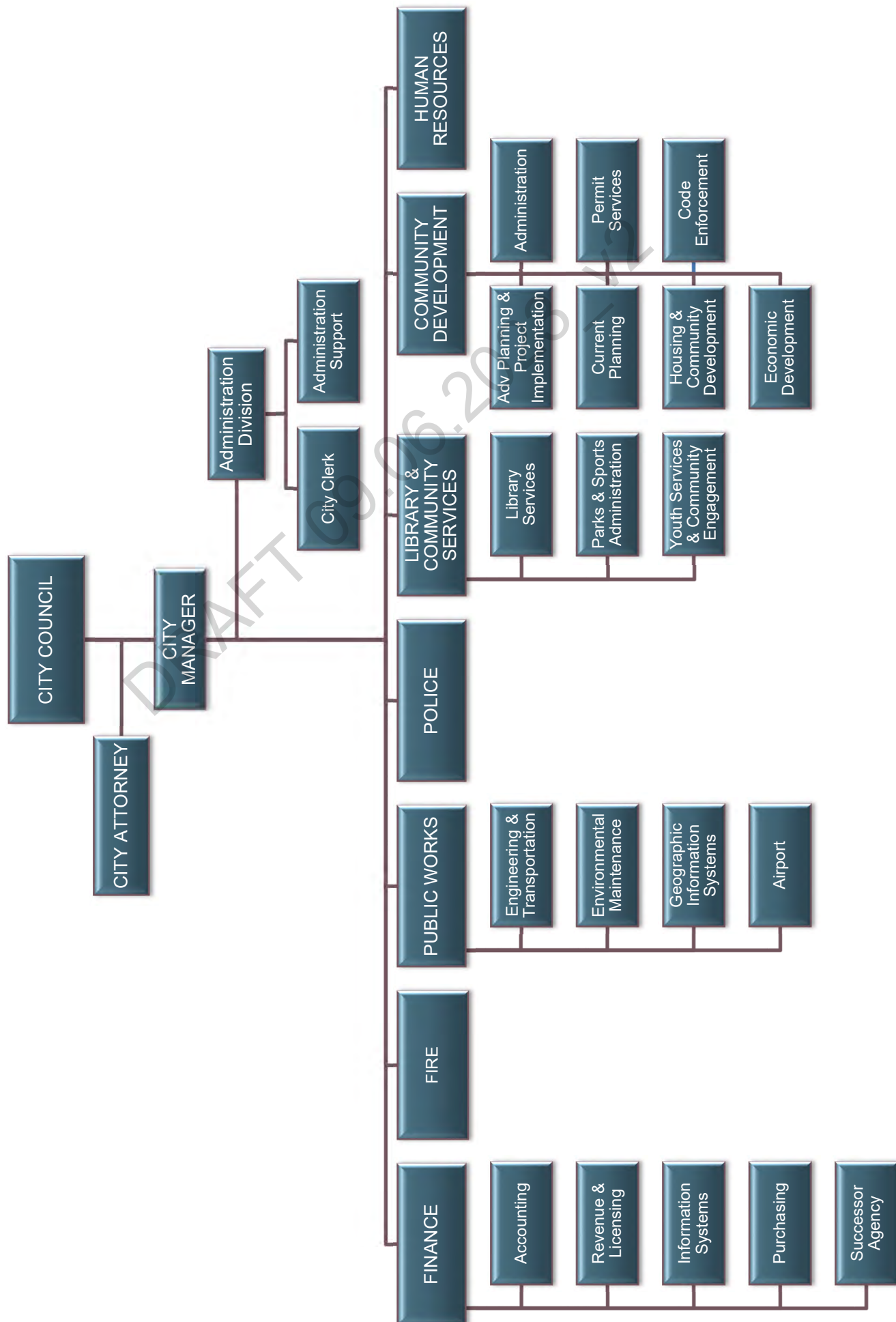
Mark Roberts

Finance Director

Marina Horta-Gallegos

Human Resources
Director

CITY OF SALINAS Organizational Chart



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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members
of the City Council of the City of Salinas
Salinas, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Salinas, California (the "City"), as of and for the year ended June 30, 2022, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedules, Schedules of Changes in Net Pension Liability and Related Ratios, Schedules of Proportionate Share of the Net Pension Liability and Related Ratios, Schedules of Pension Contributions, Schedule of Changes in Net OPEB Liability and Related Ratios, and Schedule of OPEB Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Combining and Individual Fund Statements and Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Fund Statements and Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section, the Combining Balance Sheet – General, Measure E, & Measure G Funds, the Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – General, Measure E, & Measure G Funds, the Budgetary Comparison Schedule – Measure E, the Budgetary Comparison Schedule – Measure G, and the Claims Development for Internal Service Funds Schedules but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

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

Santa Ana, California
_____, 2023

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Salinas
Statement of Net Position
June 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 216,282,792	\$ 16,403,450	\$ 232,686,242
Receivables, net of allowance:			
Accounts receivable, net	504,354	1,434,329	1,938,683
Taxes receivable	19,437,488	-	19,437,488
Assessments receivable	8,290,000	-	8,290,000
Due from outside agencies	12,880,254	-	12,880,254
Leases receivable	561,725	429,471	991,196
Interest receivable	1,243,616	44,061	1,287,677
Internal balances:			
Due from (to) other funds	1,755,623	(1,755,623)	-
Advances to (from) other funds	2,785,000	(2,785,000)	-
Total current assets	263,740,852	13,770,688	277,511,540
Noncurrent assets:			
Restricted cash and investments	1,077,537	6,987	1,084,524
Receivables, net of allowance:			
Loans receivable	83,139	-	83,139
Leases receivable	5,484,334	5,154,316	10,638,650
Land and properties held for resale	1,380,000	-	1,380,000
Capital assets:			
Non-depreciable	50,324,077	6,579,905	56,903,982
Depreciable, net	284,639,433	65,665,569	350,305,002
Total capital assets	334,963,510	72,245,474	407,208,984
Total noncurrent assets	342,988,520	77,406,777	420,395,297
Total assets	606,729,372	91,177,465	697,906,837
DEFERRED OUTFLOWS OF RESOURCES			
Related to pensions	33,428,945	659,470	34,088,415
Related to OPEB	5,248,155	264,787	5,512,942
Loss on refunding of debt	513,705	103,051	616,756
Total deferred outflows of resources	39,190,805	1,027,308	40,218,113

City of Salinas
Statement of Net Position (Continued)
June 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	9,644,490	731,799	10,376,289
Interest payable	647,315	259,822	907,137
Deposits payable	46,281	48,885	95,166
Unearned revenue	63,428,897	-	63,428,897
Long-term debt - due within one year	7,923,883	1,637,000	9,560,883
Compensated absences - due within one year	2,324,983	109,577	2,434,560
Insurance claims payable - due within one year	7,489,982	-	7,489,982
Total current liabilities	91,505,831	2,787,083	94,292,914
Noncurrent liabilities:			
Long-term debt - due in more than one year	122,480,548	22,738,000	145,218,548
Compensated absences - due in more than one year	9,299,959	438,310	9,738,269
Insurance claims payable - due in more than one year	23,800,213	-	23,800,213
Net pension liability	136,255,627	1,900,685	138,156,312
Net OPEB liability	16,238,956	819,308	17,058,264
Total noncurrent liabilities	308,075,303	25,896,303	333,971,606
Total liabilities	399,581,134	28,683,386	428,264,520
DEFERRED INFLOWS OF RESOURCES			
Related to pensions	59,208,218	1,264,352	60,472,570
Related to OPEB	11,250,198	567,609	11,817,807
Related to leases	6,019,272	5,470,507	11,489,779
Gain on refunding of debt	-	-	-
Total deferred inflows of resources	76,477,688	7,302,468	83,780,156
NET POSITION			
Net investment in capital assets	204,559,079	47,973,525	252,532,604
Restricted for:			
Housing	1,169,045	-	1,169,045
Capital projects	14,678,399	-	14,678,399
Public safety	2,520,642	-	2,520,642
Highways and streets	24,061,474	-	24,061,474
Debt service	4,856,210	-	4,856,210
Special programs	29,287,446	-	29,287,446
Total restricted	76,573,216	-	76,573,216
Unrestricted (deficit)	(111,270,940)	8,245,394	(103,025,546)
Total net position	\$ 169,861,355	\$ 56,218,919	\$ 226,080,274

City of Salinas
Statement of Activities and Changes in Net Position
For the Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:					
Governmental activities:					
General government	\$ 43,209,427	\$ 5,304,557	\$ 20,842,717	\$ 3,356,082	\$ 29,503,356
Public safety	91,246,533	2,173,480	2,720,849	28,126	4,922,455
Public works	34,883,172	4,471,602	4,475,055	11,049,389	19,996,046
Recreation	8,022,645	99,873	407,261	12,009	519,143
Library	5,377,321	38,483	475,704	-	514,187
Interest on long-term debt	4,808,025	-	-	-	-
Total governmental activities	187,547,123	12,087,995	28,921,586	14,445,606	55,455,187
Business-type activities:					
Airport	2,481,106	2,083,091	-	-	2,083,091
Industrial Waste	2,200,902	3,079,518	-	-	3,079,518
Sanitary Sewer	4,673,935	3,773,089	-	-	3,773,089
Downtown Parking District	2,193,677	362,087	-	-	362,087
Permit Services	3,386,841	4,359,752	-	-	4,359,752
Total business-type activities	14,936,461	13,657,537	-	-	13,657,537
Total primary government	\$ 202,483,584	\$ 25,745,532	\$ 28,921,586	\$ 14,445,606	\$ 69,112,724

City of Salinas
Statement of Activities and Changes in Net Position (Continued)
For the Year Ended June 30, 2022

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
Primary government:			
Governmental activities:			
General government	\$ (13,706,071)	\$ -	\$ (13,706,071)
Public safety	(86,324,078)	-	(86,324,078)
Public works	(14,887,126)	-	(14,887,126)
Recreation	(7,503,502)	-	(7,503,502)
Library	(4,863,134)	-	(4,863,134)
Interest on long-term debt	(4,808,025)	(709,198)	(5,517,223)
Total governmental activities	(132,091,936)	(709,198)	(132,801,134)
Business-type activities:			
Airport	-	(398,015)	(398,015)
Industrial Waste	-	878,616	878,616
Sanitary Sewer	-	(900,846)	(900,846)
Downtown Parking District	-	(1,831,590)	(1,831,590)
Permit Services	-	972,911	972,911
Total business-type activities	-	(1,278,924)	(1,278,924)
Total primary government	(132,091,936)	(1,988,122)	(134,080,058)
General Revenues and Transfers:			
General revenues:			
Taxes:			
Property taxes	34,755,630	-	34,755,630
Sales taxes	88,968,698	-	88,968,698
Utility user tax	12,106,526	-	12,106,526
Business tax	17,835,145	-	17,835,145
Transient occupancy tax	3,682,621	-	3,682,621
Total taxes	157,348,620	-	157,348,620
Revenue from Fiduciary Funds	-	951,900	951,900
Investment earnings (loss)	(1,572,611)	(37,810)	(1,610,421)
Gain (loss) on sale of capital assets	(34,879)	-	(34,879)
Miscellaneous revenue	1,220,103	1,662,671	2,882,774
Transfers	4,243,402	(4,243,402)	-
Total general revenues and transfers	161,204,635	(1,666,641)	159,537,994
Change in net position	29,112,699	(3,654,763)	25,457,936
Net Position:			
Beginning of year, as restated (Note 23)	140,748,656	59,873,682	200,622,338
End of year	\$ 169,861,355	\$ 56,218,919	\$ 226,080,274

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FUND FINANCIAL STATEMENTS

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GOVERNMENTAL FUNDS FINANCIAL STATEMENTS

General Fund - This fund accounts for all financial resources necessary to carry out basic governmental activities of the City that are not accounted for in another fund. This fund supports essential City services such as police and fire protection, street maintenance, libraries, parks, and open space maintenance.

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for specified purposes. The following funds have been classified as major special revenue funds:

American Rescue Plan Act (ARPA) Special Revenue Fund - On March 11, 2021, President Biden signed the American Rescue Plan Act, which will provide the City with approximately \$51 million in relief funds. This fund accounts for the revenues and expenditures of ARPA proceeds.

Housing and Urban Development Grant Special Revenue Fund - This fund accounts for the use of Community Development Block Grant funds received from the federal government. Other revenues in this fund include repayments of commercial and residential loans and rental income from City property. Funds are used for programs or projects that increase affordable housing and benefit people with special needs such as senior and handicapped citizens.

City of Salinas
Balance Sheet
Governmental Funds
June 30, 2022

	Major Funds				
	General Fund	American Rescue Plan Act (ARPA) Special Revenue Fund	Housing and Urban Development Grant Special Revenue Fund	Non-major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 61,594,027	\$ 51,179,200	\$ 4,961,985	\$ 74,555,184	\$ 192,290,396
Receivables, net:					
Accounts	504,354	-	-	-	504,354
Taxes	19,437,488	-	-	-	19,437,488
Interest	223,832	-	874	1,001,872	1,226,578
Due from outside agencies	75,000	-	5,111,387	7,693,867	12,880,254
Assessments	-	-	-	8,290,000	8,290,000
Leases	2,004,626	-	-	4,041,433	6,046,059
Due from other funds	8,106,123	-	-	1,364,533	9,470,656
Advances to other funds	2,785,000	-	-	-	2,785,000
Restricted cash and investments	-	-	-	686,637	686,637
Loans and notes receivable, net of allowance	-	-	66,568	16,571	83,139
Land and properties held for resale	-	-	-	1,380,000	1,380,000
Total assets	\$ 94,730,450	\$ 51,179,200	\$ 10,140,814	\$ 99,030,097	\$ 255,080,561
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 5,553,370	303,271	1,078,166	\$ 2,546,746	\$ 9,481,553
Due to other funds	17,171,126	-	4,012,495	3,362,874	24,546,495
Deposits payable	46,281	-	-	-	46,281
Unearned revenues	-	50,875,929	4,078,807	8,474,161	63,428,897
Total liabilities	22,770,777	51,179,200	9,169,468	14,383,781	97,503,226
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	3,743,533	4,487,104	8,230,637
Lease-related deferred inflows	1,975,003	-	-	4,044,269	6,019,272
Total deferred inflows of resources	1,975,003	-	3,743,533	8,531,373	14,249,909
Fund Balances (Deficit):					
Nonspendable	2,785,000	-	66,568	1,396,571	4,248,139
Restricted	6,000,000	-	-	73,000,753	79,000,753
Committed	36,365,323	-	-	2,141,985	38,507,308
Assigned	15,266,804	-	-	-	15,266,804
Unassigned (deficit)	9,567,543	-	(2,838,755)	(424,366)	6,304,422
Total fund balances (deficit)	69,984,670	-	(2,772,187)	76,114,943	143,327,426
Total liabilities, deferred inflows of resources, and fund balances	\$ 94,730,450	\$ 51,179,200	\$ 10,140,814	\$ 99,030,097	\$ 255,080,561

City of Salinas
Reconciliation of the Governmental Funds Balance Sheet
To the Government-Wide Statement of Net Position
June 30, 2022

Total Fund Balances - Total Governmental Funds	\$ 143,327,426
Amounts reported for Governmental Activities in the Statement of Net Position were different because:	
Capital assets used in the governmental activities were not financial resources and therefore were not reported in the Governmental Funds Balance Sheet.	
Non-depreciable/amortizable	50,324,077
Depreciable/amortizable, net	284,639,433
Total capital assets	<u>334,963,510</u>
Deferred inflows resulting from revenues that are not available to pay for current period expenditures are reported as unavailable in the Governmental Funds Balance Sheet.	
	<u>8,230,637</u>
Long-term liabilities are not due and payable in the current period and therefore were not reported in the Governmental Funds Balance Sheet.	
Compensated absences - due within one year, net of \$26,138 reported in the Internal Service Funds	(2,298,845)
Compensated absences - due in more than one year, net of \$104,548 reported in the Internal Service Funds	(9,195,411)
Insurance claims payable - due within one year	-
Insurance claims payable - due in more than one year	(1,638,485)
Long-term debt - due within one year	(7,923,883)
Long-term debt - due in more than one year	(122,480,548)
Total long-term liabilities	<u>(143,537,172)</u>
Governmental funds report the effects of debt refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities for the following:	
Deferred loss on refunding of debt	513,705
Total	<u>513,705</u>
Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in the governmental funds.	
	<u>(647,315)</u>
Net pension liability and total OPEB liability used in the governmental activities were not financial resources and therefore were not reported in the Governmental Funds Balance Sheet.	
Net pension liability, net of \$696,803 reported in the Internal Service Funds	(135,558,824)
Net OPEB liability, net of \$274,297 reported in the Internal Service Funds	(15,964,659)
Total net pension liability and net OPEB liability	<u>(151,523,483)</u>
Deferred outflows of resources related to OPEB and pensions are not available for current period and, therefore, are deferred in the governmental funds or not recorded in the governmental funds.	
Deferred outflows of resources related to pensions, net of \$241,766 reported in the Internal Service Funds	33,187,179
Deferred outflows of resources related to OPEB, net of \$88,648 reported in the Internal Service Funds	5,159,507
Total deferred outflows of resources	<u>38,346,686</u>
Deferred inflows of resources related to OPEB and pensions are not available for current period and, therefore, are deferred in the governmental funds or not recorded in the governmental funds.	
Deferred inflows of resources related to pensions, net of \$463,519 reported in the Internal Service Funds	(58,744,699)
Deferred inflows of resources related to OPEB, net of \$190,030 reported in the Internal Service Funds	(11,060,168)
Total deferred inflows of resources	<u>(69,804,867)</u>
Internal service funds are used by management to charge the cost of information technology, vehicle replacement, fleet management and infrastructure to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.	
	<u>9,992,228</u>
Net Position of Governmental Activities	\$ 169,861,355

City of Salinas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2022

	Major Funds				
	General Fund	American Rescue Plan Act (ARPA) Special Revenue Fund	Housing and Urban Development Grant Special Revenue Fund	Non-major Governmental Funds	Total Governmental Funds
REVENUES:					
Taxes	\$ 145,835,874	\$ -	\$ -	\$ 535,460	\$ 146,371,334
Taxes - special assessments	-	-	-	749,723	749,723
Licenses and permits	11,477,723	-	-	178,135	11,655,858
Intergovernmental	1,301,666	691,383	7,313,240	34,197,628	43,503,917
Charges for services	5,233,403	-	-	2,546,586	7,779,989
Investment income (loss)	(1,406,103)	-	(4,637)	(810,543)	(2,221,283)
Rental income	325,113	-	-	271,903	597,016
Fines and forfeitures	426,149	-	-	310,441	736,590
Miscellaneous	1,014,576	-	585,715	3,605,272	5,205,563
Total revenues	164,208,401	691,383	7,894,318	41,584,605	214,378,707
EXPENDITURES:					
Current:					
General government	17,192,429	415,764	9,757,121	13,675,288	41,040,602
Public safety	82,456,087	2,986	-	3,798,288	86,257,361
Public works	12,877,048	224,521	-	8,305,410	21,406,979
Recreation	5,578,195	-	-	625,184	6,203,379
Library	4,401,235	-	-	358,281	4,759,516
Capital outlay	442,723	48,112	38,097	17,509,971	18,038,903
Debt service:					
Principal	655,441	-	-	14,512,279	15,167,720
Interest and fiscal charges	217,285	-	-	5,257,521	5,474,806
Total expenditures	123,820,443	691,383	9,795,218	64,042,222	198,349,266
REVENUES OVER (UNDER) EXPENDITURES	40,387,958	-	(1,900,900)	(22,457,617)	16,029,441
OTHER FINANCING SOURCES (USES):					
Proceeds from sale of capital assets	1	-	-	-	1
Transfers in	1,979,099	-	4,424	34,029,963	36,013,486
Transfers out	(34,881,666)	-	-	(9,669,718)	(44,551,384)
Total other financing sources (uses)	(32,902,566)	-	4,424	24,360,245	(8,537,897)
NET CHANGE IN FUND BALANCES	7,485,392	-	(1,896,476)	1,902,628	7,491,544
FUND BALANCES (DEFICIT):					
Beginning of year, as restated (Note 23)	62,499,278	-	(875,711)	74,212,315	135,835,882
End of year	\$ 69,984,670	\$ -	\$ (2,772,187)	\$ 76,114,943	\$ 143,327,426

City of Salinas
Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures, and Changes in Fund Balances to the Government-Wide
Statement of Activities and Changes in Net Position
For the Year Ended June 30, 2022

Net Change in Fund Balances - Total Governmental Funds	\$ 7,491,544
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Amounts reported for Governmental Activities in the Statement of Net Position were different because:

Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Position the cost of those assets was allocated over their estimated useful lives as depreciation expenses. This is the amount of capital assets recorded in the current period.	7,438,217
Depreciation and amortization expense on capital assets was reported in the Government-Wide Statement of Activities and Changes in Net Position, but they did not require the use of current financial resources. Therefore, depreciation expense was not reported as expenditures in the Governmental Funds.	(12,950,024)
Retirement of capital assets created a loss on the Government-Wide Statement of Activities and Changes in Net Position.	(34,880)
Repayment of long-term liabilities was an expenditures in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.	
Principal payment of long-term debt	15,167,720
Amortization of bond premium	(714,948)
GASB 87 activity for did not require the use of current financial resources.	(286,243)
Interest expenses on long-term debt was reported in the Government-Wide Statement of Activities, but it did not require the use of current financial resources. This amount represented the changes in accrued interest from prior year.	50,816
Compensated absences expenses reported in the Government-Wide Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	966,792
Claims payable expenses reported in the Government-Wide Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	143,745
Revenues in the Government-Wide Statement of Activities that do not provide current financial resources and are not reported as revenue in the governmental funds.	(61,405)
Certain pension credits reported in the Government-Wide Statement of Activities do not provide current financial resources and therefore, are not reported as expenditures in governmental funds.	6,038,727
Certain OPEB expenses reported in the Government-Wide Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.	(236,222)
The internal service funds are used by management to charge the costs of fleet maintenance, facilities maintenance, and technology to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	6,098,860
Change in Net Position of Governmental Activities	\$ 29,112,699

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PROPRIETARY FUNDS FINANCIAL STATEMENTS

Proprietary Funds are used to account for a government's business-type activities (activities supported, at least in part, by fees or charges). Proprietary funds are segregated into Enterprise Funds and Internal Service Funds. Enterprise Funds are used to report business-type activities for which a fee is charged to external users for goods or services. Internal Service Funds on the other hand, are used primarily for services provided to internal users.

The City reports the following enterprise funds:

Airport Fund - This fund is used to account for the enterprise operations of the City-owned airport.

Industrial Waste Fund - This fund is used to account for the enterprise operations of the City-operated Industrial Wastewater Treatment Facility.

Sanitary Sewer Fund - This fund is used to account for the maintenance of the City's sanitary sewer collection system, which is funded by user fees and by the Monterey Regional Water Pollution Control Agency sewer user fees.

Downtown Parking District Fund - This fund was established to account for revenues, operating expenses and debt service associated with the City's parking facilities. The City's paid parking facilities include the Monterey Street Parking Structure, the Salinas Street Garage and four parking lots.

Permit Services Fund - This fund is used to account for the revenues and expenditures associated with providing permitting services to the community.

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement

City of Salinas
Statement of Net Position
Proprietary Funds
June 30, 2022

	Major Enterprise Funds			
	Airport	Industrial Waste	Sanitary Sewer	Downtown Parking District
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 2,007,103	\$ 8,933,064	\$ 1,377,472	\$ 764,768
Receivables, net:				
Accounts	118,435	347,872	818,958	148,766
Accrued interest	22,363	13,070	2,512	-
Leases receivable	429,471	-	-	-
Due from other funds	-	-	-	-
Total current assets	2,577,372	9,294,006	2,198,942	913,534
Noncurrent assets:				
Restricted cash and investments	-	-	6,987	-
Leases receivable, long term	5,154,316	-	-	-
Capital assets:				
Non-depreciable	2,436,613	1,648,802	2,475,732	18,758
Depreciable, net	14,192,734	13,452,315	30,738,486	7,229,914
Total capital assets	16,629,347	15,101,117	33,214,218	7,248,672
Total noncurrent assets	21,783,663	15,101,117	33,221,205	7,248,672
Total assets	24,361,035	24,395,123	35,420,147	8,162,206
DEFERRED OUTFLOWS OF RESOURCES				
Related to pensions	109,932	65,947	263,788	-
Related to OPEB	43,277	33,574	81,757	6,119
Loss on refunding of debt	-	-	-	103,051
Total deferred outflows of resources	153,209	99,521	345,545	109,170
LIABILITIES				
Current liabilities:				
Accounts payable	105,856	222,732	172,883	108,271
Interest payable	-	16,625	124,077	119,120
Due to other funds	-	26,220	12,123	1,705,208
Deposits payable	48,885	-	-	-
Compensated absences - due within one year	18,357	10,612	31,561	790
Long-term debt - due within one year	-	478,000	560,000	599,000
Insurance claims payable - due within one year	-	-	-	-
Total current liabilities	173,098	754,189	900,644	2,532,389
Noncurrent liabilities:				
Advances from other funds	-	-	-	2,785,000
Compensated absences - due in more than one year	73,427	42,450	126,242	3,164
Long term debt - due in more than one year	-	1,015,000	13,310,000	8,413,000
Insurance claims payable - due in more than one year	-	-	-	-
Net pension liability	316,839	190,069	760,274	-
Net OPEB liability	133,907	103,885	252,974	18,935
Total noncurrent liabilities	524,173	1,351,404	14,449,490	11,220,099
Total liabilities	697,271	2,105,593	15,350,134	13,752,488
DEFERRED INFLOWS OF RESOURCES				
Related to pensions	210,764	126,435	505,741	-
Related to OPEB	92,770	71,970	175,258	13,118
Related to leases	5,470,507	-	-	-
Total deferred inflows of resources	5,774,041	198,405	680,999	13,118
NET POSITION (DEFICIT)				
Net investment in capital assets	16,629,347	13,608,117	19,344,218	(1,660,277)
Unrestricted	1,413,585	8,582,529	390,341	(3,833,953)
Total net position (deficit)	\$ 18,042,932	\$ 22,190,646	\$ 19,734,559	\$ (5,494,230)

City of Salinas
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2022

	Permit Services	Total	Governmental Activities Internal Service Funds
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 3,321,043	\$ 16,403,450	\$ 23,992,396
Receivables, net:			
Accounts	298	1,434,329	-
Accrued interest	6,116	44,061	17,038
Leases receivable	-	429,471	-
Due from other funds	-	-	16,831,462
Total current assets	3,327,457	18,311,311	40,840,896
Noncurrent assets:			
Restricted cash and investments	-	6,987	390,900
Leases receivable, long term	-	5,154,316	-
Capital assets:			
Non-depreciable	-	6,579,905	-
Depreciable, net	52,120	65,665,569	-
Total capital assets	52,120	72,245,474	-
Total noncurrent assets	52,120	77,406,777	390,900
Total assets	3,379,577	95,718,088	41,231,796
DEFERRED OUTFLOWS OF RESOURCES			
Related to pensions	219,803	659,470	241,766
Related to OPEB	100,060	264,787	88,648
Loss on refunding of debt	-	103,051	-
Total deferred outflows of resources	319,863	1,027,308	330,414
LIABILITIES			
Current liabilities:			
Accounts payable	122,057	731,799	162,937
Interest payable	-	259,822	-
Due to other funds	12,072	1,755,623	-
Deposits payable	-	48,885	-
Compensated absences - due within one year	48,257	109,577	26,138
Long-term debt - due within one year	-	1,637,000	-
Insurance claims payable - due within one year	-	-	7,489,982
Total current liabilities	182,386	4,542,706	7,679,057
Noncurrent liabilities:			
Advances from other funds	-	2,785,000	-
Compensated absences - due in more than one year	193,027	438,310	104,548
Long term debt - due in more than one year	-	22,738,000	-
Insurance claims payable - due in more than one year	-	-	22,161,728
Net pension liability	633,503	1,900,685	696,803
Net OPEB liability	309,607	819,308	274,297
Total noncurrent liabilities	1,136,137	28,681,303	23,237,376
Total liabilities	1,318,523	33,224,009	30,916,433
DEFERRED INFLOWS OF RESOURCES			
Related to pensions	421,412	1,264,352	463,519
Related to OPEB	214,493	567,609	190,030
Related to leases	-	5,470,507	-
Total deferred inflows of resources	635,905	7,302,468	653,549
NET POSITION (DEFICIT)			
Net investment in capital assets	52,120	47,973,525	-
Unrestricted	1,692,892	8,245,394	9,992,228
Total net position (deficit)	\$ 1,745,012	\$ 56,218,919	\$ 9,992,228

City of Salinas
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2022

	Major Funds			
	Airport	Industrial Waste	Sanitary Sewer	Downtown Parking District
OPERATING REVENUES:				
Fees	\$ 177,084	\$ 3,079,518	\$ 3,773,089	\$ -
Licenses and permits	-	-	-	362,087
Rental income	1,906,007	-	-	-
Total operating revenues	2,083,091	3,079,518	3,773,089	362,087
OPERATING EXPENSES:				
Personnel services	812,453	606,687	2,332,731	82,228
Adminstration	199,652	212,921	308,197	217,437
Contractual services	299,142	767,660	261,128	1,265,525
Supplies	117,924	58,567	134,918	13,989
Insurance	20,636	22,727	46,132	13,051
Insurance claims	-	-	-	-
Depreciation	957,136	512,071	1,568,293	558,382
Other	74,163	20,269	22,536	43,065
Total operating expenses	2,481,106	2,200,902	4,673,935	2,193,677
OPERATING INCOME	(398,015)	878,616	(900,846)	(1,831,590)
NONOPERATING REVENUES (EXPENSES):				
Investment income (loss)	118,917	(89,963)	(29,666)	-
Interest expense	-	(41,346)	(301,593)	(366,259)
Other nonoperating revenues (expenses)	91,198	(16,469)	(7,920)	1,151,488
Total nonoperating revenues (expenses)	210,115	(147,778)	(339,179)	785,229
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(187,900)	730,838	(1,240,025)	(1,046,361)
TRANSFERS:				
Transfers in	20,467	1,865,000	45,436	-
Transfers out	(76,545)	(1,811,843)	(3,895,108)	(32,391)
Transfers from fiduciary funds	-	-	-	951,900
Total transfers	(56,078)	53,157	(3,849,672)	919,509
Changes in net position	(243,978)	783,995	(5,089,697)	(126,852)
NET POSITION:				
Beginning of year, as restated (Note 23)	18,286,910	21,406,651	24,824,256	(5,367,378)
End of year	<u>\$ 18,042,932</u>	<u>\$ 22,190,646</u>	<u>\$ 19,734,559</u>	<u>\$ (5,494,230)</u>

City of Salinas
Statement of Revenues, Expenses, and Changes in Fund Net Position (Continued)
Proprietary Funds
For the Year Ended June 30, 2022

	Permit Services	Total	Governmental Activities Internal Service Funds
OPERATING REVENUES:			
Fees	\$ 3,029,777	\$ 10,059,468	\$ 7,320,125
Licenses and permits	1,329,975	1,692,062	-
Rental income	-	1,906,007	-
Total operating revenues	<u>4,359,752</u>	<u>13,657,537</u>	<u>7,320,125</u>
OPERATING EXPENSES:			
Personnel services	1,743,904	5,578,003	1,997,540
Administration	452,434	1,390,641	-
Contractual services	1,058,032	3,651,487	144,302
Supplies	30,395	355,793	752,570
Insurance	83,021	185,567	5,456,906
Insurance claims	-	-	5,388,935
Depreciation	40,289	3,636,171	-
Other	(21,234)	138,799	140,099
Total operating expenses	<u>3,386,841</u>	<u>14,936,461</u>	<u>13,880,352</u>
OPERATING INCOME	<u>972,911</u>	<u>(1,278,924)</u>	<u>(6,560,227)</u>
NONOPERATING REVENUES (EXPENSES):			
Investment income (loss)	(37,098)	(37,810)	(122,213)
Interest expense	-	(709,198)	-
Other nonoperating revenues (expenses)	444,374	1,662,671	-
Total nonoperating revenues (expenses)	<u>407,276</u>	<u>915,663</u>	<u>(122,213)</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>1,380,187</u>	<u>(363,261)</u>	<u>(6,682,440)</u>
TRANSFERS:			
Transfers in	-	1,930,903	12,781,300
Transfers out	(358,418)	(6,174,305)	-
Transfers from fiduciary funds	-	951,900	-
Total transfers	<u>(358,418)</u>	<u>(3,291,502)</u>	<u>12,781,300</u>
Changes in net position	1,021,769	(3,654,763)	6,098,860
NET POSITION:			
Beginning of year, as restated (Note 23)	723,243	59,873,682	3,893,368
End of year	<u>\$ 1,745,012</u>	<u>\$ 56,218,919</u>	<u>\$ 9,992,228</u>

City of Salinas
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2022

	Major Funds			
	Airport	Industrial Waste	Sanitary Sewer	Downtown Parking District
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 2,065,653	\$ 3,088,186	\$ 3,709,297	\$ 492,058
Payments to suppliers	(588,242)	(943,789)	(696,766)	(1,569,799)
Payments to employees for services	(846,583)	(637,401)	(2,364,902)	(83,293)
Payments to claimants	-	-	-	-
Other	(74,163)	(20,269)	(22,536)	(43,065)
Net cash provided (used) by operating activities	556,665	1,486,727	625,093	(1,204,099)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Borrowing from other funds	-	23,567	-	170,030
Repayment to other funds	-	-	(705,858)	-
Other	91,198	(16,469)	(7,920)	1,151,488
Transfers from other funds	20,467	1,865,000	45,436	951,900
Transfers to other funds	(76,545)	(1,811,843)	(3,895,108)	(32,391)
Net cash provided by (used in) noncapital financing activities	35,120	60,255	(4,563,450)	2,241,027
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	(20,467)	(34,123)	(216,864)	-
Payment on capital debt and loans payable	-	(460,000)	(555,000)	(578,000)
Interest paid on capital debt and borrowings	-	(45,795)	(304,276)	(365,310)
Net cash (used in) capital and related financing activities	(20,467)	(539,918)	(1,076,140)	(943,310)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment income (loss)	97,556	(97,451)	684,879	-
Proceeds from leases	(113,280)	-	-	-
Net cash provided by (used in) investing activities	(15,724)	(97,451)	684,879	-
Net change in cash and cash equivalents	555,594	909,613	(4,329,618)	93,618
CASH AND CASH EQUIVALENTS:				
Beginning of year	1,451,509	8,023,451	5,714,077	671,150
End of year	<u>\$ 2,007,103</u>	<u>\$ 8,933,064</u>	<u>\$ 1,384,459</u>	<u>\$ 764,768</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION:				
Cash and cash investments	\$ 2,007,103	\$ 8,933,064	\$ 1,377,472	\$ 764,768
Restricted cash and investments	-	-	6,987	-
Total cash and cash equivalents	<u>\$ 2,007,103</u>	<u>\$ 8,933,064</u>	<u>\$ 1,384,459</u>	<u>\$ 764,768</u>

City of Salinas
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2022

	Permit Services	Total	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 4,359,752	\$ 13,714,946	\$ 14,810,107
Payments to suppliers	(1,598,112)	(5,396,708)	(2,522,098)
Payments to employees for services	(1,790,603)	(5,722,782)	(1,940,034)
Payments to claimants	-	-	(15,058,605)
Other	21,234	(138,799)	(140,099)
Net cash provided (used) by operating activities	992,271	2,456,657	(4,850,729)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Borrowing from other funds	1,231	194,828	-
Repayment to other funds	-	(705,858)	-
Other	444,374	1,662,671	-
Transfers from other funds	-	2,882,803	12,781,300
Transfers to other funds	(358,418)	(6,174,305)	-
Net cash provided by (used in) noncapital financing activities	87,187	(2,139,861)	12,781,300
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of capital assets	(59,330)	(330,784)	-
Payment on capital debt and loans payable	-	(1,593,000)	(141,223)
Interest paid on capital debt and borrowings	-	(715,381)	-
Net cash (used in) capital and related financing activities	(59,330)	(2,639,165)	(141,223)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment income (loss)	(41,623)	643,361	(131,759)
Proceeds from leases	-	(113,280)	-
Net cash provided by (used in) investing activities	(41,623)	530,081	(131,759)
Net change in cash and cash equivalents	978,505	(1,792,288)	7,657,589
CASH AND CASH EQUIVALENTS:			
Beginning of year	2,342,538	18,202,725	16,725,707
End of year	<u>\$ 3,321,043</u>	<u>\$ 16,410,437</u>	<u>\$ 24,383,296</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION:			
Cash and cash investments	\$ 3,321,043	\$ 16,403,450	\$ 23,992,396
Restricted cash and investments	-	6,987	390,900
Total cash and cash equivalents	<u>\$ 3,321,043</u>	<u>\$ 16,410,437</u>	<u>\$ 24,383,296</u>

City of Salinas
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2022

	Major Funds			
	Airport	Industrial Waste	Sanitary Sewer	Downtown Parking District
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income	\$ (398,015)	\$ 878,616	\$ (900,846)	\$ (1,831,590)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Depreciation	957,136	512,071	1,568,293	558,382
Changes in operating assets and liabilities, and deferred outflows and inflows of resources:				
Accounts receivable, net	(26,778)	8,668	(63,792)	129,971
Deferred outflows - related to pensions	37,876	22,900	91,599	-
Deferred outflows - related to OPEB	6,270	4,860	11,803	857
Accounts payable	49,112	118,086	53,609	(59,797)
Accrued liabilities	-	-	-	-
Deposits payable	9,340	-	-	-
Insurance claims payable	-	-	-	-
Compensated absences	(1,536)	(10,940)	49,064	(1,434)
Net pension liability	(278,128)	(167,563)	(670,246)	-
Net OPEB liability	(60,586)	(47,005)	(114,335)	(8,454)
Deferred inflows - related to pensions	205,781	123,441	493,763	-
Deferred inflows - related to OPEB	56,193	43,593	106,181	7,966
Total adjustments	954,680	608,111	1,525,939	627,491
Net cash provided by (used in) operating activities	\$ 556,665	\$ 1,486,727	\$ 625,093	\$ (1,204,099)

City of Salinas
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2022

	Permit Services	Total	Governmental Activities Internal Service Funds
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating income	\$ 972,911	\$ (1,278,924)	\$ (6,560,227)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Depreciation	40,289	3,636,171	-
Changes in operating assets and liabilities, and deferred outflows and inflows of resources:			
Accounts receivable, net	-	48,069	-
Deferred outflows - related to pensions	75,813	228,188	83,735
Deferred outflows - related to OPEB	14,446	38,236	12,796
Accounts payable	25,770	186,780	31,923
Accrued liabilities	-	-	-
Deposits payable	-	9,340	7,489,982
Insurance claims payable	-	-	(5,869,913)
Compensated absences	18,007	53,161	130,686
Net pension liability	(556,430)	(1,672,367)	(613,424)
Net OPEB liability	(139,935)	(370,315)	(123,966)
Deferred inflows - related to pensions	411,449	1,234,434	452,547
Deferred inflows - related to OPEB	129,951	343,884	115,132
Total adjustments	19,360	3,735,581	1,709,498
Net cash provided by (used in) operating activities	\$ 992,271	\$ 2,456,657	\$ (4,850,729)

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Fiduciary Funds Financial Statements

Fiduciary Funds are used to account for assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs. The City maintains the following Fiduciary Funds:

PRIVATE PURPOSE TRUST FUNDS

These funds are used to account for any trust arrangement not properly reported in a pension trust fund under which principal and income benefit individuals, private organizations, or other governments. This fund also accounts for the Successor Agency of the former Redevelopment Agency which was dissolved on January 31, 2012 pursuant to state law.

PENSION TRUST FUNDS

These funds are used to account for resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, or other employee benefit plans. The City's only pension trust fund is the Deferred Compensation Fund; which allows City employees to invest in trust deeds that are managed by the City with the oversight of an investment committee that is made up of representatives from each of the bargaining units.

CUSTODIAL FUNDS

These funds are used to account for assets held in an agent capacity by the City for individuals, private organizations, other governments and/or other funds that are not required to be reported in pension trust funds, investment trust funds, or private-purpose trust funds.

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City of Salinas
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2022

	Private Purpose Trust Funds	Pension Trust Fund	Custodial Funds	Fiduciary Funds Total
ASSETS				
Cash and investments	\$ 4,067,905	\$ 9,263,792	\$ 87,721	\$ 13,419,418
Restricted cash and investments held by fiscal agent	1,706,907	4,367,611	77,059	6,151,577
Receivables, net:				
Accounts	7,673	-	-	7,673
Interest	3,968	5,133	-	9,101
Loans and notes receivable	173,900	-	-	173,900
Total assets	<u>5,960,353</u>	<u>13,636,536</u>	<u>164,780</u>	<u>19,761,669</u>
LIABILITIES				
Accounts payable	93,469	-	142,768	236,237
Interest payable	709,247	-	-	709,247
Deposits payable	140,297	-	-	140,297
Unearned revenue	2,184,914	-	-	2,184,914
Long-term debt:				
Due in one year	296,133	-	-	296,133
Due in more than one year	1,499,665	-	-	1,499,665
Total liabilities	<u>4,923,725</u>	<u>-</u>	<u>142,768</u>	<u>5,066,493</u>
NET POSITION				
Restricted for:				
Pensions	-	13,636,536	-	13,636,536
Individuals and organizations	1,036,628	-	22,012	1,058,640
Total net position	<u>\$ 1,036,628</u>	<u>\$ 13,636,536</u>	<u>\$ 22,012</u>	<u>\$ 14,695,176</u>

City of Salinas
Statement of Change in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2022

	Private Purpose Trust Funds	Pension Trust Fund	Custodial Funds	Total Fiduciary Funds
ADDITIONS:				
Taxes	\$ 4,963,103	\$ -	\$ 459,944	\$ 5,423,047
Miscellaneous	-	438,866	-	438,866
Contributions:				
Plan members	-	20,839	296,149	316,988
Employer	-	208,396	-	208,396
Private donations	1,350,551	-	-	1,350,551
Investment earnings (loss)	40,920	(105,406)	-	(64,486)
Less: investment expense	-	-	-	-
Net investment earnings	40,920	(105,406)	-	(64,486)
Assessments collected for other governments	-	-	-	-
Total additions	6,354,574	562,695	756,093	7,673,362
DEDUCTIONS:				
Expenses	1,345,060	-	275,850	1,620,910
Benefit payments	-	5,381,582	75,890	5,457,472
Payments on behalf of trustees	1,400,866	-	-	1,400,866
Contributions to other agencies	2,421,954	-	-	2,421,954
Payments to City	951,900	-	-	951,900
Assessments disbursed to other governments	-	-	459,914	459,914
Total deductions	6,119,780	5,381,582	811,654	12,313,016
Change in net position	234,794	(4,818,887)	(55,561)	(4,639,654)
NET POSITION:				
Beginning of year, as restated (Note 23)	801,834	18,455,423	77,573	19,334,830
End of period	<u>\$ 1,036,628</u>	<u>\$ 13,636,536</u>	<u>\$ 22,012</u>	<u>\$ 14,695,176</u>

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NOTES TO THE BASIC FINANCIAL STATEMENTS

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City of Salinas
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For the Year Ended June 30, 2022

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City of Salinas
Notes to the Basic Financial Statements
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies

The basic financial statements of the City of Salinas, California (City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The most significant of the City's accounting policies are described below.

A. Financial Reporting Entity

The City was incorporated as a chapter City on March 4, 1874. The City operates under a Council Manager form of government and provides the following services as authorized: Public Safety, Public Works, Recreation Parks, Library and General Government Administrative Services. The City also operates as Airport, a Downtown Parking District, a Sanitary Sewer System, a Water Utility, a Storm Sewer System and an Industrial Waste Facility.

The basic financial statements of the City, include the financial activities of the City (the primary government) and its component unit. The component unit discussed below is included in the City's reporting entity because of the significance of their operational or financial relationship with the City. The blended component unit, although a legally separate entity, is, in substance, part of the City's operations and so data from this unit is combined with data of the primary government. The City has no discretely presented component units. The City and its blended component unit have June 30 year ends.

The financial statements and accounting policies of the City conform with generally accepted accounting principles applicable to governments in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting policies are summarized below:

Blended Component Unit

The financial reporting entity consists of the primary government, the City, and its component unit. Component units are legally separate entities for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the primary government is accountable and their exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Blended component units, although legally separate entities, are, in substance part of the government's operation and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the government.

Although the following are legally separate from the City, they have been "blended" as though they are part of the City because the component unit's governing body is substantially the same as the City's and there is a financial benefit or burden relationship between the City and the component unit; management of the City has operational responsibilities for the component units; and/or the component units provide services entirely, or almost entirely, to the City or otherwise exclusively, or almost exclusively, benefits the City, even though it does not provide services directly to it.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

A. Financial Reporting Entity (Continued)

Blended Component Units (Continued)

The Salinas Public Financing Authority (Authority) – The Authority was established October 6, 1992 pursuant to a Joint Exercise of Powers Agreement by and between the City and the City of Salinas Redevelopment Agency, which is now the Salinas Successor Agency to the former Redevelopment Agency. It was established to refund Central City Revitalization Project tax allocation bonds. The Authority's purpose is to assist with financing or refinancing of certain public capital facilities within the City.

The Authority is controlled by the City and has the same governing body as the City, which also performs all accounting and administrative functions for the Authority. The financial activities of the Authority are included in the City's Debt Service and Enterprise Funds. A financial report is not issued by the Authority.

B. Basis of Presentation, Accounting and Measurement Focus

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures or expenses, as appropriate. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained in accordance with legal and managerial requirements.

Government-Wide Financial Statements

The City's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of governmental and business-type activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements.

These financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of U.S. GAAP.

Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program. Program revenues for the City are classified in three categories:

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

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation, Accounting and Measurement Focus (Continued)

Government-Wide Financial Statements (Continued)

Certain eliminations have been made in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities and Changes in Net Position, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due to/from other funds
- Advances to/from other funds
- Transfers in/out

Governmental Fund Financial Statements

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances. An accompanying schedule is presented to reconcile and explain the differences in Net Position as presented in these statements to the net position presented in the Government-Wide Financial Statements. The City has presented all major funds that met the applicable criteria.

All governmental funds are accounted for on a spending or "*current financial resources*" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Measurable means that the amounts can be estimated, or otherwise determined. Available means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The City uses an availability period of 60 days for all revenues except grants, which use a six-month availability period.

Sales taxes, property taxes, franchise taxes, gas taxes, motor vehicle in-lieu, transient occupancy taxes, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period to the extent normally collected within the availability period. Other revenue items are considered to be measurable and available when cash is received by the government.

Revenue recognition is subject to the measurable and available criteria for the governmental funds in the fund financial statements. Exchange transactions are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). Locally imposed derived tax revenues are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. Imposed non-exchange transactions are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. Government-mandated and voluntary non-exchange transactions have been recognized as revenues when all applicable eligibility requirements have been met.

The Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach of GASB Statement No. 34.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation, Accounting and Measurement Focus (Continued)

Governmental Fund Financial Statements (Continued)

The City reports the following major governmental funds:

- *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in any other funds.
- *American Rescue Plan Act (ARPA) Special Revenue Fund* On March 11, 2021, President Biden signed the American Rescue Plan Act, which will provide the City with approximately \$51 million in relief funds. This fund accounts for the revenues and expenditures of ARPA proceeds.
- *Housing and Urban Development Grant Special Revenue Fund* accounts for the use of Community Development Block Grant funds received from the federal government. Other revenues in this fund include repayments of commercial and residential loans and rental income from City property. Funds are used for programs or projects that increase affordable housing and benefit people with special needs such as senior and handicapped citizens.

Proprietary Fund Financial Statements

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. Operating expenses for the proprietary funds include the costs of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

A separate column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities and business-type activities in the Government-Wide Financial Statements.

The City reports the following major enterprise funds:

- *Airport Fund* is used to account for the enterprise operations of the City-owned airport.
- *Industrial Waste Fund* is used to account for the enterprise operations of the City-operated Industrial Wastewater Treatment Facility.
- *Sanitary Sewer Fund* is used to account for the maintenance of the City's sanitary sewer collection system, which is funded by user fees and by the Monterey Regional Water Pollution Control Agency sewer user fees.
- *Downtown Parking District Fund* – is used to account for revenues, operating expenses and debt service associated with the City's parking facilities. The City's paid parking facilities include the Monterey Street Parking Structure, the Salinas Street Garage and four parking lots.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation, Accounting and Measurement Focus (Continued)

Proprietary Fund Financial Statements (Continued)

The City's internal service funds include five individual funds which provide services directly to other City funds. These areas of service include risk management, general insurance, workers' compensation, general liability, and fleet maintenance. The Internal Service Funds account for financing of goods and services provided by one department to other departments of the City on a cost-reimbursement basis.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position and a Statement of Changes in Fiduciary Net Position. The City's fiduciary funds represent private purpose trust funds, pension trust funds, and custodial funds. These funds are accounted for on the full accrual basis of accounting.

Fiduciary fund types are accounted for according to the nature of the fund.

Private Purpose Trust Funds are a fiduciary fund type used to account for resources held and administrated under trust or similar arrangement for the benefits of individuals, private organizations, or other governments. The City reports the following private purpose trust funds:

- *Successor Agency Redevelopment Obligation Retirement Fund* was created to serve as a custodian for the assets and to wind down the affairs of the RDA on February 1, 2012, pursuant to Assembly Bill x1 26. Its purpose is to expeditiously wind down the affairs of the dissolved Community Development Commission of the City of Rohnert Park (Commission) subject to the direction of a seven-member Oversight Board. This fund accounts for the receipt of property tax revenues pursuant to the Redevelopment Dissolution Act and the assets transferred from the Commission. The Successor Agency's assets can only be used to pay enforceable obligations in existence at the date of dissolution pursuant to the Recognized Obligation Payment Schedules approved by the California Department of Finance (DOF) under the Redevelopment Dissolution Act.
- *Successor Agency Administration* – This fund accounts for the administrative activities of the Successor Agency to the former Salinas Redevelopment Agency which was dissolved on February 1, 2012 in accordance with AB 1x26 (enacted June 28, 2011).
- *Other Private Purpose Trust Funds* – These funds are used to account for other trust arrangements not properly reported in a pension trust fund under which principal and income benefit individuals, private organizations, or other governments. The City accounts for the following trust funds: Community Center, Monterey Regional Water Pollution Control Agency (MRWPCA) Fees, Sales Tax, Payroll Taxes, Developer Deposits, Evidence Room, Construction Bonds, Monterey County Tourism Improvement District, Leadership Salinas, and miscellaneous.

Pension Trust Fund is used to account for resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, or other employee benefit plans. The City's only pension trust fund is the Deferred Compensation Fund; which allows City employees to invest in trust deeds that are managed by the City with the oversight of an investment committee that is made up of representatives from each of the bargaining units.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation, Accounting and Measurement Focus (Continued)

Fiduciary Fund Financial Statements (Continued)

Custodial Funds are used to account for assets held in an agent capacity by the City for individuals, private organizations, other governments and/or other funds that are not required to be reported in pension trust funds, investment trust funds, or private-purpose trust funds.

C. Cash, Cash Equivalents, and Investments

Cash and Cash Equivalents - Cash and cash equivalents are considered to be amounts in demand deposits, and short-term investments with original maturity of three months or less from the date of acquisition. For purposes of both the balance sheet and statements of cash flows, cash and cash equivalents include not only currency on hand, but deposits in the City's cash and investment pool. These deposits have the same characteristics for the participating funds as demand deposit accounts, in that the funds may deposit additional cash at any time and also effectively withdraw cash at any time without prior notice or penalty. Cash and cash equivalents also include restricted cash and money market funds held by fiscal agents. For purposes of cash flows, the City considers all liquid market investments with maturities of one year or less at time of purchase to be cash equivalents. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

The City pools cash resources from all funds in order to facilitate and maximize the management of cash. The balance in the pooled cash account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing accounts and other fixed income investments with varying terms. Interest earned on investments is allocated to all funds based on average cash and investment balances.

Investments are presented at fair value except as noted below. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Money market investments (such as short-term, highly liquid debt instruments including bankers' acceptances) and securities (notes, bills, and obligations of the U.S. government and its agencies), and participating interest-earning investment contracts (such as negotiable certificates of deposit and repurchase agreements) that have a remaining maturity at the time of purchase of one year or less, are reported at amortized cost, which approximates fair value.

For purposes of the statement of cash flows, amounts reported as cash and cash equivalents, include amounts on deposit in the City pool and any short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

Investment held in Local Agency Investment Fund - The City participates in the Local Agency Investment Fund ("LAIF"), an investment pool managed by the State of California. LAIF has invested portions of the pool funds in structured notes and asset-backed securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these structured notes and asset-backed securities are subject to market risk as a result of changes in interest rates.

LAIF determines fair value on its investments portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where market value is not readily available.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

C. Cash, Cash Equivalents, and Investments (Continued)

The City valued its investments in LAIF as of June 30, 2022, by multiplying its account balance with LAIF times a fair value factor determined by LAIF for all LAIF participants by total aggregate amortized cost.

Other Investments - Investments in nonparticipating interest earning contracts (certificate of deposits) are reported at cost, and all other investments are reported at fair value. Fair value is defined as the amount the City could reasonably expect to receive for an investment in a current sale between a willing buyer and seller and is generally measured by quoted market prices.

Deferred Compensation - The Deferred Compensation Plan is invested in deeds of trust secured by real or personal property and in real estate holdings. The trust deeds are considered nonparticipating interest earning investments and are reported at fair market value.

D. Restricted Cash and Investments

Certain restricted cash and investments are held by fiscal agents or the City for the redemption of bonded debt and for acquisition and construction of certain capital projects.

E. Fair Value Measurement

U.S. GAAP establishes a framework for measuring fair value, and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the Statements of Net Position, are categorized based upon the level of judgment associated with the inputs used to measure their fair value.

F. Interfund Transactions

Interfund transactions are reflected as loans, services provided, reimbursements and/or transfers. Loans and balances related to unsettled service transactions are reported as receivables and payables as appropriate, are subject to elimination upon consolidation of similar fund types, and are referred to as either “due to/from other funds,” i.e., the current portion of interfund loans and unsettled service transactions, or “advances to/from other funds,” i.e., the noncurrent portion of interfund loans. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances.”

Services provided are deemed to be at market or near market rates and are treated as revenues and expenditures/expenses. Reimbursements are defined as when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

G. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Invoices that remain unpaid after 90 days may be referred to collections. An invoice sent to collection is written off.

H. Leases

The City is a lessor for leases of land and recognizes leases receivable and deferred inflows of resources in the financial statements. Variable payments based on future performance or usage of the underlying asset are not included in the measurement of the lease receivable.

At the commencement of a lease, the lease receivable is measured at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources are initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources are recognized as revenue over the life of the lease term in a systematic and rational method.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses the average of the LAIF rate and the incremental borrowing rate (IBR) provided by our financial institution at July 1, 2021 for existing leases or the current rate at the time a new lease is executed.
- The lease term includes the noncancelable period of the lease plus any option periods that are likely to be exercised.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

I. Special Assessment Districts

Special assessments are recorded as receivables when they become a lien on property. Special assessments not considered available are recorded as receivables and offset by unearned revenues. In general, special assessments and special tax bonds are fully secured by liens against the privately owned properties benefited by the improvement for which the bonds were issued. There is no reserve for delinquent receivables since priority liens exist against the related properties and hence the City's management believes value will ultimately be received by the City.

J. Prepaid Bond Insurance, Original Issue Discounts and Premium, Gain/Loss on Refunding

Prepaid bond insurance costs are amortized using the straight-line method over the life of the bonds. Amortization of these balances are recorded as a component of operating expenses.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

J. Prepaid Bond Insurance, Original Issue Discounts and Premium, Gain/Loss on Refunding (Continued)

In the government-wide, proprietary fund and fiduciary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, proprietary fund and fiduciary fund financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Original issue premiums are amortized using the straight-line method over the life of the bonds. Gains or losses from refunding of debt are reported as deferred inflows or outflows of resources and amortized over the shorter of the life of the refunded debt or new refunding debt. Amortization of these balances are recorded as a component of interest expense.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

K. Capital Assets

Capital assets include land, buildings, improvements, vehicles and equipment, infrastructure, and all other tangible and intangible assets that are used in operations and that have initial useful lives in excess of one year. Capital assets are reported in the applicable governmental or business-type activity columns in the government-wide financial statements, the proprietary funds' statement of net position, and the private-purpose trust fund. Capital assets are defined as assets with an initial individual cost of more than \$10,000 for general capital assets and \$100,000 for major infrastructure assets, and an estimated useful life in excess of one year.

Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value, market based entry price at the time of contribution. Capital outlay is recorded as expenditures of the governmental funds and as assets in the government-wide financial statements to the extent the City's capitalization threshold is met. Amortization of assets acquired under capital leases is based on the shorter of the lease term or the estimated useful life of the asset and is included in depreciation and amortization.

Buildings, improvements, infrastructure, vehicles and equipment, and furniture and fixtures are depreciated using the straight-line method (depreciation is calculated starting with the month following the date the asset was placed in service) over the following estimated useful lives:

Asset Type	Years
Buildings and improvements	20-50
Other improvements	15-45
Infrastructure	10-50
Machinery and equipment	5-20

L. Land Held for Resale

Land held for resale is being carried at cost, but no greater than the net realizable value. In the fund financial statements, this amount is recorded as a restricted portion of fund balance due to externally imposed grantor restrictions.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

M. Restricted Assets

Assets that are restricted for specific uses by bonded debt requirements, grant provisions or other requirements are classified as restricted because their use is limited by applicable bond covenants or agreements.

N. Claims Payable

Claims and judgments are recognized as expenditures when it is probable that the liability has been incurred and the amount of the loss can be reasonably estimated. This liability is recorded in the internal service fund that accounts for the City's self-insurance activities.

O. Compensated Absences

Vacation, compensatory time, and related benefits are accrued as determined by the agreement between the City and the respective employees' collective bargaining group. For governmental funds, compensated absence obligations are recorded in the appropriate governmental funds when due. The portion not currently due is recorded in the government-wide financial statements. For proprietary funds, compensated absences are expensed when earned by employees. At year-end, the accrued but unpaid compensated absence obligations are recorded as current and non-current liabilities in the appropriate proprietary funds.

Eligible employees may accrue a maximum of 600 annual leave hours (75 days). Any hours accumulated in excess of 600 hours are paid at the employee's adjusted hourly rate of pay. For the Firefighter group the maximum is 840 hours for 56 hour shift employees and 600 for 40 hour shift employees. Employees with fewer than 20 years of service may request pay in lieu of annual leave up to a maximum of 10 days. Employees with more than 20 years of service may request a maximum of 15 days pay in lieu of annual leave.

Government-Wide Financial Statements

For governmental and business-type activities, compensated absences are recorded as expenses when earned.

Governmental Fund Financial Statements

For governmental funds, compensated absences are recorded as expenditures in the year paid. The General Fund is typically used to liquidate compensated absences. In proprietary funds, compensated absences are expensed to the various funds in the period they are earned, and such fund's share of the unpaid liability is recorded as a long-term liability of the fund.

P. Long-Term Debt and Other Long-Term Obligations

Government-Wide Financial Statements and Proprietary Fund Financial Statements

In the Government-Wide Financial Statements and the proprietary fund types in the Fund Financial Statements, long-term debt and other obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net positions. Bond premiums and discounts are deferred and amortized over the life of the bonds using effective interest methods. Bonds payable are reported net of the applicable bond premium or discount. In the governmental funds statement of revenue, expenditures and changes in fund balance, issuance of debt is recorded as another financing source (use) in the respective fund. Issuance costs and payment of principal are reported as debt service expenditures.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

P. Long-Term Debt and Other Long-Term Obligations (Continued)

Governmental Fund Financial Statements

The governmental fund financial statements do not present long-term debt but are shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position. Governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Debt issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Q. Unearned Revenue

Unearned revenues arise when the City receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures or when monies are received before the related services are performed. In subsequent periods, when both revenue recognition criteria are met or when the City has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

R. Deferred Outflows and Inflows of Resources

The Statement of Net Position and Balance Sheet – Governmental Funds reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

Deferred Outflows of Resources – represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

Deferred Inflows of Resources – represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

S. Net Position and Fund Balance

Net Position Classifications

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

Net Investment in Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation, outstanding balances of debt and any debt-related deferred outflows and inflows of resources that are attributable to the acquisition, construction, or improvement of these assets reduce the balance of this category.

Restricted Net Position – This category consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.

Unrestricted Net Position – This category represents net position of the City that is not restricted for any project or purpose and does not meet the criteria for “net investment in capital assets.”

The City first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

S. Net Position and Fund Balance (Continued)

Fund Balances Classifications

As prescribed by U.S. GAAP, governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2022, fund balances for governmental funds are made up of the following:

Nonspendable Fund Balance – includes amounts that cannot be spent because they are either (a) not in a spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: prepaid items and long-term loans and notes receivable.

Restricted Fund Balance – includes amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Committed Fund Balance – includes amounts that can only be used for the specific purposes determined by a formal action of the City’s highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance, commit fund balances. Commitments may be changed or lifted only by the City Council taking the same formal actions that imposed the original constraint occurring no later than the close of the reporting period.

Assigned Fund Balance – includes amounts intended to be used by the City for specific purposes through budgetary actions or delegation of authority by the City Council. Intent is expressed by the City Council or an official to whom the City Council has delegated the authority (generally, the City Manager) to assign amounts to be used for specific purposes. This is also the classification for residual funds in the governmental funds other than General Fund.

Unassigned Fund Balance – includes amounts that have not been restricted, committed, or assigned. This includes the residual fund balance of General Fund and residual fund deficits of other governmental funds.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance categories, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

T. Property Taxes

Property taxes are collected on behalf of and remitted to the City by the County of Monterey (the “County”). The amount of property tax levies is restricted by Article 13A of the California State Constitution (commonly referred to as Proposition 13). The County assesses property values, levies, bills, and collects the related property taxes as follows:

	<u>Secured</u>	<u>Unsecured</u>
Lien Dates	January 1	January 1
Levy Dates	January 1	January 1
Due Dates	50% on November 1 50% on February 1	July 1
Delinquent after	December 10 (for November) April 10 (for February)	August 31

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

T. Property Taxes (Continued)

The City does not have the ability to control the levy rate or the amount of property taxes remitted by the County because these are governed by State law.

The City has not elected to participate in the “Teeter Plan” offered by the County whereby cities receive 100% of secured property and supplemental property taxes levied in exchange for foregoing any interest and penalties collected on the related delinquent taxes. The City retains the right to any interest and penalties collected on the related delinquent taxes. Accordingly, property tax revenues are recognized in the fiscal period for which they are levied and collected, adjusted for any amounts deemed uncollectible and amounts expected to be collected more than 60 days after the fiscal year.

General property taxes are based on either a flat 1% rate applied to the fiscal year 1976 full value of the property or on 1% of the sales price of the property on sales transactions and construction that occur after the fiscal year 1976 valuation. Assessed values on properties (exclusive of increases related to sales and construction) can rise at a maximum of 2% per year depending on increases in the consumer price index.

U. Pensions

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

The following timeframes are used for pension reporting:

CalPERS Pension Plans

Valuation date	June 30, 2020
Measurement date	June 30, 2021
Measurement period	July 1, 2020 to June 30, 2021

NY Life Pension Plan

Valuation date	September 1, 2021
Measurement date	September 1, 2021
Measurement period	October 1, 2020 to September 30, 2021

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

V. Other Postemployment Benefits (“OPEB”)

For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City’s OPEB Plan and additions to/deductions from the OPEB Plan’s fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments, which are reported at amortized cost.

The following timeframes are reported OPEB reporting:

<u>OPEB</u>	
Valuation date	June 30, 2020
Measurement date	June 30, 2021
Measurement period	July 1, 2020 to June 30, 2021

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The amortization period differs depending on the sources of gain or loss. The difference between projected and actual earnings is amortized on a straight-line basis over 5 years. All other amounts are amortized on a straight-line basis over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) at the beginning of the measurement period.

W. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General, Special Revenue, and Capital Projects Funds. Encumbrances outstanding at year-end are reported as reservations of fund balance since they do not constitute expenditures or liabilities.

X. Use of Accounting Estimates

The preparation of the basic financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. In addition, estimates affect the reported amount of revenues and expenses. Actual results could differ from these estimates and assumptions.

Y. Self-Insurance

The City is self-insured for workers’ compensation, general, automobile, and public liability claims. The City’s estimated liability for claims as of June 30, 2022 is based on the claim manager’s estimate of probable losses plus an amount estimated for incurred but not reported claims. An Internal Service Fund is used to account for the collection of premiums from various City departments related to workers’ compensation claims and general claims liabilities. Premiums are established based on historical claims experience. Additionally, the City contracts with third party administrators for claims management.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

Z. Implementation of New GASB Pronouncements For the Year Ended June 30, 2022

During fiscal year ended June 30, 2022, the City implemented the following new GASB Pronouncements:

GASB Statement No. 87 – In June 2017, GASB issued Statement No. 87, *Leases* (GASB Statement No. 87), to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It also establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Implementation of this Statement had a significant effect on the City's financial statements for the fiscal year ended June 30, 2022.

GASB Statement No. 89 – In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. Implementation of this Statement did not have a significant effect on the City's financial statements for the fiscal year ended June 30, 2022.

GASB Statement No. 92 – In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Implementation of this Statement did not have a significant effect on the City's financial statements for the fiscal year ended June 30, 2022.

GASB Statement No. 93 – In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. Implementation of this Statement did not have a significant effect on the City's financial statements for the fiscal year ended June 30, 2022.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

Z. Implementation of New GASB Pronouncements For the Year Ended June 30, 2022 (Continued)

GASB Statement No. 97 – In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Implementation of this Statement did not have a significant effect on the City's financial statements for the fiscal year ended June 30, 2022.

Note 2 – Stewardship, Compliance, and Accountability

A. Budgeting

The Budget is prepared by the City Manager and adopted by City Council. Formal budgetary integration was employed as a management control device during the fiscal year for the General Fund, Special Revenue Funds, and Capital Projects Funds. The City Manager may transfer budget appropriations between departments and Department Directors may transfer appropriations between programs and accounts within their individual departments and divisions, but only the Council by resolution may appropriate funds from reserves or fund balances.

Budgets for General, Special Revenue and Capital Projects Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Reserves for future lease commitments have been established for accounting purposes and the fund balance is reserved for the total lease commitment consistent with budget policies.

Budget policy excludes taxes, interest, and accounts receivable assets, which are not currently available resources for budget purposes, and condemnation deposits which are returned upon right of way acquisition.

Expenditures may not legally exceed budgeted appropriations at the government level. Budgeted amounts shown are as originally adopted or as amended by the City Council during the year. Additional supplementary appropriations were adopted during the mid-year review.

Appropriations lapse at fiscal year end and then are re-budgeted for the coming year. Project-length financial plans are adopted for all capital projects funds and appropriations are carried forward until project completion. Grant funds are carried forward until the grant expires.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental funds.

Encumbrances outstanding at year-end are recorded as reservations of fund balance and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

For additional information on budgetary policy and control see Required Supplementary Information.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 2 – Stewardship, Compliance, and Accountability (Continued)

B. Deficit Fund Balances and Net Position

At June 30, 2022, the following funds had a deficit fund balance or deficit net position:

Fund Type	Fund	Deficit
Governmental	Housing and Urban Development Grant	\$ (2,772,187)
Governmental	Emergency Medical Services	(378,482)
Governmental	Traffic Safety	(27,135)
Governmental	Assessment District Administration	(2,178)
Enterprise	Downtown Parking District Fund	(5,494,230)
Internal Service Fund	General Liability	(3,014,068)

Governmental Funds – Housing and Urban Development Grant Fund

The deficit net position in the Housing and Urban Development Grant Fund of \$2,772,187 is a result of an increase in Community and Development and related Housing reimbursable grants in Emergency Shelter Grants related to COVID 19 mitigation program and related expenditures. This deficit will decline as claims are submitted for reimbursement to state and federal agencies and becomes available.

Non-Major Funds

The deficit fund balances in the Special Revenue Funds Emergency Medical Services fund of \$378,482 is due to increased expenditures in emergency equipment and supplies. The deficit fund balance in the Traffic Safety Special Revenue Fund of \$27,135 is a result of increased services in vehicle code violations provided by Monterey County. These deficits will decline as claims are submitted for reimbursement to state and federal agencies and unavailable funds become available. The deficit fund balance in the Debt Service Funds Assessment District Administration fund of \$2,178 is due to amounts owed to the General Fund. This will be cleared in fiscal year 2023 and the fund will be closed out.

Enterprise Funds – Downtown Parking District Fund

The deficit net position in the Downtown Parking District Fund of \$5,494,230 is a result of operating cost in excess of operating revenues and the long-term lease payable amounting to \$9,012,000. This deficit will continue to decline over time as the lease payable is collected.

Internal Service Funds

The deficit net position in General Liability internal service fund of \$3,014,068 is the result of insurance costs exceeding charges for services in the fund. The City is reevaluating their internal service fund allocations in order to ensure that charges for services in internal service funds are sufficient to cover the costs of providing services moving forward.

C. Debt Compliance

There are a number of limitations and restrictions contained in the various bond indentures. The City believes it is in compliance with all significant limitations and restrictions.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 3 – Cash and Investments

Cash and investments are presented in the accompanying financial statements at June 30, 2022 as follows:

	Government-Wide Statement of Net Position			Fiduciary Funds	
	Governmental Activities	Business-Type Activities	Total	Statement of Net Position	Total
Cash and investments	\$ 216,282,792	\$ 16,403,450	\$ 232,686,242	\$ 13,419,418	\$ 246,105,660
Restricted cash and investments	1,077,537	6,987	1,084,524	6,151,577	7,236,101
Total cash and investments	\$ 217,360,329	\$ 16,410,437	\$ 233,770,766	\$ 19,570,995	\$ 253,341,761

Cash and investments at June 30, 2022, consisted of the following:

Cash and Cash Equivalents:	
Cash on hand	\$ 25,000
Demand accounts at banks	6,260,469
Money market	16,073,619
Money market held in trust by fiscal agent	26,483,483
Local Agency Investment Fund	89,354,488
Total cash and cash equivalents	138,197,059
Investments:	
Investments held by fiscal agent	110,790,207
Deferred compensation	4,354,495
Total investments	115,144,702
Total cash and investments	\$ 253,341,761

A. Demand Deposits

The carrying amounts of the City's demand deposits were \$6,260,469 at June 30, 2022. Bank balances were \$8,938,429 at that date. The total amount of which was collateralized or insured with securities held by the pledging financial institutions in the City's name is discussed below.

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits. The City may waive collateral requirements for cash deposits; however, the City has not waived the collateralization requirements..

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated on an accounting period basis to the various funds based on the period-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 3 – Cash and Investments (Continued)

B. Investments

The table below identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code that address interest rate risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the City, rather than the general provision of the California Government Code or the City's investment policy:

Authorized Investment Types	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer*
Certificates of deposit	5 years	None	None
Repurchase agreements	5 years	None	None
Bankers' acceptances	5 years	None	None
Guaranteed investment contracts	5 years	None	None
U.S. Treasury bills and notes	5 years	None	None
State of California Local Agency Investment Fund	N/A	None	None
Government agency securities	5 years	None	None
Passbook savings accounts	5 years	None	None
Mutual funds	5 years	None	None
Interest bearing checking accounts	N/A	None	None
Commercial paper	5 years	None	None

* Based on state law requirements or City investment policy requirements, whichever is more restrictive.

The Deferred Compensation Plan is permitted by City resolution to invest in deeds of trust secured by real or personal property.

In accordance with Section 53651 of the California Government Code, the City cannot invest in inverse floaters, range notes, or interest-only strips that are derived from a pool of mortgages, or in any security that could result in zero interest accrual if held to maturity. The limitation does not apply to investments in shares of beneficial interest issued under the Investment Company Act of 1940 that are authorized investments under Section 53601 of the California Government Code. A five-year maximum maturity for each investment is allowed unless approved by the City Council.

Investment income from cash and investments held by fiscal agents are credited directly to the related funds.

The City is a participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City's investments with LAIF at June 30, 2022, included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities:

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

Asset-Backed Securities: generally, mortgage-backed securities that entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (for example, Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2022, the City had \$89,354,488 invested in LAIF, which had invested 1.88% of the pool investment funds in Structured Notes and Asset-Backed Securities. The fair value of the City's portion in the pool is the same as the value of the pool shares and reported at amortized cost.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 3 – Cash and Investments (Continued)

C. Risk Disclosures

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. As a means of limiting exposure to fair value losses from rising interest rates, the City's investment policy limits the maturity of investments in accordance with Government Code Sections 53601(a)-(n) and 53636(a)-(m). It is the City's policy to ladder investments so that there are always investments coming due to meet cash flow requirements. Because the Local Agency Investment Fund as of June 30, 2022 had an average life of 291 days, it was presented as an investment with a maturity of 0-12 months. However, LAIF allows the City to make withdrawals of any amount within 24 hours.

At June 30, 2022, the City had the following investment maturities:

Investment Type	Total	Investment Maturities		
		1 year or fewer	1 to 5 years	Over 5 years
Investment agreements - BNY	\$ 104,438,438	\$ -	\$ -	\$ -
New York Life Pension	6,351,769	-	6,351,769	-
Trust deeds - deferred compensation	4,354,495	-	4,354,495	-
Total investments	\$ 115,144,702	\$ -	\$ 10,706,264	\$ -

For deposits, custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer), the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The City's investment policy limits safekeeping of investments to third-party custody. All of the City's deposits are either insured by the Federal Depository Insurance Corporation ("FDIC") up to \$250,000 or collateralized with pledge securities held in the trust department of the financial institution in the City's name.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 3 – Cash and Investments (Continued)

C. Risk Disclosures (Continued)

Disclosures Relating to Concentration of Credit Risk

The City places no limit on the amount the City may invest in any one issuer. However, the City's investment policy calls for portfolio diversification by avoiding over concentration in a specific maturity sector or specific investments. The City's portfolio is detailed below:

Investment Type	Value	S & P	Moody's	% of Total
Investment agreements:				
Municipal bonds	\$ -	AA	NR	0.00%
Corporate bonds	-	NR	Aaa	0.00%
	-	AA+	Aaa	0.00%
	-	AA+	Aaa	0.00%
Certificates of deposit	-	NR	NR	0.00%
Trust deeds - deferred compensation	4,354,495	NR	NR	3.45%
Money market at Rabobank	-	NR	NR	0.00%
Money market funds:				0.00%
Fidelity Investment MM Gov	855,860	AAAm	Aaa-mf	0.68%
Dreyfus Gov Cash Management	373,469	NR	NR	0.30%
Capital GTY	-	NR	NR	0.00%
Wells Fargo & Co	57	BBB+	A1	0.00%
Westdeutsche Landesbank	975,467	NR	NR	0.77%
Insurance Reserve	390,900	NR	NR	0.31%
Wilmington Trust, NA	23,670,530	A-	A2	18.74%
New York Life Fixed Dollar Account	6,351,769	NR	NR	5.03%
Investments Held in PARS Trust	-	NR	NR	0.00%
Local Agency Investment Fund	89,354,488	NR	NR	70.73%
Total investments	\$ 126,327,035			100.00%

D. Fair Value Measurement

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City has the ability to access.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 3 – Cash and Investments (Continued)

D. Fair Value Measurement (Continued)

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the City's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the City's own data.

The asset's level within the hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used, need to maximize the use of observable inputs and minimize the use of unobservable inputs. The determination of what constitutes observable requires judgment by the City's management. City management considers observable data to be that market data, which is readily available, regularly distributed or updated, reliable, and verifiable, not proprietary, and provided by multiple independent sources that are actively involved in the relevant market. The categorization of an investment within the hierarchy is based upon the relative observability of the inputs to its fair value measurement and does not necessarily correspond to City management's perceived risk of that investment.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The City's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Deposits and withdrawals in governmental investment pools, such as LAIF, are made on the basis of \$1 and not fair value. Accordingly, the City's measured fair value of its proportionate share in these types of investments is based on uncategorized inputs not defined as a Level 1, Level 2, or Level 3 input. Non-negotiable FDIC-insured bank certificates of deposit are priced at par.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 3 – Cash and Investments (Continued)

D. Fair Value Measurement (Continued)

The City had the following recurring fair value measurements as of June 30, 2022:

Investments measured by fair value level:	June 30, 2022	Level 1	Level 2	Level 3
Investment agreements:				
Municipal bonds	\$ -	\$ -	\$ -	\$ -
Certificates of deposit	-	-	-	-
Trust deeds - deferred compensation	4,354,495	-	-	4,354,495
Total investments by fair value level	4,354,495	\$ -	\$ -	\$ 4,354,495
Investments not subject to the fair value hierarchy:				
Money market at Rabobank	-			
Money market funds:				
Fidelity Investment MM Gov	855,860			
Dreyfus Gov Cash Management	373,469			
Capital GTY	-			
Wells Fargo & Co	57			
Westdeutsche Landesbank	975,467			
Insurance Reserve	390,900			
Wilmington Trust, NA	23,670,530			
New York Life Fixed Dollar Account	6,351,769			
Investments Held in PARS Trust	-			
Local Agency Investment Fund	89,354,488			
Total investments not subject to the fair value hierarchy	121,972,540			
Total investments	\$ 126,327,035			

The following is a description of the valuation methods and assumptions used by the City to estimate the fair value of its investments:

- Investments classified within Level 1 of the fair value hierarchy are valued using quoted prices in active markets when available.
- The City held one type of investment that is measured using Level 3 inputs, Trust Deeds. The City administers a Trust Deposit Fund that includes a Deferred Compensation Plan funded solely by the voluntary salary reductions. Trust Deed notes secured by property taken back in foreclosure and held for resale, are valued by independent real estate professionals (market approach), and trust deed notes are valued at their present value (income approach). The valuations are considered Level 3. The value of properties held for resale are reduced for cost of sales. The notes (loans) are valued based on amounts investors would likely pay for notes with interest rates ranging from 6% to 11% discounted to provide loan to values ranging from 50% to 70% depending on property type and condition, borrowers payment history, and term remaining on note.

There have been no changes in the methods and assumptions used at June 30, 2022. The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. City management believes its valuation methods are appropriate and consistent with other market participants. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 4 – Restricted Assets

Certain cash and investments are reported as restricted assets at June 30, 2022 as follows:

Governmental Funds:

Assessment District Debt Service Fund - restricted for debt service	\$ 124,466
Assessment District Reserve Debt Service Fund - restricted for debt service	234,528
2019 Special Tax Bond Monte Bella Debt Service Fund - restricted for debt service	327,643

Enterprise Funds:

Sanitary Sewer Fund - restricted for debt service	6,987
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Internal Service Funds:

Workers Compensation Internal Service Fund	274,506
General Liability Internal Service Fund	116,394

Total restricted assets - primary government	\$ 1,084,524
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Fiduciary Funds:

Private Purpose Trust Funds	\$ 1,706,907
Pension Trust Fund	4,367,611
Custodial Funds	77,059

Total restricted assets - fiduciary funds	\$ 6,151,577
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Note 5 – Taxes Receivable

Taxes receivable recorded in the General Fund of \$19,437,488 represent amounts due for the quarter ended June 30, 2022 for the following taxes:

Sales tax	\$ 6,997,902
Measure E transaction and use tax	2,928,655
Measure G transaction and use tax	5,892,370
Utility users tax	1,255,792
Transient occupancy tax	1,029,507
Franchise tax	728,720
Cannabis tax	377,652
Other taxes	145,441
Property transfer tax	81,449
	\$ 19,437,488

Note 6 – Assessments Receivable

Debt Service Fund – Assessments receivable recorded in the Assessment District Debt Service Fund of \$8,970,000 at June 30, 2022, will be collected from property owners to retire outstanding bond principal issued for improvements in special assessment districts.

Assessment receivables in the amount of \$8,290,000 are not expected to be collected within the subsequent year.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 7 – Due From Other Agencies

At June 30, 2022, amounts due from other agencies consisted of the following:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:				
General Fund:				
Welcome Center	\$ -	\$ -	\$ 75,000	\$ 75,000
Special Revenue Funds:				
Association of Monterey Bay Area Govts.	-	3,484	-	3,484
CA Emergency Solutions & Housing	-	394,272	-	394,272
CA Highway Users Tax	-	637,441	-	637,441
CA Housing & Community Development	-	77,016	-	77,016
CA State Library	-	-	4,705	4,705
Cable Franchise	-	-	43,942	43,942
CDBG Improvement Program	356,421	-	-	356,421
City of Pacific Grove	-	-	174,495	174,495
County of Monterey	-	49,029	3,305,793	3,354,822
Department of Alcoholic Beverage Control	-	-	4,520	4,520
Emergency Shelter Grant	2,618,155	-	-	2,618,155
Federal Drug Enforcement	2,172	-	-	2,172
HOME Investment Program	28,927	-	-	28,927
Office of Traffic Safety	56,590	-	-	56,590
SB1 Road Maintenance & Rehab	-	562,987	-	562,987
SB2 Permanent Local Housing Allocation	-	172,423	-	172,423
U.S. Department of Justice	138,716	-	-	138,716
U.S. Department of Treasury	405,783	-	-	405,783
Capital Projects Funds:				
CA Dept. of Transportation	-	9,942	-	9,942
CA Office of Emergency Services	-	8,850	-	8,850
Developers	-	-	1,821,196	1,821,196
Federal ATP Grant	390,715	-	-	390,715
Federal Aviation Administration	128,978	-	-	128,978
Federal HSIP	29,774	-	-	29,774
Homeland Security - FEMA	93,794	-	-	93,794
Monterey Bay Air Resource District	-	36,200	-	36,200
Monterey Bay Unified Air Pollution Control Dist.	-	148,479	-	148,479
Monterey County - RSTP	-	928,823	-	928,823
State Dept. of Forestry and Fire	-	29,161	-	29,161
State Water Grant	-	133,801	-	133,801
Transportation Agency for Monterey County	-	8,670	-	8,670
Primary government total	<u>\$ 4,250,025</u>	<u>\$ 3,200,578</u>	<u>\$ 5,429,651</u>	<u>\$ 12,880,254</u>

Note 8 – Leases Receivable

The City leases land and easements to third parties. Leases receivable consist of agreements with third parties for the “right-to-use” the underlying assets owned by the City. The remaining terms of the agreements range from one to 28 years. The calculated interest rates used match the City’s incremental borrowing rate at July 1, 2021.

For fiscal year ended June 30, 2022, the City recognized \$1,219,733 in lease revenue and \$237,791 in interest revenue, and the outstanding receivable amount is \$11,629,846.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 8 – Leases Receivable (Continued)

A summary of changes in the leases receivable for the fiscal year ended June 30, 2022 is as follows:

	Balance July 1, 2021	Additions	Reductions	June 30, 2022	Amounts due within one year	Amounts due in more than one year
Governmental activities	\$ 6,694,836	\$ -	\$ (648,777)	\$ 6,046,059	\$ 561,725	\$ 5,484,334
Business-type activities	6,014,676	-	(430,889)	5,583,787	429,471	5,154,316
Total	<u>\$ 12,709,512</u>	<u>\$ -</u>	<u>\$ (1,079,666)</u>	<u>\$ 11,629,846</u>	<u>\$ 991,196</u>	<u>\$ 10,638,650</u>

Future lease payments are as follows as of June 30, 2022:

Year Ending June 30	Lease Receivable	Interest	Total
2023	\$ 991,196	\$ 396,542	\$ 1,387,738
2024	943,755	363,066	1,306,821
2025	813,685	334,209	1,147,894
2026	711,687	307,723	1,019,410
2027	587,282	284,785	872,067
2028-2032	2,751,304	1,129,241	3,880,545
2033-2037	2,982,455	605,999	3,588,454
2038-2042	1,229,849	204,293	1,434,142
2043-2047	446,813	70,787	517,600
2048-2050	171,820	7,364	179,184
Total	<u>\$ 11,629,846</u>	<u>\$ 3,704,009</u>	<u>\$ 15,333,855</u>

As of June 30, 2022, the amounts reported as deferred inflows of resources will be recognized as lease revenue as follows:

Year Ending June 30	Total
2023	\$ 1,267,881
2024	1,162,821
2025	990,183
2026	842,795
2027	728,387
2028-2032	2,892,397
2033-2037	2,316,768
2038-2042	851,310
2043-2047	324,909
2048-2050	112,328
Total	<u>\$ 11,489,779</u>

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 9 – Loans and Notes Receivable

At June 30, 2022, loans and notes receivable of the City's major individual funds and non-major funds taken in aggregate, including the applicable allowance for uncollectible accounts are as follows:

	CDBG	Low & Moderate Income Housing Asset	Total Governmental Activities	Fiduciary Funds
Loans funded by federal grants:	\$ 22,453,556	\$ -	\$ 22,453,556	\$ -
Economic development real estate developer and other loans	-	10,022,690	10,022,690	173,900
Less: allowance for uncollectibles	(22,386,988)	(10,006,119)	(32,393,107)	-
Total loans, net	\$ 66,568	\$ 16,571	\$ 83,139	\$ 173,900

The City uses funds generated from the former Agency Housing Loans as well as other state and federal funding sources to offer financial assistance to qualified developers, individuals and families by providing loans at “below market” interest rates.

Typical loans and related terms are summarized as follows:

Loan Type	Interest Rates	Due
Affordable housing	0 - 4%	up to 55 years
Multi-unit rental rehabilitation	3%	5 or more years
First time home buyer	3%	7 to 40 years
Home improvement	3 - 6%	1 to 30 years

Loans are secured by first or second in lien-property deeds of trust except for first time homebuyer loans, which are all secured by second deeds of trust. Interest and principal are typically due in installments, except for first time homebuyer, which do not require payments until their maturity dates.

The City has also invested in multi-family rental housing projects serving low to moderate income individuals through subordinate loans with terms of up to 55 years. Generally, these loans are to be repaid through fixed payments or net cash flow payments from project operations and the term and potential risk of each loan varies. Because of the net cash flow feature of these subordinate loans, there is greater risk of variability in the timing of payments and, potentially, a lower probability of eventual repayment on these subordinate loans than on other loan types.

Accordingly, for financial statement purposes, the City has established an allowance account for these loans receivable due to the contingent nature of the repayment schedules of these loans.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 10 – Interfund Receivables, Payable, and Transfers

A. Due From and To Other Funds

At June 30, 2022, the balances of due from and to other funds were as follows:

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Grants Special Revenue Fund	\$ 717,402	Cash overdraft
General Fund	Housing and Urban Development Special Revenue Fund	4,012,495	Cash overdraft
General Fund	Downtown Parking District Enterprise Fund	1,705,208	Cash overdraft
General Fund	Emergency Medical Services Special Revenue Fund	300,365	Cash overdraft
General Fund	Development Fees Special Revenue Fund	268	Cash overdraft
General Fund	Lighting, Landscape, and Maintenance Dist Special Revenue Fund	51,188	Cash overdraft
General Fund	Special Construction Assistance Capital Projects Fund	1,235,128	Cash overdraft
General Fund	Traffic Safety Special Revenue Fund	81,891	Cash overdraft
General Fund	Assessment District Administration Debt Service Fund	2,178	Cash overdraft
		<u>8,106,123</u>	
Capital Projects Capital Projects Fund	General Fund	339,665	Capital projects
Capital Projects Capital Projects Fund	Industrial Waste Enterprise Fund	26,220	Capital projects
Capital Projects Capital Projects Fund	Emergency Medical Services Special Revenue Fund	15,792	Capital projects
Capital Projects Capital Projects Fund	Gas Tax Special Revenue Fund	81,232	Capital projects
Capital Projects Capital Projects Fund	Development Fees Special Revenue Fund	413,561	Capital projects
Capital Projects Capital Projects Fund	Measure X Special Revenue Fund	272,811	Capital projects
Capital Projects Capital Projects Fund	Permit Services Enterprise Fund	12,072	Capital projects
Capital Projects Capital Projects Fund	Sanitary Sewer Enterprise Fund	12,123	Capital projects
Capital Projects Capital Projects Fund	SBI Road Maintenance & Rehab Special Revenue Fund	191,057	Capital projects
		<u>1,364,533</u>	
Workers Compensation Internal Service Fund	General Fund	16,831,462	Claims
		<u><u>Total</u></u>	<u><u>\$ 26,302,118</u></u>

B. Long-Term Advances

At June 30, 2022, the balances of long-term advances were as follows:

Advances Due From		Advances Due To
Business-Type Activities:		Governmental
Downtown Parking		Activities
Total business-type activities		General Fund
Total primary government		
	\$ 2,785,000	
	<u>2,785,000</u>	
	<u><u>\$ 2,785,000</u></u>	

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 10 – Interfund Receivables, Payable, and Transfers (Continued)

C. Transfers

Interfund transfers during the year ended June 30, 2022, consisted of the following:

Transfers In	Transfers Out	Amount	Purpose
General Fund	Gas Tax Special Revenue Fund	\$ 1,725,000	Capital projects/debt service
General Fund	Traffic Safety Special Revenue Fund	250,000	Capital projects/debt service
General Fund	Grants Special Revenue Fund	4,099	Capital projects/debt service
	Subtotal General Fund	1,979,099	
Housing and Urban Development Special Revenue Fund	General Fund	4,424	Grant projects
Airport Enterprise Fund	Capital Projects Capital Projects Fund	20,467	Contribute capital assets
Industrial Waste Enterprise Fund	General Fund	1,865,000	Operating subsidy
Sanitary Sewer Enterprise Fund	Capital Projects Capital Projects Fund	45,436	Capital projects
Emergency Medical Services Special Revenue Fund	General Fund	850,000	Operating subsidy
Vehicle Abatement Special Revenue Fund	General Fund	50,000	Operating subsidy
Grants Special Revenue Fund	General Fund	2	Operating subsidy
2018 Lease-PS Building Police Debt Service Fund	General Fund	11,938,298	Debt Service
COP 2018B T.R.I.P. Debt Service Fund	Measure X Special Revenue Fund	2,340,074	Debt Service
2018 Lease El Gabilan Library Debt Service Fund	General Fund	788,457	Debt Service
2020A Refunding Energy Debt Service Fund	General Fund	1,177,177	Debt Service
2020A Refunding Energy Debt Service Fund	Energy Improvement Lease Debt Service Fund	36,001	Debt Service
2020A Refunding Energy Debt Service Fund	Airport Enterprise Fund	76,545	Debt Service
2020A Refunding Energy Debt Service Fund	Industrial Waste Enterprise Fund	71,658	Debt Service
2020A Refunding Energy Debt Service Fund	Sanitary Sewer Enterprise Fund	95,495	Debt Service
2020A Refunding Energy Debt Service Fund	Downtown Parking District Enterprise Fund	32,391	Debt Service
	Subtotal 2020A Refunding Energy Debt Service Fund	1,489,267	
2020A Refunding SVSWA Debt Service Fund	General Fund	602,794	Debt Service
2020A Refunding SVSWA Debt Service Fund	2015 Refunding COP 2005 A&B Debt Service Fund	87,010	Debt Service
	Subtotal 2020A Refunding SVSWA Debt Service Fund	689,804	
Capital Projects Capital Projects Fund	General Fund	4,918,635	Capital Projects
Capital Projects Capital Projects Fund	Monte Bella Maint District Special Revenue Fund	4,110	Capital Projects
Capital Projects Capital Projects Fund	Development Fees Special Revenue Fund	1,603,186	Capital Projects
Capital Projects Capital Projects Fund	Gas Tax Special Revenue Fund	552,775	Capital Projects
Capital Projects Capital Projects Fund	Emergency Medical Services Special Revenue Fund	120,792	Capital Projects
Capital Projects Capital Projects Fund	Measure X Special Revenue Fund	1,308,013	Capital Projects
Capital Projects Capital Projects Fund	SB1 Road Maintenance & Rehab Special Revenue Fund	1,556,858	Capital Projects
Capital Projects Capital Projects Fund	Affordable Housing Special Revenue Fund	6,800	Capital Projects
Capital Projects Capital Projects Fund	Special Construction Assistance Capital Projects Fund	-	Capital Projects
Capital Projects Capital Projects Fund	Industrial Waste Enterprise Fund	1,758,837	Capital Projects
Capital Projects Capital Projects Fund	Sanitary Sewer Enterprise Fund	3,971,041	Capital Projects
Capital Projects Capital Projects Fund	Permit Services Enterprise Fund	358,418	Capital Projects
	Subtotal Capital Project Capital Projects Fund	15,884,062	
General Liability Internal Service Fund	General Fund	1,661,300	Operating Subsidy
Fleet Internal Service Fund	General Fund	11,120,000	Operating Subsidy
	Total	\$ 50,725,690	

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 11 – Capital Assets

A. Governmental Activities

The summary of changes in governmental activities capital assets for the year ended June 30, 2022, is as follows:

	Balance July 1, 2021, as Restated	Prior Period Adjustment	Additions	Retirements	Transfers	Balance June 30, 2022
Governmental Activities:						
<u>Nondepreciable assets:</u>						
Land	\$ 25,899,986	\$ -	\$ -	\$ -	\$ -	\$ 25,899,986
Construction in progress	159,896,482	1,667,376	6,712,551	-	(143,852,318)	24,424,091
Total nondepreciable assets	185,796,468	1,667,376	6,712,551	-	(143,852,318)	50,324,077
<u>Depreciable assets</u>						
Buildings and improvements	46,337,340	1,634,233	-	-	87,157,535	135,129,108
Improvements other than buildings	15,766,022	11,749,332	-	-	23,161,998	50,677,352
Machinery and equipment	42,133,934	1,844,782	312,789	(1,052,050)	2,711,962	45,951,417
Infrastructure	255,168,975	135,160,357	-	-	30,820,823	421,150,155
Right-to-use assets	126,634	-	412,877	-	-	539,511
Total depreciable/amortizable assets	359,532,905	150,388,704	725,666	(1,052,050)	143,852,318	653,447,543
<u>Accumulated depreciation/amortization</u>						
Buildings and improvements	(22,484,365)	(772,320)	(889,092)	-	-	(24,145,777)
Improvements other than buildings	(11,388,190)	(11,311,523)	(588,458)	-	-	(23,288,171)
Machinery and equipment	(31,453,429)	(1,644,102)	(3,298,504)	1,017,170	-	(35,378,865)
Infrastructure	(174,327,696)	(103,493,631)	(7,969,057)	-	-	(285,790,384)
Right-to-use assets	-	-	(204,913)	-	-	(204,913)
Total accumulated depreciation/amortization	(239,653,680)	(117,221,576)	(12,950,024)	1,017,170	-	(368,808,110)
Total depreciable/amortizable assets, net	119,879,225	33,167,128	(12,224,358)	(34,880)	143,852,318	284,639,433
Governmental activities capital assets, net	\$ 305,675,693	\$ 34,834,504	\$ (5,511,807)	\$ (34,880)	\$ -	\$ 334,963,510

Prior period adjustments in the amount of \$34,834,504 were made to move capital assets from business-type activities. The beginning balance was also restated in the amount of \$126,634 for GASB 87 *Leases* implementation.

Depreciation and amortization expense was charged to the functions/programs of the governmental activities as follows:

Governmental Activities:

General government	\$ 583,471
Police	1,333,392
Fire	1,087,348
Public works, including infrastructure	8,905,398
Recreation and parks	856,166
Library	184,249
Total depreciation/amortization expense - governmental activities	<u>\$ 12,950,024</u>

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 11 – Capital Assets (Continued)

B. Business-Type Activities

The summary of changes in business-type activities capital assets for the year ended June 30, 2022, is as follows:

Business-Type Activities:	Balance July 1, 2021	Prior Period Adjustment	Additions	Retirements	Transfers	Balance June 30, 2022
<u>Nondepreciable assets:</u>						
Land	\$ 3,632,339	\$ -	\$ -	\$ -	\$ -	\$ 3,632,339
Construction in progress	5,259,442	(1,667,376)	1,928,508	(1,796,095)	(776,913)	2,947,566
Total nondepreciable assets	8,891,781	(1,667,376)	1,928,508	(1,796,095)	(776,913)	6,579,905
<u>Depreciable assets</u>						
Buildings and improvements	27,523,054	(1,634,233)	-	-	-	25,888,821
Improvements other than buildings	26,708,254	(11,749,332)	-	-	502,183	15,461,105
Machinery and equipment	9,332,629	(1,844,782)	198,367	-	93,295	7,779,509
Infrastructure	237,688,120	(135,160,357)	-	-	181,435	102,709,198
Right-to-use assets	-	-	-	-	-	-
Total depreciable assets	301,252,057	(150,388,704)	198,367	-	776,913	151,838,633
<u>Accumulated depreciation/amortization:</u>						
Buildings and improvements	(15,943,528)	772,320	(730,298)	-	-	(15,901,506)
Improvements other than buildings	(16,495,799)	11,311,523	(719,769)	-	-	(5,904,045)
Machinery and equipment	(6,575,105)	1,644,102	(331,308)	-	-	(5,262,311)
Infrastructure	(160,744,037)	103,493,631	(1,854,796)	-	-	(59,105,202)
Right-to-use assets	-	-	-	-	-	-
Total accumulated depreciation/amortization	(199,758,469)	117,221,576	(3,636,171)	-	-	(86,173,064)
Total depreciable assets, net	101,493,588	(33,167,128)	(3,437,804)	-	776,913	65,665,569
Business-type activities capital assets, net	\$ 110,385,369	\$ (34,834,504)	\$ (1,509,296)	\$ (1,796,095)	\$ -	\$ 72,245,474

Prior period adjustments in the amount of \$(34,834,504) were made to move capital assets governmental activities.

Depreciation expense was charged to the functions/programs of the business-type activities as follows:

Business-type Activities:

Airport	\$ 957,136
Industrial Waste	512,071
Sanitary Sewer	1,568,293
Downtown Parking	558,382
Permit Services	40,289
Total depreciation expense - business-type activities	<u>\$ 3,636,171</u>

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 11 – Capital Assets (Continued)

C. Successor Agency

The summary of changes in capital assets for the Successor Agency for the year ended June 30, 2022, is as follows:

Fiduciary Activities:	Balance July 1, 2021	Prior Period Adjustment	Additions	Retirements	Transfers	Balance June 30, 2022
<i>Nondepreciable assets:</i>						
Land	\$ 149,270	\$ (149,270)	\$ -	\$ -	\$ -	\$ -
Total nondepreciable assets	149,270	(149,270)	-	-	-	-
Fiduciary activities capital assets, net	\$ 149,270	\$ (149,270)	\$ -	\$ -	\$ -	\$ -

A prior period adjustment was made to remove land that was no longer owned by the Successor Agency.

Note 12 – Land and Properties Held For Resale

Land and properties held for resale at June 30, 2022 consisted of the following:

<u>Special Revenue Fund</u>	
137, 145, & 151 Division Street	\$ 584,419
<u>Affordable Housing Fund - Sunset Avenue Merged Housing</u>	
115 Division Street	230,981
123 Division Street	206,265
923 E. Market Street	358,335
	795,581
Total land and properties held for resale	<u>\$ 1,380,000</u>

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 13 – Long-Term Debt

A. Governmental Activities

A summary of changes in long-term debt for governmental activities for the year ended June 30, 2022 is as follows:

	Balance July 1, 2021	Period Adjustments	Additions	Retirements	Balance June 30, 2022	within one year	more than one year
Governmental Activities							
Direct Borrowings - leases	\$ 65,977,431	\$ 239,801	\$ 1,743,790	\$ (11,902,720)	\$ 56,058,302	\$ 4,643,883	\$ 51,414,419
Certificates of Participation:							
TRIP 2018B	36,110,000	-	-	(740,000)	35,370,000	750,000	34,620,000
Series 2020A-Twin Creeks	-	2,330,000	-	(355,000)	1,975,000	365,000	1,610,000
Series 2020B Fairways	-	3,930,000	-	(100,000)	3,830,000	110,000	3,720,000
Series 2020A-Energy (2014)	15,650,000	-	-	(865,000)	14,785,000	935,000	13,850,000
Series 2020A-SVSWA (2015B)	3,860,000	-	-	(525,000)	3,335,000	545,000	2,790,000
Bond premium/(discount):							
TRIP 2018B	3,556,183	-	-	(354,682)	3,201,501	-	3,201,501
TRIP 2018B	(344,239)	-	-	13,240	(330,999)	-	(330,999)
Series 2020A-Twin Creeks	-	272,085	-	(45,348)	226,737	-	226,737
Series 2020A-Energy (2014)	2,981,656	-	-	(248,472)	2,733,184	-	2,733,184
Series 2020A-SVSWA (2015B)	491,089	-	-	(70,156)	420,933	-	420,933
Total Certificates of Participation:	62,304,689	6,532,085	-	(3,290,418)	65,546,356	2,705,000	62,841,356
Assessment District Bonds:							
Assessment District 2017 Act Bonds	1,560,000	-	-	(590,000)	970,000	430,000	540,000
CFD Monte Bella-2019 #1	2,625,000	-	-	(50,000)	2,575,000	55,000	2,520,000
CFD Monte Bella-2019 #2	2,090,000	-	-	(40,000)	2,050,000	40,000	2,010,000
CFD Monte Bella-2019 #3	2,695,000	-	-	-	2,695,000	50,000	2,645,000
Bond premium/(discount):							
CFD Monte Bella-2019 #1	72,436	-	-	(2,498)	69,938	-	69,938
CFD Monte Bella-2019 #2	203,920	-	-	(7,032)	196,888	-	196,888
CFD Monte Bella-2019 #3	242,947	-	-	-	242,947	-	242,947
Total Assessment District Bonds	9,489,303	-	-	(689,530)	8,799,773	575,000	8,224,773
Total governmental activities	\$ 137,771,423	\$ 6,771,886	\$ 1,743,790	\$ (15,882,668)	\$ 130,404,431	\$ 7,923,883	\$ 122,480,548

Direct Borrowing – Leases

Annual debt service requirements to maturity for the City's leases are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2023	\$ 4,643,883	\$ 2,315,583	\$ 6,959,466
2024	4,732,630	2,110,407	6,843,037
2025	4,642,843	1,899,896	6,542,739
2026	4,633,821	1,688,306	6,322,127
2027	4,280,125	1,473,155	5,753,280
2028-2032	21,328,000	4,331,337	25,659,337
2033-2037	3,617,000	1,852,843	5,469,843
2038-2042	2,960,000	1,324,872	4,284,872
2043-2047	3,585,000	687,562	4,272,562
2048-2051	1,635,000	65,213	1,700,213
Total	\$ 56,058,302	\$ 17,749,174	\$ 73,807,476

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 13 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Direct Borrowing – Leases (Continued)

Quantum Tiller Ladder Truck

On January 21, 2014, the City, using lease purchase financing, purchased a Quantum Tiller Ladder Truck for a total of \$1,087,053. The City will make ten annual payments of \$124,848, beginning on March 17, 2015 and ending March 17, 2024 at 2.60% interest. Debt payable of \$240,285 is recorded as Governmental Activities at June 30, 2022.

Debt service requirements to maturity for the Quantum Tiller Ladder Truck are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2023	\$ 118,601	\$ 6,247	\$ 124,848
2024	121,684	3,164	124,848
Total	\$ 240,285	\$ 9,411	\$ 249,696

Pierce Pumper & Tiller

On March 6, 2015, the City, using lease purchase financing, purchased a Pierce Pumper and Tiller for a total of \$1,628,839. The City will make ten annual payments beginning on March 6, 2016 and ending March 6, 2025 at 2.51% interest. Debt payable of \$357,364 is recorded as Governmental Activities at June 30, 2022.

If any event of default occurs, and if the lessee agrees to pay, the lessor may require the lessee to pay all amounts currently due and all remaining rent payments due during the fiscal year in effect when the default occurs with interest at the highest lawful rate from the date of the lessor's demand for such payment. Also included in this scenario are additional out-of-pocket expenses incurred by the lessor including attorney fees, repossession, safekeeping, storage, repair, reconditioning, and disposition costs. Alternatively, the lessor can require the lessee to return all equipment for the purpose of lease, sale, or otherwise disposition by the lessor.

Debt service requirements to maturity for the Pierce Pumper & Tiller are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2023	\$ 116,185	\$ 8,958	\$ 125,143
2024	119,097	6,046	125,143
2025	122,082	3,060	125,142
Total	\$ 357,364	\$ 18,064	\$ 375,428

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 13 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Direct Borrowing – Leases (Continued)

2014 Lease/Purchase Agreement

The City of Salinas 2014 Lease/Purchase Agreement was issued by the Salinas Facilities Financing Authority on January 29, 2014. The financing was issued to refund the Animal Shelter COP Series A-1999 (\$2,812,000) and the Monterey Street Parking Structure COP Series A-2004 (\$13,253,000). The Animal Shelter portion of the financing was issued for 19 years (ending September 1, 2032), at an average interest rate of 4.02%. Maximum annual debt service is \$278,646. Debt payable of \$1,644,000 is recorded as Governmental Activities at June 30, 2022.

Upon the occurrence of an event of default, the trustee may pursue any available remedy by law or pursuant to the lease agreement to enforce payment of the outstanding amounts. However, there shall be no right under any circumstance to accelerate the lease payments or otherwise declare any lease payments not then in default to be immediately due and payable. After the occurrence of an event of default, the City will surrender possession of the property to the financing authority, if requested to do so.

Debt service requirements to maturity for 2014 Lease/Purchase Agreement are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2023	\$ 163,000	\$ 62,813	\$ 225,813
2024	171,000	56,099	227,099
2025	179,000	49,064	228,064
2026	191,000	41,627	232,627
2027	120,000	35,376	155,376
2028-2032	668,000	99,816	767,816
2033	152,000	3,055	155,055
Total	<u>\$ 1,644,000</u>	<u>\$ 347,850</u>	<u>\$ 1,991,850</u>

Pierce Enforcer Pumper

On October 18, 2017, the City, using lease purchase financing, purchased a Pierce Enforcer Pumper fire engine for a total of \$561,605. The City will make six annual payments of \$101,822, beginning on October 18, 2018 and ending October 18, 2023 at 2.40% interest. Debt payable of \$169,370 is recorded as Governmental Activities on June 30, 2022.

If any event of default occurs, and if the lessee agrees to pay, the lessor may require the lessee to pay all amounts currently due and all remaining rent payments due during the fiscal year in effect when the default occurs with interest at the highest lawful rate from the date of the lessor's demand for such payment. Also included in this scenario are additional out-of-pocket expenses incurred by the lessor including attorney fees, repossession, safekeeping, storage, repair, reconditioning, and disposition costs. Alternatively, the lessor can require the lessee to return all equipment for the purpose of lease, sale, or otherwise disposition by the lessor.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 13 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Direct Borrowing – Leases (Continued)

Pierce Enforcer Pumper (Continued)

Debt service requirements to maturity for Pierce Enforcer Pumper are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2023	\$ 96,992	\$ 4,830	\$ 101,822
2024	99,378	2,444	101,822
Total	<u>\$ 196,370</u>	<u>\$ 7,274</u>	<u>\$ 203,644</u>

Altec Aerial Lift

On December 19, 2017, the City, using lease purchase financing, purchased an Altec Aerial Lift Truck for a total of \$157,983. The City will make six annual payments of \$28,903, beginning on December 19, 2018 and ending December 19, 2023. Debt payable of \$55,522 is recorded as Governmental Activities on June 30, 2022.

If any event of default occurs, and if the lessee agrees to pay, the lessor may require the lessee to pay all amounts currently due and all remaining rent payments due during the fiscal year in effect when the default occurs with interest at the highest lawful rate from the date of the lessor's demand for such payment. Also included in this scenario are additional out-of-pocket expenses incurred by the lessor including attorney fees, repossession, safekeeping, storage, repair, reconditioning, and disposition costs. Alternatively, the lessor can require the lessee to return all equipment for

the purpose of lease, sale, or otherwise disposition by the lessor.

Debt service requirements to maturity for Altec Aerial Lift are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2023	\$ 27,387	\$ 1,516	\$ 28,903
2024	28,135	768	28,903
Total	<u>\$ 55,522</u>	<u>\$ 2,284</u>	<u>\$ 57,806</u>

Public Safety Building 2018A

The City of Salinas 2018A Capital Lease was issued by Salinas Public Facilities, Inc. in the amount of \$48,825,000 on June 28, 2018. The purpose of this financing was to raise funds for the construction of a new Public Safety Building (Police Department) within City limits. The City started making semi-annual payments beginning on December 1, 2018 and ending December 1, 2034 at an average interest rate of 3.375%. Maximum annual debt service is \$4,799,181. Debt payable of \$35,775,000 is recorded as Governmental Activities on June 30, 2022.

In the event of an event of default, the trustee shall be entitled to declare the principal of all the bonds then outstanding, and the interest accrued thereon, to be due and payable immediately. Upon such declaration, anything in the indenture or in the bonds contained to the contrary notwithstanding, shall also be due and payable immediately, and interest on the bonds shall cease to accrue on the date of such declaration.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 13 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Direct Borrowing – Leases (Continued)

Public Safety Building 2018A (Continued)

Debt service requirements to maturity for Public Safety Building 2018A are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2023	\$ 2,910,000	\$ 1,564,194	\$ 4,474,194
2024	3,060,000	1,414,944	4,474,944
2025	3,210,000	1,258,194	4,468,194
2026	3,370,000	1,093,694	4,463,694
2027	3,540,000	920,944	4,460,944
2028-2032	18,675,000	1,935,259	20,610,259
2033-2036	1,010,000	16,413	1,026,413
Total	\$ 35,775,000	\$ 8,203,642	\$ 43,978,642

El Gabilan Library 2018B

The City of Salinas 2018B Capital Lease was issued by Salinas Public Facilities, Inc. in the amount of \$19,830,000 on June 28, 2018. The purpose of this financing was to raise funds for the construction of a new Public Library (El Gabilan) within City limits. The City started making semi-annual payments beginning on December 1, 2018 and ending December 1, 2048 at an average interest rate of 3.900%. Maximum annual debt service is \$1,152,781. Debt payable of \$13,915,000 is recorded as Governmental Activities on June 30, 2022.

In the event of an event of default, the trustee shall be entitled to declare the principal of all the bonds then outstanding, and the interest accrued thereon, to be due and payable immediately. Upon such declaration, anything in the indenture or in the bonds contained to the contrary notwithstanding, shall also be due and payable immediately, and interest on the bonds shall cease to accrue on the date of such declaration.

Debt service requirements to maturity for El Gabilan Library 2018B are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2023	\$ 220,000	\$ 562,369	\$ 782,369
2024	235,000	550,994	785,994
2025	240,000	539,119	779,119
2026	255,000	526,744	781,744
2027	345,000	512,213	857,213
2028-2032	1,985,000	2,296,262	4,281,262
2033-2037	2,455,000	1,833,375	4,288,375
2038-2042	2,960,000	1,324,872	4,284,872
2043-2047	3,585,000	687,562	4,272,562
2048-2051	1,635,000	65,213	1,700,213
Total	\$ 13,915,000	\$ 8,898,723	\$ 22,813,723

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 13 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Direct Borrowing – Leases (Continued)

Police/Fire Radios & PW Equipment

The City of Salinas Motorola Radios and Public Work Equipment was issued by Banc of America Public Capital Corporation in the amount of \$3,500,000 on August 17, 2018. This equipment replaces old manufactured models and will make Police, Fire, and Public Work operations more efficient. The lease consists of 84 payments, beginning on August 17, 2019 and ending on August 17, 2025 at an average interest rate of 3.120%. Debt payable of \$2,091,610 is recorded as Governmental Activities on June 30, 2022.

Upon the occurrence of an event of default, legal title and physical position of the equipment shall pass to the Lessor, and the City shall have no further interest therein.

Debt service requirements to maturity for Police/Fire Radios & PW Equipment are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2023	\$ 499,057	\$ 65,258	\$ 564,315
2024	514,627	49,688	564,315
2025	530,684	33,631	564,315
2026	547,242	17,073	564,315
Total	\$ 2,091,610	\$ 165,650	\$ 2,257,260

2021 Pierce Enforcer Pumpers

In fiscal year 2022, the City, using lease purchase financing, purchased a Pierce Enforcer Pumper fire engine for a total of \$1,330,913. The City will make six annual payments of \$279,747, beginning on December 17, 2021 and ending December 17, 2026 at 1.68% interest. Debt payable of \$1,330,913 is recorded as Governmental Activities on June 30, 2022.

If any event of default occurs, and if the lessee agrees to pay, the lessor may require the lessee to pay all amounts currently due and all remaining rent payments due during the fiscal year in effect when the default occurs with interest at the highest lawful rate from the date of the lessor's demand for such payment. Also included in this scenario are additional out-of-pocket expenses incurred by the lessor including attorney fees, repossession, safekeeping, storage, repair, reconditioning, and disposition costs. Alternatively, the lessor can require the lessee to return all equipment for the purpose of lease, sale, or otherwise disposition by the lessor.

Debt service requirements to maturity for the 2021 Pierce Enforcer Pumper are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2023	\$ 257,388	\$ 22,359	\$ 279,747
2024	261,712	18,035	279,747
2025	266,109	13,638	279,747
2026	270,579	9,168	279,747
2027	275,125	4,622	279,747
Total	\$ 1,330,913	\$ 67,822	\$ 1,398,735

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 13 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Direct Borrowing – Leases (Continued)

Street Sweepers

On April 6, 2017 the City, using lease purchase financing, purchased a second street sweeper. The City will make six annual payments of \$58,774 at 2.57% interest. Debt payable of \$57,301 is recorded governmental activities at June 30, 2022.

Upon the occurrence of an event of default, the trustee may pursue any available remedy by law or pursuant to the lease agreement to enforce payment of the outstanding amounts. However, there shall be no right under any circumstance to accelerate the lease payments or otherwise declare any lease payments not then in default to be immediately due and payable. The financing authority may also elect to terminate the lease, with the City liable for all costs, losses, or damages incurred by the financing authority.

Debt service requirements to maturity for the Street Sweepers are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2023	\$ 57,301	\$ 1,473	\$ 58,774
Total	\$ 57,301	\$ 1,473	\$ 58,774

Minor Leases

The City has entered into various minor leases for equipment such as copiers, etc. that were subject to GASB 87 Leases implementation in fiscal year 2022.

Debt service requirements to maturity for these leases are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2023	\$ 177,972	\$ 15,566	\$ 193,538
2024	121,997	8,225	130,222
2025	94,968	3,190	98,158
Total	\$ 394,937	\$ 26,981	\$ 421,918

Certificates of Participation Bonds

Series 2018B – TRIP

On July 18, 2108, the California Statewide Communities Development Authority Transportation Revenue issued City of Salinas Certificates of Participation, Series 2018B totaling \$37,500,000 at various interest rates plus premium and discounts. The purpose of this financing was to provide expedited funding for the design, acquisition, and construction of local roadway and street improvement projects within the jurisdiction of the City. Debt payable of \$35,370,000 plus premiums and discounts of \$2,870,502 are recorded as Governmental Activities at June 30, 2022.

In the event of an event of default, the trustee shall be entitled to exercise the remedies provided under the agreement to collect the outstanding payments in full, with no grace period permitted.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 13 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Certificates of Participation Bonds (Continued)

The annual debt service requirements to maturity for the certificates are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2023	\$ 750,000	\$ 1,561,575	\$ 2,311,575
2024	800,000	1,522,825	2,322,825
2025	850,000	1,481,575	2,331,575
2026	890,000	1,442,525	2,332,525
2027	925,000	1,406,225	2,331,225
2028-2032	5,285,000	6,320,150	11,605,150
2033-2037	6,710,000	4,866,625	11,576,625
2038-2042	8,565,000	2,966,750	11,531,750
2043-2047	10,595,000	952,788	11,547,788
Total	\$ 35,370,000	\$ 22,521,038	\$ 57,891,038

Series 2020A Twin Creeks

On March 16, 1999, the Salinas Public Financing Authority issued City of Salinas Certificates of Participation (Certificates) Series A-1999 totaling \$14,315,000. A portion of the Certificates was allocated for the construction of an animal shelter, \$1,250,338, and the balance of the Certificates, \$13,064,662 was allocated for construction of the new Twin Creeks (9-hole) Golf Course. On August 24, 2004, the City entered into a sublease agreement with the Monterey Peninsula Foundation and its related foundation, Future Citizens Foundation, dba the First Tee of Monterey County providing for the lease of Twin Creeks golf course to Future Citizens Foundation. As a condition of the lease, the City repaid the portion of the 1999 Certificates attributable to the Twin Creeks golf course facility (about 57.5% of the lease payments of \$575,000) and refinanced that golf course portion with a new Refunding issue of Certificate of Participation. On September 14, 2005, the Salinas Public Financing Authority issued City of Salinas Refunding Certificates of Participation Series 2005A, in the amount of \$8,005,000, to refund the portion of the 1999 Certificates attributed to Twin Creeks. Refunding Certificates Series 2005A were issued for 24 years at 4.22%, and were secured by a lien on Twin Creeks golf course. The net value expense of the funding was \$117,298. The refunding was completed to issue qualified 501 (c) 3 bonds to provide for the operation of Twin Creeks golf course by First Tee of Monterey County. Annual debt service for the 2005A Certificates (\$572,308) was paid by the annual lease payments (\$575,000) from Future Citizens Foundation and guaranteed by the Monterey Peninsula Foundation. At the request of First Tee of Monterey County, on December 6, 2011, the City approved a sublease payment reduction from \$575,000 to \$125,000 (an annual reduction of \$450,000). This request was the result of First Tee's significant golf course operating losses. With the goal of maintaining a quality of level of service to the thousands of golf youth participants and as the most cost effective alternative, the City Council approved the General Fund support through fiscal year 2015-16 to offset the reduced amount of the sublease to the First Tee of Monterey County.

On September 1, 2015, the City issued Refunding Certificates of Participation Series 2015, in the amount of \$11,440,000 at a 2.53% interest rate, to refund the outstanding portion of the 2005A Certificates of Participation (Twin Creeks) and the 2005B Certificates of Participation (Capital Improvements). Bond started September 1, 2015 and will end after 12 years on September 1, 2027.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 13 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Certificates of Participation Bonds (Continued)

Series 2020A Twin Creeks (Continued)

On August 19, 2020, the Salinas Public Financing Authority issued City of Salinas Certificates of Participation, Series 2020A totaling \$2,715,000. The Advance Refunding Certificates were issued to refund the 2015A Twin Creeks Golf Project. Bond started November 1, 2020 and will end after 6 years on November 1, 2026. The advance refunding of the 2015A Twin Creeks Golf Project reduced total debt service payments over the next 6 years by \$134,501. This results in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$222,408. Debt payable of \$1,975,000 is recorded in the governmental activities at June 30, 2022.

In the event of an event of default, the Trustee may and, at the direction of the owners of not less than a majority of the aggregate principal amount of bonds then outstanding, and upon being indemnified to its reasonable satisfaction therefore, shall, upon notice in writing to the City and the Salinas Financing Authority, exercise any of the remedies granted to the Salinas Financing Authority under the lease agreement and, in addition, take whatever action at law or in equity may appear necessary or desirable to enforce its rights as assignee pursuant to the Assignment Agreement or to protect and enforce any of the rights vested in the Trustee or the owners, either at law or in equity bankruptcy or otherwise, whether for specific enforcement of any covenant or agreement or for the enforcement of any other legal or equitable right.

The annual debt service requirements to maturity for the certificates are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2023	\$ 365,000	\$ 71,700	\$ 436,700
2024	380,000	56,800	436,800
2025	395,000	41,300	436,300
2026	410,000	25,200	435,200
2027	425,000	8,500	433,500
Total	<u>\$ 1,975,000</u>	<u>\$ 203,500</u>	<u>\$ 2,178,500</u>

Series 2020B Fairways

On August 2008, the City of Salinas was issued Refunding Certificates of Participation Series 2008, in the amount of \$4,660,000 at a variable interest rate, to refund the outstanding portion of the 1999 Certificate pertaining to the Fairways Golf Project. Bond started September 1, 2008 and will end after 30 years on September 1, 2038. Following the execution and delivery of the Certificates of Participation Series 2008, the 1999 Certificates, attributed to the animal shelter, will remain outstanding.

On August 19, 2020, the Salinas Public Financing Authority issued City of Salinas Certificates of Participation, Series 2020B totaling \$4,040,000. The Advance Refunding Certificates were issued to refund the 2008 COP Fairways Golf Project. Bond started November 1, 2020 and will end after 18 years on November 1, 2038. The advance refunding of the 2008 COP Fairways Golf Project reduced total debt service payments over the next 18 years by \$1,311,557. This results in an economic loss (difference between the present values of the debt service payments on the old and new debt) of \$222,581. Debt payable of \$3,830,000 is recorded in the governmental activities at June 30, 2022.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 13 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Certificates of Participation Bonds (Continued)

Series 2020B Fairways (Continued)

In the event of an event of default, the Trustee may and, at the direction of the owners of not less than a majority of the aggregate principal amount of bonds then outstanding, and upon being indemnified to its reasonable satisfaction therefore, shall, upon notice in writing to the City and the Salinas Financing Authority, exercise any of the remedies granted to the Salinas Financing Authority under the lease agreement and, in addition, take whatever action at law or in equity may appear necessary or desirable to enforce its rights as assignee pursuant to the Assignment Agreement or to protect and enforce any of the rights vested in the Trustee or the owners, either at law or in equity bankruptcy or otherwise, whether for specific enforcement of any covenant or agreement or for the enforcement of any other legal or equitable right.

The annual debt service requirements to maturity for the certificates are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2023	\$ 110,000	\$ 95,118	\$ 205,118
2024	120,000	93,997	213,997
2025	135,000	92,537	227,537
2026	155,000	90,619	245,619
2027	165,000	88,184	253,184
2028-2032	1,075,000	380,989	1,455,989
2033-2037	1,400,000	210,000	1,610,000
2038-2041	670,000	20,400	690,400
Total	<u>\$ 3,830,000</u>	<u>\$ 1,071,844</u>	<u>\$ 4,901,844</u>

Series 2020A Energy (2014)

On November 1, 2014, the City entered into a lease agreement funded through private placement in the amount of \$21,908,000. The project will install LED lighting on streetlights and parking lots in addition to building solar PV installations at the Hitchcock Road Animal Shelter, the Industrial Waste Treatment Plant, the Salinas Municipal Airport, the Permit Center, Sherwood Hall, and the Sewer Lift Station site off Work Street. The Debt Service repayment were set to be over a 17-year period at 3.03% interest beginning May 1, 2016 and ending November 1, 2032. Maximum annual debt service was \$2,005,124.

On August 19, 2020, the Salinas Public Financing Authority issued City of Salinas Certificates of Participation, Series 2020A totaling \$16,190,000. The Advance Refunding Certificates were issued to refund the 2014 Energy Improvement Lease. Bond started November 1, 2020 and will end after 12 years on November 1, 2032. The advanced refunding of the 2014 Energy Lease reduced total debt service payments over the next 12 years by \$1,513,227. This results in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,425,483. Debt payable of \$14,785,000 is recorded as Governmental Activities at June 30, 2022.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 13 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Certificates of Participation Bonds (Continued)

Series 2020A Energy (2014) (Continued)

In the event of an event of default, the Trustee may and, at the direction of the owners of not less than a majority of the aggregate principal amount of bonds then outstanding, and upon being indemnified to its reasonable satisfaction therefore, shall, upon notice in writing to the City and the Salinas Financing Authority, exercise any of the remedies granted to the Salinas Financing Authority under the lease agreement and, in addition, take whatever action at law or in equity may appear necessary or desirable to enforce its rights as assignee pursuant to the Assignment Agreement or to protect and enforce any of the rights vested in the Trustee or the owners, either at law or in equity bankruptcy or otherwise, whether for specific enforcement of any covenant or agreement or for the enforcement of any other legal or equitable right.

The annual debt service requirements to maturity for the certificates are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2023	\$ 935,000	\$ 589,750	\$ 1,524,750
2024	1,005,000	550,950	1,555,950
2025	1,080,000	509,250	1,589,250
2026	1,155,000	464,550	1,619,550
2027	1,235,000	416,750	1,651,750
2028-2032	7,545,000	1,235,825	8,780,825
2033-2036	1,830,000	36,600	1,866,600
Total	<u>\$ 14,785,000</u>	<u>\$ 3,803,675</u>	<u>\$ 18,588,675</u>

Series 2020A SVSWA (2015B)

On October 24, 1997, the Salinas Public Financing Authority issued City of Salinas Certificates of Participation (Certificates) Series A-1997 totaling \$11,960,000. The purpose of this financing was to raise money for capital improvement projects and to refund the Authority's Variable Rate Lease Revenue Bonds, which were issued to purchase the 65 W. Alisal Building. The Variable Rate Lease Revenue Bonds Series A-1997 and Series B-1997 were fully retired on November 20, 1997. The outstanding Certificates were secured by liens on City owned assets that included City Hall; Public Safety Building; Steinbeck Library, and 65 W. Alisal Building.

On September 14, 2005, the Salinas Public Financing Authority issued City of Salinas Refunding Certificates of Participation Series 2005B (1997 Capital Improvement Projects). The Refunding Certificates were issued to refund Series A-1997 Certificates. Series 2005B Refunding Certificates were issued in the amount of \$11,705,000 for 24 years at 4.22%. The Refunding Certificates were secured by a lien on the Salinas Community Center with an appraised value of \$13,415,000. With these refunding, liens were removed from the City's Public Safety Building, 65 West Alisal Building and Steinbeck Library.

On September 1, 2015, the City issued Refunding Certificates of Participation Series 2015, in the amount of \$11,440,000 at a 2.53% interest rate, to refund the outstanding portion of the 2005A Certificates of Participation (Twin Creeks) and the 2005B Certificates of Participation (Capital Improvements). Bond started September 1, 2015 and will end after 12 years on September 1, 2027.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 13 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Certificates of Participation Bonds (Continued)

Series 2020A SVSWA (2015B) (Continued)

On August 19, 2020, the Salinas Public Financing Authority issued City of Salinas Certificates of Participation, Series 2020A totaling \$4,440,000. The Advance Refunding Certificates were issued to refund the 2015B Salinas Valley Solid Waste Authority Bonds. Bond started November 1, 2020 and will end after 7 years on November 1, 2027. The advance refunding of the 2015B Salinas Valley Solid Waste Authority advance refunding reduced total debt service payments over the next 7 years by \$241,953. This results in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$244,664. Debt payable of \$3,335,000 is recorded as Governmental Activities at June 30, 2022.

In the event of an event of default, the Trustee may and, at the direction of the owners of not less than a majority of the aggregate principal amount of bonds then outstanding, and upon being indemnified to its reasonable satisfaction therefore, shall, upon notice in writing to the City and the Salinas Financing Authority, exercise any of the remedies granted to the Salinas Financing Authority under the lease agreement and, in addition, take whatever action at law or in equity may appear necessary or desirable to enforce its rights as assignee pursuant to the Assignment Agreement or to protect and enforce any of the rights vested in the Trustee or the owners, either at law or in equity bankruptcy or otherwise, whether for specific enforcement of any covenant or agreement or for the enforcement of any other legal or equitable right.

The annual debt service requirements to maturity for the certificates are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2023	\$ 545,000	\$ 122,500	\$ 667,500
2024	565,000	100,300	665,300
2025	585,000	77,300	662,300
2026	610,000	53,400	663,400
2027	630,000	28,600	658,600
2028	400,000	8,000	408,000
Total	<u>\$ 3,335,000</u>	<u>\$ 390,100</u>	<u>\$ 3,725,100</u>

Assessment District Bonds

At June 30, 2022, outstanding Assessment District Bonds totaled \$8,290,000 plus bond premiums of \$509,773. Bonds issued for improvements in special assessment districts are liabilities of the property owners and are secured by liens against the assessed property. In the case of default, the City has the authority to advance bonds payments from the special reserve fund and to foreclosure on delinquent property. The bonds are secured by a pledge of the net revenue of the Assessment District and may not be used for any other purpose. The total Assessment District Reserve Fund balance was \$1,822,791 at June 30, 2022.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 13 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Assessment District Bonds (Continued)

Assessment District 2017 Act Bonds

On July 28, 2017 the City issued \$4,555,000 in bonds to refinance the following special assessment district debt:

- 1998 AD 98-1 – Bella Vista III Refunding (\$2,665,000)
- 2000 AD 96-2 – Acacia Park Refunding (\$340,000)
- 2002 RADA – Bella Vista Refunding (\$1,365,000)
- 2002 RADB – Bella Vista Refunding (\$185,000)

The refunding of the assessment districts debt reduced total debt service payments over 9 years by \$937,889. This results was an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$318,303. Maximum debt service is \$882,065, including interest ranging from 2.3% to 2.7% for 9 years. Debt payable of \$970,000 is recorded in Governmental Activities at June 30, 2022.

Upon the occurrence of an event of default, the trustee shall be entitled to exercise the remedies provided under the agreement to compel the City to perform and carry out their duties under the 1913 Act, the 1915 Act, or the 1984 Act and their agreements with the owners provided in the Bond agreement.

Annual debt service requirements to maturity for Assessment District 2017 Act Bonds are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2023	\$ 430,000	\$ 19,170	\$ 449,170
2024	450,000	8,095	458,095
2025	45,000	1,823	46,823
2026	45,000	608	45,608
Total	<u>\$ 970,000</u>	<u>\$ 29,696</u>	<u>\$ 999,696</u>

CFD Monte Bella-2019 – Community Facilities District No. 2016-1 (Monte Bella) of the City of Salinas 2019 Special Tax Bonds (Improvement Area No. 1)

On February 21, 2019, the Bond Purchase Agreement was signed in the amount of \$2,675,000 at various interest rates to finance the acquisition and/or construction of certain public facilities and improvements within Community Facilities District (CFD) No. 2016-1 Improvement Area No. 1 of the district. Debt payable net of premiums of \$2,644,938 is recorded as Governmental Activities at June 30, 2022.

Upon the occurrence of an event of default, the trustee may pursue any available remedy by law to enforce the payment of principal, premium and interest on the outstanding bonds.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 13 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Assessment District Bonds (Continued)

Annual debt service requirements to maturity CFD Monte Bella-2019 #1 bonds are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2023	\$ 55,000	\$ 104,769	\$ 159,769
2024	55,000	103,669	158,669
2025	55,000	102,534	157,534
2026	55,000	100,575	155,575
2027	60,000	97,700	157,700
2028-2032	340,000	441,675	781,675
2033-2037	410,000	369,988	779,988
2038-2042	490,000	286,225	776,225
2043-2047	620,000	156,875	776,875
2048-2051	435,000	26,500	461,500
Total	<u>\$ 2,575,000</u>	<u>\$ 1,790,510</u>	<u>\$ 4,365,510</u>

CFD Monte Bella-2019 #2 – Community Facilities District No. 2016-1 (Monte Bella) of the City of Salinas 2019 Special Tax Bonds (Improvement Area No. 2)

On December 1, 2019, the Bond Purchase Agreement was signed in the amount of \$2,090,000 at various interest rates to finance the acquisition and/or construction of certain public facilities and improvements within Community Facilities District (CFD) No. 2016- Improvement Area 2 of the district. Debt payable net of premiums of \$2,246,888 is recorded as Governmental Activities at June 30, 2022.

Upon the occurrence of an event of default, the trustee may pursue any available remedy by law to enforce the payment of principal, premium and interest on the outstanding bonds.

Annual debt service requirements to maturity CFD Monte Bella-2019 #2 bonds are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2023	\$ 40,000	\$ 87,350	\$ 127,350
2024	45,000	85,850	130,850
2025	45,000	84,050	129,050
2026	45,000	82,250	127,250
2027	50,000	80,350	130,350
2028-2032	270,000	370,750	640,750
2033-2037	330,000	312,150	642,150
2038-2042	390,000	252,000	642,000
2043-2047	480,000	150,750	630,750
2048-2051	355,000	27,375	382,375
Total	<u>\$ 2,050,000</u>	<u>\$ 1,532,875</u>	<u>\$ 3,582,875</u>

CFD Monte Bella-2019 #3 – Community Facilities District No. 2016-1 (Monte Bella) of the City of Salinas 2019 Special Tax Bonds (Improvement Area No. 3)

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 13 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Assessment District Bonds (Continued)

On December 20, 2020, the Bond Purchase Agreement was signed in the amount of \$2,695,000 at various interest rates to finance the acquisition and/or construction of certain public facilities and improvements within Community Facilities District (CFD) No. 2016- Improvement Area 3 of the District. Debt payable net of premiums of \$2,937,947 is recorded as Governmental Activities at June 30, 2022.

Upon the occurrence of an event of default, the trustee may pursue any available remedy by law to enforce the payment of principal, premium and interest on the outstanding bonds.

Annual debt service requirements to maturity CFD Monte Bella-2019 #3 bonds are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2023	\$ 50,000	\$ 106,550	\$ 156,550
2024	55,000	104,700	159,700
2025	55,000	102,500	157,500
2026	55,000	100,300	155,300
2027	60,000	98,000	158,000
2028-2032	335,000	451,900	786,900
2033-2037	410,000	377,400	787,400
2038-2042	500,000	287,000	787,000
2043-2047	600,000	177,000	777,000
2048-2051	575,000	47,300	622,300
Total	\$ 2,695,000	\$ 1,852,650	\$ 4,547,650

B. Business-Type Activities

A summary of changes in long-term debt for business-type activities for the year ended June 30, 2022 is as follows:

	Balance July 1, 2021	Prior Period Adjustments	Additions	Retirements	Balance June 30, 2022	Amount due within one year	Amount due in more than one year
Business-type Activities							
Direct borrowings and placements:							
Monterey Parking Garage 2014 lease	\$ 9,590,000	\$ -	\$ -	\$ (578,000)	\$ 9,012,000	\$ 599,000	\$ 8,413,000
Street sweeper lease	113,167	(113,167)	-	-	-	-	-
HUD Section 108 loan	1,953,000	-	-	(460,000)	1,493,000	478,000	1,015,000
Total direct borrowings and placements	11,656,167	(113,167)	-	(1,038,000)	10,505,000	1,077,000	9,428,000
Certificates of Participation:							
Series 2020A-Twin Creeks	2,330,000	(2,330,000)	-	-	-	-	-
Series 2020B Fairways	3,930,000	(3,930,000)	-	-	-	-	-
Bond premium/(discount):							
Series 2020A-Twin Creeks	272,085	(272,085)	-	-	-	-	-
Total Certificates of Participation:	6,532,085	(6,532,085)	-	-	-	-	-
Revenue Bonds:							
Wastewater 2020A	14,425,000	-	-	(555,000)	13,870,000	560,000	13,310,000
Total Revenue Bonds	14,425,000	-	-	(555,000)	13,870,000	560,000	13,310,000
Total business-type activities	\$ 32,613,252	\$(6,645,252)	\$ -	\$ (1,593,000)	\$ 24,375,000	\$ 1,637,000	\$ 22,738,000

A prior period adjustment of \$(6,645,252) was made to move certain debts to Governmental Activities.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 13 – Long-Term Debt (Continued)

B. Business-Type Activities (Continued)

2014 Lease/Purchase Agreement

The 2014 Lease/Purchase Agreement was issued by the Salinas Facilities Financing Authority on January 29, 2014. The financing was issued to refund the Animal Shelter COP Series A-1999 (\$2,812,000) and the Monterey Street Parking Structure COP Series A-2004 (\$13,253,000). The Monterey Street Parking Structure portion of the financing was issued for 20 years (ending September 1, 2033), at an average interest rate of 4.02%. Maximum annual debt service is \$963,518. Debt payable of \$9,012,000 is recorded in the Downtown Parking District Enterprise Fund at June 30, 2022 and reported is reported as business-type activities.

Upon the occurrence of an event of default, the trustee may pursue any available remedy by law or pursuant to the lease agreement to enforce payment of the outstanding amounts. However, there shall be no right under any circumstance to accelerate the lease payments or otherwise declare any lease payments not then in default to be immediately due and payable. After the occurrence of an event of default, the City will surrender possession of the property to the financing authority, if requested to do so.

Debt service requirements to maturity is as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2023	\$ 599,000	\$ 350,243	\$ 949,243
2024	625,000	325,640	950,640
2025	646,000	300,093	946,093
2026	674,000	273,561	947,561
2027	700,000	245,944	945,944
2028-2032	3,954,000	774,654	4,728,654
2033-2036	1,814,000	73,606	1,887,606
Total	\$ 9,012,000	\$ 2,343,741	\$ 11,355,741

Direct Placement Debt

HUD Section 108 Loan

On March 28, 2015, the City entered into a contract for Loan Guarantee Assistance with the Housing and Urban Development Department (HUD), pursuant to which the City will derive funds for the purposes permitted under the agreement, and will execute one or more City Notes in the maximum aggregate principal amount of up to \$9,390,000. The City executed a note numbered as B-12-MC-06-0005 (Community and Economic Development Fund – Industrial Waste Water Conveyance System Project) in the principal amount of \$4,000,000. The City of Salinas has pledged current and future Community Development Block Grants (CDBG) funds as principal security for the loan. The loan carries a variable interest rate of 20 points (0.2%) above the applicable LIBOR rate. Debt payable of \$1,493,000 is recorded in the Industrial Waste Enterprise Fund at June 30, 2022 and is reported as business-type activities.

Upon the event of default, the custodian may take any action available by law, subject to the sections of the agreement, to pursue payment of the outstanding amount, including any additional fees, costs, and expenses incurred by the custodian in connection therewith.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 13 – Long-Term Debt (Continued)

B. Business-Type Activities (Continued)

Direct Placement Debt (Continued)

Debt service requirements to maturity is as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2023	\$ 478,000	\$ 34,535	\$ 512,535
2024	497,000	21,721	518,721
2025	518,000	7,382	525,382
Total	<u>\$ 1,493,000</u>	<u>\$ 63,638</u>	<u>\$ 1,556,638</u>

2020A Wastewater Revenue Refunding Bonds – Series 2020A

On February 8, 2012, the City of Salinas issued Sanitary Sewer System Revenue Bonds, Series 2012 in the amount of \$17,995,000 to provide funds for the current refunding of the City's Sanitary Sewer System Revenue Bonds, Series 1998 and to finance capital replacement of existing sewer mains and other sewer related capital replacement. Maximum annual debt service is \$1,022,406, including interest ranging from 1.0% to 4.4% for 30 years. The City is authorized under Chapter 36, Article II, Division 5 of the Salinas City Code, to levy a sewer fee for the purpose of paying sanitary sewer related expenses of the City. On January 10, 2012, the City Council approved adjustments to wastewater collection fees effective February 1, 2012 to reflect the cost of wastewater conveyance through the Enterprise and an amount to cover debt service. The fee is billed by the Monterey Regional Water Pollution Control Agency.

On December 20, 2020, the Salinas Public Financing Authority issued City of Salinas Certificates of Participation, Series 2020A totaling \$14,425,000. The Advance Refunding Certificates were issued to refund the 2012 Sewer Bonds. Bond started August 1, 2021 and will end after 21 years on August 1, 2042. The advance refunding of the 2012 Sewer Bonds reduced total debt service payments over the next 21 years by \$3,764,601. This results in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,346,741. Debt payable of \$13,870,000 is recorded as Business-type Activities at June 30, 2022.

In the event of an event of default, the trustee shall, at written direction of the owners of not less than a majority in aggregate principal amount of the bonds at the time outstanding, in each case, upon written notice to the City, declare the principal of all the bonds then outstanding, and the interest accrued thereon, to be due and payable immediately.

Debt service requirements and maturity are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2023	\$ 560,000	\$ 300,293	\$ 860,293
2024	565,000	297,532	862,532
2025	565,000	293,504	858,504
2026	565,000	288,233	853,233
2027	580,000	281,693	861,693
2028-2032	3,025,000	1,259,853	4,284,853
2033-2037	3,345,000	911,032	4,256,032
2038-2042	3,830,000	410,564	4,240,564
2043-2046	835,000	12,279	847,279
Total	<u>\$ 13,870,000</u>	<u>\$ 4,054,983</u>	<u>\$ 17,077,704</u>

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 13 – Long-Term Debt (Continued)

B. Business-Type Activities (Continued)

Conduit Debt

In June 1999, the City of Salinas issued Multifamily Housing Revenue Bonds, Series 1999A (\$5,310,000 tax-exempt) and 1999A-T (\$390,000 taxable) for the construction of a 132-unit senior apartment project. Twenty percent (20%) of the project is designated to be affordable to seniors. As of June 30, 2022, the total conduit debt outstanding related to these bonds is \$3,070,000.

On June 2007, the City of Salinas issued Economics Development Revenue Bonds, Series 2007A (\$18,655,000 tax-exempt) and 2007B (\$1,570,000 taxable) for the acquisition of a building located at 1000 Main Street in Salinas. The building is currently leased in part to the County of Monterey Department of Social Services. The project intends to provide monthly rental at below the market value rates to the County of Monterey, a one-million-dollar premise improvement allowance to the Department of Social Services to renovate and upgrade its space in the building and to generate charitable support for the County's residents. The debt was refinanced in 2016 as series 2016A and 2016B. As of June 30, 2022, total conduit debt outstanding related to the Economic Development Revenue Bonds is \$13,760,000.

Pursuant to the bond purchase agreements, the City of Salinas has no obligation related to the repayment of these bonds. Accordingly, the bonds are not reported as liabilities in the City's financial statements.

C. Fiduciary Activities

A summary of changes in long-term debt for fiduciary activities for the year ended June 30, 2022 is as follows:

	Balance July 1, 2021	Additions	Retirements	Balance June 30, 2022	Amount due within one year	Amount due in more than one year
<i>Fiduciary Activities</i>						
Direct borrowings and placements:						
Homeless Shelter loan payable	\$ 157,500	\$ -	\$ -	\$ 157,500	\$ -	\$ 157,500
Total direct borrowings and placements	157,500	-	-	157,500	-	157,500
Tax Allocation Refunding Bonds:						
1996 Series A	1,625,000	-	(130,000)	1,495,000	135,000	1,360,000
1992 Series A	333,539	-	(172,406)	161,133	161,133	-
Bond premium/(discount):						
1996 Series A	(26,754)	-	8,919	(17,835)	-	(17,835)
Total Tax Allocation Refunding Bonds	1,931,785	-	(293,487)	1,638,298	296,133	1,342,165
Total fiduciary activities	\$ 2,089,285	\$ -	\$ (293,487)	\$ 1,795,798	\$ 296,133	\$ 1,499,665

Loans and Notes Payable

Homeless Shelter Loan – Green Gold Inn

On March 7, 1995, the Salinas Redevelopment Agency – Central Agency Revitalization Project entered into a funding agreement and received a loan from the City of Salinas Community Development Block Grant Fund for the acquisition of property, Green Gold Inn at 28-32 Soledad Street, to establish a homeless center/shelter. The Agency agreed that the property would be used solely for a homeless center/shelter for a period not less than ten years. If the Agency or the organization holding title to the property disposes of the property or alters the use of the property prior to expiration of the ten year period, the Agency will reimburse the City the full amount of the current fair market value less improvement costs.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 13 – Long-Term Debt (Continued)

C. Successor Agency (Continued)

Loans and Notes Payable (Continued)

Upon completion of the ten-year period, one half of the debt, \$157,500, was forgiven. Upon cessation of the homeless center/shelter operations, the City will be reimbursed the fair market value of the property less the portion of the loan paid and improvement costs.

Debt service requirements for Green Gold Inn homeless center/shelter no interest loan are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2023	\$ -	\$ -	\$ -
2024	-	-	-
2025	-	-	-
2026	-	-	-
2027	-	-	-
2028-2032	-	-	-
2033-2037	-	-	-
2038-2041	157,500	-	157,500
Total	\$ 157,500	\$ -	\$ 157,500

Tax Allocation Bonds

On August 28, 1996, the former Salinas Redevelopment Agency issued \$11,145,000 of Tax Allocation Bonds Series A-1996. On October 27, 1992, the former Redevelopment Agency issued \$6,541,178 of Refunding Tax Allocation Bonds Series A-1992. The bonds were issued to complete project improvements in the Central Agency Revitalization Project area. The bonds were repaid from property taxes levied within the Salinas Redevelopment Agency Central City

Revitalization Project through January 31, 2012, the dissolution date. This debt is now being paid with taxes received from the Redevelopment Property Tax Trust Fund in accordance with the Recognized Obligation Payments Schedule submitted by the Successor Agency and approved by the State Department of Finance.

The Series A-1996 bond issue has a term bond of \$4,510,000 that matures on November 1, 2023. Debt service payments beginning in fiscal year 2011-2012 are deposits into a sinking fund. The term bonds are subject to redemption prior to maturity from the sinking fund installments on each November 1 on and after November 1, 2011 without premium according to a specified schedule, which is used in these debt service requirements. The outstanding balance at June 30, 2022 was \$1,495,000.

The annual debt service requirements for the 1996 Series A bonds at June 30, 2022 are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2023	\$ 135,000	\$ 78,512	\$ 213,512
2024	1,360,000	37,400	1,397,400
Total	\$ 1,495,000	\$ 115,912	\$ 1,610,912

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 13 – Long-Term Debt (Continued)

C. Successor Agency (Continued)

Tax Allocation Bonds (Continued)

The Series A-1992 bond issue has a term bond of \$2,638,475 that matures on November 1, 2022. Debt service payments beginning in fiscal year 2009-2010 are deposits into a sinking fund. The term bonds are subject to redemption prior to maturity from the sinking fund installments on each November 1 on and after November 1, 2009 without premium according to a specified schedule that is used in these debt service requirements. The outstanding balance at June 30, 2022 was \$161,133.

The annual debt service requirements for the 1992 Series A bonds at June 30, 2022 are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2023	\$ 161,133	\$ 1,053,867	\$ 1,215,000
Total	\$ 161,133	\$ 1,053,867	\$ 1,215,000

Commitment to Monterey Street Parking Structure

In November 2001, the City Council and the Agency entered into a Disposition and Development Agreement (DDA) with Maya Cinema Holding Company LLC for the development of a 14-Screen, 2,916-seat multiplex movie theater complex on the 100 block of Main Street. To serve this and other developments within the 100 blocks, the DDA committed the City/Agency to construct a five-level, 435-space public parking structure on the corner of Monterey Street and Market Street adjacent to the National Steinbeck Center and the Maya Cineplex Theater. The public parking garage opened in June 2005, while the Maya Cinemas Multiplex was completed and opened during July 2005. During FY 2013-14 the Certificates of Participation 2004 that funded the construction of the Monterey Street Parking Structure with a balance of \$13,870,000 at January 2014, was refinanced through the Salinas Facilities Financing Authority by a direct private lease placement with Western Alliance Bancorporation. Because the debt service for the 2004 Certificates was reimbursed to the City from redevelopment tax increment, the savings from the 2004 Certificates was distributed to affected taxing entities as apportioned by the County of Monterey, including a portion for the City, due to the dissolution of the City's Redevelopment Agency. With this refinancing, the average annual debt service requirement was reduced by approximately \$123,000.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 14 – Compensated Absences

Compensated absences are reported on the Government-Wide Statements for Governmental Activities and Business-type Activities in Long-Term Debt. At June 30, 2022 the liability for all compensated absences totaled \$12,172,829.

Compensated absences are reported on the financial statements in the following funds:

	June 30, 2021	Prior Period Adjustment	Increases	Decreases	June 30, 2022	Due within one year	Due in more than one year
Governmental activities:							
General Fund	\$ 9,548,105	\$ 226,345	\$ 77,845	\$ (1,189,104)	\$ 8,663,191	\$ 1,732,632	\$ 6,930,559
Measure E	1,005,718	-	85,315	-	1,091,033	218,207	872,826
Measure G	1,372,191	-	112,766	-	1,484,957	296,991	1,187,966
Special revenue funds	308,687	-	-	(53,612)	255,075	51,015	204,060
Internal service funds	141,223	-	-	(10,537)	130,686	26,138	104,548
Total governmental activities	12,375,924	226,345	275,926	(1,253,253)	11,624,942	2,324,983	9,299,959
Business-type activities							
Enterprise funds	607,904	(226,345)	166,328	-	547,887	109,577	438,310
Total business-type activities	607,904	(226,345)	166,328	-	547,887	109,577	438,310
Total primary government	\$ 12,983,828	\$ -	\$ 442,254	\$ (1,253,253)	\$ 12,172,829	\$ 2,434,560	\$ 9,738,269

A prior period adjustment in the amount of \$226,345 was made to move the liability from business-type activities to governmental activities.

Note 15 – Risk Management

The City has a self-insurance program and carries excess insurance for catastrophic losses. National Casualty Company combined with Berkley National Insurance Company provides General Liability coverage up to a maximum of \$15,000,000 after the self-insured retention of \$1,000,000 per occurrence met. Safety National Casualty Corporation provides Worker's Compensation excess coverage with statutory coverage (pursuant to California Worker's Compensation Act) after the self-insurance retention of \$1,000,000 for Public Safety and \$750,000 for non-Public Safety is met.

Liabilities for estimated claims payable for the self-insurance programs represent settled claims, claims incurred but not paid and claims incurred but not reported based upon past experience, modified for current trends and information. While the ultimate amount of losses incurred through June 30, 2022 is dependent on future developments, City management has determined the desired reserve level for each self-insurance program as follows and believes the estimates are adequate to cover such losses.

Worker's Compensation insurance liability of \$26,950,000 includes \$22,331,055 for claims incurred but not paid and \$4,618,945 for claims incurred but not reported which is based on expected claims and past claims history. At June 30, 2022, Worker's Compensation Insurance liability is reported on the statement of net position. The worker's compensation fund was established as an Internal Service Fund on July 1, 1991. The portion of the worker's compensation insurance liability since July 1, 1991, at June 30, 2022 is \$25,311,515 and is reported in the Internal Service Fund and \$1,638,485 is treated as general long-term debt.

General liability insurance liability at June 30, 2022 of \$4,340,195 that is reported in the Internal Service Fund includes \$3,261,437 for claims incurred but not paid and \$1,078,758 for claims incurred but not reported which is based on expected claims and past claims history. A deficit is reported with the internal service funds of \$3,014,068 at June 30, 2022 and is short the City's goal of reserving three times the self-insured retention plus full funding of all past claims history. The City's self-insured retention is \$1,000,000 at June 30, 2022.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 15 – Risk Management (Continued)

At June 30, 2022, the City's insurance claims liability is recorded as follows:

	Internal Service Funds	General Long-term Debt	Total
Worker's compensation	\$ 25,311,515	\$ 1,638,485	\$ 26,950,000
General liability	4,340,195	-	4,340,195
Total	<u>\$ 29,651,710</u>	<u>\$ 1,638,485</u>	<u>\$ 31,290,195</u>

Changes to the claims liability for fiscal year ended June 30, 2022 are as follows:

	Worker's Compensation	General Liability	Total
Beginning balance of claims liability	\$ 26,656,171	\$ 3,157,700	\$ 29,813,871
Less beginning provisions for incurred but not reported claims	(5,331,234)	(1,076,220)	(6,407,454)
Beginning provisions for incurred but not paid claims	21,324,937	2,081,480	23,406,417
Increase (decrease) in claims incurred and reported	5,964,695	2,789,033	8,753,728
Claims expenses paid	(4,958,577)	(1,609,076)	(6,567,653)
Ending balance provision for incurred but not paid claims	22,331,055	3,261,437	25,592,492
Provisions for incurred but not reported claims	4,618,945	1,078,758	5,697,703
Ending balance of claims liability	<u>\$ 26,950,000</u>	<u>\$ 4,340,195</u>	<u>\$ 31,290,195</u>
Amount due within one year	\$ 4,420,503	\$ 3,069,479	\$ 7,489,982
Amount due in more than one year	22,529,497	1,270,716	23,800,213
Total	<u>\$ 26,950,000</u>	<u>\$ 4,340,195</u>	<u>\$ 31,290,195</u>

Note 16 – Unearned Revenues and Deferred Inflows of Resources

Governmental funds report unearned revenues in connection with funds received, in advance for which assets recognition criteria have been met, but for which revenue recognition criteria have not been met. Receivables for revenues not considered available to liquidate liabilities of the current period are considered unavailable revenues and reported as deferred inflows of resources on the governmental funds. Unearned revenues are stated at \$63,428,897, in the Government-Wide Statements. Governmental funds report \$63,428,897 of unearned revenues and \$8,230,637 of unavailable revenues as deferred inflows of resources that are not available resources.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 16 – Unearned Revenues and Deferred Inflows of Resources, Net of Allowance (Continued)

Unearned revenues of the governmental activities at June 30, 2022 consist of the following:

Governmental Activities:

Major funds:

American Rescue Plan Act (ARPA) Fund	\$ 50,875,929
Housing and Urban Development Grant Fund	4,078,807

Nonmajor funds:

Special revenue funds:

Grants Fund	184,161
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Debt service funds:

Assessment District Debt Service	970,000
2019 Special Tax Montebella	7,320,000

Total governmental activities	<u>\$ 63,428,897</u>
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Unavailable revenues of the governmental activities at June 30, 2022 consist of the following:

Governmental Activities:

Type

Major funds:

Housing and Urban Development Fund	\$ 3,743,533	Housing loans
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Special revenue funds:

Vehicle Abatement Fund	40,121	Unavailable grants receivable
Affordable Housing Fund	756,258	Housing loans
Grants Fund	345,800	Unavailable grants receivable

Capital projects funds:

Special Construction Assistance Fund	3,215,947	Unavailable grants receivable
Special Aviation Fund	128,978	Unavailable grants receivable

Total governmental activities	<u>\$ 8,230,637</u>	
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Note 17 – Retirement Programs

A. Summary

The City of Salinas provides defined benefit retirement program benefits through the California Public Employees' Retirement System ("CalPERS") and New York Life. As of June 30, 2022, the City was contributing to agent multiple-employer defined benefit pension plans and cost-sharing multiple-employer defined benefit pension plans through CalPERS, and was also contributing to a single-employer defined benefit pension plan through New York Life.

Net pension liabilities are reported in the financial statements as follows:

Net Pension Liability	Governmental Activities	Business-Type Activities	Total
CalPERS pension plans:			
Agent multiple-employer - Miscellaneous	\$ 15,393,994	\$ 1,900,685	\$ 17,294,679
Agent multiple-employer - Safety-Police	84,155,587	-	84,155,587
Cost sharing multiple-employer - Safety Fire	33,145,570	-	33,145,570
New York Life - single employer	3,560,476	-	3,560,476
Total net pension liability	<u>\$ 136,255,627</u>	<u>\$ 1,900,685</u>	<u>\$ 138,156,312</u>

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 17 – Retirement Programs

A. Summary (Continued)

Deferred outflows of resources related to pensions are reported in the financial statements as follows:

Deferred Outflows of Resources	Governmental Activities	Business-Type Activities	Total
CalPERS pension plans:			
Agent multiple-employer - Miscellaneous	\$ 5,341,164	\$ 659,470	\$ 6,000,634
Agent multiple-employer - Safety-Police	13,918,001	-	13,918,001
Cost sharing multiple-employer - Safety Fire	14,007,322	-	14,007,322
New York Life - single employer	162,458	-	162,458
Total deferred outflows of resources	<u>\$ 33,428,945</u>	<u>\$ 659,470</u>	<u>\$ 34,088,415</u>

Deferred inflows of resources related to pensions are reported in the financial statements as follows:

Deferred Inflows of Resources	Governmental Activities	Business-Type Activities	Total
CalPERS pension plans:			
Agent multiple-employer - Miscellaneous	\$ 10,240,212	\$ 1,264,352	\$ 11,504,564
Agent multiple-employer - Safety-Police	25,134,766	-	25,134,766
Cost sharing multiple-employer - Safety Fire	23,042,424	-	23,042,424
New York Life - single employer	790,816	-	790,816
Total deferred inflows of resources	<u>\$ 59,208,218</u>	<u>\$ 1,264,352</u>	<u>\$ 60,472,570</u>

Pension expense reported in the financial statements as follows:

Pension Expense	Governmental Activities	Business-Type Activities	Total
CalPERS pension plans:			
Agent multiple-employer - Miscellaneous	\$ 2,033,692	\$ 251,099	\$ 2,284,791
Agent multiple-employer - Safety-Police	7,191,658	-	7,191,658
Cost sharing multiple-employer - Safety Fire	5,941,674	-	5,941,674
New York Life - single employer	1,856,239	-	1,856,239
Total pension expense	<u>\$ 17,023,263</u>	<u>\$ 251,099</u>	<u>\$ 17,274,362</u>

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 17 – Retirement Programs (Continued)

B. California Public Employees Retirement System Agent Multiple-Employer Plans

Plan Description

All qualified permanent and probationary employees are eligible to participate in the City of Salinas' separate Safety (police) and Miscellaneous (all other) Plans, agent multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Employees Covered

At June 30, 2021, the measurement date, the following employees were covered by the benefit terms for the Plan:

	Miscellaneous	Safety - Police
Inactive employees or beneficiaries currently receiving benefits	196	269
Inactive employees entitled to, but not yet receiving benefits	268	117
Active employees	269	156
Total	733	542

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment.

The City's provisions and benefits in effect at June 30, 2022 are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013*	On or After January 1, 2013
Hire date		
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50-55	52-67
Monthly benefits, as a % of eligible	2.0% to 2.45%	1.0% to 2.5%
Required employee contribution rates	7.00%	7.00%
Required employer contribution rates	8.62%	8.62%
	Safety - Police	
	Prior to January 1, 2013*	On or After January 1, 2013
Hire date		
Benefit formula	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50	52-57
Monthly benefits, as a % of eligible	3.00%	2.0% to 2.7%
Required employee contribution rates	9.00%	13.50%
Required employer contribution rates	21.98%	21.98%

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 17 – Retirement Programs (Continued)

B. California Public Employees Retirement System Agent Multiple-Employer Plans (Continued)

Benefits Provided (Continued)

Contribution Description - Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the City to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

The contributions made by the City were as follows:

	<u>Employer Contributions</u>
Miscellaneous	\$ 4,193,288
Safety - Police	12,406,841

Actuarial Methods and Assumptions used to determine Total Pension Liability - The June 30, 2020 valuation was rolled forward to determine the June 30, 2020 total pension liability, based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds. Contract COLA up to 2.50% until purchasing power applies.
Post Retirement Benefit Increase	Protection allowance floor on purchasing power applies.

(1) The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvement using Society of Actuaries 90% of Scale MP 2016. For more details on this table, please refer to the December 2017 Experience Study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Long-term Expected Rate of Return - The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 17 – Retirement Programs (Continued)

B. California Public Employees Retirement System Agent Multiple-Employer Plans (Continued)

Benefits Provided (Continued)

The expected rates of return by asset class are as follows:

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 ¹	Real Return Years 11 + ²
Global equity	50.00%	4.80%	5.98%
Global fixed income	28.00%	1.00%	2.62%
Inflation sensitive assets	0.00%	7.00%	1.81%
Private equity	8.00%	6.30%	7.23%
Real assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	100.00%		

¹ An expected inflation of 2.00% was used for this period.

² An expected inflation of 2.92% was used for this period.

Discount Rate - The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Amortization of Deferred Outflows and Deferred Inflows of Resources - Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Difference between projected and actual earnings on pension plan investments:

- 5 years straight-line amortization

All other amounts:

- Straight-line amortization over the average expected remaining service lives (EARLS) of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

Deferred outflows of resources and deferred inflows of resources relating to Differences between Expected and Actual Experience, Changes of Assumptions and employer-specific amounts should be amortized over the EARSL of members provided with pensions through the Plan. The EARSL for the miscellaneous and safety (police) plans for the June 30, 2021 measurement date are 4.1 and 3.5 years, respectively, which was obtained by dividing the total service years by the total number of participants (active, inactive, and retired) in the Plan. Inactive employees and retirees have remaining service lifetimes equal to zero. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 17 – Retirement Programs (Continued)

B. California Public Employees Retirement System Agent Multiple-Employer Plans (Continued)

Benefits Provided (Continued)

Changes in Net Pension Liability – The following tables show the changes in the net pension liability for each of the City’s agent multiple-employer defined benefit pension plans recognized over the measurement period:

Miscellaneous Plan			
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2020 (Valuation Date)	\$ 133,299,386	\$ 100,787,549	\$ 32,511,837
Changes in the year:			
Service cost	3,130,339	-	3,130,339
Interest on the total pension liabilities	9,498,842	-	9,498,842
Changes in assumptions	-	-	-
Differences between expected and actual experience	727,132	-	727,132
Benefit payments, including refunds of members contributions	(5,481,505)	(5,481,505)	-
Plan to plan resource movement	-	-	-
Contributions - employer	-	4,273,977	(4,273,977)
Contributions - employee	-	1,464,611	(1,464,611)
Net investment income	-	22,935,564	(22,935,564)
Administrative expenses	-	(100,681)	100,681
Net changes	7,874,808	23,091,966	(15,217,158)
Balance at June 30, 2021 (Measurement Date)	\$ 141,174,194	\$ 123,879,515	\$ 17,294,679

Safety - Police			
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2020 (Valuation Date)	\$ 325,186,524	\$ 206,759,103	\$ 118,427,421
Changes in the year:			
Service cost	6,086,593	-	6,086,593
Interest on the total pension liabilities	22,716,035	-	22,716,035
Changes in assumptions	-	-	-
Differences between expected and actual experience	(2,364,429)	-	(2,364,429)
Benefit payments, including refunds of members contributions	(16,317,199)	(16,317,199)	-
Plan to plan resource movement	-	-	-
Contributions - employer	-	11,629,887	(11,629,887)
Contributions - employee	-	2,305,151	(2,305,151)
Net investment income	-	46,981,535	(46,981,535)
Administrative expenses	-	(206,540)	206,540
Net changes	10,121,000	44,392,834	(34,271,834)
Balance at June 30, 2021 (Measurement Date)	\$ 335,307,524	\$ 251,151,937	\$ 84,155,587

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 17 – Retirement Programs (Continued)

B. California Public Employees Retirement System Agent Multiple-Employer Plans (Continued)

Benefits Provided (Continued)

Pension Plan Fiduciary Net Position - Detailed information about each plan's fiduciary net position is available in the separately issued CalPERS financial report.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the Plan as of the Measurement Date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

	Plan's Aggregate Net Pension Liability/(Asset)		
	Discount Rate - 1%	Current Discount	Discount Rate + 1%
	(6.15%)	Rate (7.15%)	(8.15%)
Miscellaneous	\$ 36,786,033	\$ 17,294,679	\$ 1,200,340
Safety - Police	\$ 130,063,023	\$ 84,155,587	\$ 46,590,081

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions For the measurement period ending June 30, 2021 (the measurement date), the City of Salinas recognized a pension expense of \$9,476,449 for the miscellaneous and safety (police) plans.

For the measurement period ending June 30, 2021 (the measurement date), the City of Salinas reports other amounts for the miscellaneous and safety (police) plans as deferred outflow and deferred inflow of resources related to pensions as follows:

	Miscellaneous	
	Deferred outflows of Resources	Deferred inflows of Resources
Pension contributions made subsequent to measurement date	\$ 4,193,288	\$ -
Difference between projected and actual earning on pension plan investments	-	(11,392,473)
Changes in assumptions	-	(112,091)
Differences between expected and actual experience	1,807,346	-
Total	\$ 6,000,634	\$ (11,504,564)

	Safety - Police	
	Deferred outflows of Resources	Deferred inflows of Resources
Pension contributions made subsequent to measurement date	\$ 12,406,841	\$ -
Difference between projected and actual earning on pension plan investments	-	(23,445,888)
Changes in assumptions	-	-
Differences between expected and actual experience	1,511,160	(1,688,878)
Total	\$ 13,918,001	\$ (25,134,766)

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 17 – Retirement Programs (Continued)

B. California Public Employees Retirement System Agent Multiple-Employer Plans (Continued)

Benefits Provided (Continued)

\$4,193,288 and \$12,406,841 reported as deferred outflows of resources to contributions subsequent to the measurement date for the miscellaneous and safety police plans, respectively, will be recognized as a reduction of the net pension liability in the year ending June 30, 2023.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,	Miscellaneous	Safety - Police
	Deferred Outflows/(Inflows) of Resources	Deferred Outflows/(Inflows) of Resources
2023	\$ (2,017,896)	\$ (5,348,547)
2024	(2,033,398)	(5,860,355)
2025	(2,517,796)	(5,955,333)
2026	(3,128,128)	(6,459,371)
2027	-	-
Thereafter	-	-
	<u>\$ (9,697,218)</u>	<u>\$ (23,623,606)</u>

C. California Public Employees Retirement System Cost-Sharing Multiple Employer Plan

Plan Description – All qualified permanent and probationary employees are eligible to participate in the City’s separate Safety risk pool (Fire Tier 1 & Tier 2), cost-sharing multiple-employer defined benefit pension plans administered by CalPERS, which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment.

The City’s plans provisions and benefits in effect at June 30, 2022, are summarized as follows:

	Safety - Fire			
	Tier 1		Tier 2	
	Prior to January 1, 2013*	On or After January 1, 2013	Prior to January 1, 2013*	On or After January 1, 2013
Hire date				
Benefit formula	3.0% @ 50	2.7% @ 57	3.0% @ 55	2.5% @ 57
Benefit vesting schedule	5 years of service	5 years of service	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life	Monthly for life	Monthly for life
Retirement age	50	52-57	55	52-57
Monthly benefits, as a % of eligible	3.00%	2.0% to 2.7%	3.00%	2.0% to 2.7%
Required employee contribution rates	9.00%	13.75%	9.00%	13.25%
Required employer contribution rates	25.59%	13.75%	22.47%	13.25%

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 17 – Retirement Programs (Continued)

C. California Public Employees Retirement System Cost-Sharing Multiple Employer Plan (Continued)

Contribution Description - Section 20814(c) of the California Public Employees' Retirement Law ("PERL") requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

The City's contribution for the safety fire plan were as follows:

	Employer Contributions
Safety - Fire	\$ 6,791,444

Pension Liabilities, Pension Expense and Deferred Outflows/Deferred Inflows of Resources Related to Pensions – As of June 30, 2022, the City reported net pension liabilities for its proportionate share of the net pension liability as of June 30, 2022 and 2021 were as follows:

	Plan Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Plan Net Pension Liability/(Asset)
Balance at: 6/30/20 (Valuation date)	\$ 187,360,606	\$ 134,725,054	\$ 52,635,552
Balance at: 6/30/21 (Measurement date)	193,123,087	159,977,517	33,145,570
Net changes during 2020-2021	\$ 5,762,481	\$ 25,252,463	\$ (19,489,982)

The City's net pension liability is measured as the proportionate share of the net pension liability. The net pension liability is measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using the standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions for all participating employers actuarially determined.

The City's proportionate share of the net pension liability as of the June 30, 2021 and 2020 measurement dates were as follows:

	Percentage Share of Risk Pool
Proportion June 30, 2020	0.483764%
Proportion June 30, 2021	0.612870%
Change - Increase (Decrease)	0.129106%

For the year ended June 30, 2022 (measurement date June 30, 2021), the City of Salinas recognized a pension expense of \$5,941,674 for the Safety Plan (Fire).

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 17 – Retirement Programs (Continued)

C. California Public Employees Retirement System Cost-Sharing Multiple Employer Plan (Continued)

As of June 30, 2022 the City of Salinas reports deferred outflow and deferred inflow of resources related to pensions as follows:

	Safety - Fire	
	Deferred outflows of Resources	Deferred inflows of Resources
Pension contributions made subsequent to measurement date	\$ 6,791,444	\$ -
Difference between projected and actual earning on pension plan investments	-	(19,727,986)
Adjustment due to differences in proportions	1,552,985	(39,252)
Changes in assumptions	-	-
Difference between actual and expected experience	5,662,893	-
Difference between employer's actual contributions and proportionate share of contributions	-	(3,275,186)
Total	<u>\$ 14,007,322</u>	<u>\$ (23,042,424)</u>

\$6,791,444 reported as deferred outflows of resources for contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expenses as follows:

Year Ended June 30,	Deferred Outflows/ (Inflows) of Resources
2023	\$ (2,910,422)
2024	(3,247,609)
2025	(4,239,649)
2026	(5,428,866)
2027	-
Thereafter	-
	<u>\$ (15,826,546)</u>

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 17 – Retirement Programs (Continued)

C. California Public Employees Retirement System Cost-Sharing Multiple Employer Plan (Continued)

Actuarial Methods and Assumptions used to determine Total Pension Liability - The June 30, 2020 valuation was rolled forward to determine the June 30, 2021 total pension liability, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds. The mortality table used was developed based on CalPERS specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of Scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies.

Discount Rate - The discount rate used to measure the total pension liability for PERF C was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-term Expected Rate of Return - The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 17 – Retirement Programs (Continued)

C. California Public Employees Retirement System Cost-Sharing Multiple Employer Plan (Continued)

The expected real rates of return by asset class are as follows:

Asset Class	New Strategic Allocation	Real Return Years 1 - 10¹	Real Return Years 11 +²
Global equity	50.00%	4.80%	5.98%
Global fixed income	28.00%	1.00%	2.62%
Inflation sensitive assets	0.00%	0.77%	1.81%
Private equity	8.00%	6.30%	7.23%
Real assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	100.00%		

¹ An expected inflation of 2.00% was used for this period.

² An expected inflation of 2.92% was used for this period.

Amortization of Deferred Outflows and Deferred Inflows of Resources – The Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments is amortized over a five-year period on a straight-line basis. One-fifth is recognized in pension expense during the measurement period, and the remaining Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments is amortized over the remaining amortization periods. The Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments in the Schedule of Collective Pension Amounts represents the unamortized balance relating to the current measurement period and the prior measurement periods on a net basis.

Deferred Outflows of Resources and Deferred Inflows of Resources relating to Differences Between Expected and Actual Experience and Changes of Assumptions are amortized over the Expected Average Remaining Service Lifetime (EARSL) of members provided with pensions through the Plan determined as of the beginning of the related measurement period. The EARSL for PERF C for the measurement date ending June 30, 2020 is 3.8 years, which was obtained by dividing the total service years of 548,581 (the sum of remaining service lifetimes of the active employees) by 145,663 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

Sensitivity of Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate – The following presents the proportionate share of the net pension liability of the City's Plan as of the Measurement Date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15) than the current rate:

Plan's Aggregate Net Pension Liability/(Asset)		
Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
\$ 59,141,605	\$ 33,145,570	\$ 11,793,039

Pension Plan Fiduciary Net Position – Detailed information about each plan's fiduciary net position is available in the separately issued CalPERS financial report.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 17 – Retirement Programs (Continued)

D. New York Life Single Employer Retirement Plan

Plan Description – The New York Life retirement plan is a closed single-employer defined benefit pension plan that covers Non-Public Safety Employees. The plan's benefits offers a formula of 2% @ 60 for vested employees. The Plan was established on September 1, 1954 and has been amended and restated from time to time since that date. Prior Plan amendments eliminated the six-month service requirement for entry into the plan and credited participants with up to six-months of service from hire to plan entry prior to time change. The Plan was amended and restated effective September 1, 1996 to bring the Plan into compliance with the Internal Revenue Code and Regulations promulgated thereby to provide for the City's pick-up of employee eligible participants equal to the present value of vested accrued benefits. Effective June 1, 2001, the Plan amended its benefit formula to one that uses an average salary computed from the twelve-month period, replacing the old formula that used an average salary computed from a thirty six month period. As of June 19, 1995, all new regular non-public safety employees are enrolled in CalPERS.

The City has an agreement with New York Life to hold and invest plan assets of the Retirement Plan, which covers employees other than Police and Fire. New York Life holds assets in NYL Fixed Dollar Account, NYL Mainstay Total Return Bond Fund, and NYL Guaranteed Annuity Contracts.

New York Life Guaranteed Annuity Contracts in the amount of \$5,813,965 are allocated insurance contracts set up to pay benefits and accordingly are excluded from the total pension liability, and are not reported in the City's financial statements.

Employees Covered – As of September 1, 2021 (valuation date), the following employees were covered by the benefit terms for the single-employer defined benefit pension plan:

	NY Life Plan
Inactive employees or beneficiaries currently receiving benefits	41
Inactive employees entitled to, but not yet receiving benefits	7
Active employees	7
Total	55

Benefits - Non-Public Safety personnel benefits vest after five years of service. The vested benefit would be in the form of a pension beginning after attaining age 60 equal to the benefits accrued at time of termination, or for a reduced amount if an election is made to have payments commence before attaining the normal retirement age of 60. City employees who retire at or after age of 60 with five years of credited service are entitled to an annual retirement benefit payable monthly, as a straight line annuity, as a ten year certain and life annuity, or as a lump sum, in an amount equal to 2% of the average earnings paid to the employee during the twelve consecutive months of service with the City during which their earnings were highest, multiplied by the number of years and completed months of plan participation.

The plan allows early retirement after reaching age 55 and completing five years of plan participation. The plan also provides death and survivor benefits.

Funding Policy – The contribution requirements of Plan members and the City are established and may be amended by the City Council. Prior to January 1, 1979, participants were required to make specified levels of contributions to the plan in order to accrue benefits under the Plan. For the period commencing January 1, 1979 through December 31, 1993, there were no participants' contributions under this Plan. Since January 1, 1994, participants are required to contribute 4.5% of their compensation to the Plan. Since September 1, 1996, participant contributions are made by the City under the employee pretax pick-up provision for government-sponsored plans allowed under the Internal Revenue Code. As established in their Memorandum of Understanding document for personnel of the SEIU Blue Collar bargaining group, the City will contribute four and one-half percent of the employee retirement contribution.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 17 – Retirement Programs (Continued)

D. New York Life Single Employer Retirement Plan (Continued)

Pension Liabilities, Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions – As of June 30, 2022 (Measurement Date - August 31, 2021) and June 30, 2021, (Measurement Date – August 31, 2020), the City reported net pension liability as follows:

		Increase (Decrease)	
	Plan Total Pension Liability	Plan Fiduciary Net Position	Plan Net Pension Liability/(Asset)
Balance at: 8/31/20 (measurement date)	\$ 13,890,599	\$ 5,911,440	\$ 7,979,159
Balance at: 8/31/21 (measurement date)	13,422,823	9,862,347	3,560,476
Net changes during 2020-2021	<u>\$ (467,776)</u>	<u>\$ 3,950,907</u>	<u>\$ (4,418,683)</u>
Funded Status @ 8/31/21 measurement date	73.47%		

The City's net pension liability is measured as of August 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 1, 2021.

Changes in Net Pension Liability – The following tables show the changes in the net pension liability for the City's Single-Employer Pension Plan recognized over the measurement period:

	New York Life Plan		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at 6/30/2021 (8/31/20 measurement date)	\$ 13,890,599	\$ 5,911,440	\$ 7,979,159
Changes in the year:			
Service cost	345,756	-	345,756
Interest on the total pension liabilities	283,983	-	283,983
Changes in assumptions	(37,244)	-	(37,244)
Differences between expected and actual experience	1,595,858	-	1,595,858
Benefit payments, including refunds of members contributions	(2,656,129)	(2,656,129)	-
Plan to plan resource movement	-	-	-
Contributions - employer	-	5,695,926	(5,695,926)
Contributions - employee	-	34,635	(34,635)
Net investment income	-	894,536	(894,536)
Administrative expenses	-	(18,061)	18,061
Net changes	<u>(467,776)</u>	<u>3,950,907</u>	<u>(4,418,683)</u>
Balance at June 30, 2022 (8/31/21 measurement date)	<u>\$ 13,422,823</u>	<u>\$ 9,862,347</u>	<u>\$ 3,560,476</u>

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 17 – Retirement Programs (Continued)

D. New York Life Single Employer Retirement Plan (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the Plan as of the Measurement Date, calculated using the discount rate of 2.14 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (1.14 percent) or 1 percentage-point higher (3.14 percent) than the current rate:

Plan's Aggregate Net Pension Liability/(Asset)		
Discount Rate - 1% (1.14%)	Current Discount Rate (2.14%)	Discount Rate + 1% (3.14%)
\$ 4,708,758	\$ 3,560,476	\$ 2,652,390

As of June 30, 2022, the City reports deferred outflows and deferred inflows of resources related to pensions as follows:

New York Life Plan		
	Deferred outflows of Resources	Deferred inflows of Resources
Pension contributions made subsequent to measurement date	\$ 162,458	\$ -
Difference between projected and actual earning on pension plan investments	-	(790,816)
Total	\$ 162,458	\$ (790,816)

\$162,458 reported as deferred outflows of resources for contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expenses as follows:

Year Ended June 30,	Deferred Outflows/
2023	\$ (233,661)
2024	(245,627)
2025	(177,398)
2026	(134,130)
2027	-
Thereafter	-
	\$ (790,816)

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 17 – Retirement Programs (Continued)

D. New York Life Single Employer Retirement Plan (Continued)

Actuarial Methods and Assumptions used to Determine Total Pension Liability - For the measurement period ended August 31, 2021 (measurement date), the total pension liability was determined by using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	September 1, 2021
Measurement date	August 31, 2021
Contribution policy	City contributes full ADC
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Discount rate	2.14% at August 31, 2021 - discount rate used is the lower of (1) expected long-term rate of return on investments, and (2) Bond Buyer 20-Bond GO Index as of the measurement date
Long-term expected rate of return on assets	3.4% at August 31, 2020
Inflation	2.25%
Mortality	CalPERS 2000-2019 Experience Study
Mortality improvement	Post-retirement mortality projected fully generational with Scale MP-2021.
Salary Increases	Aggregate - 2.5% annually; merit - CalPERS 2000-2019 Experience Study
Retirement	100% retire once the retirement benefit reaches 70% of the average monthly compensation
Disability, termination	None
Benefit form for current actives	Disability - annuity for all participants; lump sum for all other participants, valued using UP-1984 Mortality Table with 1% interest rate
NY Life guaranteed annuity contract	Value of payments expected to be made under contract excluded from total pension liability (contract assets not included in fiduciary net position)

Changes Since Prior Measurement Date – The following changes were applied since the prior measurement date of August 31, 2021:

Changes of assumptions - discount rate was updated based on municipal bond rate as of the measurement date.

Changes of benefit terms - none

Discount Rate – The discount rate used to measure the total pension liability was 2.14%. The discount rate is based on the expected rate of return which is lower than the 20 year municipal bond rate. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at current contribution rates and City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Based on those assumptions, the pension plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees. The City's annual contributions will be adjusted to keep the plan solvent.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 17 – Retirement Programs (Continued)

E. ICMA Retirement Corporation Defined Contribution Plan

Investments are with New York Life. Expected rate of return is as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Rate of Return</u>
Fixed income	100.00%	0.78%
<i>Assumed long-term rate of inflation</i>		2.25%
<i>Expected long-term rate of return, rounded</i>		2.75%

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position as of August 31, 2021 is as follows:

	<u>New York Life</u>
Assets:	
Investments:	
New York Life Fixed Dollar Account	\$ 537,804
New York Life Mainstay Total Return Bond Fund	5,813,965
Total investments	6,351,769
Liabilities:	
Accrued expenses	-
Fiduciary net position	<u>\$ 634,129</u>

Plan Description – On June 19, 1995, the City established a qualified retirement program in accordance with Internal Revenue Code Section 401(a). This defined contribution 401(a) Money Purchase Retirement Plan was established with International City Managers Association Retirement Corporation (ICMA). Non-Public Safety Mid-Management employees that were participating in the ICMA 457 non-qualified deferred compensation plan in-lieu of participation in the New York Life Retirement Program, were required to transfer to one of the other City's three qualified retirement plans. The City's annual contribution to this plan is determined by the employer required contribution to the New York Life Plan Retirement Plan in accordance with Internal Revenue contribution limits.

Significant Accounting Policies

Basis of Accounting – Financial statements are prepared using the cash basis of accounting. Employer contributions are recognized in the period that the contributions are made.

Method Used to Value Investments – Participants direct their investments, without restriction, among various investments options available under the ICMA 401(a) Plan. Retirement Buyback Program During Fiscal Year 1995-96, the City established a deferred compensation retirement buyback program for Department Directors where the City contributes a flat dollar amount based on tenure with the City. The 401(a) Money Purchase Retirement Plan is administered by the ICMA Retirement Corporation. The program requires employee-matching contributions for every dollar contributed by the City. At June 30, 2022, there were 5 participants receiving a total of \$114,127 in this form of benefit while there were 2 participants in the ICMA 401(a) money Purchase Plan with a City annual contribution was \$19,781 while the employees had an equal mandatory matching contribution of \$19,781.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 17 – Retirement Programs (Continued)

F. Deferred Compensation Plans

The City has four deferred compensation plans created in accordance with Internal Revenue Code Section 457. The Small Business Job Protection Act of 1996 requires the establishment of a trust or similar vehicle to ensure that the assets of Deferred Compensation Plans under the Internal Revenue Code Section 457 are protected and used exclusively for the benefit of Plan participants and/or their beneficiaries. According to these laws the City established Employer Trust arrangements for each of the Plans before January 1, 1999.

The City has established Employer Trust agreements with ICMA Retirement Corporation, Mass Mutual Financial Group, and Central Coast Credit Union. In 1998, the City Council adopted a Resolution amending the City administered deferred compensation plans to conform to the new law protecting the plan participant assets from any claim against the City. Under the Trust arrangement, individual accounts maintained by the record-keeper used for receiving contributions and paying distributions must be subject to the Trust. The existence of the Trust does little to change the Plan structure except to add a layer of protection for money set aside for the employee against claims of the Employer's creditors. The law also allows an increase in the amount a participant may contribute to differ each year, based on changes in the consumer price index.

International City Manager's Association (ICMA) Retirement Corporation

As of June 2021, the International City Manager's Association Retirement, Inc., (ICMA-RC), is now Mission Square Retirement and the Plan had 418 participants and a balance of \$55,295,611 at June 30, 2022. All employees are eligible to participate through voluntary salary deduction. Some management employees participated in lieu of participation in the New York Life Retirement Program until June 19, 1995 when a qualified 401(a) retirement program was established. These assets are not reported on the City's financial statements at June 30, 2022 pursuant to the Employer Trust established by the City with ICMA Retirement Corporation during November 1997.

Trust Deed Program

The City administers a Trust Deposit Fund that includes a deferred compensation plan funded solely by the voluntary salary reductions. The goal of the Trust Deed program is to invest participants' funds in short-term deeds of trust (notes). This investment option is administered within the City of Salinas by the City's appointed administrator of the Deferred Compensation Plan. Loans are based on equity after obtaining a fee appraisal. All property is physically inspected and the loan package is reviewed and approved/disapproved by a Deferred Compensation Committee. All employees are eligible to participate. The Plan had 228 participants and a balance of \$7,275,923 in net assets at June 30, 2022. The balance in these plans is available to employees only upon termination, retirement, death or unforeseen emergency. While the Employer Trust established by the City on December 15, 1998 protects these funds from creditors of the City, because the City administers the plan assets, they are included in the City's financial statements at June 30, 2022.

The Trust Deed Program is managed on a cash basis with interest posted when received and expenditures posted when paid. Interest and expenditures are allocated to participants based on month end cash balances. Trust deed notes secured by property taken back in foreclosure, are reevaluated based on the current market value of the property. When the value of property taken back in foreclosure is less than the note secured by that property, the note is written-down to current market value (less foreclosure and sales expenses) of the property. Gains are recognized only when properties are sold. Gains or losses are allocated to plan participants based on month end cash balances.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 17 – Retirement Programs (Continued)

F. Deferred Compensation Plans (Continued)

Trust Deed Program (Continued)

As of June 30, 2022, pursuant to GASB 72, properties held for resale were valued by independent real estate professionals (market approach) and trust deed notes were valued at their present value (income approach). The valuations are considered Level 3. The value of properties held for resale are reduced for cost of sales. The notes (loans) are valued based on amounts investors would likely pay for notes with interest rates ranging from 6% for all current loans discounted to provide loan to values ranging from 70% to 50% depending on property type and condition, borrowers payment history and term remaining on note. The change in net realizable values are reflected in the Statement of Changes in Fiduciary Net Assets.

Central Coast Federal Credit Union (CCFCU)

This third deferred compensation plan was established in August 1993. The plan funds are backed by the full faith and credit of the U.S. Government and are also insured by the National Credit Union Administration (NCUA), an agency of the federal government for up to \$250,000. Central Coast collateralizes any amounts invested in their savings accounts in excess of NCUA insurance limits in accordance with applicable law. As of December 31, 2020, CCFCU became the service provider for the plan and the City keeps the employees' enrollment and send their payroll elective deduction to CCFCU.

There were 78 participants with a balance at June 30, 2022 is \$7,074,352. All employees are eligible to participate through voluntary salary deductions. The assets for this plan are not reported on the City's financial statements.

Mass Mutual Financial Group (Empower Retirement)

The fourth Deferred Compensation plan was established in September 2000. This retirement savings plan enables employees to defer a portion of their current compensation for payment at later date, generally retirement. Salary deferrals (or contributions) are voluntary and are made through the ease of payroll deduction. Empower Retirement former Mass Mutual offers a variety of investment vehicles that vary in risks, term and return to the investment. These investment options are offered through a group variable annuity contract. There were 28 participants with a balance of \$3,448,722 at June 30, 2022. All employees are eligible to participate through voluntary salary deductions. The assets for this plan are not reported on the City's financial statements.

Note 18 – Other Postemployment Benefits

Items related to other postemployment benefits are recorded in the financial statements as follow:

	Governmental Activities	Business-Type Activities	Total
Net OPEB Liability	\$ 16,238,956	\$ 819,308	\$ 17,058,264
Deferred outflows of resources	5,248,155	264,787	5,512,942
Deferred inflows of resources	11,250,198	567,609	11,817,807
OPEB expense	1,134,784	57,254	1,192,038

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 18 – Other Postemployment Benefits (Continued)

A. General Information About the OPEB Plan

For purposes of measuring the net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes.

For this report, the following timeframes are used:

Valuation date	June 30, 2021
Measurement date	June 30, 2021
Measurement period	July 1, 2020 to June 30, 2021
Fiscal year end	June 30, 2022

Plan Description: The City joined the Public Employees' Medical & Hospital Care Act (PEMHCA) in 2000 for Police and Miscellaneous employees, offered through the California Public Employees' Retirement System (CalPERS). It is an agent multiple-employer plan administered by California Public Employees' Retirement System (CalPERS). The healthcare plan which provides medical insurance benefits to active and eligible retirees and their families in accordance with various labor agreements. Fire employees receive healthcare benefits for active and retiree members from a union sponsored plan.

OPEB Trust: The City joined The California Employers' Retiree Benefit Trust (CERBT) in 2011 to prefund its OPEB liability. CERBT is an agent multiple employer defined plan for other postemployment benefits administered by CalPERS. The Plan includes participating employers of the State of California and public agencies. CalPERS is governed by a 13-member Board of Administration (the Board); two elected by CalPERS members, one elected by retired members of CalPERS, two appointed by the Governor, one public representative appointed jointly by the Speaker of the Assembly and Senate Rules Committee, and four ex-officio members: State Treasurer, State Controller, Director of California Department of Human Resources, and Designee of the State Personal Board. The Board is responsible for the management and control of CalPERS, including the exclusive control of the administration and investments of the Plan.

The plan information is as follows:

Fiscal year end	June 30, 2022
Plan type	Agent multiple-employer
OPEB trust	Yes
Special funding situations	No
Nonemployer contributing entities	No

Post-Employment Benefits Eligibility: The City provides post-retirement healthcare benefits to eligible employees who retire directly from the City after the age of 50 years (Age 52 for Miscellaneous PEPR employees) and with five years of service or disability retirement. For Police and Fire Supervisors, the City pays 25% of retiree and spouse health insurance premium up to \$100 per month plus PEMHCA AB2544 "unequal method" monthly benefit to retirees (\$139 per month in 2021). The payment is made until Medicare eligibility, but no more than 10 years for non-supervisory Police retirees. For Miscellaneous employees, the City pays the PEMHCA "unequal method" monthly benefit to retirees (\$143 per month in 2021). For IAFF (Fire employee), the City pays 25% of retiree and spouse health insurance premium up to \$100 per month. The payment is made until Medicare eligibility.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 18 – Other Postemployment Benefits (Continued)

A. General Information About the OPEB Plan (Continued)

Employees Covered: As of the June 30, 2021 actuarial valuation, the following current and former employees were covered by the benefit terms under the PEMHCA and Union Sponsor Plans:

	Number of Covered Participants
Inactive employees currently receiving benefits	144
Inactive employees entitled to, but not yet receiving benefits	352
Active employees	501
Total	997

Contributions: The City intends to contribute to the Trust the actuarially determined contribution (“ADC”) net of the pay-as-you-go benefits paid annually directly from employer resources. For the fiscal year ended June 30, 2022, the City’s cash contributions were \$300,206 in premium payments made on behalf of retirees, \$250,000 payments to the trust, implied subsidy payments of \$385,000, and administrative expenses of \$4,845, resulting in total payments of \$941,051.

Discount Rate: The discount rate used to measure the total OPEB liability was 3.87%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Expected Long Rate of Return: The long-term expected rate of return on OPEB plan investments was determined using a building block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation* CERBT-S strategy</u>	<u>Expected Real Rate of Return</u>
Global equity	59.00%	4.82%
Fixed income	25.00%	1.47%
TIPS	5.00%	1.29%
Commodities	3.00%	0.84%
REITs	8.00%	3.76%
	<u>100.00%</u>	
Assumed long-term rate of inflation		2.75%
Expected long-term rate of return, rounded		6.75%

* Policy target effective October 1, 2018

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 18 – Other Postemployment Benefits (Continued)

B. Net OPEB Liabilities, Expense, and Deferred Outflows/Inflows of Resources

Changes in the OPEB Liability: The changes in the net OPEB liability for the City Plan are as follows:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2021	\$ 27,819,852	\$ 3,058,247	\$ 24,761,605
Changes Recognized for the Measurement Period:			
Service Cost	1,639,274	-	1,639,274
Interest on the total OPEB liability	884,846	-	884,846
Changes in benefit terms	-	-	-
Difference between expected and actual experience	(4,117,866)	-	(4,117,866)
Changes in assumptions	(4,258,871)	-	(4,258,871)
Contribution from the employer	-	959,007	(959,007)
Net investment income	-	897,217	(897,217)
Administrative expenses	-	(5,500)	5,500
Benefit payments	(704,749)	(704,749)	-
Net changes during July 1, 2021 to June 30, 2022	(6,557,366)	1,145,975	(7,703,341)
Balance at June 30, 2022	\$ 21,262,486	\$ 4,204,222	\$ 17,058,264

Discount Rate Sensitivity Analysis: The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.87%) in measuring the Net OPEB Liability.

Plan's Total OPEB Liability		
Discount Rate -1% (2.87%)	Current Discount Rate (3.87%)	Discount Rate +1% (4.87%)
\$ 20,457,340	\$ 17,058,264	\$ 14,325,309

Healthcare Trend Sensitivity Analysis: The following presents the net OPEB liability of the City if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2021:

Plan's Total OPEB Liability		
Healthcare Cost		
-1%	Trend Rate	+1%
\$ 13,993,313	\$ 17,058,264	\$ 20,994,494

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB:

For the fiscal year ended June 30, 2022, the City recognized OPEB expense of \$1,192,038.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 18 – Other Postemployment Benefits (Continued)

B. Net OPEB Liabilities, Expense, and Deferred Outflows/Inflows of Resources (Continued)

As of fiscal year ended June 30, 2022, the City reported deferred outflows of resources and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after measurement date	\$ 940,051	\$ -
Differences between expected and actual experience	-	(6,392,087)
Changes in assumptions	4,572,891	(4,945,910)
Net difference between projected and actual earnings of OPEB Plan investments	-	(479,810)
	<u>\$ 5,512,942</u>	<u>\$ (11,817,807)</u>

Deferred outflows of resources in the amount of \$940,051 related to contributions subsequent to the measurement date and will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2023.

Other amounts reported as deferred inflows of resources related to OPEB will be recognized as OPEB expenses as follows:

Year Ending June 30	Amount
2023	\$ (1,104,499)
2024	(1,099,953)
2025	(1,103,502)
2026	(1,122,748)
2027	(892,723)
Thereafter	(1,921,491)
Total	<u>\$ (7,244,916)</u>

Recognition of Deferred Outflows and Deferred Inflows of Resources: To smooth market volatility, gains and losses related to changes in total OPEB liability and fiduciary net position are recognized over nine and half years. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 18 – Other Postemployment Benefits (Continued)

B. Net OPEB Liabilities, Expense, and Deferred Outflows/Inflows of Resources (Continued)

Actuarial Methods and Assumptions Used to Determine the OPEB Liability: The City's net OPEB liability was measured as of June 30, 2020. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2019 based on the following significant actuarial methods and assumptions:

Actuarial valuation date	June 30, 2021
Contribution policy	City contributes \$250,000 annually and pays benefit outside of trust
Discount rate	3.87%
Municipal bond rate	3.87% (Bond Buyer 20-bond Index)s
Expected long-term rate of return on investment	6.25%
General inflation	2.50%
Mortality, retirement, disability, termination	CalPERS 2000-2019 experience study
Mortality improvement	Mortality projected fully generational with Scale MP-2021
Salary increases	Aggregate - 2.75% annually; merit - CalPERS 2000-2019 experience study
Medical trend	Non-Medicare - 6.50% for 2023, decreasing to an ultimate rate of 3.75% in 2076
	Medicare - 5.65% for 2023, decreasing to an ultimate rate of 3.75% in 2076
PEMHCA minimum increases	4.00% annually
Cap increases	None
Healthcare participation	100% for Safety \$100 benefit
	50% for PEMHCA benefit if covered is active
	50% for PEMHCA benefit if waived is active

Note 19 – Net Position and Fund Balances

A. Government-Wide Statements

Net Investment in Capital Assets

The following is the calculation of net investment in capital assets at June 30, 2022:

	Governmental Activities	Business-type Activities	Total
Capital assets, net of accumulated depreciation and amortization	\$ 334,963,510	\$ 72,245,474	\$ 407,208,984
Less: outstanding principal on capital related debt, net	(130,404,431)	(24,375,000)	(154,779,431)
Add: loss on refunding of debt	-	103,051	103,051
Net investment in capital assets	<u>\$ 204,559,079</u>	<u>\$ 47,973,525</u>	<u>\$ 252,532,604</u>

B. Fund Financial Statements

Fund Balance Classification

It is the policy of the City to maintain a minimum reserve for a reasonable level of assurance that the City's day-to-day operations will be able to continue even if circumstances occur where revenues are insufficient to cover expenditures. The minimum reserve of the General Fund is 5% of the next year's General Fund annual budgeted operating expenditures, as calculated by the Finance Director. The minimum fund balance is shown as unassigned in the General Fund.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 19 – Net Position and Fund Balances (Continued)

B. Fund Financial Statements (Continued)

At June 30, 2022, fund balances are classified in the governmental funds as follows:

	General Fund	American Rescue Plan Act (ARPA) Special Revenue Fund	Housing and Urban Development Grant Special Revenue Fund	Non-major Governmental Funds	Total Governmental Funds
Nonspendable					
Loans and notes receivable	\$ -	\$ -	\$ 66,568	\$ 16,571	\$ 83,139
Advances (long-term portion)	2,785,000	-	-	-	2,785,000
Land held for resale	-	-	-	1,380,000	1,380,000
Total nonspendable	2,785,000	-	66,568	1,396,571	4,248,139
Restricted					
Public safety	-	-	-	1,628,387	1,628,387
Future development	-	-	-	16,896,096	16,896,096
Maintenance districts	-	-	-	8,897,158	8,897,158
Street repairs	-	-	-	23,711,730	23,711,730
Grants/special projects	-	-	-	1,974,244	1,974,244
Low/moderate income housing	-	-	-	3,145,651	3,145,651
115 trust reserve	6,000,000	-	-	-	6,000,000
Capital projects	-	-	-	12,536,414	12,536,414
Debt service	-	-	-	4,211,073	4,211,073
Total restricted	6,000,000	-	-	73,000,753	79,000,753
Committed					
Capital projects	5,319,323	-	-	2,141,985	7,461,308
Economic contingency reserve	16,685,000	-	-	-	16,685,000
Infrastructure maintenance reserve	3,684,000	-	-	-	3,684,000
OPEB reserve	1,000,000	-	-	-	1,000,000
Facilities maintenance reserve	1,577,000	-	-	-	1,577,000
Community Center reserve	8,100,000	-	-	-	8,100,000
Total committed	36,365,323	-	-	2,141,985	38,507,308
Assigned					
Other purposes	-	-	-	-	-
Carry over appropriations	15,266,804	-	-	-	15,266,804
Operating reserve	-	-	-	-	-
Total assigned	15,266,804	-	-	-	15,266,804
Unassigned (deficit)	9,567,543	-	(2,838,755)	(424,366)	6,304,422
Total fund balances	\$ 69,984,670	\$ -	\$ (2,772,187)	\$ 76,114,943	\$ 143,327,426

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 19 – Net Position and Fund Balances

B. Encumbrances (Continued)

The City uses encumbrances to control expenditure commitments for the year and to enhance cash management. Encumbrances represent commitments related to contracts not yet performed and purchase orders not yet filled (executor contracts; and open purchase orders). Commitments for such expenditures of monies are encumbered to reserve a portion of applicable appropriations. Encumbrances still open at year end are not accounted for as expenditures and liabilities but, rather, as restricted, committed, or assigned governmental fund balance.

As of June 30, 2022, total governmental fund encumbrance balances for the City are as follows:

General Fund	\$ -
Americal Rescue Plan Act Fund	-
Housing and Urban Development Grant Fund	-
Nonmajor governmental funds	-
	<u>\$ -</u>

Note 20 – Other Required Disclosures

A. Expenditures Exceeding Appropriations

For the year ended June 30, 2022, the following funds had excess expenditures over appropriations, which are expected to be covered with existing fund balance or had sufficient available revenue:

Fund	Function	Excess Expenditures over Appropriations
General Fund	Public safety	\$ 432,075
General Fund	Interest and fiscal charges	20,285
Emergency Medical Service Special Revenue Fund	General Government	223,939
Emergency Medical Service Special Revenue Fund	Public safety	73,463
2020A Refunding SVSWA Debt Service Fund	DS: Principal	400,000

B. Net Position Deficit and Restrictions

The government-wide statement of net position reports an unrestricted deficit of \$(111,270,940) and \$76,573,216 of restricted net position.

Note 21 – Joint Venture – Salinas Valley Solid Waste Authority

The Salinas Valley Solid Waste Authority (“Authority”) is a joint exercise of powers authority, created pursuant to an agreement dated as of January 1, 1997 (the “Authority Agreement”) among the County of Monterey, and the cities of Salinas, Gonzales, Greenfield, Soledad, and King City (the “Members”). The Authority was established to acquire and manage the landfill assets of each member, ensure long-term landfill capacity of the Authority service area and provide a unified and coordinated solid waste management for the members.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 21 – Joint Venture – Salinas Valley Solid Waste Authority (Continued)

The Authority is governed by a nine member governing board, consisting of three members of the Salinas City Council, two members of the Monterey County Board of Supervisors, and one member from each patriating city. Pursuant to the Authority Agreement, while the City does not have unilateral control over the activities of the Authority, the affirmative vote of at least one member of the Authority Board who is a member of the Salinas City Council is required to approve Board actions.

With the formation of the Authority, each participating jurisdiction contractually agreed to its responsibilities. In addition, the Authority adopted waste delivery agreements with each Member of the Authority. Each member has committed to deliver waste generated within its boundaries to the Authority's solid waste facilities, to direct its franchise/permitted solid waste haulers to dispose of waste at these facilities, and to pay tipping fees set by the Authority to cover all Authority-related costs.

The agreement may be terminated under specific terms of withdrawal, which includes a majority vote of the City Council, repayment of all outstanding debt and funding of closure, post closure and site remediation costs upon withdrawal from or termination of the Authority. The members have made no equity contributions, or have sold their interest in their assets to the Authority, and there is no explicit, measurable equity interest in this joint venture.

The City had no measurable equity interest in the Authority and does not receive a share of operating results. The Authority is currently funding the closure, post closure and site remediation costs based on estimates of these future costs. The Annual Financial Report of the Salinas Valley Solid Waste Authority is published and available from the Authority Treasurer at the Authority's Finance Department located at 128 Sun Street, Suite 101, Salinas, CA 93901.

On December 6, 2018, the City issued a notice of intention to withdraw from the Joint Powers Agreement (the "Agreement") Pursuant to Section 19 of the Joint Powers Agreement, the notice serves as a one-year notice. The City's notice of intent to withdraw as a member of the Authority merely served as notice to the Authority and its remaining members. The one-year term has passed without any further action from the City or the Authority. However, the City and Authority representatives are working on finding a resolution to the notice.

The City understands and acknowledges its obligation to continue paying its share of the 2014 Bonds as regularly scheduled and agrees to continue paying its share of the obligation after withdrawal from the Authority, should withdrawal occur. In addition, the City understands and acknowledges its obligation to pay its share of financial liability for closure and post-closure and site remediation costs as further described in Section 19(a) of the Agreement. If the City withdraws from the Authority arrangements must be made to meet this obligation.

Note 22 – Commitments and Contingencies

A. *Claims and Litigation*

The City is directly and indirectly involved in various suits relating principally to claims arising from construction contracts, personal injury, and property damage. In the opinion of the City Attorney and City's management, potential claims against the City resulting from such litigation, not covered by insurance, would not materially affect the basic financial statements of the City. As a result, no liability has been accrued by the City relating to these matters as of June 30, 2022.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 23 – Prior Period Adjustments

	Governmental Activities	Business-Type Activities	Fiduciary Activities
Net position, as previously reported, at July 1, 2021	\$ 116,252,267	\$ 84,870,502	\$ 19,484,100
Move enterprise funds to General Fund	24,996,820	(24,996,820)	-
Remove land disposed in previous year	-	-	(149,270)
Remove land and properties held for resale disposed in previous year	(500,431)	-	-
Net position at July 1, 2021, as restated	<u>\$ 140,748,656</u>	<u>\$ 59,873,682</u>	<u>\$ 19,334,830</u>

	General Fund	Recreation Parks Special Revenue Fund	Municipal Art Special Revenue Fund	Affordable Housing Special Revenue Fund	Municipal Golf Courses Enterprise Fund	Storm Sewer Enterprise Fund	Landfill Garbage Surcharge Enterprise Fund	Water Utility Enterprise Fund	Redevelopment Obligation Retirement Fund Fiduciary Fund
Fund balance/net position, as previously reported, at July 1, 2021	\$ 64,495,539	\$ 71,498	\$ 10,911	\$ 4,737,817	\$ (9,566,038)	\$ 34,219,186	\$ 283,158	\$ 60,514	\$ 97,672
Group special revenue funds into General Fund	82,409	(71,498)	(10,911)	-	-	-	-	-	-
Move beginning net position of enterprise funds into General Fund	24,996,820	-	-	-	9,566,038	(34,219,186)	(283,158)	(60,514)	-
Remove land disposed in previous year	-	-	-	-	-	-	-	-	(149,270)
Remove land and properties held for resale disposed in previous year	-	-	-	(500,431)	-	-	-	-	-
Remove beginning balances transferred from enterprise funds:									
Non-depreciable capital assets	(1,667,376)	-	-	-	-	-	-	-	-
Depreciable capital assets	(33,167,128)	-	-	-	-	-	-	-	-
Interest payable	31,579	-	-	-	-	-	-	-	-
Long-term debt	6,771,886	-	-	-	-	-	-	-	-
Compensated absences	226,345	-	-	-	-	-	-	-	-
Net pension liability	594,968	-	-	-	-	-	-	-	-
Pension-related deferred outflows of resources	(147,809)	-	-	-	-	-	-	-	-
Pension-related deferred inflows of resources	4,982	-	-	-	-	-	-	-	-
Net OPEB liability	296,850	-	-	-	-	-	-	-	-
OPEB-related deferred outflows of resources	(75,613)	-	-	-	-	-	-	-	-
OPEB-related deferred inflows of resources	55,826	-	-	-	-	-	-	-	-
Fund balance/net position at July 1, 2021, as restated	<u>\$ 62,499,278</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,237,386</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (51,598)</u>

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REQUIRED SUPPLEMENTARY INFORMATION

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City of Salinas
Budgetary Information
For the Year Ended June 30, 2022

Budgetary Information

The budget is prepared by the City Manager and adopted by the City Council. The City Council approves operating appropriations at the department and fund level prior to July 1, each year and may amend the budget during the fiscal year. Budgetary control is maintained at the program level. Formal budgetary integration was employed as a management control device during the fiscal year for the General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds, Enterprise Funds and Internal Service Funds.

Budgets are legally adopted for all Governmental and Proprietary Fund Types. Fiduciary Funds and Agency Funds have no adopted budgets because the City is only required to make payments to the extent funds are available. Agency Fund budgets that are approved by their respective governing boards are recorded in the City's accounting system.

The City Manager may transfer budget appropriations between departments and Department Directors may transfer appropriations between programs and accounts within their individual departments and divisions, but only the Council may appropriate funds from reserves or fund balances.

Budget policy excludes the use of taxes, accounts receivable, interest receivable assets and long-term advances that are not currently available resources for budget purposes. Condemnation deposits, are also excluded because they are returned upon right of way acquisition.

Expenditures may not legally exceed budgeted appropriations at the department level. Budgeted amounts shown are as originally adopted and as amended by the City Council during the year. During the year, Council amends the budget with the approval of supplemental appropriations and reviews and amends the budget at mid-year and at year-end.

Appropriations lapse at fiscal year end to the extent they have not been expended. New budget appropriations are approved for the coming year. Project-length financial plans are adopted for all capital projects funds and appropriations are carried forward until project completion. Grant funds are carried forward until the grant expires.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental funds. Encumbrances outstanding at year-end are recorded as reservations of fund balance and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

On November 8, 2005, the voters of Salinas approved Measure V, a 0.50% transactions and use tax. Measure V is a general tax and is reported as part of the General Fund. The tax was effective April 1, 2005 and had an original sunset of ten (10) years. Measure V was revised by the voters on November 6, 2012 eliminating a termination date on the imposition of the tax through Measure E. The Measure E Oversight Committee is a fundamental provision of the voter-approved tax. The Mayor and City Council each annually appoints one member of the public to serve on the Oversight Committee. The committee is responsible for and overseeing the use of Measure E funds to assure consistency with the voter approved tax and the appropriated use of Measure E funds.

On November 4, 2014, the voters of Salinas approved Measure G (For a Safer Better Salinas), a 1.00% transactions and use tax. Measure G is a general tax and is reported as part of the General Fund. The tax was effective April 1, 2015 and had a sunset date of fifteen (15) years. The Measure G Oversight Committee is a fundamental provision of the voter-approved tax. The Mayor and City Council each annually appoints one member of the public to serve on the Oversight Committee. The committees' main responsibilities include the review of the auditor's report of the specific uses of Measure G funds and to issue a public report to the City Council regarding the use of revenue and such other matters as the City Council may assign.

City of Salinas
Budgetary Information (Continued)
For the Year Ended June 30, 2022

BUDGETARY INFORMATION

The adopted FY 2022 budget represents the financial and organizational plan by which the policies and programs approved by the City Council will be implemented. It includes: (1) the programs, projects, services and activities to be provided during the fiscal year; (2) estimated revenues available to finance the operating plan; and (3) the estimated spending requirements of the operating plan. The City's goals and objectives identified by the City Council in the Strategic Plan thru 2025 was approved on March 8, 2022, following a strategic planning session on December 4, 2021 and are as follows:

- Economic Development
- Affordable Housing
- Infrastructure and Environmental Sustainability
- Excellent Infrastructure
- Public Safety
- Youth and Seniors
- Effective and Culturally Responsive Government

On May 25, 2021, the City Council was introduced and reviewed the proposed operating budget for the City of Salinas and Successor Agency. The Salinas City Council adopted FY 2022 Annual Operating Budgets on June 8, 2021. Capital project budget is updated annually.

Annual budgets are prepared for General Governmental Funds, Internal Service, Enterprise Operations, Assessment and maintenance Districts, Block Grant and Home programs, certain Grant and City Agencies, Deferred Compensation and Retirement, Debt Service, Successor Agency and Capital Project Funds.

The annual appropriation resolution adopts the budget at an appropriation level by fund, with detail expenditure by departments and programs included in the budget document.

GENERAL FUND

The General Fund fund balance increased \$2,059,849 to \$28,802,620, of which \$2,785,000 is Nonspendable, \$20,960,197 is Committed, \$7,321,952 is Assigned and \$(8,264,529) is Unassigned.

General Fund reserves have been set-aside by Council for specific purposes. Under the Reserved fund balance category, the General Fund Non-spendable fund balance of \$2,785,000 includes Advances (\$2,785,000). Committed funds balance of \$36,365,323 are committed for capital projects, reserves, and future encumbrances. Carryover Appropriations of \$15,266,804 are under the Assigned fund balance category.

MEASURE E

Measure E is a general tax (discretionary) and is reported as part of the General Fund. The Measure E fund balance increased \$4,773,803 to \$14,374,790, of which \$9,205,721 is committed for future encumbrances, \$863,153 is assigned and \$4,305,916 is unassigned.

City of Salinas
Budgetary Information (Continued)
For the Year Ended June 30, 2022

MEASURE G

Measure G is a general tax (discretionary) and is reported as part of the General Fund. The Measure G fund balance increased \$651,740 to \$26,807,260, of which \$6,199,405 is Committed for future encumbrances, \$7,081,699 is Assigned and \$13,526,156 is Unassigned.

BUDGETARY RESULTS RECONCILED TO GAAP

The budgetary process is based upon accounting for certain transactions on a basis other than the accounting principles generally accepted in the United States (GAAP) basis. The results of operations are presented in the accompanying budget and actual comparison schedules in accordance with the budgetary process (budgetary basis) to provide a meaningful comparison with the budget. The major differences between the budgetary basis actual and GAAP basis are as follows:

- Year-end encumbrances are recognized as the equivalent of expenditures in the budgetary basis financial statements, while encumbered amounts are not recognized as expenditures on the GAAP basis until the equipment, supplies, or services are received.
- Certain loan transactions are recognized as expenditures for the budgetary basis but not for the GAAP basis. When these loans are made, they are recorded as receivables for the GAAP basis and as expenditures for the budgetary basis. When loan repayments are received, they are recorded as reductions to receivables for the GAAP basis, but are recognized as revenues for the budgetary basis.
- Certain accounts such as the change in fair market value of investments included in the City's GAAP basis amounts, for which no formal budgets are prepared, are excluded from the budgetary basis financial statements.
- Certain grant revenues received in advance are recognized on the budgetary basis financial statements, but are deferred and not recognized as revenue on the GAAP basis financial statements. This process normally creates a variance in recognized revenue from the prior year to the current year.

City of Salinas
Budgetary Comparison Schedules – General Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable/ (Unfavorable)
REVENUES:				
Taxes	\$ 129,554,000	\$ 129,554,000	\$ 145,835,874	\$ 16,281,874
Licenses and permits	10,257,650	10,257,650	11,477,723	1,220,073
Intergovernmental	421,200	421,200	1,301,666	880,466
Charges for services	4,823,075	4,823,075	5,233,403	410,328
Investment income (loss)	673,200	673,200	(1,406,103)	(2,079,303)
Rental income	509,000	509,000	325,113	(183,887)
Fines and forfeitures	340,000	340,000	426,149	86,149
Miscellaneous	979,000	979,000	1,014,576	35,576
Total revenues	147,557,125	147,557,125	164,208,401	16,651,276
EXPENDITURES:				
Current:				
General government	20,570,978	20,912,328	17,192,429	3,719,899
Public safety	81,521,389	82,024,012	82,456,087	(432,075)
Public works	15,889,605	16,806,666	12,877,048	3,929,618
Recreation	7,045,882	7,086,533	5,578,195	1,508,338
Library	5,624,242	5,624,241	4,401,235	1,223,006
Capital outlay	65,000	395,955	442,723	(259,486)
Debt Service:				
Principal	555,900	555,900	655,441	555,900
Interest and fiscal charges	197,000	197,000	217,285	(20,285)
Total expenditures	131,469,996	133,602,635	123,820,443	10,224,915
REVENUES OVER (UNDER) EXPENDITURES	16,087,129	13,954,490	40,387,958	6,426,361
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets	1,000	1,000	1	(999)
Transfers in	7,184,200	7,315,200	1,979,099	(5,336,101)
Transfers out	(29,508,725)	(49,454,854)	(34,881,666)	(14,573,188)
Total other financing sources (uses)	(22,323,525)	(42,138,654)	(32,902,566)	(19,910,288)
Net change in fund balance	\$ (6,236,396)	\$ (28,184,164)	7,485,392	\$ 35,669,556
FUND BALANCE:				
Beginning of year			62,499,278	
End of year			<u>\$ 69,984,670</u>	

City of Salinas
Budgetary Comparison Schedules – ARPA Fund
Special Revenue Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable/ (Unfavorable)
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 691,383	\$ 691,383
Total revenues	<u>-</u>	<u>-</u>	<u>691,383</u>	<u>691,383</u>
EXPENDITURES:				
Current:				
General government	-	12,600,000	415,764	12,184,236
Public safety	-	390,000	2,986	387,014
Public works	-	10,745,000	224,521	10,520,479
Recreation	-	1,100,000	-	1,100,000
Capital outlay	-	26,732,313	48,112	26,732,313
Total expenditures	<u>-</u>	<u>51,567,313</u>	<u>691,383</u>	<u>50,924,042</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (51,567,313)</u>	<u>-</u>	<u>\$ 51,567,313</u>
FUND BALANCE:				
Beginning of year			-	
End of year			<u>\$ -</u>	

City of Salinas
Budgetary Comparison Schedules – HUD Fund
Special Revenue Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable/ (Unfavorable)
REVENUES:				
Intergovernmental	\$ 10,104,632	\$ 23,457,781	\$ 7,313,240	\$ (16,144,541)
Interest	-	-	(4,637)	(4,637)
Miscellaneous	539,099	539,099	585,715	46,616
Total revenues	10,643,731	23,996,880	7,894,318	(16,102,562)
EXPENDITURES:				
Current:				
General government	5,051,982	17,269,623	9,757,121	7,512,502
Capital outlay	1,231,244	329,156	38,097	329,156
Total expenditures	6,283,226	17,598,779	9,795,218	7,841,658
REVENUES OVER (UNDER) EXPENDITURES	4,360,505	6,398,101	(1,900,900)	(23,944,220)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	4,424	4,424
Transfers out	-	(74,964)	-	(74,964)
Total other financing sources (uses)	-	(74,964)	4,424	(70,540)
Net change in fund balance	\$ 4,360,505	\$ 6,323,137	(1,896,476)	\$ (8,219,613)
FUND BALANCE (DEFICIT):				
Beginning of year			(875,711)	
End of year			<u>\$ (2,772,187)</u>	

City of Salinas
Required Supplemental Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios –
Miscellaneous Plan

City Miscellaneous Plans								
	2022	2021	2020	2019	2018	2017	2016	2015
Measurement Period, Year Ended June 30:	2021	2020	2019	2018	2017	2016	2015	2014 ¹
Total Pension Liability								
Service Cost	\$ 3,130,339	\$ 3,162,904	\$ 3,157,247	\$ 3,099,429	\$ 2,873,548	\$ 2,135,480	\$ 2,197,484	\$ 2,331,545
Interest on total pension liability	9,498,842	8,959,786	8,430,817	7,806,166	7,282,974	6,801,939	6,445,778	6,154,034
Changes in benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	727,132	588,822	2,005,995	1,457,261	489,759	(996,921)	(1,789,044)	-
Changes in assumptions	-	-	-	(752,607)	6,388,079	-	(1,686,636)	-
Benefit payments, including refunds of employee contributions	(5,481,505)	(5,107,076)	(4,456,008)	(3,952,236)	(3,361,268)	(3,116,204)	(2,803,130)	(2,673,091)
Net change in total pension liability	7,874,808	7,604,436	9,138,051	7,658,013	13,673,092	4,824,294	2,364,452	5,812,488
Total pension liability - beginning	133,299,386	125,694,950	116,556,899	108,898,886	95,225,794	90,401,500	88,037,048	82,224,560
Total pension liability - ending (a)	\$ 141,174,194	\$ 133,299,386	\$ 125,694,950	\$ 116,556,899	\$ 108,898,886	\$ 95,225,794	\$ 90,401,500	\$ 88,037,048
Plan fiduciary net position								
Contributions - employer	\$ 4,273,977	\$ 7,793,322	\$ 3,511,716	\$ 3,133,948	\$ 3,232,477	\$ 2,635,818	\$ 2,037,528	\$ 2,010,590
Contributions - employee	1,464,611	1,411,627	1,501,635	1,403,836	1,331,850	1,339,737	987,786	959,420
Net investment income	22,935,564	4,662,415	5,681,706	6,712,207	7,844,830	375,028	1,500,373	9,911,526
Benefit payments, including refunds of employee contributions	(5,481,505)	(5,107,076)	(4,456,008)	(3,952,236)	(3,361,268)	(3,116,204)	(2,803,130)	(2,673,091)
Net plan to plan resource movement	-	383,290	-	(199)	-	365	-	-
Administrative expense	(100,678)	(129,381)	(61,083)	(122,563)	(102,919)	(41,756)	(77,059)	-
Other miscellaneous income/expense	-	-	199	(232,749)	-	-	-	-
Net change in plan fiduciary net position	23,091,969	9,014,197	6,178,165	6,942,244	8,944,970	1,192,988	1,645,498	10,208,445
Plan fiduciary net position - beginning	100,787,546	91,773,349	85,595,184	78,652,940	69,707,970	68,514,982	66,869,484	56,661,039
Plan fiduciary net position - ending (b)	\$ 123,879,515	\$ 100,787,546	\$ 91,773,349	\$ 85,595,184	\$ 78,652,940	\$ 69,707,970	\$ 68,514,982	\$ 66,869,484
Net pension liability - ending (a) - (b)	\$ 17,294,679	\$ 32,511,840	\$ 33,921,601	\$ 30,961,715	\$ 30,245,946	\$ 25,517,824	\$ 21,886,518	\$ 21,167,564
Plan fiduciary net position as a percentage of the total pension liability	87.75%	75.61%	73.01%	73.44%	72.23%	73.20%	75.79%	75.96%
Covered payroll	\$ 20,799,596	\$ 20,946,385	\$ 20,634,254	\$ 20,051,944	\$ 18,618,295	\$ 15,300,421	\$ 15,513,480	\$ 15,831,777
Plan net pension liability as a percentage of covered payroll	83.15%	155.21%	164.39%	154.41%	162.45%	166.78%	141.08%	133.70%

¹Information only presented from the implementation year

City of Salinas
Required Supplemental Information (Unaudited)
Schedule of Pension Plan Contributions
Miscellaneous Plan

	City Miscellaneous Plans							
Fiscal Year Ended June 30:	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 4,193,288	\$ 4,273,977	\$ 3,857,093	\$ 3,511,716	\$ 3,133,731	\$ 3,231,650	\$ 2,635,818	\$ 2,037,528
Contributions in relation to the actuarially determined contribution	(4,193,288)	(4,273,977)	(7,788,891)	(3,511,716)	(3,133,731)	(3,231,650)	(2,635,818)	(2,037,528)
Contribution deficiency (excess)	\$ -	\$ -	\$ (3,931,798)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 21,509,329	\$ 20,882,844	\$ 20,508,948	\$ 21,485,315	\$ 20,577,688	\$ 19,120,162	\$ 16,519,247	\$ 13,444,769
Contributions as a percentage of covered payroll	19.50%	20.47%	37.98%	16.34%	15.23%	16.90%	15.96%	15.15%

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2022 were derived from the June 30, 2020 funding valuation report.

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2020 Funding Valuation Report
Asset valuation method	Market value of assets
Inflation	2.500%
Salary increases	Varies based on entry age and service
Payroll growth	2.750%
Investment rate of return	7.00% net of pension plan investment and administrative expenses
Retirement age	The probabilities of retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Actuaries.

¹Information only presented from the implementation year

City of Salinas
Required Supplemental Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios –
City Police Plans

	City Police Plans							
	2022	2021	2020	2019	2018	2017	2016	2015
Measurement Period, Year Ended June 30:	2021	2020	2019	2018	2017	2016	2015	2014 ¹
Total Pension Liability								
Service Cost	\$ 6,086,593	\$ 6,156,433	\$ 6,076,786	\$ 5,603,486	\$ 5,171,913	\$ 4,462,598	\$ 4,440,981	\$ 4,932,982
Interest on total pension liability	22,716,035	22,017,085	21,051,415	19,772,458	18,658,643	17,933,618	17,475,350	17,097,550
Changes in benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(2,364,429)	1,696,481	6,664,829	6,096,574	(2,807)	(4,299,665)	(5,739,808)	-
Changes in assumptions	-	-	-	(1,307,343)	16,117,523	-	(4,436,648)	-
Benefit payments, including refunds of employee contributions	(16,317,199)	(15,680,099)	(15,037,162)	(13,742,608)	(12,772,896)	(11,890,953)	(11,383,179)	(10,895,705)
Net change in total pension liability	10,121,000	14,189,900	18,755,868	16,422,567	27,172,376	6,205,598	356,696	11,134,827
Total pension liability - beginning	325,186,524	310,996,624	292,240,756	275,818,189	248,645,813	242,440,215	242,083,519	230,948,692
Total pension liability - ending (a)	\$ 335,307,524	\$ 325,186,524	\$ 310,996,624	\$ 292,240,756	\$ 275,818,189	\$ 248,645,813	\$ 242,440,215	\$ 242,083,519
Plan fiduciary net position								
Contributions - employer	\$ 11,629,887	\$ 10,297,024	\$ 9,485,870	\$ 8,260,458	\$ 7,798,560	\$ 6,462,584	\$ 5,540,793	\$ 5,285,903
Contributions - employee	2,305,151	1,946,146	1,993,713	1,816,971	1,625,541	1,512,655	1,350,215	1,375,826
Net investment income	46,981,535	9,999,235	12,630,434	15,347,329	18,439,075	800,238	3,733,737	25,664,291
Benefit payments, including refunds of employee contributions	(16,317,199)	(15,680,099)	(15,037,162)	(13,742,608)	(12,772,896)	(11,890,953)	(11,383,179)	(10,895,705)
Net plan to plan resource movement	-	(383,290)	-	(447)	-	19,216	-	-
Administrative expense	(206,540)	(283,165)	(136,963)	(282,146)	(245,410)	(103,251)	(190,690)	-
Other miscellaneous income/expense	-	-	444	(535,801)	-	-	-	-
Net change in plan fiduciary net position	44,392,834	5,895,851	8,936,336	10,863,756	14,844,870	(3,199,511)	(949,124)	21,430,315
Plan fiduciary net position - beginning	206,759,103	200,863,252	191,926,916	181,063,160	166,218,290	169,417,801	170,366,925	148,936,610
Plan fiduciary net position - ending (b)	\$ 251,151,937	\$ 206,759,103	\$ 200,863,252	\$ 191,926,916	\$ 181,063,160	\$ 166,218,290	\$ 169,417,801	\$ 170,366,925
Net pension liability - ending (a) - (b)	\$ 84,155,587	\$ 118,427,421	\$ 110,133,372	\$ 100,313,840	\$ 94,755,029	\$ 82,427,523	\$ 73,022,414	\$ 71,716,594
Plan fiduciary net position as a percentage of the total pension liability	74.90%	63.58%	64.59%	65.67%	65.65%	66.85%	69.88%	70.38%
Covered payroll	\$ 19,916,863	\$ 19,776,528	\$ 19,051,278	\$ 17,967,376	\$ 16,214,420	\$ 15,715,033	\$ 15,494,316	\$ 16,589,818
Plan net pension liability as a percentage of covered payroll	422.53%	598.83%	578.09%	558.31%	584.39%	524.51%	471.29%	432.29%

¹Information only presented from the implementation year

City of Salinas
Required Supplemental Information (Unaudited)
Schedule of Pension Plan Contributions
City Police Plans

	City Police Plans								
Fiscal Year Ended June 30:	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 12,406,841	\$ 11,629,887	\$ 10,297,024	\$ 9,481,034	\$ 8,260,675	\$ 7,799,085	\$ 6,462,584	\$ 5,540,793	\$ 5,285,903
Contributions in relation to the actuarially determined contribution	(12,406,841)	(11,629,887)	(10,296,552)	(9,481,034)	(8,260,675)	(7,799,085)	(6,462,584)	(5,540,793)	(5,285,903)
Contribution deficiency (excess)	\$ -	\$ -	\$ 472	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 20,514,369	\$ 19,916,863	\$ 19,776,528	\$ 19,051,278	\$ 17,967,376	\$ 16,214,420	\$ 15,715,033	\$ 15,494,316	\$ 16,589,818
Contributions as a percentage of covered payroll	60.48%	58.39%	52.06%	49.77%	45.98%	48.10%	41.12%	35.76%	31.86%

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2022 were derived from the June 30, 2020 funding valuation report.

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2020 Funding Valuation Report
Asset valuation method	Market value of assets
Inflation	2.500%
Salary increases	Varies based on entry age and service
Payroll growth	2.875%
Investment rate of return	7.00% net of pension plan investment and administrative expenses
Retirement age	The probabilities of retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Actuaries.

¹Information only presented from the implementation year

City of Salinas
Required Supplemental Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios –
City Fire Plans

	City Fire Plans							
	2022	2021	2020	2019	2018	2017	2016	2015
Measurement Period, Year Ended June 30:	2021	2020	2019	2018	2017	2016	2015	2014 ¹
Proportion of the net pension liability	0.61287%	0.48376%	0.46772%	0.46967%	0.58010%	0.60039%	0.64362%	0.64195%
Proportionate share of the net pension liability	\$ 33,145,570	\$ 52,635,552	\$ 47,927,704	\$ 45,259,034	\$ 57,529,594	\$ 51,951,899	\$ 44,177,449	\$ 39,944,785
Covered payroll	\$ 11,387,448	\$ 11,013,870	\$ 10,748,465	\$ 9,763,022	\$ 9,636,368	\$ 9,436,688	\$ 9,158,594	\$ 9,531,935
Proportionate share of the net pension liability as percentage of covered payroll	291.07%	477.90%	445.90%	463.58%	597.00%	550.53%	482.36%	419.06%
Plan's fiduciary net position as percentage of the total pension liability	88.29%	75.10%	75.26%	75.26%	73.31%	74.06%	78.40%	79.82%

¹Information only presented from the implementation year

City of Salinas
Required Supplemental Information (Unaudited)
Schedule of Pension Plan Contributions
City Fire Plans

	City Fire Plans							
Fiscal Year Ended June 30:	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 6,791,444	\$ 5,708,093	\$ 5,058,738	\$ 4,369,284	\$ 5,440,481	\$ 5,132,440	\$ 4,732,759	\$ 3,811,507
Contributions in relation to the actuarially determined contribution	(6,791,444)	(5,708,093)	(5,058,738)	(4,369,284)	(16,741,091)	(5,132,440)	(4,732,759)	(3,811,507)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ (11,300,610)	\$ -	\$ -	\$ -
Covered payroll	\$ 11,615,639	\$ 11,387,448	\$ 11,013,870	\$ 10,748,465	\$ 9,763,022	\$ 9,636,368	\$ 9,436,668	\$ 9,158,594
Contributions as a percentage of covered payroll	58.47%	50.13%	45.93%	40.65%	171.47%	53.26%	50.15%	41.62%

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2021 were derived from the June 30, 2018 funding valuation report.

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2019 Funding Valuation Report
Asset valuation method	Market value of assets
Inflation	2.50%
Salary increases	Varies based on entry age and service
Payroll growth	2.875%
Investment rate of return	7.000% net of pension plan investment and administrative expenses
Retirement age	The probabilities of retirement are based on the 2014 CalPERS Experience Study for the period from 1997 and 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Actuaries.

¹Information only presented from the implementation year

City of Salinas
Required Supplemental Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios –
Single Employer Plan

Single-Employer Plan							
	2022	2021	2020	2019	2018	2017	2016
Measurement Period, Year Ended June 30:	2021	2020	2019	2018	2017	2016	2015 ¹
Total Pension Liability							
Service Cost	\$ 345,756	\$ 325,385	\$ 232,193	\$ 302,184	\$ 279,000	\$ 336,000	\$ 436,000
Interest on total pension liability	283,983	506,095	684,730	679,330	537,000	655,000	676,000
Changes in benefit terms	-	-	-	-	-	531,000	-
Differences between expected and actual experience	1,595,858	-	889,365	-	2,172,000	-	-
Changes in assumptions	(37,244)	907,299	217,496	-	(106,000)	-	-
Benefit payments, including refunds of employee contributions	(2,656,129)	(9,123,048)	(1,305,661)	(199,769)	(3,508,000)	(87,000)	(3,139,000)
Net change in total pension liability	(467,776)	(7,384,269)	718,123	781,745	(626,000)	1,435,000	(2,027,000)
Total pension liability - beginning	13,893,599	21,277,868	20,559,745	19,778,000	20,404,000	18,969,000	20,996,000
Total pension liability - ending (a)	<u>\$ 13,425,823</u>	<u>\$ 13,893,599</u>	<u>\$ 21,277,868</u>	<u>\$ 20,559,745</u>	<u>\$ 19,778,000</u>	<u>\$ 20,404,000</u>	<u>\$ 18,969,000</u>
Plan fiduciary net position							
Contributions - employer	\$ 5,695,926	\$ 8,030,028	\$ 2,919,589	\$ 1,927,686	\$ 1,654,000	\$ 1,483,000	\$ 1,340,000
Contributions - employee	34,635	52,751	71,806	70,043	69,000	82,000	77,000
Net investment income	894,536	338,833	503,893	60,254	(506,000)	84,000	(85,000)
Benefit payments, including refunds of employee contributions	(2,656,129)	(9,123,048)	(1,305,661)	(199,769)	(3,508,000)	(87,000)	(3,139,000)
Administrative expense	(18,061)	(18,582)	(19,188)	(54,195)	(75,000)	(83,000)	(100,000)
Net change in plan fiduciary net position	3,950,907	(720,018)	2,170,439	1,804,019	(2,366,000)	1,479,000	(1,907,000)
Plan fiduciary net position - beginning	5,914,440	6,634,458	4,464,019	2,660,000	5,026,000	3,547,000	5,454,000
Plan fiduciary net position - ending (b)	<u>\$ 9,865,347</u>	<u>\$ 5,914,440</u>	<u>\$ 6,634,458</u>	<u>\$ 4,464,019</u>	<u>\$ 2,660,000</u>	<u>\$ 5,026,000</u>	<u>\$ 3,547,000</u>
Net pension liability - ending (a) - (b)	<u>\$ 3,560,476</u>	<u>\$ 7,979,159</u>	<u>\$ 14,643,410</u>	<u>\$ 16,095,726</u>	<u>\$ 17,118,000</u>	<u>\$ 15,378,000</u>	<u>\$ 15,422,000</u>
Plan fiduciary net position as a percentage of the total pension liability	73.48%	42.57%	31.18%	21.71%	13.45%	24.63%	18.70%
Covered payroll	\$ 768,725	\$ 1,176,879	\$ 1,628,432	\$ 1,610,679	\$ 1,649,359	\$ 1,461,000	\$ 1,738,432
Plan net pension liability as a percentage of covered payroll	463.17%	677.99%	899.23%	999.31%	1037.86%	1052.57%	887.12%

¹Information only presented from the implementation year

City of Salinas
Required Supplemental Information (Unaudited)
Schedule of Pension Plan Contributions
Single Employer Plan

	Single-Employer Plan						
Fiscal Year Ended June 30:	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 2,963,000	\$ 4,252,000	\$ 4,114,000	\$ 2,000,000	\$ 1,932,000	\$ 1,583,000	\$ 1,520,000
Contributions in relation to the actuarially determined contribution	(208,396)	(10,212,240)	(5,573,828)	(2,135,107)	(1,614,000)	(1,571,000)	(1,107,000)
Contribution deficiency (excess)	\$ 2,754,604	\$ (5,960,240)	\$ (1,459,828)	\$ (135,107)	\$ 318,000	\$ 12,000	\$ 413,000
Covered payroll	\$ 463,101	\$ 804,977	\$ 1,273,326	\$ 1,664,538	\$ 1,693,493	\$ 1,796,000	\$ 1,872,000
Contributions as a percentage of covered payroll	45.00%	1268.64%	437.74%	128.27%	95.31%	87.47%	59.13%

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2022 were derived from the September 1, 2020 funding valuation report.

Actuarial cost method	Individual aggregate cost method
Amortization method/period	N/A
Asset valuation method	Cash value as reported by New York Life Investment Management, LLC
Discount rate	3.40%
Inflation	2.25%
Salary increases	2.5% annually
Payroll growth	2.875%
Mortality	The probabilities of mortality are based on the CalPERS Experience Study for the period from 2000 to 2019. Pre-retirement and post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Actuaries.

¹Information only presented from the implementation year

City of Salinas
Required Supplemental Information (Unaudited)
Schedule of Changes in the City's Net OPEB Liability –

Schedule of Changes in the City's Net OPEB Liability

	2022	2021	2020	2019	2018
For the Measurement Period:	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017¹
Total OPEB Liability:					
Service Cost	\$ 1,639,274	\$ 1,169,996	\$ 1,065,470	\$ 1,085,475	\$ 1,209,000
Interest on the total OPEB liability	884,846	974,493	1,143,094	1,064,391	951,000
Changes in benefit terms	-	-	574,467	-	-
Difference between expected and actual experience	(4,117,866)	-	(4,138,016)	-	-
Changes in assumptions	(4,258,871)	4,678,007	1,474,189	(609,871)	(1,765,000)
Benefit payments	(704,749)	(676,514)	(945,329)	(915,000)	(861,000)
Net changes in Total OPEB Liability	(6,557,366)	6,145,982	(826,125)	624,995	(466,000)
Beginning of Year	27,819,852	21,673,870	22,499,995	21,875,000	22,341,000
End of Year	\$ 21,262,486	\$ 27,819,852	\$ 21,673,870	\$ 22,499,995	\$ 21,875,000
Plan Fiduciary Net Position:					
Employer contribution	\$ 959,007	\$ 931,063	\$ 1,195,329	\$ 1,165,000	\$ 1,111,000
Employee contributions	-	-	-	-	-
Net investment income	897,217	102,633	152,998	159,215	171,000
Benefit payments	(704,749)	(676,514)	(945,329)	(915,000)	(861,000)
Administrative expenses	(5,500)	(5,988)	(541)	(3,619)	(1,000)
Net changes in Fiduciary Net Position	1,145,975	351,194	402,457	405,596	420,000
Beginning of Year	3,058,247	2,707,053	2,304,596	1,899,000	1,479,000
End of Year	\$ 4,204,222	\$ 3,058,247	\$ 2,707,053	\$ 2,304,596	\$ 1,899,000
Net OPEB Liability	\$ 17,058,264	\$ 24,761,605	\$ 18,966,817	\$ 20,195,399	\$ 19,976,000
Fiduciary Net Position as a % of Total OPEB Liability	19.77%	10.99%	12.49%	10.24%	8.68%
Covered Payroll	\$ 64,469,561	\$ 64,146,096	\$ 64,026,542	\$ 62,965,263	\$ 48,821,000
Net OPEB Liability as a % of Payroll	26.46%	38.60%	29.62%	32.07%	40.92%

Notes to Schedule:

Change of assumptions: For the measure period ended June 30, 2020, the ACA excise tax was removed. Tax was repealed in December 2019.

¹ Information only presented from the implementation year

City of Salinas
Required Supplemental Information (Unaudited)
Schedule of OPEB Contributions –

Schedule of OPEB Contributions

	2021-22	2020-21	2019-20	2018-19	2017-18
Actuarially determined contribution	\$ 1,687,000	\$ 1,997,000	\$ 1,938,000	\$ 2,322,000	\$ 2,188,000
Contributions in relation to the actuarially determined contributions	(940,051)	(959,007)	(931,063)	(1,195,329)	(1,165,000)
Contribution deficiency (excess)	\$ 746,949	\$ 1,037,993	\$ 1,006,937	\$ 1,126,671	\$ 1,023,000
Covered payroll	\$ 67,797,683	\$ 64,469,561	\$ 64,146,096	\$ 64,026,452	\$ 51,530,000
Contributions as a percentage of covered payroll	1.39%	1.49%	1.45%	1.87%	2.26%

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for the fiscal year ended June 30, 2021 were as follows:

Methods and assumptions used to determine contribution rates:

ADC for fiscal year	6/30/2021
Actuarial valuation date	6/30/2021
Actuarial cost method	Entry-Age Normal Cost Method
Asset valuation method	Actuarial value of assets
Inflation	2.50%
Investment rate of return	6.25%
Healthcare cost trend rate	Non-Medicare - 6.50% for 2023, decreasing to an ultimate rate of 3.75% in 2076; Medicare - 5.65% for 2023, decreasing to an ultimate rate of 3.75% in 2076;
Projected salary growth and increase	Not applicable
Mortality	CalPERS 2000-2019 Experience Study

¹ Information only presented from the implementation year

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SUPPLEMENTARY INFORMATION

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SUPPLEMENTARY INFORMATION

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City of Salinas
Combing Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 54,943,750	\$ 3,529,170	\$ 16,082,264	\$ 74,555,184
Receivables, net:				
Interest	843,468	5,243	153,161	1,001,872
Due from outside agencies	3,925,486	-	3,768,381	7,693,867
Assessments	-	8,290,000	-	8,290,000
Leases	270,234	-	3,771,199	4,041,433
Due from other funds	-	-	1,364,533	1,364,533
Restricted cash and investments	-	686,637	-	686,637
Loans and notes receivable, net of allowance	16,571	-	-	16,571
Land and properties held for resale	1,380,000	-	-	1,380,000
Total assets	\$ 61,379,509	\$ 12,511,050	\$ 25,139,538	\$ 99,030,097
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 435,473	\$ 9,977	\$ 2,101,296	\$ 2,546,746
Due to other funds	2,125,568	2,178	1,235,128	3,362,874
Unearned revenues	184,161	8,290,000	-	8,474,161
Total liabilities	2,745,202	8,302,155	3,336,424	14,383,781
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	1,142,179	-	3,344,925	4,487,104
Related to leases	264,479	-	3,779,790	4,044,269
Total deferred inflows of resources	1,406,658	-	7,124,715	8,531,373
Fund Balances:				
Nonspendable	1,380,000	-	-	1,380,000
Restricted	56,253,266	4,211,073	12,536,414	73,000,753
Committed	-	-	2,141,985	2,141,985
Assigned	-	-	-	-
Unassigned	(405,617)	(2,178)	-	(407,795)
Total fund balances	57,227,649	4,208,895	14,678,399	76,114,943
Total liabilities, deferred inflows of resources, and fund balances	\$ 61,379,509	\$ 12,511,050	\$ 25,139,538	\$ 99,030,097

City of Salinas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2022

	Non-major Special Revenue Funds	Non-major Debt Service Funds	Non-major Capital Projects Funds	Total Non-Major Governmental Funds
REVENUES:				
Taxes	\$ 535,460	\$ -	\$ -	\$ 535,460
Taxes - special assessments	-	749,723	-	749,723
Licenses and permits	178,135	-	-	178,135
Intergovernmental	25,506,143	-	8,691,485	34,197,628
Charges for services	2,078,142	-	468,444	2,546,586
Investment income (loss)	(1,194,053)	254,778	128,732	(810,543)
Rental income	280,494	-	(8,591)	271,903
Fines and forfeitures	310,441	-	-	310,441
Miscellaneous	2,906,595	-	698,677	3,605,272
Total revenues	30,601,357	1,004,501	9,978,747	41,584,605
EXPENDITURES:				
Current:				
General government	11,923,311	15,200	1,736,777	13,675,288
Public safety	2,728,039	-	1,070,249	3,798,288
Public works	1,146,430	-	7,158,980	8,305,410
Recreation	468,673	-	156,511	625,184
Library	358,281	-	-	358,281
Capital outlay	377,426	-	17,132,545	17,509,971
Debt service:				
Principal	-	13,596,000	916,279	14,512,279
Interest and fiscal charges	-	5,144,651	112,870	5,257,521
Total expenditures	17,002,160	18,755,851	28,284,211	64,042,222
REVENUES OVER (UNDER) EXPENDITURES	13,599,197	(17,751,350)	(18,305,464)	(22,457,617)
OTHER FINANCING SOURCES (USES):				
Transfers in	900,002	17,245,901	15,884,060	34,029,963
Transfers out	(9,546,707)	(123,011)	-	(9,669,718)
Total other financing sources (uses)	(8,646,705)	17,122,890	15,884,060	24,360,245
NET CHANGE IN FUND BALANCES	4,952,492	(628,460)	(2,421,404)	1,902,628
FUND BALANCES:				
Beginning of year, as restated (Note 23)	52,275,157	4,837,355	17,099,803	74,212,315
End of year	\$ 57,227,649	\$ 4,208,895	\$ 14,678,399	\$ 76,114,943

Non-Major Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for specified purposes. The Special Revenue Funds used by the City in this report are as follows:

Lighting, Landscape and Maintenance District - This fund accounts for monies received from the various maintenance districts throughout the City. Funds are used to pay for the lighting and landscape maintenance of the respective districts.

Local Public Safety Fund - This fund accounts for monies received from federal and state grants, which are expended to enhance law enforcement services.

Development Fees - This fund accounts for the fees that subdividers and developers of property are required to pay, by Resolution 3823 (N.C.S.), covering traffic impact, annexation, use of existing or new sewers, storm drains, park facilities, library facilities, and street trees.

Gas Tax - This fund accounts for gas tax revenues received from State apportionments of gasoline taxes. Expenditures are restricted to street maintenance and street improvements. No expenditures are made directly from this fund, but transfers are made to the General Fund for street maintenance and engineering salaries and to the Capital Projects Fund for street improvements based on actual expenditures.

Emergency Medical Services Fund - This fund accounts for monies received from County Service Area (CSA) 74. Funds are used to purchase emergency medical and safety equipment under the capital improvement program.

Asset Seizure - This fund accounts for the proceeds from sale of assets seized primarily from illegal narcotics activity. These funds are used for law enforcement.

Traffic Safety - This fund accounts for revenues derived from traffic violations whose use is restricted by State statute for traffic safety and street maintenance purposes. No expenditures are made directly from this fund, but transfers are made to the General Fund for traffic safety expenditures and street maintenance.

Vehicle Abatement - This fund accounts for monies allocated by the State to fund the vehicle abatement program.

Cable - This fund accounts for revenues received for public, educational and governmental (PEG) fees from video service providers. Its use is restricted to provide non-commercial public, educational and government channels.

Contributions and Donations - This fund accounts for contributions and donations from different individuals and agencies to the Library, Rec-Park, Fire and Police Department. Use of the funds are restricted for use of the appropriate Department.

Non-Major Governmental Funds (Continued)

Special Revenue Funds (Continued)

KDF Los Padres Dev Social Services - This fund accounts for social services provided by the City of Salinas to lower income residents of the Development. On June 1, 2003, the Salinas Redevelopment Agency, the City of Salinas and the KDF Los Padres, L.P. entered into a loan agreement where loan payments will be collected annually by the City and used to provide recreational and social services to lower income residents of the Development. Term of the loan is 55 years commencing in 2006. Payment will increase by 3% annually.

Measure X Transport Safety & Inv Plan Fund - This fund accounts for revenues allocated by TAMC from the transportation sales and use tax. Expenditures are restricted to road improvements, pothole repairs, street and road maintenance, traffic deduction and regional safety, mobility and walkability.

SB1 Road Maintenance & Rehab & SB1 Traffic Congestion Relief - This fund accounts for gas tax revenues received from State apportionments of an increased tax on gasoline and a new vehicle license fee from Senate Bill 1 (SB 1), the Road Repair and Accountability Act of 2017. Expenditures are restricted to street maintenance and street improvements including facilities for bicycles and pedestrians. No expenditures are made directly from this fund, but transfers are made to the General Fund for street maintenance and engineering salaries and to the Capital Projects Fund for street improvements based on actual expenditures.

SRA Public Improvement Grant - This fund accounts for the use of monies received from proceeds of the land sale located in Main Street where the “Taylor Farms” headquarters is constructed and other properties held for re-sale.

Affordable Housing Fund - These funds are used to improve and increase the supply of low income housing within the City.

Grants Fund - This fund accounts for various minor grants received for purposes ranging from library to police operations.

Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) - This fund accounts for monies awarded through the state’s Coronavirus Relief Funds (CRF) and funded entirely through the federal stimulus funding under the CARES Act provided by the U.S. Department of Treasury (US Treasury) to the Governor via the Office of Financial Management (OFM). The City of Salinas allocation was determined by the OFM. The Coronavirus Relief Funds may only be used for costs incurred by local governments in response to the COVID-19 public health emergency during the period of March 1, 2020, thru October 31, 2020.

City of Salinas
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2022

	Lighting, Landscape, and Maintenance District	Local Public Safety	Development Fees	Gas Tax	Emergency Medical Services
ASSETS					
Cash and investments	\$ 8,971,473	\$ 1,112,819	\$ 17,280,729	\$ 3,089,090	\$ -
Receivables, net:					
Interest	15,290	1,092	29,197	5,468	-
Due from outside agencies	-	117,688	-	637,442	-
Leases	-	-	-	96,989	-
Loans and notes receivable, net of allowance	-	-	-	-	-
Land and properties held for resale	-	-	-	-	-
Total assets	\$ 8,986,763	\$ 1,231,599	\$ 17,309,926	\$ 3,828,989	\$ -
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 38,417	\$ 110,021	\$ -	\$ -	\$ 62,325
Due to other funds	51,188	-	413,830	81,232	316,157
Unearned revenues	-	-	-	-	-
Total liabilities	89,605	110,021	413,830	81,232	378,482
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	-	-	-
Related to leases	-	-	-	95,453	-
Total deferred inflows of resources	-	-	-	95,453	-
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	8,897,158	1,121,578	16,896,096	3,652,304	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	(378,482)
Total fund balances	8,897,158	1,121,578	16,896,096	3,652,304	(378,482)
Total liabilities, deferred inflows of resources, and fund balances	\$ 8,986,763	\$ 1,231,599	\$ 17,309,926	\$ 3,828,989	\$ -

City of Salinas
Combining Balance Sheet (Continued)
Nonmajor Special Revenue Funds
June 30, 2022

	Asset Seizure	Traffic Safety	Vehicle Abatement	Cable	Contributions & Donations
ASSETS					
Cash and investments	\$ 151,583	\$ -	\$ 325,258	\$ 520,768	\$ 494,365
Receivables, net:					
Interest	546	-	-	-	-
Due from outside agencies	-	54,756	78,356	43,942	-
Leases	-	-	-	-	-
Loans and notes receivable, net of allowance	-	-	-	-	-
Land and properties held for resale	-	-	-	-	-
Total assets	\$ 152,129	\$ 54,756	\$ 403,614	\$ 564,710	\$ 494,365
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 351	\$ -	\$ 8,462	\$ 36,670	\$ -
Due to other funds	-	81,891	-	-	-
Unearned revenues	-	-	-	-	-
Total liabilities	351	81,891	8,462	36,670	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	40,121	-	-
Related to leases	-	-	-	-	-
Total deferred inflows of resources	-	-	40,121	-	-
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	151,778	-	355,031	528,040	494,365
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	(27,135)	-	-	-
Total fund balances	151,778	(27,135)	355,031	528,040	494,365
Total liabilities, deferred inflows of resources, and fund balances	\$ 152,129	\$ 54,756	\$ 403,614	\$ 564,710	\$ 494,365

(continued)

City of Salinas
Combining Balance Sheet (Continued)
Nonmajor Special Revenue Funds
June 30, 2022

	KDF Los Padres Dev Social Services	Measure X Transport Safety & Inv Plan	SB1 Road Maintenance & Rehab	SB1 Traffic Congestion Relief	SRA Public Improvement Grant
ASSETS					
Cash and investments	\$ 283,330	\$ 9,894,999	\$ 6,323,959	\$ 559,475	\$ 1,603,300
Receivables, net:					
Interest	-	15,764	10,412	947	2,694
Due from outside agencies	-	1,548,757	562,987	-	-
Leases	-	-	-	-	-
Loans and notes receivable, net of allowance	-	-	-	-	-
Land and properties held for resale	-	-	-	-	584,419
Total assets	\$ 283,330	\$ 11,459,520	\$ 6,897,358	\$ 560,422	\$ 2,190,413
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,956	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	272,811	191,057	-	-
Unearned revenues	-	-	-	-	-
Total liabilities	1,956	272,811	191,057	-	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	-	-	-
Related to leases	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund Balances:					
Nonspendable	-	-	-	-	584,419
Restricted	281,374	11,186,709	6,706,301	560,422	1,605,994
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	281,374	11,186,709	6,706,301	560,422	2,190,413
Total liabilities, deferred inflows of resources, and fund balances	\$ 283,330	\$ 11,459,520	\$ 6,897,358	\$ 560,422	\$ 2,190,413

(Continued)

City of Salinas
Combining Balance Sheet (Continued)
Nonmajor Special Revenue Funds
June 30, 2022

	Affordable Housing	Grants	CARES Act	Total
ASSETS				
Cash and investments	\$ 3,124,600	\$ 1,208,002	\$ -	\$ 54,943,750
Receivables, net:				
Interest	761,501	557	-	843,468
Due from outside agencies	-	881,558	-	3,925,486
Leases	-	173,245	-	270,234
Loans and notes receivable, net of allowance	16,571	-	-	16,571
Land and properties held for resale	795,581	-	-	1,380,000
Total assets	\$ 4,698,253	\$ 2,263,362	\$ -	\$ 61,379,509
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 763	\$ 176,508	\$ -	435,473
Due to other funds	-	717,402	-	2,125,568
Unearned revenues	-	184,161	-	184,161
Total liabilities	763	1,078,071	-	2,745,202
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	756,258	345,800	-	1,142,179
Related to leases	-	169,026	-	264,479
Total deferred inflows of resources	756,258	514,826	-	1,406,658
Fund Balances:				
Nonspendable	795,581	-	-	1,380,000
Restricted	3,145,651	670,465	-	56,253,266
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	(405,617)
Total fund balances	3,941,232	670,465	-	57,227,649
Total liabilities, deferred inflows of resources, and fund balances	\$ 4,698,253	\$ 2,263,362	\$ -	\$ 61,379,509

(Concluded)

City of Salinas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2022

	Lighting, Landscape, and Maintenance District	Local Public Safety	Development Fees	Gas Tax	Emergency Medical Services
REVENUES:					
Taxes	\$ -	\$ 535,460	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	451,330	-	3,588,055	137,952
Charges for services	-	-	2,078,142	-	-
Investment income (loss)	(103,643)	(5,640)	(198,686)	(31,073)	-
Rental income	-	-	-	229,075	-
Fines and forfeitures	-	-	-	-	-
Miscellaneous	1,966,689	-	-	-	-
Total revenues	1,863,046	981,150	1,879,456	3,786,057	137,952
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Public safety	-	600,000	-	-	1,306,044
Public works	1,140,798	-	-	-	-
Recreation	-	-	-	-	-
Library	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	1,140,798	600,000	-	-	1,306,044
REVENUES OVER (UNDER) EXPENDITURES	722,248	381,150	1,879,456	3,786,057	(1,168,092)
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	850,000
Transfers out	(4,110)	-	(1,603,186)	(2,352,775)	(120,792)
Total other financing sources (uses)	(4,110)	-	(1,603,186)	(2,352,775)	729,208
NET CHANGE IN FUND BALANCES	718,138	381,150	276,270	1,433,282	(438,884)
FUND BALANCES (DEFICIT):					
Beginning of year, as restated (Note 23)	8,179,020	740,428	16,619,826	2,219,022	60,402
End of year	<u>\$ 8,897,158</u>	<u>\$ 1,121,578</u>	<u>\$ 16,896,096</u>	<u>\$ 3,652,304</u>	<u>\$ (378,482)</u>

City of Salinas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2022

	Asset Seizure	Traffic Safety	Vehicle Abatement	Cable	Contributions & Donations
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	178,135	-
Intergovernmental	104,718	-	138,992	-	-
Charges for services	-	-	-	-	-
Investment income (loss)	(3,694)	-	-	-	-
Rental income	-	-	-	-	-
Fines and forfeitures	-	305,695	4,746	-	-
Miscellaneous	-	-	-	-	383,658
Total revenues	101,024	305,695	143,738	178,135	383,658
EXPENDITURES:					
Current:					
General government	-	123,887	-	130,420	-
Public safety	2,253	-	219,287	-	75,520
Public works	-	-	-	-	-
Recreation	-	-	-	-	60
Library	-	-	-	-	-
Capital outlay	71,175	-	-	(2)	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	73,428	123,887	219,287	130,418	75,580
REVENUES OVER (UNDER) EXPENDITURES	27,596	181,808	(75,549)	47,717	308,078
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	50,000	-	-
Transfers out	-	(250,000)	-	-	-
Total other financing sources (uses)	-	(250,000)	50,000	-	-
NET CHANGE IN FUND BALANCES	27,596	(68,192)	(25,549)	47,717	308,078
FUND BALANCES (DEFICIT):					
Beginning of year, as restated (Note 23)	124,182	41,057	380,580	480,323	186,287
End of year	<u>\$ 151,778</u>	<u>\$ (27,135)</u>	<u>\$ 355,031</u>	<u>\$ 528,040</u>	<u>\$ 494,365</u>

City of Salinas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2022

	KDF Los Padres Dev Social Services	Measure X Transport Safety & Inv Plan	SB1 Road Maintenance & Rehab	SB1 Traffic Congestion Relief	SRA Public Improvement Grant
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	5,801,801	3,235,152	-	-
Charges for services	-	-	-	-	-
Investment income (loss)	(1,402)	(103,081)	(64,622)	(6,444)	(284,042)
Rental income	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Miscellaneous	20,472	-	-	-	-
Total revenues	19,070	5,698,720	3,170,530	(6,444)	(284,042)
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Recreation	11,015	-	-	-	-
Library	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	11,015	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	8,055	5,698,720	3,170,530	(6,444)	(284,042)
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	(3,648,087)	(1,556,858)	-	-
Total other financing sources (uses)	-	(3,648,087)	(1,556,858)	-	-
NET CHANGE IN FUND BALANCES	8,055	2,050,633	1,613,672	(6,444)	(284,042)
FUND BALANCES (DEFICIT):					
Beginning of year, as restated (Note 23)	273,319	9,136,076	5,092,629	566,866	2,474,455
End of year	<u>\$ 281,374</u>	<u>\$ 11,186,709</u>	<u>\$ 6,706,301</u>	<u>\$ 560,422</u>	<u>\$ 2,190,413</u>

City of Salinas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2022

	Affordable Housing	Grants	CARES Act	Total
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ 535,460
Licenses and permits	-	-	-	178,135
Intergovernmental	-	12,048,143	-	25,506,143
Charges for services	-	-	-	2,078,142
Investment income (loss)	(397,179)	5,453	-	(1,194,053)
Rental income	-	51,419	-	280,494
Fines and forfeitures	-	-	-	310,441
Miscellaneous	121,813	413,963	-	2,906,595
Total revenues	<u>(275,366)</u>	<u>12,518,978</u>	<u>-</u>	<u>30,601,357</u>
EXPENDITURES:				
Current:				
General government	13,988	11,655,016	-	11,923,311
Public safety	-	524,935	-	2,728,039
Public works	-	5,632	-	1,146,430
Recreation	-	457,598	-	468,673
Library	-	358,281	-	358,281
Capital outlay	-	306,253	-	377,426
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>13,988</u>	<u>13,307,715</u>	<u>-</u>	<u>17,002,160</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(289,354)</u>	<u>(788,737)</u>	<u>-</u>	<u>13,599,197</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	2	-	900,002
Transfers out	(6,800)	(4,099)	-	(9,546,707)
Total other financing sources (uses)	<u>(6,800)</u>	<u>(4,097)</u>	<u>-</u>	<u>(8,646,705)</u>
NET CHANGE IN FUND BALANCES	(296,154)	(792,834)	-	4,952,492
FUND BALANCES (DEFICIT):				
Beginning of year, as restated (Note 23)	4,237,386	1,463,299	-	52,275,157
End of year	<u>\$ 3,941,232</u>	<u>\$ 670,465</u>	<u>\$ -</u>	<u>\$ 57,227,649</u>

Non-Major Governmental Funds

Debt Service Funds

Debt Service Funds are used for the accumulation and disbursement of financial resources that will be used to make principal and interest payments on general long-term debt. The non-major debt service funds include the following debt issuances:

Assessment District Debt Service Fund - This fund is used to accumulate monies for payment of the City's Assessment Districts Improvement Bonds. Debt service is financed with special assessments levied against property owners within the respective improvement districts.

COP 1999 & COP 2004 Consolidation (2014) - This fund is used to accumulate funds for the payment of principal and interest on the 2014 Lease Purchase/Agreement that was issued on January 29, 2014 to refinance the portion of the 1999 Certificates of Participation that were used to finance the construction of the City Animal Shelter. Debt service for the Animal Shelter is used to finance the City's General Fund.

2018 Lease-PS Building Police - This fund is used to accumulate monies for the designing, permitting, constructing and equipping the new public safety building, including ancillary parking and related facilities, located at 312 E Alisal Street in Salinas. Salinas Public Safety Facilities Inc. (SPF) issued lease revenue bonds to finance the construction of the new building. Lease payments are made from the City's Measure G Funds.

COP 2018B T.R.I.P. Total Road Improvement - This fund is used to accumulate monies for the principal and interest payments for the Transportation Revenue COP Certificates issued to finance large scale street improvement projects. COPs will be secured by Measure X Revenues the City receives from the Transportation Agency of Monterey County (TAMC).

Energy Improvement Lease Fund - This fund is used to account for lease payments on debt incurred in fiscal year 2014-15 that funds the City's ongoing efforts to reduce energy consumption and to develop long-term cost savings through increased energy efficiency. The project will install LED lighting on street lights and parking lots in addition to building solar PV installations at the Hitchcock Road Animal Shelter, the Industrial Waste Treatment Plant, the Salinas Municipal Airport, the Permit Center, Sherwood Hall, and the Sewer Lift Station site off Work Street. The Funding came through a private placement in the amount of \$21,908,000. The Debt Service repayment will be over a 17 year period at an interest rate of 3.03%.

Certificates of Participation (2005 A & B) 2015 Refunding Fund - This fund is used to accumulate funds for the payment of principal and interest on the 2005B Certificates of Participation. Proceeds were used to refund the Certificates of Participation 1997. The proceeds from the Certificates of Participation 1997 were used for capital improvements and to refund the Salinas Public Financing Authority's Variable Rate Lease Revenue Bonds that were used to purchase the 65 W. Alisal building. Debt service is financed from installment payments from the Salinas Valley Solid Waste Authority (SVSWA) for the purchase of Crazy Horse Landfill and a lease on the 65 W. Alisal Building.

Non-Major Governmental Funds (Continued)

Debt Service Funds (Continued)

2018 Lease-El Gabilan Library - This fund is used to accumulate monies for the designing, permitting, constructing and equipping the El Gabilan Library expansion, including ancillary parking, located at 1400 N Main Street in Salinas. Salinas Public Safety Facilities, Inc. (SPF) issued lease revenue bonds to facilitate the construction of the El Gabilan Library. Lease payments are made from the City's Measure E Funds.

2020A Refunding Energy - This fund is used to account for the refunding of the 2014 Energy Improvement Lease and accumulate monies for the payment of principal and interest.

2020A Refunding SVSWA - for the refunding of the outstanding portion of the Certificates of Participation Series 2015B (1997 Capital Improvement Projects) and accumulate monies for the payment of principal and interest.

Assessment District Administration Fund - This fund accounts for the cost of administering the City's assessment district bonds used to finance improvements within those districts. Funding is provided by an assessment equal to 5% of the assessment amount with a maximum \$16 levy per parcel per bond.

Assessment District Reserve Fund - This fund accounts for the reserves on outstanding assessment districts bonds.

2019 Special Tax Bond Monte Bella - This fund is used to accumulate monies for the principal and interest payments for the 2019 Special Tax Bonds to finance the acquisition and/or construction of certain public facilities and improvements within the Community Facilities District No. 2016-1 (Monte Bella) Area No. 1-3. The annual levy of special taxes on that area would be used to pay for principal and interest payments on the bonds.

City of Salinas
Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2022

	Assessment District Debt Service	COP 1999 & 2004 Consolidation (2014)	2018 Lease-PS Building Police	COP 2018B T.R.I.P. Total Road Improvement	Energy Improvement Lease
ASSETS					
Cash and investments	\$ 72,684	\$ 165,473	\$ 3,661	\$ 1,170,896	\$ -
Receivables, net:					
Interest	-	291	-	1,930	-
Assessments	970,000	-	-	-	-
Restricted cash and investments	124,466	-	-	-	-
Total assets	<u>\$ 1,167,150</u>	<u>\$ 165,764</u>	<u>\$ 3,661</u>	<u>\$ 1,172,826</u>	<u>\$ -</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,000	\$ -	\$ 2,270	\$ 250	\$ -
Due to other funds	-	-	-	-	-
Unearned revenues	970,000	-	-	-	-
Total liabilities	<u>971,000</u>	<u>-</u>	<u>2,270</u>	<u>250</u>	<u>-</u>
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	196,150	165,764	1,391	1,172,576	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>196,150</u>	<u>165,764</u>	<u>1,391</u>	<u>1,172,576</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,167,150</u>	<u>\$ 165,764</u>	<u>\$ 3,661</u>	<u>\$ 1,172,826</u>	<u>\$ -</u>

(Continued)

City of Salinas
Combining Balance Sheet (Continued)
Nonmajor Debt Service Funds
June 30, 2022

	COP 2005 A&B 2015 Refunding	2018 Lease El Gabilan Library	2020A Refunding Energy	2020A Refunding SVSWA	Assessment District Administration
ASSETS					
Cash and investments	\$ -	\$ 2,030	\$ 70	\$ 23,763	\$ -
Receivables, net:					
Interest	-	-	-	-	-
Assessments	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 2,030</u>	<u>\$ 70</u>	<u>\$ 23,763</u>	<u>\$ -</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 2,030	\$ 70	\$ 45	\$ -
Due to other funds	-	-	-	-	2,178
Unearned revenues	-	-	-	-	-
Total liabilities	<u>-</u>	<u>2,030</u>	<u>70</u>	<u>45</u>	<u>2,178</u>
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	23,718	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	(2,178)
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,718</u>	<u>(2,178)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ -</u>	<u>\$ 2,030</u>	<u>\$ 70</u>	<u>\$ 23,763</u>	<u>\$ -</u>

(Continued)

City of Salinas
Combining Balance Sheet (Continued)
Nonmajor Debt Service Funds
June 30, 2022

	Assessment District Reserve	2019 Special Tax Bond Monte Bella	Total
ASSETS			
Cash and investments	\$ 1,585,241	\$ 505,352	\$ 3,529,170
Receivables, net:			
Interest	3,022	-	5,243
Assessments	-	7,320,000	8,290,000
Restricted cash and investments	234,528	327,643	686,637
Total assets	<u>\$ 1,822,791</u>	<u>\$ 8,152,995</u>	<u>\$ 12,511,050</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ 4,312	\$ 9,977
Due to other funds	-	-	2,178
Unearned revenues	-	7,320,000	8,290,000
Total liabilities	<u>-</u>	<u>7,324,312</u>	<u>8,302,155</u>
Fund Balances:			
Nonspendable	-	-	-
Restricted	1,822,791	828,683	4,211,073
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	(2,178)
Total fund balances	<u>1,822,791</u>	<u>828,683</u>	<u>4,208,895</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,822,791</u>	<u>\$ 8,152,995</u>	<u>\$ 12,511,050</u>

(Concluded)

City of Salinas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Debt Service Funds
For the Year Ended June 30, 2022

	Assessment District Debt Service	COP 1999 & 2004 Consolidation (2014)	2018 Lease-PS Building Police	COP 2018B T.R.I.P. Total Road Improvement	Energy Improvement Lease
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - special assessments	255,452	-	-	-	-
Investment income (loss)	88	(2,851)	247,921	30,643	(116)
Total revenues	<u>255,540</u>	<u>(2,851)</u>	<u>247,921</u>	<u>30,643</u>	<u>(116)</u>
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Debt service:					
Principal	590,000	161,000	10,410,000	740,000	-
Interest and fiscal charges	37,036	69,324	1,774,828	1,600,076	-
Total expenditures	<u>627,036</u>	<u>230,324</u>	<u>12,184,828</u>	<u>2,340,076</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(371,496)</u>	<u>(233,175)</u>	<u>(11,936,907)</u>	<u>(2,309,433)</u>	<u>(116)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	11,938,298	2,340,075	-
Transfers out	-	-	-	-	(36,001)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>11,938,298</u>	<u>2,340,075</u>	<u>(36,001)</u>
NET CHANGE IN FUND BALANCES	<u>(371,496)</u>	<u>(233,175)</u>	<u>1,391</u>	<u>30,642</u>	<u>(36,117)</u>
FUND BALANCES (DEFICIT):					
Beginning of year, as restated (Note 23)	567,646	398,939	-	1,141,934	36,117
End of year	<u>\$ 196,150</u>	<u>\$ 165,764</u>	<u>\$ 1,391</u>	<u>\$ 1,172,576</u>	<u>\$ -</u>

(Continued)

City of Salinas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance (Continued)
Nonmajor Debt Service Funds
For the Year Ended June 30, 2022

	COP 2005 A&B 2015 Refunding	2018 Lease El Gabilan Library	2020A Refunding Energy	2020A Refunding SVSWA	Assessment District Administration
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - special assessments	-	-	-	-	-
Investment income (loss)	(290)	17	-	(15)	-
Total revenues	<u>(290)</u>	<u>17</u>	<u>-</u>	<u>(15)</u>	<u>-</u>
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Debt service:					
Principal	-	215,000	865,000	525,000	-
Interest and fiscal charges	-	573,474	628,134	146,305	-
Total expenditures	<u>-</u>	<u>788,474</u>	<u>1,493,134</u>	<u>671,305</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(290)</u>	<u>(788,457)</u>	<u>(1,493,134)</u>	<u>(671,320)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	788,457	1,489,267	689,804	-
Transfers out	(87,010)	-	-	-	-
Total other financing sources (uses)	<u>(87,010)</u>	<u>788,457</u>	<u>1,489,267</u>	<u>689,804</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(87,300)</u>	<u>-</u>	<u>(3,867)</u>	<u>18,484</u>	<u>-</u>
FUND BALANCES (DEFICIT):					
Beginning of year, as restated (Note 23)	87,300	-	3,867	5,234	(2,178)
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,718</u>	<u>\$ (2,178)</u>

(Continued)

City of Salinas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance (Continued)
Nonmajor Debt Service Funds
For the Year Ended June 30, 2022

	Assessment District Reserve	2019 Special Tax Bond Monte Bella	Total
REVENUES:			
Taxes	\$ -	\$ -	\$ -
Taxes - special assessments	-	494,271	749,723
Investment income (loss)	(20,835)	216	254,778
Total revenues	(20,835)	494,487	1,004,501
EXPENDITURES:			
Current:			
General government	-	15,200	15,200
Debt service:			
Principal	-	90,000	13,596,000
Interest and fiscal charges	-	315,474	5,144,651
Total expenditures	-	420,674	18,755,851
REVENUES OVER (UNDER) EXPENDITURES	(20,835)	73,813	(17,751,350)
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	17,245,901
Transfers out	-	-	(123,011)
Total other financing sources (uses)	-	-	17,122,890
NET CHANGE IN FUND BALANCES	(20,835)	73,813	(628,460)
FUND BALANCES (DEFICIT):			
Beginning of year, as restated (Note 23)	1,843,626	754,870	4,837,355
End of year	<u>\$ 1,822,791</u>	<u>\$ 828,683</u>	<u>\$ 4,208,895</u>
			(Concluded)

Non-Major Governmental Funds

Capital Projects Funds

Capital Projects Funds are used to account for major capital acquisition and construction activities. The non-major Capital Projects Funds used by the City in this report are as follows:

Special Construction Assistance Capital Projects Fund - This fund accounts for proceeds of long-term borrowings resulting from the sale of Certificates of Participation to finance the acquisition and construction of capital projects.

Special Aviation Fund - This fund accounts for federal and state airport grants. Funds are used to reimburse the Capital Projects Fund for airport capital expenditures.

Assessment District Projects Fund - This fund accounts for bond proceeds from assessment districts used for capital improvements. Funds are used to reimburse the Capital Projects Fund for assessment district capital project expenditures.

2019 Special Tax Bond Monte Bella - This fund accounts for bond proceeds from assessments from the Monte Bella District for Capital Improvements. Funds are used to reimburse the Capital Projects Fund for Monte Bella District Capital Project Expenditures.

Capital Projects - This fund accounts for all capital project expenditures. Funds are transferred in from various other funds after expenditures are made. This revolving fund was established with \$2,000,000 and is used to advance capital project expenditures prior to reimbursement of Federal, State, and other construction grants and bond financing.

City of Salinas
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2022

	Special Construction Assistance	Special Aviation	Assessment District Project	2019 Special Tax Bond Monte Bella	Capital Projects	Total
ASSETS						
Cash and investments	\$12,524,028	\$ 1,121,021	\$ 411,125	\$ 26,090	\$ 2,000,000	\$16,082,264
Receivables, net:						
Interest	150,576	1,857	692	36	-	153,161
Due from outside agencies	3,639,403	128,978	-	-	-	3,768,381
Leases	3,771,199	-	-	-	-	3,771,199
Due from other funds	-	-	-	-	1,364,533	1,364,533
Total assets	<u>\$20,085,206</u>	<u>\$ 1,251,856</u>	<u>\$ 411,817</u>	<u>\$ 26,126</u>	<u>\$ 3,364,533</u>	<u>\$25,139,538</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 696,889	\$ 39,874	\$ -	\$ -	\$ 1,364,533	\$ 2,101,296
Due to other funds	1,235,128	-	-	-	-	1,235,128
Total liabilities	<u>1,932,017</u>	<u>39,874</u>	<u>-</u>	<u>-</u>	<u>1,364,533</u>	<u>3,336,424</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	3,215,947	128,978	-	-	-	3,344,925
Related to leases	3,779,790	-	-	-	-	3,779,790
Total deferred inflows of resources	<u>6,995,737</u>	<u>128,978</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,124,715</u>
Fund Balances:						
Restricted	11,015,467	1,083,004	411,817	26,126	-	12,536,414
Committed	141,985	-	-	-	2,000,000	2,141,985
Total fund balances	<u>11,157,452</u>	<u>1,083,004</u>	<u>411,817</u>	<u>26,126</u>	<u>2,000,000</u>	<u>14,678,399</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$20,085,206</u>	<u>\$ 1,251,856</u>	<u>\$ 411,817</u>	<u>\$ 26,126</u>	<u>\$ 3,364,533</u>	<u>\$25,139,538</u>

City of Salinas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2022

	Special Construction Assistance	Special Aviation	Assessment District Project	2019 Special Tax Bond Monte Bella	Capital Projects	Total
REVENUES:						
Intergovernmental	\$ 8,237,267	\$ 454,218	\$ -	\$ -	\$ -	\$ 8,691,485
Charges for services	468,444	-	-	-	-	468,444
Investment income (loss)	150,576	(13,267)	(4,763)	(3,814)	-	128,732
Rental income	(8,591)	-	-	-	-	(8,591)
Miscellaneous	698,677	-	-	-	-	698,677
Total revenues	<u>9,546,373</u>	<u>440,951</u>	<u>(4,763)</u>	<u>(3,814)</u>	<u>-</u>	<u>9,978,747</u>
EXPENDITURES:						
Current:						
General government	-	-	-	-	1,736,777	1,736,777
Public works	-	-	-	-	7,158,980	7,158,980
Capital outlay	12,175,167	224,984	-	-	4,732,394	17,132,545
Debt service:						
Principal	-	-	-	-	916,279	916,279
Interest and fiscal charges	-	-	-	-	112,870	112,870
Total expenditures	<u>12,175,167</u>	<u>224,984</u>	<u>-</u>	<u>-</u>	<u>15,884,060</u>	<u>28,284,211</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(2,628,794)</u>	<u>215,967</u>	<u>(4,763)</u>	<u>(3,814)</u>	<u>(15,884,060)</u>	<u>(18,305,464)</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	15,884,060	15,884,060
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,884,060</u>	<u>15,884,060</u>
NET CHANGE IN FUND BALANCES	<u>(2,628,794)</u>	<u>215,967</u>	<u>(4,763)</u>	<u>(3,814)</u>	<u>-</u>	<u>(2,421,404)</u>
FUND BALANCES:						
Beginning of year, as restated (Note 23)	13,786,246	867,037	416,580	29,940	2,000,000	17,099,803
End of year	<u>\$11,157,452</u>	<u>\$ 1,083,004</u>	<u>\$ 411,817</u>	<u>\$ 26,126</u>	<u>\$ 2,000,000</u>	<u>\$14,678,399</u>

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Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Risk Management Fund - This fund is used to account for the City's risk management program which administers employee benefits and the Internal Service Funds insurance programs.

General Insurance Fund - This fund is used to account for city-wide safety programs, employee assistance programs, unemployment claims, biennial physical exams, and insurance for property, fine arts, and reimbursable damages.

Workers Compensation Fund - This fund is used to account for the City's self-insured workers compensation program.

General Liability Fund - This fund is used to account for the City's self-insured general liability insurance program.

Fleet Maintenance Fund - This fund is used to account for the inspection, maintenance, and repair of all the City's vehicles and equipment.

City of Salinas
Combining Statement of Net Position
All Internal Service Funds
June 30, 2022

	Risk Management	General Insurance	Workers Compensation	General Liability	Fleet Maintenance	Total
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 1,944,407	\$ 1,858,885	\$ 8,420,733	\$ 1,504,424	\$10,263,947	\$23,992,396
Due from other funds	-	-	16,831,462	-	-	16,831,462
Accrued interest	-	-	14,453	2,585	-	17,038
Total current assets	1,944,407	1,858,885	25,266,648	1,507,009	10,263,947	40,840,896
Noncurrent assets:						
Restricted cash and investments	-	-	274,506	116,394	-	390,900
Total noncurrent assets	-	-	274,506	116,394	-	390,900
Total assets	1,944,407	1,858,885	25,541,154	1,623,403	10,263,947	41,231,796
DEFERRED OUTFLOWS OF RESOURCES						
Related to pensions	-	-	21,962	43,985	175,819	241,766
Related to OPEB	-	-	10,585	26,407	51,656	88,648
Total deferred outflows of resources	-	-	32,547	70,392	227,475	330,414
LIABILITIES						
Current liabilities:						
Accounts payable	-	49,804	26,159	8,105	78,869	162,937
Insurance claims payable - due within one year	-	-	4,420,503	3,069,479	-	7,489,982
Compensated absences - due within one year	-	-	2,030	2,030	22,078	26,138
Total current liabilities	-	49,804	4,448,692	3,079,614	100,947	7,679,057
Noncurrent liabilities:						
Insurance claims payable - due in more than one year	-	-	20,891,012	1,270,716	-	22,161,728
Compensated absences - due in more than one year	-	-	8,119	8,119	88,310	104,548
Net pension liability	-	-	63,299	126,770	506,734	696,803
Net OPEB liability	-	-	32,752	81,709	159,836	274,297
Total noncurrent liabilities	-	-	20,995,182	1,487,314	754,880	23,237,376
Total liabilities	-	49,804	25,443,874	4,566,928	855,827	30,916,433
DEFERRED INFLOWS OF RESOURCES						
Related to pensions	-	-	42,107	84,328	337,084	463,519
Related to OPEB	-	-	22,690	56,607	110,733	190,030
Total deferred inflows of resources	-	-	64,797	140,935	447,817	653,549
NET POSITION						
Unrestricted (deficit)	1,944,407	1,809,081	65,030	(3,014,068)	9,187,778	9,992,228
Total net position	\$ 1,944,407	\$ 1,809,081	\$ 65,030	\$ (3,014,068)	\$ 9,187,778	\$ 9,992,228

City of Salinas
Combining Statement of Revenues, Expenses, and Changes in Net Position
All Internal Service Funds
For the Year Ended June 30, 2022

	Risk Management	General Insurance	Workers Compensation	General Liability	Fleet Maintenance	Total
OPERATING REVENUES:						
Charges for services	\$ 2,040	\$ 790,495	\$ 5,274,068	\$ 1,253,522	\$ -	\$ 7,320,125
Total operating revenues	<u>2,040</u>	<u>790,495</u>	<u>5,274,068</u>	<u>1,253,522</u>	<u>-</u>	<u>7,320,125</u>
OPERATING EXPENSES:						
Personnel services	-	-	393,309	452,286	1,151,945	1,997,540
Contractual services	-	19,898	5,000	-	119,404	144,302
Supplies	-	-	-	-	752,570	752,570
Insurance	-	1,657,149	413,210	3,386,547	-	5,456,906
Insurance claims	-	-	4,206,440	1,182,495	-	5,388,935
Other	149	120,250	-	-	19,700	140,099
Total operating expenses	<u>149</u>	<u>1,797,297</u>	<u>5,017,959</u>	<u>5,021,328</u>	<u>2,043,619</u>	<u>13,880,352</u>
OPERATING INCOME (LOSS)	<u>1,891</u>	<u>(1,006,802)</u>	<u>256,109</u>	<u>(3,767,806)</u>	<u>(2,043,619)</u>	<u>(6,560,227)</u>
NONOPERATING REVENUES (EXPENSES):						
Investment income (loss)	-	-	(97,269)	(24,944)	-	(122,213)
Total nonoperating revenues (expenses)	<u>-</u>	<u>-</u>	<u>(97,269)</u>	<u>(24,944)</u>	<u>-</u>	<u>(122,213)</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>1,891</u>	<u>(1,006,802)</u>	<u>158,840</u>	<u>(3,792,750)</u>	<u>(2,043,619)</u>	<u>(6,682,440)</u>
TRANSFERS:						
Transfers in	-	-	-	1,661,300	11,120,000	12,781,300
Transfers out	-	-	-	-	-	-
Total transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,661,300</u>	<u>11,120,000</u>	<u>12,781,300</u>
Changes in net position	<u>1,891</u>	<u>(1,006,802)</u>	<u>158,840</u>	<u>(2,131,450)</u>	<u>9,076,381</u>	<u>6,098,860</u>
NET POSITION (DEFICIT):						
Beginning of year	1,942,516	2,815,883	(93,810)	(882,618)	111,397	3,893,368
End of year	<u>\$ 1,944,407</u>	<u>\$ 1,809,081</u>	<u>\$ 65,030</u>	<u>\$ (3,014,068)</u>	<u>\$ 9,187,778</u>	<u>\$ 9,992,228</u>

City of Salinas
Combining Statement of Cash Flows
All Internal Service Funds
For the Year Ended June 30, 2022

	Risk Management	General Insurance	Workers Compensation	General Liability	Fleet Maintenance	Total
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts from customers	\$ 2,040	\$ 790,495	\$ 9,694,571	\$ 4,323,001	\$ -	\$14,810,107
Payments to suppliers for goods and services	-	(1,650,612)	13,854	(9,029)	(876,311)	(2,522,098)
Payments to employees for services	-	-	(390,691)	(454,219)	(1,095,124)	(1,940,034)
Payments to claimants	-	-	(8,602,579)	(6,456,026)	-	(15,058,605)
Other	(149)	(120,250)	-	-	(19,700)	(140,099)
Net cash provided by (used in) operating activities	1,891	(980,367)	715,155	(2,596,273)	(1,991,135)	(4,850,729)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Transfers from other funds	-	-	-	1,661,300	11,120,000	12,781,300
Net cash provided by noncapital financing activities	-	-	-	1,661,300	11,120,000	12,781,300
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Payment on capital debt and loans payable	-	-	(3,723)	(38,665)	(98,835)	(141,223)
Net cash (used in) capital and related financing activities	-	-	(3,723)	(38,665)	(98,835)	(141,223)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Investment income (loss)	-	-	(106,192)	(25,567)	-	(131,759)
Net cash provided by investing activities	-	-	(106,192)	(25,567)	-	(131,759)
Net change in cash and cash equivalents	1,891	(980,367)	605,240	(999,205)	9,030,030	7,657,589
CASH AND CASH EQUIVALENTS:						
Beginning of year	1,942,516	2,839,252	8,089,999	2,620,023	1,233,917	16,725,707
End of year	<u>\$ 1,944,407</u>	<u>\$ 1,858,885</u>	<u>\$ 8,695,239</u>	<u>\$ 1,620,818</u>	<u>\$10,263,947</u>	<u>\$24,383,296</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION:						
Cash and cash investments	\$ 1,944,407	\$ 1,858,885	\$ 8,420,733	\$ 1,504,424	\$10,263,947	\$23,992,396
Restricted cash and investments	-	-	274,506	116,394	-	390,900
Total cash and cash equivalents	<u>\$ 1,944,407</u>	<u>\$ 1,858,885</u>	<u>\$ 8,695,239</u>	<u>\$ 1,620,818</u>	<u>\$10,263,947</u>	<u>\$24,383,296</u>

City of Salinas
Combining Statement of Cash Flows (Continued)
All Internal Service Funds
For the Year Ended June 30, 2022

	Risk Management	General Insurance	Workers Compensation	General Liability	Fleet Maintenance	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:						
Operating income (loss)	\$ 1,891	\$ (1,006,802)	\$ 256,109	\$ (3,767,806)	\$ (2,043,619)	\$ (6,560,227)
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities:						
Changes in operating assets and liabilities, and deferred outflows and inflows of resources:						
Deferred outflows - related to pensions	-	-	7,923	14,977	60,835	83,735
Deferred outflows - related to OPEB	-	-	1,536	3,815	7,445	12,796
Accounts payable	-	26,435	18,854	(9,029)	(4,337)	31,923
Accrued liabilities	-	-	-	-	-	-
Deposits payable	-	-	4,420,503	3,069,479	-	7,489,982
Unearned revenue	-	-	-	-	-	-
Insurance claims payable	-	-	(3,982,929)	(1,886,984)	-	(5,869,913)
Compensated absences	-	-	10,149	10,149	110,388	130,686
Net pension liability	-	-	(56,995)	(110,566)	(445,863)	(613,424)
Net OPEB liability	-	-	(14,835)	(36,941)	(72,190)	(123,966)
Deferred inflows - related to pensions	-	-	41,099	82,340	329,108	452,547
Deferred inflows - related to OPEB	-	-	13,741	34,293	67,098	115,132
Total adjustments	-	26,435	459,046	1,171,533	52,484	1,709,498
Net cash provided by (used in) operating activities	\$ 1,891	\$ (980,367)	\$ 715,155	\$ (2,596,273)	\$ (1,991,135)	\$ (4,850,729)

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Fiduciary Funds

PRIVATE PURPOSE TRUST FUNDS

The private-purpose trust funds accounts for assets and activities of the dissolved Redevelopment Agency, which is accounted for in the Successor Agency Trust, and other trust arrangement not otherwise reported in a pension trust.

Successor Agency Redevelopment Obligation Retirement Fund - This fund accounts for all the financial activities of the Redevelopment Obligation Retirement Fund (RORF) related to the former Redevelopment Project Area in accordance with AB 1x26 and AB 1484 which unwind the Redevelopment Agency of the City of Salinas.

Successor Agency Administration – This fund accounts for the administrative activities of the Successor Agency to the former Salinas Redevelopment Agency which was dissolved on February 1, 2012 in accordance with AB 1x26 (enacted June 28, 2011).

Other Private Purpose Trust Funds – These funds are used to account for other trust arrangements not properly reported in a pension trust fund under which principal and income benefit individuals, private organizations, or other governments. The City accounts for the following trust funds: Community Center, Monterey Regional Water Pollution Control Agency (MRWPCA) Fees, Sales Tax, Payroll Taxes, Developer Deposits, Evidence Room, Construction Bonds, Monterey County Tourism Improvement District, Leadership Salinas, and miscellaneous.

City of Salinas
Combining Statement of Fiduciary Net Position
Private Purpose Trust Funds
June 30, 2022

	Successor Agency Trust				
	Redevelopment Obligation Retirement Fund	Administration	Total Successor Agency Trust	Other Private Purpose Trust Fund	Total Private Purpose Trust Funds
ASSETS					
Cash and investments	\$ 3,071,482	\$ 19,334	\$ 3,090,816	\$ 977,089	\$ 4,067,905
Cash and investments held by fiscal agent	1,706,907	-	1,706,907	-	1,706,907
Receivables:					
Accounts	-	-	-	7,673	7,673
Interest	3,968	-	3,968	-	3,968
Loans and notes	173,900	-	173,900	-	173,900
Total assets	4,956,257	19,334	4,975,591	984,762	5,960,353
LIABILITIES					
Accounts payable	-	76	76	93,393	93,469
Interest payable	709,247	-	709,247	-	709,247
Deposits payable	-	-	-	140,297	140,297
Unearned revenue	2,174,914	10,000	2,184,914	-	2,184,914
Long-term debt:					
Due in one year	296,133	-	296,133	-	296,133
Due in more than one year	1,499,665	-	1,499,665	-	1,499,665
Total liabilities	4,679,959	10,076	4,690,035	233,690	4,923,725
NET POSITION (DEFICIT)					
Restricted for individuals and organizations	276,298	9,258	285,556	751,072	1,036,628
Total net position (deficit)	\$ 276,298	\$ 9,258	\$ 285,556	\$ 751,072	\$ 1,036,628

City of Salinas
Combining Statement of Changes in Fiduciary Net Position
Private Purpose Trust Funds
For the Year Ended June 30, 2022

	Successor Agency Trust			Other Private Purpose Trust Fund	Total Private Purpose Trust Funds
	Redevelopment Obligation Retirement Fund	Administration	Total Successor Agency Trust		
ADDITIONS:					
Taxes	\$ 4,953,103	\$ 10,000	\$ 4,963,103	\$ -	\$ 4,963,103
Private contributions	-	-	-	1,350,551	1,350,551
Interest	40,920	-	40,920	-	40,920
Total additions	4,994,023	10,000	5,004,023	1,350,551	6,354,574
DEDUCTIONS:					
Expenses	1,292,273	1,363	1,293,636	51,424	1,345,060
Payments on behalf of trustees	-	3,911	3,911	1,396,955	1,400,866
Contributions to other agencies	2,421,954	-	2,421,954	-	2,421,954
Payments to City	951,900	-	951,900	-	951,900
Total deductions	4,666,127	5,274	4,671,401	1,448,379	6,119,780
Change in net position	327,896	4,726	332,622	(97,828)	234,794
NET POSITION (DEFICIT):					
Beginning of year, as restated (Note 23)	(51,598)	4,532	(47,066)	848,900	801,834
End of period	<u>\$ 276,298</u>	<u>\$ 9,258</u>	<u>\$ 285,556</u>	<u>\$ 751,072</u>	<u>\$ 1,036,628</u>

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Fiduciary Funds

Custodial Funds

Custodial Funds are used to account for assets held by the City as an agent for individuals, private organizations, other governments and/or other funds. Agency Funds operate as a clearing mechanism. Cash resources are collected, held for a brief period and then distributed to the proper recipients. The City has a fiduciary responsibility for the assets, which it does not own outright.

SUBA Business Improvement District Fund - This fund accounts for the business license surcharged assessment imposed on Alisal businesses, and are used to promote and revitalize the business district. Expenditures are determined by the districts' Board of Directors and approved by the City Council.

Flexible Spending - This fund is used to account for revenues resulting of employee concessions contributions used to reduce the cost of medical, vision and dental health insurance premiums.

Cafeteria Plan - This fund is used to account for the City's Cafeteria Plan for unreimbursed medical and dependent care payments (Flexible Spending Account) operated under Section 125 of the Internal Revenue Code. Pre-tax monies are deducted from employees in accordance with their Salary Redirection Agreements and used to reimburse employees for qualified unreimbursed medical and dependent care expenses after obtaining approval from the City's cafeteria plan administrator.

Downtown Community Benefit District - This fund accounts for the property assessment generated revenues imposed on the Downtown Community Benefit District. The concept is that eventually the Downtown Community Benefit District will grow and receive revenues from multiple sources within a defined boundary that can among other things, including entrepreneurial activities, special mandate, are not be excluded, and no exemptions for not-for-profit entities are being considered. It can be governed by a 501(c)3 non-profit corporation, merging the existing energies in Downtown into just one organization, rather than the 501(c)6 BID and the OSA Foundation. It can receive grants and donations, and merge these with more assessments that are powerful.

City of Salinas
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2022

	SUBA Business Improvement District	Flexible Spending	Cafeteria Plan	Downtown Community Benefit District	Total Custodial Funds
ASSETS					
Cash and investments	\$ 548	\$ 75,228	\$ -	\$ 11,945	\$ 87,721
Cash and investments held by fiscal agent	-	77,059	-	-	77,059
Total assets	<u>548</u>	<u>152,287</u>	<u>-</u>	<u>11,945</u>	<u>164,780</u>
LIABILITIES					
Accounts payable	-	130,823	-	11,945	142,768
Total liabilities	<u>-</u>	<u>130,823</u>	<u>-</u>	<u>11,945</u>	<u>142,768</u>
NET POSITION (DEFICIT)					
Restricted for individuals and organizations	548	21,464	-	-	22,012
Total net position (deficit)	<u>\$ 548</u>	<u>\$ 21,464</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,012</u>

City of Salinas
Combining Statement of Changes of Fiduciary Net Position
Custodial Funds
June 30, 2022

	SUBA Business Improvement District	Flexible Spending	Cafeteria Plan	Downtown Community Benefit District	Total Custodial Funds
ADDITIONS:					
Taxes	\$ 30	\$ -	\$ -	\$ 459,914	\$ 459,944
Plan member contributions	-	296,149	-	-	296,149
Total additions	<u>30</u>	<u>296,149</u>	<u>-</u>	<u>459,914</u>	<u>756,093</u>
DEDUCTIONS:					
Expenses	-	275,849	1	-	275,850
Benefit payments	-	75,890	-	-	75,890
Assessments disbursed to other governments	-	-	-	459,914	459,914
Total deductions	<u>-</u>	<u>351,739</u>	<u>1</u>	<u>459,914</u>	<u>811,654</u>
Change in net position	30	(55,590)	(1)	-	(55,561)
NET POSITION (DEFICIT):					
Beginning of year	518	77,054	1	-	77,573
End of period	<u>\$ 548</u>	<u>\$ 21,464</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,012</u>

City of Salinas
Combining Balance Sheet
General, Measure E, & Measure G Funds
June 30, 2022

	General Fund	Measure E Fund	Measure G Fund	Total
ASSETS				
Cash and investments	\$ 27,936,778	\$ 11,918,925	\$ 21,738,324	\$ 61,594,027
Receivables, net:				
Accounts	504,234	120	-	504,354
Taxes	10,616,463	2,928,655	5,892,370	19,437,488
Interest	168,968	19,332	35,532	223,832
Due from outside agencies	75,000	-	-	75,000
Leases	2,004,626	-	-	2,004,626
Due from other funds	8,106,123	-	-	8,106,123
Advances to other funds	2,785,000	-	-	2,785,000
Total assets	\$ 52,197,192	\$ 14,867,032	\$ 27,666,226	\$ 94,730,450
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 4,377,959	\$ 492,242	\$ 683,169	\$ 5,553,370
Due to other funds	16,995,329	-	175,797	17,171,126
Deposits payable	46,281	-	-	46,281
Total liabilities	21,419,569	492,242	858,966	22,770,777
DEFERRED INFLOWS OF RESOURCES				
Related to leases	1,975,003	-	-	1,975,003
Total deferred inflows of resources	1,975,003	-	-	1,975,003
Fund Balances:				
Nonspendable	2,785,000	-	-	2,785,000
Restricted	6,000,000	-	-	6,000,000
Committed	20,960,197	9,205,721	6,199,405	36,365,323
Assigned	7,321,952	863,153	7,081,699	15,266,804
Unassigned	(8,264,529)	4,305,916	13,526,156	9,567,543
Total fund balances	28,802,620	14,374,790	26,807,260	69,984,670
Total liabilities, deferred inflows of resources, and fund balances	\$ 52,197,192	\$ 14,867,032	\$ 27,666,226	\$ 94,730,450

City of Salinas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
General, Measure E, & Measure G Funds
For the Year Ended June 30, 2022

	General Fund	Measure E Fund	Measure G Fund	Intrafund Eliminations	Total
REVENUES:					
Taxes	\$ 95,276,944	\$ 16,816,255	\$ 33,742,675	\$ -	\$ 145,835,874
Taxes - special assessments	-	-	-	-	-
Licenses and permits	11,477,723	-	-	-	11,477,723
Intergovernmental	1,301,666	-	-	-	1,301,666
Charges for services	5,233,403	-	-	-	5,233,403
Interest (loss)	(1,038,960)	(116,298)	(250,845)	-	(1,406,103)
Rental income	325,113	-	-	-	325,113
Fines and forfeitures	426,149	-	-	-	426,149
Miscellaneous	1,014,336	240	-	-	1,014,576
Total revenues	114,016,374	16,700,197	33,491,830	-	164,208,401
EXPENDITURES:					
Current:					
General government	15,168,042	518,166	1,506,221	-	17,192,429
Public safety	65,247,274	4,515,778	12,693,035	-	82,456,087
Public works	11,768,225	258,132	850,691	-	12,877,048
Recreation	2,550,067	2,007,836	1,020,292	-	5,578,195
Library	-	4,401,235	-	-	4,401,235
Capital outlay	362,275	-	80,448	-	442,723
Debt service:					
Principal	655,441	-	-	-	655,441
Interest and fiscal charges	217,285	-	-	-	217,285
Total expenditures	95,968,609	11,701,147	16,150,687	-	123,820,443
REVENUES OVER (UNDER) EXPENDITURES	18,047,765	4,999,050	17,341,143	-	40,387,958
OTHER FINANCING SOURCES (USES):					
Proceeds from sale of capital assets	1	-	-	-	1
Transfers in	6,188,719	700,000	-	(4,909,620)	1,979,099
Transfers out	(22,176,636)	(925,247)	(16,689,403)	4,909,620	(34,881,666)
Total other financing sources (uses)	(15,987,916)	(225,247)	(16,689,403)	-	(32,902,566)
NET CHANGE IN FUND BALANCES	2,059,849	4,773,803	651,740	-	7,485,392
FUND BALANCES:					
Beginning of year, as previously reported	28,739,032	9,600,987	26,155,520	-	64,495,539
Prior period adjustment (Note 23)	(1,996,261)	-	-	-	(1,996,261)
Beginning of year, as adjusted	26,742,771	9,600,987	26,155,520	-	62,499,278
End of year	<u>\$ 28,802,620</u>	<u>\$ 14,374,790</u>	<u>\$ 26,807,260</u>	<u>\$ -</u>	<u>\$ 69,984,670</u>

City of Salinas
Budgetary Comparison Schedule
Measure E
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable/ (Unfavorable)
REVENUES:				
Taxes	\$ 14,190,000	\$ 14,190,000	\$ 16,816,255	\$ 2,626,255
Interest	40,000	40,000	(116,298)	(156,298)
Miscellaneous	-	-	240	240
total revenues	14,230,000	14,230,000	16,700,197	2,470,197
EXPENDITURES:				
Current:				
General government	525,661	527,130	518,166	8,964
Public safety	4,575,478	4,700,737	4,515,778	184,959
Public works	357,212	358,712	258,132	100,580
Recreation	2,240,785	2,288,728	2,007,836	280,892
Library	5,624,242	5,624,241	4,401,235	1,223,006
Capital outlay	-	-	-	-
Total expenditures	13,323,378	13,499,548	11,701,147	1,798,401
REVENUES OVER (UNDER) EXPENDITURES	906,622	730,452	4,999,050	671,796
OTHER FINANCING SOURCES (USES):				
Transfers in	700,000	700,000	700,000	-
Transfers out	(1,762,000)	(2,143,542)	(925,247)	(1,218,295)
Total other financing sources (uses)	(1,062,000)	(1,443,542)	(225,247)	(1,218,295)
Net change in fund balance	\$ (155,378)	\$ (713,090)	4,773,803	\$ 5,486,893
FUND BALANCE:				
Beginning of year			9,600,987	
End of year			<u>\$ 14,374,790</u>	

City of Salinas
Budgetary Comparison Schedule
Measure G
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable/ (Unfavorable)
REVENUES:				
Taxes	\$ 27,865,000	\$ 27,865,000	\$ 33,742,675	\$ 5,877,675
Interest	130,000	130,000	(250,845)	(380,845)
total revenues	27,995,000	27,995,000	33,491,830	5,496,830
EXPENDITURES:				
Current:				
General government	1,400,197	1,406,192	1,506,221	(100,029)
Public safety	11,928,136	11,985,191	12,693,035	(707,844)
Public works	947,755	1,033,527	850,691	182,836
Recreation	1,383,971	1,383,971	1,020,292	363,679
Capital outlay	30,000	30,500	80,448	30,500
Total expenditures	15,690,059	15,839,381	16,150,687	(230,858)
REVENUES OVER (UNDER) EXPENDITURES	12,304,941	12,155,619	17,341,143	5,727,688
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(12,959,415)	(26,504,311)	(16,689,403)	(9,814,908)
Total other financing sources (uses)	(12,959,415)	(26,504,311)	(16,689,403)	(9,814,908)
Net change in fund balance	\$ (654,474)	\$ (14,348,692)	651,740	\$ 15,000,432
FUND BALANCE:				
Beginning of year			26,155,520	
End of year			<u>\$ 26,807,260</u>	

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OTHER INFORMATION

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City of Salinas
Other Information (Unaudited)
Claims Development
Internal Service Funds - General Liability Insurance
Last Ten Fiscal Years

	2013	2014	2015	2016	2017
Net earned required contribution and investment revenues	\$ 952,735	\$ 971,785	\$ 1,892,297	\$ 1,019,378	\$ 1,074,526
Unallocated expenses	338,630	353,537	334,291	339,171	314,127
Estimated incurred claims and expenses, end of policy year	522,131	161,668	965,536	534,565	36,271
Paid claims as of:					
End of policy year	30,214	18,140	55,188	116,262	15,603
One year later	172,798	635,352	282,538	20,991	227,379
Two years later	375,290	842,560	570,687	64,153	846,232
Three years later	1,021,746	1,345,021	679,871	65,043	947,734
Four years later	1,133,620	1,635,636	732,404	66,412	1,019,825
Five years later	1,135,208	1,676,450	779,178	835,586	1,721,882
Six years later	1,217,035	1,926,852	788,081	588,263	
Seven years later	1,332,414	1,926,852	1,195,953		
Eight years later	1,375,687	1,549,519			
Nine years later	1,400,748				
Reestimated incurred claims and expenses:					
End of policy year	522,131	161,668	965,536	234,565	36,271
One year later	638,797	2,233,535	1,390,213	194,433	357,416
Two years later	1,085,173	2,280,849	1,554,039	79,955	1,714,261
Three years later	1,046,887	1,960,665	730,656	94,678	949,419
Four years later	1,549,402	1,748,340	1,296,507	80,580	1,041,511
Five years later	1,697,321	1,742,087	1,091,507	835,586	-
Six years later	9,802,320	1,930,214	1,121,507	-	
Seven years later	5,399,014	1,926,852	-		
Eight years later	1,399,014	-			
Nine years later	-				
Increase/(decrease) in estimated incurred claims and expenses	876,883	1,765,184	155,971	601,021	1,005,241

City of Salinas
Other Information (Unaudited)
Claims Development
Internal Service Funds - General Liability Insurance (Continued)
Last Ten Fiscal Years

	2018	2019	2020	2021	2022
Net earned required contribution and investment revenues	\$ 863,563	\$ 342,324	\$ 263,104	\$ 276,393	\$ 276,393
Unallocated expenses	374,303	651,645	748,046	1,090,415	1,090,415
Estimated incurred claims and expenses, end of policy year	7,532	892,986	4,006	53,317	53,317
Paid claims as of:					
End of policy year	6,310	75,401	3,618	2,999	233,121
One year later	22,088	387,594	7,635	33,435	
Two years later	285,818	2,660,599	312,080		
Three years later	340,771	2,723,293			
Four years later	1,072,628				
Five years later					
Six years later					
Seven years later					
Eight years later					
Nine years later					
Reestimated incurred claims and expenses:					
End of policy year	7,532	892,986	4,006	53,317	-
One year later	796,619	1,583,466	42,411	-	
Two years later	327,418	3,952,801	-		
Three years later	666,518	-			
Four years later	-				
Five years later					
Six years later					
Seven years later					
Eight years later					
Nine years later					
Increase/(decrease) in estimated incurred claims and expenses	658,986	3,059,815	38,405	-	-

City of Salinas
Other Information (Unaudited)
Claims Development
Internal Service Funds - Workers Compensation Insurance
Last Ten Fiscal Years

	2013	2014	2015	2016	2017
Net earned required contribution and investment revenues	\$ 7,472,705	\$ 4,377,426	\$ 6,130,921	\$ 13,748,053	\$ 4,743,276
Unallocated expenses	323,122	360,203	335,408	471,472	334,542
Estimated incurred claims and expenses, end of policy year	2,243,630	1,666,909	1,432,032	813,874	953,545
Paid claims as of:					
End of policy year	646,857	950,284	334,257	333,561	357,390
One year later	1,634,364	1,371,978	1,597,521	1,061,264	1,070,983
Two years later	1,959,739	1,927,023	2,162,775	1,602,857	1,997,607
Three years later	2,340,805	2,409,062	2,554,090	1,895,742	2,329,308
Four years later	2,907,257	2,621,000	2,706,246	2,014,757	2,558,332
Five years later	3,137,059	2,699,388	2,878,566	2,044,352	-
Six years later	4,169,602	2,783,374	2,985,635	-	-
Seven years later	4,208,586	3,670,222	-	-	-
Eight years later	4,235,413	-	-	-	-
Nine years later	-	-	-	-	-
Reestimated incurred claims and expenses:					
End of policy year	2,243,630	1,666,909	1,432,032	813,874	953,545
One year later	3,285,111	2,218,693	2,641,671	1,711,199	1,934,390
Two years later	3,764,688	3,204,843	3,520,776	2,433,616	2,924,696
Three years later	4,196,279	3,674,042	3,793,217	2,406,924	2,932,147
Four years later	4,760,993	3,643,183	3,694,285	2,505,621	3,111,763
Five years later	4,849,355	3,745,001	3,718,134	2,618,375	3,804,982
Six years later	5,004,810	4,104,444	3,779,664	2,636,313	-
Seven years later	4,612,669	3,971,493	4,108,102	-	-
Eight years later	4,625,068	4,015,971	-	-	-
Nine years later	4,722,472	-	-	-	-
Increase/(decrease) in estimated incurred claims and expenses	-	-	-	-	-

City of Salinas
Other Information (Unaudited)
Claims Development
Internal Service Funds - General Liability Insurance (Continued)
Last Ten Fiscal Years

	2018	2019	2020	2021	2022
Net earned required contribution and investment revenues	\$ 4,922,253	\$ 6,079,547	\$ 10,151,619	\$ 8,119,793	\$ 5,176,801
Unallocated expenses	1,056,134	210,341	436,618	323,042	216,651
Estimated incurred claims and expenses, end of policy year	1,284,514	1,222,180	1,638,983	4,366,805	2,233,467
Paid claims as of:					
End of policy year	346,475	725,652	567,497	1,420,172	930,895
One year later	1,177,834	1,580,493	1,844,018	2,372,771	
Two years later	1,617,945	1,987,948	-		
Three years later	1,937,327	-			
Four years later	-				
Five years later					
Six years later					
Seven years later					
Eight years later					
Nine years later					
Reestimated incurred claims and expenses:					
End of policy year	1,284,514	1,222,180	1,638,983	4,366,805	2,223,467
One year later	1,833,783	2,488,357	3,759,255	5,391,076	
Two years later	2,290,339	3,269,045	4,558,744		
Three years later	3,249,184	4,060,647			
Four years later	3,195,733				
Five years later					
Six years later					
Seven years later					
Eight years later					
Nine years later					
Increase/(decrease) in estimated incurred claims and expenses	-	-	-	-	-



City of Salinas

200 Lincoln Ave., Salinas,
CA 93901
www.cityofsalinas.org

Legislation Text

File #: ID#23-542, Version: 1

Pavement Restoration: Street Repair Plan

Approve a Resolution establishing the priorities for street spot repairs within each Council District.



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: SEPTEMBER 12, 2023

DEPARTMENT: PUBLIC WORKS

FROM: DAVID JACOBS, P.E., L.S., DIRECTOR

BY: ADRIANA ROBLES, PE, CFM, CITY ENGINEER
ELISE RAMIREZ, PE, SENIOR CIVIL ENGINEER

TITLE: PAVEMENT RESTORATION: STREET REPAIR PLAN

RECOMMENDED MOTION:

Following the receipt of a presentation on Pavement Restoration: Street Repair Plan, it is recommended that the City Council approve a Resolution establishing the priorities for roadway spot repair within each Council District.

EXECUTIVE SUMMARY

Over the last five (5) years, the City of Salinas has experienced a rapid deterioration rate in roadway conditions. The current state of our roadways is the result of lack of pavement restoration projects, insufficient funding allocations, staffing shortages, and recent storms. All of these factors have caused many of the City's roadways to require costly and extensive reconstruction. In 2021, the City's Pavement Management Program estimated the funding required to repair the City's roadways was \$1.3 billion dollars. The recent Winter Storms of 2023 exacerbated the deteriorating pavement conditions as water-penetrating surface cracks caused pavement to break apart, crumble, and pop out, leaving what are commonly known as potholes. Potholes are unsightly, exacerbate roadway deterioration, and at times, dangerous. During the most recent winter months, Public Works maintenance records indicate a total of 12,374 pothole repairs were completed. These maintenance repairs consisted of short term, low-cost repairs consisting of clearing of debris and installing hot mix asphalt or a quick setting equivalent (Granite Patch) inside the pothole cavity. The long-term solution to potholes and poor pavement is roadway reconstruction. Traditional permanent repairs are very costly and consist of grinding out the existing deteriorated pavement, replacing or recompacting the subgrade, and installing new hot mix asphalt.

In an effort to address the City's roadways and mounting resident requests, City Council allocated \$7.8 million dollars of the fiscal year (FY) 2022-2023 carry over fund balance towards pavement repairs for FY 2023-2024. Furthermore, Council requested this one-time allocation be equally divided amongst the Council Districts. Therefore, each District will receive an allocation of \$1.3 million dollars toward permanent pavement repairs.

The Public Works Engineering Division maintains a Pavement Management Program for long term pavement Capital Improvement Projects (CIPs). Given the extensive nature of the pothole

repairs and at the request of Council, Public Works staff performed a full review of the existing pothole repair strategies within the Public Works Maintenance Division. The findings from this internal review are summarized in a Memorandum titled: Pavement Restoration: Pothole Repair Plan (attached), and includes existing strategies, resources, funding, and recommendations.

Staff recommends utilizing the \$7.8 million dollars allocated toward permanent roadway repairs for the streets most recurring within the pothole maintenance records. Furthermore, staff recommends analysis of the six recommendations from the Pavement Restoration: Pothole Repair Plan Memorandum outlined in Section VII of the memorandum for implementation.

BACKGROUND:

Over the last five (5) years, the City of Salinas has experienced a rapid deterioration rate in roadway conditions. The current state of our roadways is the result of lack of pavement restoration projects, insufficient funding allocations, staffing shortages, and recent storms. All of these factors have caused many of the City's roadways to now require costly pavement reconstruction. In acknowledgement of this need, on August 18, 2020, the City Council approved a contract with Pavement Engineering Inc. for pavement condition surveys, updates to the Street Saver Pavement Management Program (PMP) database, and pavement condition reports (Resolution No. 21932). Public Works Engineering staff utilizes the Street Saver PMP for project-level pavement analysis for creation of the annual pavement Capital Improvement Projects (CIPs). The Street Saver PMP is also used as a budgeting and inventory tool, record for work history, and pavement condition tracking tool.

In 2021, the City's Pavement Management Program Update estimated the funding required to repair all the City's roadways was \$1.3 billion dollars. This amount is far from the City's annual allocation toward City roadways CIPs which typically receive approximately \$5-\$6 million dollars total. Although the City maintains these specific funds and taxes dedicated to supporting City streets, the allocations specific to pavement restoration varies. Street CIPs and allocations include a range of street components, pavement restoration being one; however, street lighting, mandated ADA improvements, trees and tree maintenance, sidewalks, traffic signals, signage, traffic calming, striping, etc. all makeup our City's streets projects and funding. Therefore, the funding specifically set aside annually for City streets is not entirely synonymous with pavement restoration or rehabilitation projects. Over time pavement deteriorates. Therefore, constant pavement preventative maintenance projects should be expected, and full reconstruction and pavement life cycles are predictable.

Since the need for roadway reconstruction is so costly and the existing funding allocations insufficient to meet the needs and pavement deterioration rates, the City is ultimately left with two narrow options: (1) to perform mostly surface level preventative maintenance roadway CIPs and (2) to perform short term, pothole repairs along with some reconstruction during the summer months. The latter task performed by the Streets Maintenance Division.

The recent Winter Storms of 2023 exacerbated the deteriorating pavement conditions as water-penetrating surface cracks caused pavement to break apart, crumble, and pop out, leaving potholes. Potholes are unsightly, exacerbate roadway deterioration, and at times, dangerous. Through May 2023, Public Works maintenance records indicate a total of 12,374 pothole repairs were completed.

These maintenance repairs consisted of a short term, low-cost patches which consist of clearing the pothole of debris and installing hot mix asphalt or a quick setting equivalent (Granite Patch).

In an effort to alleviate the City's roadways condition and mounting resident requests, City Council allocated \$7.8 million dollars of the fiscal year (FY) 2022-2023 carry over fund balance towards pavement repairs for FY 2023-2024. Furthermore, Council requested this allocation be equally divided amongst the Council Districts, leaving an estimated \$1.3 million dollars per District.

It is estimated arterial roadways within the City's respective Districts require a minimum of \$4-\$5 million dollars (for full reconstruction) per one mile of roadway¹. The funding allocation (\$1.3 million per district) does not allow staff to address any single full reconstruction arterial project. Therefore, staff is recommending the \$1.3 million dollars allocated per district be utilized towards more permanent roadway spot repairs of streets most recurring within the pothole maintenance records of 2023. This approach would allow multiple deep patch repairs at the most recurring pothole locations and streets found within the maintenance records of 2023. In an effort to formulate the pavement restoration strategy, staff met with Councilmembers from each of the six districts. The table below is based on pothole repair logs or Council requests.

Table 1: Priority Roadway Spot Repair Streets by Council District

Council District	Ranking	Roadway	Roadway Selection By:
1	1	Garner Ave	Councilmember
	2	Mae Ave	
	3	Old Stage Rd	
2	1	Skyway Blvd/Airport Blvd	Collected Data
	2	S Hebbbron Ave	
	3	Beech St	
3	1	*Abbott St	Councilmember
	2	Riker St	
	3	La Mesa Dr	
4	1	Tampico Ave	Councilmember
	2	Rosarita Dr	
	3	Pacheco St	
5	1	N 1 st St	Councilmember
	2	Adams St	
	3	West Curtis	
6	1	*Independence Blvd	Councilmember
	2		
	3		

* Roadway is primary candidate for a full pavement restoration project within the long-term Pavement Management Plan.

¹ Estimate based on an interpolation of pricing for the 2023 Pavement Project for a four-lane roadway.

The plan for is to do patch repairs on the priority streets based on the order of the list addressing the needed repairs based on the funding allocated.

Staff recommends approval of the priority streets for use of the \$1.3 million dollars allocated from the FY 2022-2023 carry-over fund balance.

It is important to note some streets that also appeared on the Pothole Repair Data Logs were: San Juan Grade Rd, Eucalyptus Dr, E Boronda Rd (between N Main and San Juan Grade Rd), E Boronda Rd (between Williams and N Sanborn Rd), and El Dorado Dr (between E Boronda Rd and Harden Parkway) are all part of either the 2023 Pavement Project currently under construction or have been reconstructed by the Public Works Maintenance Division, therefore were not included in the recommended list.

At the request of Council, Public Works staff conducted a full review of the existing pothole repair practices within the Public Works Maintenance Division. The findings from this internal review are summarized in the Pavement Restoration: Pothole Repair Plan (attached), and include existing strategies, resources, funding, and recommendations. Staff recommends consideration of the six recommendations presented in Section VII of the Pavement Restoration: Pothole Repair Plan Memorandum for implementation. Implementation of these strategies will allow street maintenance crews more time to address pavement maintenance.

In the coming months, staff will bring forth a long-term pavement rehabilitation plan with policy to address the long-term strategies and data driven selection of streets based on pavement deterioration rates and annual funding allocations.

CEQA CONSIDERATION:

Not a Project. The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

STRATEGIC PLAN INITIATIVE:

This project relates to the Council's Goals of Infrastructure and Environmental Sustainability and Public Safety by maintaining the City's existing roadways.

DEPARTMENTAL COORDINATION:

The Public Works Department worked between its Engineering Division and Street Maintenance Division to assess the pothole strategies and prepare the Pothole Repair Plan Memorandum.

FISCAL AND SUSTAINABILITY IMPACT:

Request \$7.8 million of the carryover fund be transferred to CIP 9981 Pavement Improvements. There is no immediate fiscal impact associated with the approval of street prioritization within each district. Costs associated with the construction for implementation of the pothole repair plan will be realized on a project basis and compensated using the CIP 9981 fund after transfer.

ATTACHMENTS:

Resolution

Memorandum: Pavement Restoration: Pothole Repair Plan

Presentation: Pavement Restoration: Roadway Repair Plan

RESOLUTION NO. _____ (N.C.S)

**A RESOLUTION APPROVING A STREET PRIORITIZATION LIST FOR
PERMANENT SPOT ROADWAY REPAIRS WITHIN EACH COUNCIL DISTRICT**

WHEREAS, over the last five years, the City of Salinas has experienced a rapid deterioration rate in roadway conditions; and

WHEREAS, the current state of our roadways is the result of lack of pavement restoration projects, insufficient funding allocations, staffing shortages, and recent storms; all of which have caused many of the City's roadways to require costly pavement reconstruction; and

WHEREAS, in 2021, the City's Pavement Management Program Update estimated the funding required to repair all the City's roadways was \$1.3 billion dollars; and

WHEREAS, the City's annual allocation toward City street projects varies annually between approximately five to six million dollars and these allocations include all street components including lighting, trees, ADA improvements, sidewalks, traffic signals, striping, signage, traffic calming and pavement restoration; and

WHEREAS, the need for roadway reconstruction is costly and the existing funding allocations insufficient to meet the needs or pavement deterioration rates; and

WHEREAS, the recent Winter Storms of 2023 exacerbated the deteriorating pavement conditions as water-penetrating surface cracks caused pavements to break apart, crumble, and pop out, leaving potholes; and

WHEREAS, Council allocated \$7.8 million dollars of the Fiscal Year (FY) 2022-2023 carry over fund balance towards pavement repairs for FY 2023-2024; and

WHEREAS, Council requested this allocation be equally divided amongst the Council Districts, leaving an estimated \$1.3 million dollars per District; and

WHEREAS, staff recommends the \$1.3 million dollars allocated per District from the carry over fund balance be utilized toward permanent roadway patch repair for the streets most recurring within the pothole maintenance records of 2023.

NOW, THEREFORE, BE IT RESOLVED that the Salinas City Council approves the priority street list for permanent spot roadway repairs within each District as shown on the attached list.

PASSED AND APPROVED this 12nd day of September 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Kimbley Craig, Mayor

ATTEST:

Patricia M. Barajas, City Clerk



City of Salinas

PUBLIC WORKS DEPARTMENT • 200 Lincoln Avenue • Salinas, California 93901

Phone: (831) 758-7241 • www.cityofsalinas.org

Memorandum

To: Steve Carrigan, City Manager

From: Adriana Robles, PE, CFM, City Engineer

Date: July 31, 2023

RE.: Pavement Restoration: Pothole Repair Plan

Pavement Restoration: Pothole Repair Plan

I. Potholes and why do they occur?

Potholes are pavement failures that create depressions in the pavement. Potholes begin through cracks in the pavement. Cracks allow water to seep into the roadway. This water creates pockets in the base and subbase layers of the pavement. As temperatures fluctuate, the water expands and contracts weakening the pavement layers. This allows the stress caused by traffic loads to break apart pavement. During the months of December 2022 and March 2023, the City of Salinas experienced the highest rainfall over the past five years, with a total recorded rainfall of 12.7 inches. This rainfall compounded with low temperatures¹ allowed for more pavement failures and potholes to occur.

On March 16, 2021, the Salinas City Council was presented the Pavement Management System Update and Pavement Conditions Report. The City of Salinas' overall average pavement condition index was 55, or poor, based on pavement conditions observed in 2020. The report highlighted deferred maintenance and lack of funding for pavement maintenance.

Given the overall pavement conditions, the unprecedented rainfall, and the low temperatures experienced this winter, the creation and multiplication of potholes was inevitable. To date staff has repaired 12,374 potholes for 2023, compared to 3,912 potholes in 2022 and 5,017 potholes in 2021.

II. Current pavement restoration strategies

Potholes are repaired as part of the maintenance functions of the Streets Maintenance Division of Public Works. Using the Q-Alert system, maintenance staff respond to pothole locations, placing either Granite patch or hot mix asphalt, an industry standard, to repair the pothole. Staffing the Streets Division has been a challenge. Vacancy in the division has led to incomplete crews and the inability to expand work capabilities. Currently, the single crew will divide their workweek schedule between assisting contractors of the 50-50 sidewalk repair program with asphalt patching, pothole repair (Q-Alerts), roadway reconstruction, crack sealing, equipment maintenance, assistance with special events, and assistance to other divisions or emergency responses. Pavement preservation has been the task of Engineering (CIP) Division of Public Works. Preservation has taken the form of slurry sealing, chip sealing and reconstruction.

Currently, Streets Maintenance has begun reconstruction of some of the lowest rated residential streets. By focusing on residential streets, pavement reconstruction can be more efficient as this requires less traffic control, and the crew can work with fewer disruptions.

Maintenance, rehabilitation, and preservation of pavements is generally funded by SB1, Measure X and gas tax. These funds also fund other functions and programs of the City of Salinas.

III. Pavement Restoration Plan - Resources

In order to develop a pavement restoration plan that will work consistently given the staffing fluctuations, the Public Works department must seek alternative strategies to current division functions. This must begin by focusing the effort of the Streets Maintenance staff to street maintenance.

During FY2022-2023, a total of 28 50-50 sidewalk repair permits were issued. Many of which requiring assistance from the streets crew to patch asphalt following sidewalk, driveway, and curb repairs. A typical asphalt patch (~20-ft) would take the streets crew up to four hours to replace. As part of a review of the 50-50 sidewalk repair program, patching of the roadway (tie-ins) following repairs should be placed on the contractor conducting the work.

Also in FY2022-2023, the streets crew provided assistance to 26 special events. This assistance at times required multiple days to set up and break down traffic control, signage, or roadway closures. Together the streets crew dedicated approximately 3-4 weeks of work to special events. In order to relieve the maintenance crew of special events responsibilities, event organizers should be required to provide their own traffic control or funding needs to be appropriately allocated to contract the traffic control of special events to an on-call contractor.

Street maintenance crews also assist in installation of traffic calming measures and street signage installations requested by the Traffic Division.

IV. Pavement Restoration Plan – Funding

Current pavement conditions have allowed for an influx of funding not previously allocated to pavement. \$1M to the Streets Division and \$3M to the CIP Division were appropriated for pavement from the ARPA funds. Additionally, \$7.8M of unspent FY2022-2023 General Funds were appropriated to pavement restoration. This will add to the funds normally appropriated in the CIP budget to the pavement funds (9981 and 9234). Moving forward staff will continue to advocate for additional funding to be dedicated to pavement restoration.

V. Pavement Restoration Plan – Addressing Potholes

As part of this year's appropriation of unspent FY2022-2023 general funds, each council district will receive ~\$1.3M. CIP staff is proposing to maximize the use of these funds by addressing pothole repair. Staff proposes contracting for base repair on the arterials and collectors with the greatest need in each district. In some cases, deviations from this strategy will be made at the request of Councilmembers. Staff will request additional funding in the coming budget year to slurry roadways segments that are receiving base repair as part of the pothole repair.

In the early fall, prior to the start of the rainy season and cooler weather, the streets maintenance crews will dedicate significant effort to crack sealing. A robust and annual survey of all city streets and crack sealing of all cracks would significantly reduce the city's susceptibility to potholes.

In the spring, as weather allows, the streets maintenance crew will dedicate their efforts to pothole repair. Again, a robust and systematic effort to survey all city streets and address all potholes would significantly impact the pavement conditions. This may come in a district-by-district effort that may expand multiple weeks.

VI. Pavement Restoration – Reconstruction/Management

Public Works CIP staff is working with Pavement Engineer Inc. on an update of the Pavement Management System which will provide the current Pavement Condition Index and on a policy for addressing pavement management. The policy will incorporate the need for prioritizing roadway maintenance based on data-driven process, funding options for a sustainable program and the need for addressing utility cuts which weaken roadway pavements (a moratorium).

VII. Pavement Management Plan

As illustrated in the 2021 Pavement Management System Update presentation to Council, full replacement of roadway pavements would require a \$1.3B appropriation. The cost would be reduced with increasing street crew staffing and funding. As neither the required funding nor the staffing can be secured, staff is proposing the following recommendations.

1. Update the 50-50 Sidewalk Repair Program to require contractors to also perform the required asphalt roadway patch required with sidewalk, curb, or driveway improvements.
2. Modify the Special Events program to require applicants to provide the required traffic control or to reimburse the funding of a traffic control contractor managed by the City.
3. Adjust street maintenance crew schedules to focus maintenance efforts on activities which will better serve the city by focusing on crack sealing in the fall and pothole repair in the spring.
4. Continue pavement reconstruction of residential streets by the Streets Division with assistance by on-call contractors, as allowed by funding.
5. Secure adequate funding annually to provide annual pavement preservation projects (slurry seals and chip seals) of roadways based on the prioritization set by the Pavement Management policy.
6. Secure adequate funding annually to address base repairs and reconstruction of arterials and collectors based on the prioritization set by the Pavement Management policy.



Legislation Text

File #: ID#23-553, Version: 1

Ordinance Prohibiting Discrimination on the basis of sexual orientation, gender identity, or gender expression

Consider adopting an Ordinance to add article XIV to Chapter 5 of the Salinas Municipal Code to prohibit discrimination on the basis of sexual orientation, gender identity, or gender expression.



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: September 12, 2023

DEPARTMENT: OFFICE OF THE CITY ATTORNEY

FROM: CHRISTOPHER A. CALLIHAN, CITY ATTORNEY

TITLE: AN ORDINANCE PROHIBITING DISCRIMINATION ON THE BASIS OF SEXUAL ORIENTATION, GENDER IDENTITY, OR GENDER IDENTITY

RECOMMENDATION MOTION:

Consider adopting an ordinance prohibiting discrimination on the basis of sexual orientation, gender identity, and gender expression.

EXECUTIVE SUMMARY:

Council members Rocha and González requested that this ordinance be brought forward for the City Council's consideration.

The City of Salinas is home to people of every sex, race, color, religion, ancestry, national origin, mental or physical disability, sexual orientation, and gender identity. Salinas and the Salinas City Council embrace the dignity, humanity, and individuality of all people and strives to provide a safe and welcoming environment for residents and visitors of every background.

The proposed ordinance updates the Salinas Municipal Code's non-discrimination provisions and makes Salinas consistent with State law. It makes clear that the City of Salinas prohibits discrimination on the basis of a person's gender identity, incorporating and augmenting existing protections under State law.

DISCUSSION:

The City of Salinas is committed to ensuring equal opportunities for all residents, visitors, and employees. From time-to-time it is necessary to update the City's ordinance and policies to ensure they provide for the most-current and most-appropriate protections. In keeping with this commitment, this proposed ordinance incorporates non-discrimination provisions into Salinas's Municipal Code. The proposed ordinance makes Salinas consistent with State law, where State law is stronger. It provides that the City of Salinas prohibits discrimination on the basis of sexual orientation as well as a person's gender identity or gender expression. While both Federal and

State law provide protections against discrimination on these bases, efforts are underway across the country to erode those protections; to enact legislation which takes away protections from discrimination. The proposed ordinance provides an additional layer of protection for Salinas residents, visitors, and employees and makes clear the City Council's commitment to protecting all individuals regardless of their sexual orientation, gender identity, or gender expression.

Several other California cities and counties have adopted similar ordinances including: Oakland, West Hollywood, Cathedral City, Los Angeles, Palm Springs, Sacramento, San Diego, San Francisco, and Santa Cruz County.

CEQA CONSIDERATION:

The City Council's adoption of the proposed ordinance is not a project subject to environmental review under the California Environmental Quality Act (CEQA Guidelines section 15061(b)(3)).

STRATEGIC PLAN INITIATIVE:

The City Council's adoption of the proposed ordinance is consistent with and supports the City Council's Goal of a Culturally Responsive Government (City of Salinas Strategic Plan 2022-2025).

FISCAL AND SUSTAINABILITY IMPACT:

The City Council's approval of the proposed ordinance would not have an impact on the City's General Fund.

DEPARTMENTAL COORDINATION

The City Attorney's Office coordinated with the City Clerk and Council members Rocha and González on this Report.

ATTACHMENTS:

Ordinance

ORDINANCE NO. _____ (N.C.S.)

**AN ORDINANCE AMENDING THE SALINAS MUNICIPAL CODE TO PROHIBIT
DISCRIMINATION ON THE BASIS OF SEXUAL ORIENTATION, GENDER
IDENTITY, OR GENDER EXPRESSION**

City Attorney Impartial Analysis

This ordinance adds Article XIV to Chapter 20 of the Salinas Municipal Code. This addition codifies a local prohibition on discrimination based on sexual orientation, gender identity, or gender expression with respect to housing; employment; the availability of goods, services, or facilities from any business establishment, including the City of Salinas; the use or availability of any municipal service or facility, and/or the use or availability of any service or facility wholly or partially or otherwise supported by the City. All contractors and subcontractor for City public works, goods, and services would be subject to this prohibition.

BE IT ORDAINED BY THE COUNCIL OF SALINAS as follows:

SECTION 1. Article XIV is hereby added to Chapter 5 of the Salinas Municipal Code as follows:

Article XIV. Discrimination on the Basis of Sexual Orientation, Gender Identity, and Gender Expression.

Sec. 5-14.01. Policy.

It is hereby declared as the public policy of the City of Salinas that it is necessary to protect and to safeguard the right and the opportunity of all persons to be free from discrimination on account of sexual orientation, gender identity, or gender expression.

Sec. 5-14.02. Definitions.

“Business establishment” means any entity, however organized, which furnishes goods, services, or accommodations to the general public.

“Discrimination” means any act, policy, or practice which, regardless of intent, has the effect of subjecting any person to differential treatment as a result of that person’s sexual orientation or gender identity or gender expression. The phrase “differential treatment” includes any limitation on a person’s full, unsegregated and equal access to or employment of, employment, real estate transactions, business establishments, and municipal services.

“Gender expression” means a person’s gender-related appearance or behavior, or the perception of such appearance or behavior, whether or not stereotypically associated with the person’s sex assigned at birth.

“Gender identity” means each person’s internal understanding of their gender, or the perception of a person’s gender identity, which may include male, female, a combination of male and female, neither male nor female, a gender different from the person’s sex assigned at birth, or transgender.

“Person” means any natural person, firm, corporation, partnership, or other organization, association, or group of persons however organized.

“Real estate transactions” means and includes the sale, repair, improvement, lease, rental, or occupancy of any interest or portion of any interest in real property and shall also include the extension of credit, financing, insurance, or services in connection with the sale, repair, improvement, lease, rental, or occupancy of any such interest in real property.

“Sexual orientation” means actual or perceived homosexuality, heterosexuality, or bisexuality.

Sec. 5-14.03. Unlawful Activities, Generally.

It is unlawful for any person to do anything which has the effect of discriminating against any person as a result of that person’s sexual orientation or gender identity or gender expression, with respect to any of the following activities: employment, any real estate transaction, the availability of goods, facilities, or services from any business establishment, the use or availability of any municipal service or facility, and/or the use or availability of any service or facility wholly or partially or otherwise supported by the City.

Sec. 5-14.04. Employment.

A. Unlawful Employment Practices. It is an unlawful employment practice for any person to do any of the following acts wholly or partially based on sexual orientation of an employee or applicant for employment, unless based on a bona fide occupational qualification:

1. No employer shall refuse to hire, or discharge any individuals, discriminate against any individual with respect to compensation, terms, conditions, or privileges of employment, including promotion; or to limit, segregate, or classify employees in any way which would deprive or tend to deprive any individual of employment opportunities, or otherwise adversely affect his or her status as an employee.
2. No employment agency shall fail or refuse to refer for employment any individual; or otherwise to discriminate against any individual.
3. No labor organization shall exclude or expel from the membership or otherwise discriminate against any individual; or limit, segregate, or classify its membership or to classify or fail, or refuse to refer to employment any individual in any way which would deprive or tend to deprive such individual of employment opportunities, or would limit such employment opportunities, or otherwise affect his or her status as an applicant for employment.
4. No employer, employment agency, or labor organization shall:
 - a. Discriminate against any individual in admission to or employment in, any program established to provide apprenticeship or other training or retraining, including any on-the-job training program; or

- b. Print, publish, advertise, or disseminate in any way, or cause to be printed published, advertised, or disseminated in any way, any notice or advertisement with respect to employment, membership in, or any classification or referral for employment or training by such organization which states that an unlawful discriminatory practice will be engaged in.

B. Exception.

It is not unlawful discriminatory practice for an employer to observe the conditions of a bona fide seniority system or a bona fide employment benefit system, provided such systems or plans are not a subterfuge to evade the provisions of this article.

Sec. 5-14.05. Business Establishments.

A. Unlawful Business Practice.

1. In General. It is an unlawful business practice for any person to deny any person the full and equal enjoyment of the goods, services, facilities, privileges, advantages, and accommodations of any business establishment on the basis (in whole or in part) of such person's sexual orientation, gender identity, or gender expression.
2. Credit. It is an unlawful business practice for any person to deny credit to any person on the basis (in whole or in part) of such person's sexual orientation or gender identity.
3. Advertising. It is an unlawful business practice for any person to make, print, publish, advertise, or disseminate in any way any notice, statement, or advertisement with respect to any business establishment which states that such establishment engages or will engage in any unlawful practice as defined in this section.

Sec. 5-14.06. Real Estate Transactions.

A. Unlawful Real Estate Practices. It is an unlawful real estate practice for any person to do any of the following acts wholly or partially based on sexual orientation, gender identity, or gender expression:

1. To terminate, or fail or refuse to initiate or conduct any transaction in real property, including, but not limited to, the rental thereof; to include in the terms or conditions of a transaction in real property any clause, condition, or restriction; or falsely to represent that an interest in real property is not available for a transaction in connection therewith, including, but not limited to, rental or leasing thereof.
2. To refuse to lend money, guarantee the loan, accept the deed of trust or mortgage, or otherwise refuse to make available funds for the purchase, acquisition, construction, alteration, rehabilitation, repair, or maintenance of real property; or impose different conditions on such financing; or refuse to provide title or other insurance relating to the ownership or use of any interest in real property.
3. To refuse or restrict facilities, services, repairs, or improvements for any tenant or lessee.

4. To make, print, publish, advertise, or disseminate, in any way, any notice, statement, or advertisement with respect to financing related to any such transaction which states that any unlawful real estate practice as defined in this section will be engaged in.
- B. Exceptions.
- A. Owner-Occupied Dwellings. Nothing in this article shall be construed to apply to the rental or leasing of any housing unit in which the owner or lessor or any member of his or her family occupies one of the living units and it is necessary for the owner or lessor or any member of his or her family to use either a bathroom or kitchen facility in common with the prospective tenant.
 - B. Effect on Other Laws. Nothing in this section shall be deemed to permit any rental or occupancy of any dwelling unit or commercial space otherwise prohibited by law.

Sec. 5-14.07. City Facilities and Services.

- A. Unlawful Services Practices.
1. City Facilities. It is an unlawful service practice for any person to deny any individual the full and equal enjoyment of, or to impose different terms and conditions upon the availability of, any service program or facility wholly or partially funded or otherwise supported by the City on the basis, in whole or in part, on the individual's sexual orientation, gender identity, or gender expression.
 2. City Services. It is an unlawful service practice to any person to deny any individual the full and equal enjoyment of, or to impose different terms or conditions on the availability of, any City service, on the basis, in whole or in part, on such individual's sexual orientation, gender identity, or gender expression.
 3. Supported Facilities and Services. It is an unlawful service practice for any person to deny any individual the full and equal enjoyment of, or to impose different terms and conditions upon the availability of, any service, program, or facility whole or partially funded or otherwise supported by the City on the basis, in whole or in part, of the individual's sexual orientation, gender identity, or gender expression. This subsection does not apply to facilities or services which only receive assistance from the City which is provided to the general public.
 4. Advertising. It is an unlawful service practice for the City or any person employed by the City to make, print, publish, advertise, or disseminate in any way any notice, statement, or advertisement with respect to any service or facility provided by the City which states that the City or any person employed by the City engages or will engage in an unlawful service practice.
 5. It is an unlawful service practice for any organization described in subsection A.3 of this section to make, print, publish, advertise, or disseminate in any way any notice, statement, or advertisement with respect to any service or facility provided by such organization which states that such organization engages in or will engage in unlawful service practices as defined in this section.

Sec. 5-14.08. Contractors and Subcontractors for City Public Works, Goods and Services.

- A. Any employer, employment agency, or labor organization who is, or wishes to become, a contractor with the City for public works or for goods or services is subject to the provisions of this article relating to discrimination in employment and to the nondiscrimination requirements of this article.

Prior to becoming a contractor or subcontractor with the City, or if, at any time the City has a reasonable basis to believe non-compliance on the part of a contractor or subcontractor, an employer, employment agency, or labor organization may be required to submit a nondiscrimination program to the City for approval and certification and may be required to submit periodic reports of its compliance with such a program.

- B. Every City contract and subcontract for public works or goods or services shall contain a nondiscrimination clause prohibiting discrimination on the basis of sexual orientation, gender identity, or gender expression by contractors or subcontractors. The nondiscrimination clause shall contain a provision requiring contractors or subcontractors to give written notice of their obligations under such clause to labor organizations with which they have a collective bargaining or other agreement. Such contractual provisions shall be fully and effectively enforced.
- C. Advertising. It is unlawful for any person to make, publish, or disseminate any notice or statement which indicates that such person engages in or will engage in any practice prohibited by this article.

Sec. 5-14.09. Public Accommodations. It shall be an unlawful practice for any person to deny any individual access to the full and equal enjoyment of privileges, benefits, goods, services, and facilities, including dressing and bathroom facilities, consistent with the person's gender identity.

Sec. 5-14.10. Notices.

Every employer with fifteen (15) or more employees, every labor organization with fifteen (15) or more members, and every employment agency shall post and keep posted in a conspicuous place upon its premises where notices to employees, applicants for employment, and members are customarily posted, the following notice:

“Discrimination on the basis of sexual orientation and/or gender identity or gender expression is prohibited by law. Chapter 5, Article XIV of the Salinas Municipal Code.”

- (1) Alternative Compliance Notwithstanding the above, the provisions of this subsection may be complied with by adding the words “sexual orientation and/or gender identity or gender expression” to all notices required by federal or state law, and indicating on the notice that discrimination on the basis of sexual orientation is prohibited by Chapter 5, Article XIV of the Salinas Municipal Code.

Sec. 5-14.11. Retaliation Prohibited.

No person shall retaliate against any individual because such individual seeks the enforcement of the provisions of this article.

Sec. 5-14.12. Exemption.

The provisions of this article shall not apply to religious organizations or corporations not organized for private profit in the conduct of their religious activities.

Sec. 5-14.13. Civil Remedy.

Any person who violates any provision of this article shall be liable in civil damages including costs and attorney's fees, as provided by California Civil Code Section 52.

Sec. 5-14.14. Criminal Liability.

- A. Any person who violates any provision of this article or who aids or incites such violation shall be deemed guilty of an infraction.
- B. Each violation of the notice provisions of this article shall be punishable as an infraction, the fine for which shall be levied in the amounts prescribed by Section 36900 of the Government Code as that section may hereinafter be amended or renumbered.

Sec. 5-14.15. Civil Enforcement.

- A. Civil Action. Any aggrieved person may enforce this article in a civil action in any court of competent jurisdiction.
- B. Injunctions. Any person may bring a civil action in any court of competent jurisdiction to enjoin any person who commits or proposes to commit any act in violation of this article.

Sec. 5-14.16. Limitation on Action; Non-waiverability.

- A. Judicial actions under this article must be filed within two years of the alleged discriminatory act.
- B. Any written or oral agreement whereby any provision of this article is waived or modified, is against public policy and void.

Sec. 5-14.17. Severability.

If any provision of this article or the application thereof to any person or circumstances is held invalid, the remainder of this article, including the application of such a part or provisions to persons or circumstances other than those to which it is held invalid, shall not be affected thereby and shall continue in full force and effect.

SECTION 2. Publication. The City Clerk shall cause a summary of this ordinance to be published once in a newspaper published and circulated in Salinas within fifteen (15) days after adoption. (Salinas Charter Section 11.9)

SECTION 3. CEQA Compliance. The City Council’s adoption of this ordinance is not a project subject to environmental review under the California Environmental Quality Act (CEQA Guidelines section 15061(b)(3)).

SECTION 4. Severability. If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of any competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The Salinas City Council hereby declares that it would have passed this ordinance, and each and every section, subsection, clause, and phase thereof not declared invalid or unconstitutional without regard to whether any portion of the ordinance would be subsequently declared invalid or unconstitutional.

SECTION 5. Effective Date. This Ordinance will take effect thirty (30) days from and after its adoption.

PASSED AND ADOPTED this ____ day of _____, 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Kimbley Craig, Mayor

ATTEST:

Patricia M. Barajas, City Clerk

APPROVED AS TO FORM:

Christopher A. Callihan, City Attorney



City of Salinas

200 Lincoln Ave., Salinas,
CA 93901
www.cityofsalinas.org

Legislation Text

File #: ID#23-571, Version: 1

Minutes

Approve minutes of August 22, 2023.



City of Salinas

200 Lincoln Ave., Salinas,
CA 93901
www.cityofsalinas.org

Legislation Text

File #: ID#23-563, Version: 1

Financial Claims

Approve financial claims report.

City of Salinas

Claim Checks #468906-469376

From Payment Date: 8/15/2023 - To Payment Date: 9/5/2023

Number	Date	Status	Payee Name	Amount
General Account - General Account				
<u>Check</u>				
468906	08/15/2023	Open	Andres Torres	\$454.50
468907	08/15/2023	Open	Christopher Webb	\$59.25
468908	08/15/2023	Open	Dionna Lucas	\$116.50
468909	08/15/2023	Open	Enrique Villalobos-Sanchez	\$18.00
468910	08/15/2023	Open	Golden West College	\$702.00
468911	08/15/2023	Open	Isidoro Medrano	\$55.50
468912	08/15/2023	Open	John Ball	\$24.75
468913	08/15/2023	Open	Marco Sotelo Saldana	\$24.75
468914	08/15/2023	Open	Martina Byler	\$155.00
468915	08/15/2023	Open	Matthew Bates	\$18.00
468916	08/15/2023	Open	Pete Magallon	\$545.00
468917	08/15/2023	Open	Prado Olympic Shooting Park	\$75.00
468918	08/15/2023	Open	President & Fellows of Harvard College	\$34,800.00
468919	08/15/2023	Open	Seth Morten	\$59.25
468920	08/15/2023	Open	Steven Villaneda	\$545.00
468921	08/15/2023	Open	72 Hour LLC dba Chevrolet of Watsonville/National	\$1,204.41
468922	08/15/2023	Open	Agile Occupational Medicine PC	\$120.00
468923	08/15/2023	Open	Alco Water	\$2,994.55
468924	08/15/2023	Open	Alhambra and Sierra Spring DS Waters of America LP	\$278.79
468925	08/15/2023	Open	Alhambra and Sierra Spring DS Waters of America LP	\$84.33
468926	08/15/2023	Open	Alhambra and Sierra Spring DS Waters of America LP	\$216.84
468927	08/15/2023	Open	Allstar Fire Equipment Inc	\$1,337.22
468928	08/15/2023	Open	Amazon.Com	\$285.97
468929	08/15/2023	Open	American Textile and Supply Inc	\$301.49
468930	08/15/2023	Open	Aramark Uniform & Career Apparel Group, Inc	\$746.42
468931	08/15/2023	Open	Asap Alisal Signs And Printing	\$13.82
468932	08/15/2023	Open	Assured Aggregates Company Inc	\$8,494.00
468933	08/15/2023	Open	B&N Motors, LLC dba Toyota Salinas	\$162.86
468934	08/15/2023	Open	Bandit Systems Inc dba Bandit Systems	\$2,602.96
468935	08/15/2023	Open	Bizon Group Inc dba Conexwest	\$10,652.04
468936	08/15/2023	Open	Bound Tree Medical	\$656.66
468937	08/15/2023	Open	Cadence Team, Inc	\$23,724.60
468938	08/15/2023	Open	California Water Service	\$3,149.50
468939	08/15/2023	Open	Cathy's Action Packed Fun Jumps Inc	\$1,316.97
468940	08/15/2023	Open	CDW-G	\$5,499.84
468941	08/15/2023	Open	Central Coast YMCA	\$14,121.00
468942	08/15/2023	Open	Charlie D. Zarza	\$624.00
468943	08/15/2023	Open	Cintas	\$50.46
468944	08/15/2023	Open	Coalition of Homeless Services Providers	\$1,780.00
468945	08/15/2023	Open	Coalition of Homeless Services Providers	\$1,000.00
468946	08/15/2023	Open	Coast Automotive Warehouse Inc	\$226.33
468947	08/15/2023	Open	Comcast (Business)	\$177.73
468948	08/15/2023	Open	CONCERN	\$5,470.56

City of Salinas

Claim Checks #468906-469376

From Payment Date: 8/15/2023 - To Payment Date: 9/5/2023

Number	Date	Status	Payee Name	Amount
General Account - General Account				
<u>Check</u>				
468949	08/15/2023	Open	Consolidated Electrical Distributors, Inc.	\$22.93
468950	08/15/2023	Open	CorVel Corporation Inc dba CorVel Enterprise Compa	\$18,054.25
468951	08/15/2023	Open	Department Of Pesticide Regulation	\$60.00
468952	08/15/2023	Open	Don Chapin Inc	\$1,486.93
468953	08/15/2023	Open	Edilcia Perez dba Mami Fit	\$266.50
468954	08/15/2023	Open	Elani Trejo Petty Cash	\$89.43
468955	08/15/2023	Open	Emergency Response Training Inc dba Defibthis Emer	\$345.00
468956	08/15/2023	Open	Fastenal Company	\$33.43
468957	08/15/2023	Open	Ferguson US Hodings, Inc dba Ferguson Enterprises	\$376.01
468958	08/15/2023	Open	First Alarm Security & Patrol Inc dba An Allied Un	\$4,244.23
468959	08/15/2023	Open	G2Solutions, Inc	\$7.50
468960	08/15/2023	Open	Granite Rock Co	\$2,216.14
468961	08/15/2023	Open	Haydee Camargo dba Haydee Beauty Salon	\$2,297.00
468962	08/15/2023	Open	Hemi's Landscaping and Concrete Inc	\$2,500.00
468963	08/15/2023	Open	Hydro Turf	\$2,879.12
468964	08/15/2023	Open	Ingram Book Company	\$3,986.33
468965	08/15/2023	Open	International Municipal Lawyers Association	\$1,533.00
468966	08/15/2023	Open	Interstate Battery System Inc	\$123.88
468967	08/15/2023	Open	Jahaira Paola Navarro dba Dance Into Fitness with	\$640.25
468968	08/15/2023	Open	Jesse And Evan Inc dba La Plaza Bakery	\$307.83
468969	08/15/2023	Open	JJR Construction Inc	\$378,935.67
468970	08/15/2023	Open	Johnny Malpica Lopez dba Salinas Camper Shells	\$2,704.53
468971	08/15/2023	Open	Johnson Associates	\$420.45
468972	08/15/2023	Open	Jonathan Ortiz	\$270.00
468973	08/15/2023	Open	Kelly-Moore Paint Company	\$430.96
468974	08/15/2023	Open	Lawson Products, Inc	\$584.48
468975	08/15/2023	Open	Life Assist	\$2,327.33
468976	08/15/2023	Open	Martin Sandoval dba Lock Stock N' Barrel	\$19.67
468977	08/15/2023	Open	Matthew G Norton Co dba NWB Salinas LLC	\$343.00
468978	08/15/2023	Open	Midwest Tape, LLC dba Midwest Tape	\$141.42
468979	08/15/2023	Open	Monterey County Records	\$40.00
468980	08/15/2023	Open	Monterey One Water	\$300.60
468981	08/15/2023	Open	Monterey Transfer and Storage Inc	\$390.00
468982	08/15/2023	Open	O'Reilly Auto Parts	\$66.03
468983	08/15/2023	Open	Pacific Gas and Electric Company	\$3,804.46
468984	08/15/2023	Open	Pacific Truck Parts Inc	\$194.93
468985	08/15/2023	Open	Pedro C Estrada Db a Estrada Janitorial Service	\$300.00
468986	08/15/2023	Open	Preferred Alliance Inc.	\$145.00
468987	08/15/2023	Open	Premier Builders, Inc.	\$71,050.12
468988	08/15/2023	Open	Protel Communications, Inc dba Proteles is Corporat	\$30,647.89
468989	08/15/2023	Open	Pure Water	\$229.25
468990	08/15/2023	Open	Quality Water Enterprises Inc dba Culligan Water	\$41.08
468991	08/15/2023	Open	Ramundsen Superior Holdings, LLC dba Superion LLC	\$2,310.00

City of Salinas

Claim Checks #468906-469376

From Payment Date: 8/15/2023 - To Payment Date: 9/5/2023

Number	Date	Status	Payee Name	Amount
General Account - General Account				
<u>Check</u>				
468992	08/15/2023	Open	Republic Services of Salinas	\$1,510.20
468993	08/15/2023	Open	Republic Services, Inc dba Allied Waste Services	\$4,686.10
468994	08/15/2023	Open	Ryan James Dowd dba Homeless Training Institute LL	\$299.00
468995	08/15/2023	Open	Salinas Valley Solid Waste Authority	\$1,033.36
468996	08/15/2023	Open	Same Day Shred	\$45.00
468997	08/15/2023	Open	San Lorenzo Lumber	\$343.31
468998	08/15/2023	Open	Snap-On Tools Corporation	\$1,107.01
468999	08/15/2023	Open	Steven Carrigan	\$70.57
469000	08/15/2023	Open	Structural Engineers Assoc of Northern California	\$330.00
469001	08/15/2023	Open	Sturdy Oil Company	\$65,282.73
469002	08/15/2023	Open	Sylvia Enriquez	\$1,000.00
469003	08/15/2023	Open	Target Pest Control	\$175.00
469004	08/15/2023	Open	Tri County Fire Protection	\$206.56
469005	08/15/2023	Open	U.S. Bank National Association dba U.S. Bank Equip	\$344.98
469006	08/15/2023	Open	U.S. Bank National Association ND	\$16,051.94
469007	08/15/2023	Open	Uline, Inc	\$152.63
469008	08/15/2023	Open	Valley Saw Shop	\$190.78
469009	08/15/2023	Open	Vals Plumbing and Heating Inc	\$471.17
469010	08/15/2023	Open	Veritiv Operating Company Formerly xpedx	\$71.21
469011	08/15/2023	Open	W W Grainger Inc	\$3,467.14
469012	08/15/2023	Open	Walmart c/o Capitol One	\$465.63
469013	08/22/2023	Open	Advanced Computer Tech Solutions, Inc dba Alliance	\$1,975.00
469014	08/22/2023	Open	Alexis Mejia	\$337.27
469015	08/22/2023	Open	Angeline Sickler	\$186.75
469016	08/22/2023	Open	Anthony Cardoza	\$222.17
469017	08/22/2023	Open	Cameron Murphy	\$147.50
469018	08/22/2023	Open	Edwin Cruz	\$149.75
469019	08/22/2023	Open	Eric Chavez	\$277.50
469020	08/22/2023	Open	Eric Sotelo	\$13.50
469021	08/22/2023	Open	Jehonadab Santos	\$286.50
469022	08/22/2023	Open	Jennifer Torres	\$13.50
469023	08/22/2023	Open	Jenny Davila	\$46.27
469024	08/22/2023	Open	Jim Pia	\$783.35
469025	08/22/2023	Open	John Richardson	\$149.75
469026	08/22/2023	Open	Juliane Sharpe	\$147.50
469027	08/22/2023	Open	Karina Arvizu Vazquez	\$13.50
469028	08/22/2023	Open	Kimbley Craig	\$101.40
469029	08/22/2023	Open	Mark Gallegos	\$13.50
469030	08/22/2023	Open	Maureen Kane & Associates, Inc	\$1,500.00
469031	08/22/2023	Open	Melanie Coffin	\$147.50
469032	08/22/2023	Open	Michael Batchelor	\$229.00
469033	08/22/2023	Open	Monica Flores-Ponce	\$13.50
469034	08/22/2023	Open	Rosa Quintero	\$147.50

City of Salinas

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From Payment Date: 8/15/2023 - To Payment Date: 9/5/2023

Number	Date	Status	Payee Name	Amount
General Account - General Account				
<u>Check</u>				
469035	08/22/2023	Open	Scott Sutton	\$149.75
469036	08/22/2023	Open	72 Hour LLC dba Chevrolet of Watsonville/National	\$716.93
469037	08/22/2023	Open	Ace Hardware	\$14.19
469038	08/22/2023	Open	Agile Occupational Medicine PC	\$255.00
469039	08/22/2023	Open	Alert-All Corporation	\$587.22
469040	08/22/2023	Open	All Safe Industries, Inc	\$1,258.53
469041	08/22/2023	Open	Amazon.Com	\$103.70
469042	08/22/2023	Open	American Supply Company	\$331.03
469043	08/22/2023	Open	Anthony Lombardo & Associates, Inc.	\$1,235.00
469044	08/22/2023	Open	Aramark Uniform & Career Apparel Group, Inc	\$623.22
469045	08/22/2023	Open	Arrowhead Forensics	\$354.11
469046	08/22/2023	Open	Asap Alisal Signs And Printing	\$13.82
469047	08/22/2023	Open	AT and T	\$8,480.91
469048	08/22/2023	Open	AT&T Mobility	\$237.22
469049	08/22/2023	Open	AT&T Mobility	\$70.00
469050	08/22/2023	Open	B&N Motors, LLC dba Toyota Salinas	\$325.72
469051	08/22/2023	Open	California Coast Uniform Company Inc	\$3,255.94
469052	08/22/2023	Open	California Towing and Transport	\$125.00
469053	08/22/2023	Open	California Water Service	\$1,725.79
469054	08/22/2023	Open	California Water Service	\$68,990.79
469055	08/22/2023	Open	Callyo 2009 Corp	\$4,822.21
469056	08/22/2023	Open	Carl Warren & Company, LLC	\$3,997.50
469057	08/22/2023	Open	CDW-G	\$5,949.05
469058	08/22/2023	Open	Coast Automotive Warehouse Inc	\$2,468.95
469059	08/22/2023	Open	Comcast (Business)	\$572.32
469060	08/22/2023	Open	Commercial Truck Company	\$624.25
469061	08/22/2023	Open	CONCERN	\$5,550.40
469062	08/22/2023	Open	Copware Inc	\$3,795.00
469063	08/22/2023	Open	CPS HR Consulting	\$482.00
469064	08/22/2023	Open	CSC Of Salinas	\$417.36
469065	08/22/2023	Open	Davgp, Inc. dba Salinas Valley Tire	\$254.78
469066	08/22/2023	Open	Direct TV LLC	\$59.24
469067	08/22/2023	Open	Don Chapin Inc	\$1,329.18
469068	08/22/2023	Open	Douglas Dirksen	\$44.41
469069	08/22/2023	Open	East Bay Tire Company	\$4,928.85
469070	08/22/2023	Open	EBSCO Industries, Inc dba EBSCO, EBSCO Information	\$751.74
469071	08/22/2023	Open	Environmental Systems, Inc of Northern California	\$682.50
469072	08/22/2023	Open	ESRI	\$1,660.25
469073	08/22/2023	Open	Evident	\$2,383.00
469074	08/22/2023	Open	Ferguson US Hodings, Inc dba Ferguson Enterprises	\$46.18
469075	08/22/2023	Open	Fire Suppression Innovations dba Greenfire	\$19,818.35
469076	08/22/2023	Open	First Trust Alarm Company Inc	\$301.50
469077	08/22/2023	Open	Gavilan Printers LLC	\$435.62

City of Salinas

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Number	Date	Status	Payee Name	Amount
General Account - General Account				
<u>Check</u>				
469078	08/22/2023	Open	Genuine Parts Company dba NAPA Auto Parts	\$99.34
469079	08/22/2023	Open	Golden State Emergency Vehicle Service Inc	\$959.03
469080	08/22/2023	Open	Granite Construction Company	\$54,432.76
469081	08/22/2023	Open	Granite Rock Co	\$390.02
469082	08/22/2023	Open	Heather A Hardee dba Hardee Polygraph Services	\$2,450.00
469083	08/22/2023	Open	Hemi's Landscaping and Concrete Inc	\$2,200.00
469084	08/22/2023	Open	HROD, Inc	\$3,500.00
469085	08/22/2023	Open	Hydro Turf	\$305.68
469086	08/22/2023	Open	Ingram Book Company	\$1,807.15
469087	08/22/2023	Open	Interactive Data, LLC dba IDI	\$145.00
469088	08/22/2023	Open	Interstate Battery System Inc	\$378.20
469089	08/22/2023	Open	James Bradley Blesso dba 2-Eleven Shields	\$742.90
469090	08/22/2023	Open	Jan Roehl Dba Jan Roehl Consulting	\$4,725.00
469091	08/22/2023	Open	Jimmy Vanhove dba Precision K9	\$2,300.00
469092	08/22/2023	Open	Jose Adrian Garcia Ramos dba Shredding Source Solu	\$315.00
469093	08/22/2023	Open	Jose Daniel Barrera dba Signa Signs & Graphics	\$2,295.52
469094	08/22/2023	Open	Kimball Midwest	\$2,792.57
469095	08/22/2023	Open	L.N. Curtis & Sons	\$5,349.19
469096	08/22/2023	Open	Law Enforcement Psychological Services	\$1,800.00
469097	08/22/2023	Open	Leatherhead Concepts Inc	\$1,663.44
469098	08/22/2023	Open	LexisNexis Risk Data Management Inc Accurint Acct	\$300.75
469099	08/22/2023	Open	Martin's Irrigation Supply, Inc	\$1,449.49
469100	08/22/2023	Open	MCSI Water Systems Management	\$522.31
469101	08/22/2023	Open	MJ Communications, Inc	\$12,780.33
469102	08/22/2023	Open	Monterey County Weekly	\$148.50
469103	08/22/2023	Open	Monterey Environmental Solutions and Services	\$1,306.00
469104	08/22/2023	Open	Monterey Sanitary Supply Inc Altius Medical	\$138.63
469105	08/22/2023	Open	My Chevrolet	\$973.70
469106	08/22/2023	Open	New Image Landscape Company	\$100.00
469107	08/22/2023	Open	O'Reilly Auto Parts	\$83.26
469108	08/22/2023	Open	Office Depot Business Service Division	\$837.55
469109	08/22/2023	Open	Operation Freedom Paws	\$312.00
469110	08/22/2023	Open	Pacific Gas and Electric Company	\$3,378.27
469111	08/22/2023	Open	Pacific Gas and Electric Company	\$108,968.16
469112	08/22/2023	Open	Pacific Truck Parts Inc	\$1,484.84
469113	08/22/2023	Open	RDO Equipment Company	\$464.13
469114	08/22/2023	Open	Rexel USA, Inc dba Platt Electric Supply	\$1,962.99
469115	08/22/2023	Open	Rogue Fitness dba Coulter Ventures, LLC	\$4,252.31
469116	08/22/2023	Open	RouteSmart Technologies Inc	\$2,600.00
469117	08/22/2023	Open	Ruth Maria Milla-Leon dba Andersen's Lock & Safe	\$22.94
469118	08/22/2023	Open	San Jose Motosport, Inc dba San Jose BMW	\$1,983.46
469119	08/22/2023	Open	Serological Research Institute	\$4,850.00
469120	08/22/2023	Open	SpeakWrite LLC	\$2,143.38

City of Salinas

Claim Checks #468906-469376

From Payment Date: 8/15/2023 - To Payment Date: 9/5/2023

Number	Date	Status	Payee Name	Amount
General Account - General Account				
<u>Check</u>				
469121	08/22/2023	Open	Star Sanitation Services	\$163.24
469122	08/22/2023	Open	Stommel Inc dba Lehr	\$244.71
469123	08/22/2023	Open	Summit Uniforms, LLC dba Summit Uniforms	\$16.41
469124	08/22/2023	Open	Sunstar Media	\$25.00
469125	08/22/2023	Open	T-Mobile USA	\$25.00
469126	08/22/2023	Open	Target Pest Control	\$260.00
469127	08/22/2023	Open	The Litt Law Firm, A Professional Corp	\$10,437.50
469128	08/22/2023	Open	U.S. Armor Corporation	\$1,003.57
469129	08/22/2023	Open	U.S. Bank National Association ND	\$2,467.13
469130	08/22/2023	Open	United Parcel Service	\$219.45
469131	08/22/2023	Open	United Way Of Monterey County	\$12,000.00
469132	08/22/2023	Open	US Postmaster	\$1,670.00
469133	08/22/2023	Open	Vals Plumbing and Heating Inc	\$370.77
469134	08/22/2023	Open	Verizon Wireless	\$3,687.23
469135	08/22/2023	Open	Verizon Wireless	\$4,386.90
469136	08/22/2023	Open	Verizon Wireless	\$757.03
469137	08/22/2023	Open	Verizon Wireless	\$38.01
469138	08/22/2023	Open	Verizon Wireless Services LLC	\$90.00
469139	08/22/2023	Open	Walmart c/o Capitol One	\$93.28
469140	08/22/2023	Open	WCAF, LLC dba Watsonville Ford	\$1,153.72
469141	08/22/2023	Open	WCDJR LLC dba Watsonville Chrysler Dodge Jeep Ram	\$10,027.69
469142	08/22/2023	Open	Witmer Associates Inc	\$708.25
469143	08/22/2023	Open	Worldpac	\$1,780.26
469144	08/22/2023	Open	Ana Aguilar	\$6,034.69
469145	08/22/2023	Open	Monterey County Revenue Division	\$1,000.00
469146	08/23/2023	Open	Monterey County District Attorney	\$5,541.86
469147	08/29/2023	Open	Amber Wasson	\$274.75
469148	08/29/2023	Open	Bianca Raya	\$167.50
469149	08/29/2023	Open	Byron Gansen	\$37.08
469150	08/29/2023	Open	CCUG	\$1,350.00
469151	08/29/2023	Open	Chris Callihan	\$918.60
469152	08/29/2023	Open	Continuing Challenge Hazmat Workshop	\$1,950.00
469153	08/29/2023	Open	Crisis Prevention Institute, Inc	\$21,245.00
469154	08/29/2023	Open	Daisy Gallardo	\$16.50
469155	08/29/2023	Open	David Smith	\$263.50
469156	08/29/2023	Open	Eric Sotelo	\$40.50
469157	08/29/2023	Open	Ermelinda Reyes	\$39.84
469158	08/29/2023	Open	Gabriel Gonzalez	\$213.00
469159	08/29/2023	Open	Gerardo Magana	\$213.00
469160	08/29/2023	Open	Gregory Hurst	\$52.50
469161	08/29/2023	Open	James Arensdorf	\$24.36
469162	08/29/2023	Open	Jeffrey Alford	\$242.50
469163	08/29/2023	Open	Jennifer Torres	\$40.50

City of Salinas

Claim Checks #468906-469376

From Payment Date: 8/15/2023 - To Payment Date: 9/5/2023

Number	Date	Status	Payee Name	Amount
General Account - General Account				
<u>Check</u>				
469164	08/29/2023	Open	Jessica Uribe	\$167.50
469165	08/29/2023	Open	Jesus Ramirez	\$52.50
469166	08/29/2023	Open	Johnathan Flores	\$377.00
469167	08/29/2023	Open	Jonathan Tuiolosega	\$377.00
469168	08/29/2023	Open	Karina Arvizu Vazquez	\$40.50
469169	08/29/2023	Open	Kendall Gray	\$186.29
469170	08/29/2023	Open	Kim Picaso	\$167.50
469171	08/29/2023	Open	Mark Gallegos	\$40.50
469172	08/29/2023	Open	Martin Flores	\$52.50
469173	08/29/2023	Open	Michael Mizer	\$263.50
469174	08/29/2023	Open	Michele Houston	\$293.50
469175	08/29/2023	Open	Monica Flores-Ponce	\$40.50
469176	08/29/2023	Open	Pedro Gomez	\$185.07
469177	08/29/2023	Open	Shane VanderVeen	\$52.50
469178	08/29/2023	Open	Thomas Melia	\$211.00
469179	08/29/2023	Open	William Stallcup	\$52.50
469267	08/29/2023	Open	36 North Properties, Inc dba 36 North Property Man	\$1,855.47
469268	08/29/2023	Open	Ace Hardware	\$8.73
469269	08/29/2023	Open	Acme Car Wash (William Pierce Inc)	\$2,211.40
469270	08/29/2023	Open	Agile Occupational Medicine PC	\$558.00
469271	08/29/2023	Open	Alco Water	\$176.48
469272	08/29/2023	Open	Alco Water	\$15,919.31
469273	08/29/2023	Open	Alco Water	\$5,964.84
469274	08/29/2023	Open	Allstar Fire Equipment Inc	\$6.66
469275	08/29/2023	Open	Amazon.Com	\$19.65
469276	08/29/2023	Open	American Supply Company	\$1,293.14
469277	08/29/2023	Open	Ana Rueda De Vidales dba JAV Language Solutions	\$423.11
469278	08/29/2023	Open	Analgesic Services Inc	\$630.50
469279	08/29/2023	Open	Aramark Uniform & Career Apparel Group, Inc	\$839.71
469280	08/29/2023	Open	AT&T Mobility	\$21.99
469281	08/29/2023	Open	AT&T Mobility	\$120.89
469282	08/29/2023	Open	B F T LP dba Pet Waste Eliminator	\$695.49
469283	08/29/2023	Open	B&N Motors, LLC dba Toyota Salinas	\$316.26
469284	08/29/2023	Open	Bearing Engineering Company	\$62.17
469285	08/29/2023	Open	Bianca Navarro	\$1,000.00
469286	08/29/2023	Open	Cadence Team, Inc	\$9,518.30
469287	08/29/2023	Open	California Park and Recreation Society Inc	\$170.00
469288	08/29/2023	Open	California Water Service	\$4,474.42
469289	08/29/2023	Open	CDW-G	\$8,213.30
469290	08/29/2023	Open	Cintas	\$3,036.10
469291	08/29/2023	Open	CivicPlus, LLC	\$350.00
469292	08/29/2023	Open	ClientFirst Consulting Group, LLC dba ClientFirst	\$323.75
469293	08/29/2023	Open	CMP-1 Llc dba The Pointe at Harden Ranch	\$6,158.64

City of Salinas

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Number	Date	Status	Payee Name	Amount
General Account - General Account				
<u>Check</u>				
469294	08/29/2023	Open	Coast Automotive Warehouse Inc	\$412.77
469295	08/29/2023	Open	Comcast	\$2,940.29
469296	08/29/2023	Open	Comcast (Business)	\$177.73
469297	08/29/2023	Open	Comcast (Business)	\$581.14
469298	08/29/2023	Open	Comfort Control Heating and Sheet Metal	\$330.00
469299	08/29/2023	Open	Communities for Sustainable Monterey County	\$5,000.00
469300	08/29/2023	Open	CSC Of Salinas	\$67.99
469301	08/29/2023	Open	Darlenne Guerra Gonzalez	\$1,000.00
469302	08/29/2023	Open	Dataflow Business Systems Inc	\$75.87
469303	08/29/2023	Open	Davgp, Inc. dba Salinas Valley Tire	\$1,072.05
469304	08/29/2023	Open	Don Chapin Inc	\$85.00
469305	08/29/2023	Open	Fastenal Company	\$203.77
469306	08/29/2023	Open	Fed Ex	\$77.22
469307	08/29/2023	Open	Ferguson US Hodings, Inc dba Ferguson Enterprises	\$532.92
469308	08/29/2023	Open	Filemon Bobadilla	\$460.00
469309	08/29/2023	Open	First Alarm Security & Patrol Inc dba An Allied Un	\$4,575.88
469310	08/29/2023	Open	Foletta, Michael	\$1,600.00
469311	08/29/2023	Open	Genuine Parts Company dba NAPA Auto Parts	\$426.90
469312	08/29/2023	Open	Golden State Emergency Vehicle Service Inc	\$88.29
469313	08/29/2023	Open	Golden State Truck and Trailer Repair	\$71.12
469314	08/29/2023	Open	Granite Construction Company	\$97,633.59
469315	08/29/2023	Open	Granite Rock Co	\$242.27
469316	08/29/2023	Open	Green Valley Industrial Supply	\$253.72
469317	08/29/2023	Open	Hazel Jovel Cruz	\$1,000.00
469318	08/29/2023	Open	Hemi's Landscaping and Concrete Inc	\$2,500.00
469319	08/29/2023	Open	Hydro Turf	\$492.58
469320	08/29/2023	Open	Industrial Machine Shop	\$600.00
469321	08/29/2023	Open	Interstate Battery System Inc	\$122.69
469322	08/29/2023	Open	Jahaira Paola Navarro dba Dance Into Fitness with	\$400.00
469323	08/29/2023	Open	Jose Luis Corral dba Salinas Pizza	\$340.14
469324	08/29/2023	Open	JS Inc dba Steinbeck Lodge	\$105,286.66
469325	08/29/2023	Open	JS Inc dba Steinbeck Lodge	\$14,730.90
469326	08/29/2023	Open	Kelly-Moore Paint Company	\$210.45
469327	08/29/2023	Open	Kimbley Craig	\$191.93
469328	08/29/2023	Open	Knorr Systems, Inc.	\$3,157.00
469329	08/29/2023	Open	Kysmet Security & Patrol	\$224.00
469330	08/29/2023	Open	Luis Hernandez	\$6,800.00
469331	08/29/2023	Open	LV44 LP	\$915.00
469332	08/29/2023	Open	Maria Avila	\$1,359.02
469333	08/29/2023	Open	Midwestern Software Solutions, LLC	\$1,865.00
469334	08/29/2023	Open	Monterey Bay Air Resources District	\$82,927.00
469335	08/29/2023	Open	Monterey County Weekly	\$990.00
469336	08/29/2023	Open	Monterey Transfer and Storage Inc	\$352.34

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General Account - General Account				
<u>Check</u>				
469337	08/29/2023	Open	My Chevrolet	\$152.75
469338	08/29/2023	Open	NPI Capital Partners LP dba Northridge Park Apartm	\$2,242.00
469339	08/29/2023	Open	Office Depot Business Service Division	\$494.30
469340	08/29/2023	Open	Pacific Coast Flag	\$547.48
469341	08/29/2023	Open	Pacific Gas and Electric Company	\$2,490.43
469342	08/29/2023	Open	Pacific Gas and Electric Company	\$18,867.16
469343	08/29/2023	Open	Pacific Truck Parts Inc	\$48.38
469344	08/29/2023	Open	Pacific Valley Solutions LLC dba Pacific Valley	\$496.35
469345	08/29/2023	Open	Peninsula Messenger, LLC	\$210.00
469346	08/29/2023	Open	Petsmart	\$388.89
469347	08/29/2023	Open	Public Risk Management Assoc Inc dba PRIMA	\$385.00
469348	08/29/2023	Open	Pure Water	\$21.25
469349	08/29/2023	Open	Quality Water Enterprises Inc dba Culligan Water	\$67.75
469350	08/29/2023	Open	Rain For Rent	\$1,275.27
469351	08/29/2023	Open	RDO Equipment Company	\$1,395.66
469352	08/29/2023	Open	Regional Government Services	\$249.62
469353	08/29/2023	Open	RELX Inc. dba LexisNexis, Division of RELX Inc.	\$982.25
469354	08/29/2023	Open	Rhonda L Franscioni-Dubel	\$1,900.00
469355	08/29/2023	Open	Ruth Maria Milla-Leon dba Andersen's Lock & Safe	\$9.00
469356	08/29/2023	Open	Ryan Burk	\$549.00
469357	08/29/2023	Open	San Lorenzo Lumber	\$439.40
469358	08/29/2023	Open	Savant Solutions, Inc	\$85,984.00
469359	08/29/2023	Open	Sharpline Solutions, Inc	\$5,758.78
469360	08/29/2023	Open	Smith and Enright Landscaping	\$12,960.00
469361	08/29/2023	Open	Sturdy Oil Company	\$6,427.87
469362	08/29/2023	Open	T-Mobile USA	\$39.65
469363	08/29/2023	Open	Target Pest Control	\$450.00
469364	08/29/2023	Open	Teleflex LLC	\$4,523.69
469365	08/29/2023	Open	The Beistle Company dba Fire Smart Promotions	\$609.62
469366	08/29/2023	Open	Timothy Makanani	\$534.00
469367	08/29/2023	Open	Tri County Fire Protection	\$317.00
469368	08/29/2023	Open	U.S. Bank National Association ND	\$2,899.53
469369	08/29/2023	Open	Valley Saw Shop	\$87.35
469370	08/29/2023	Open	Vals Plumbing and Heating Inc	\$498.45
469371	08/29/2023	Open	Verizon Wireless	\$2,720.68
469372	08/29/2023	Open	Verizon Wireless	\$1,248.11
469373	08/29/2023	Open	W W Grainger Inc	\$329.34
469374	08/29/2023	Open	Walmart c/o Capitol One	\$364.66
469375	08/29/2023	Open	Worldpac	\$491.34
469376	08/29/2023	Open	Juan Antonio Rubio-Villarreal	\$21.00
Type Check Totals:				\$1,816,330.56
General Account - General Account Totals				



Legislation Text

File #: ID#23-405, Version: 1

2nd Reading, Special Curb Marking Ordinance Update

Consider adopting an Ordinance amending Chapter 20, Article VI, Stopping, Standing and Parking, of the Salinas Municipal Code.



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: **AUGUST 22, 2023 – INTRODUCED**
 SEPTEMBER 12, 2023 – 2ND READING

DEPARTMENT: **PUBLIC WORKS DEPARTMENT**

FROM: **DAVID JACOBS, PUBLIC WORKS DIRECTOR**

BY: **ADRIANA ROBLES, CITY ENGINEER**

TITLE: **SPECIAL CURB MARKING POLICY UPDATE**

RECOMMENDED MOTION:

A motion to approve the Proposed Salinas Blue Curb Markings Policy and to adopt an Ordinance amending Article VI of Chapter 20 (Stopping, Standing and Parking) of the Salinas Municipal Code.

EXECUTIVE SUMMARY:

On March 21, 2023, the Salinas City Council approved a Resolution for a residential blue curb zone request and requested staff to review the blue curb marking policy to establish criteria that would allow for approval of requests in residential areas to better accommodate disabled residents. City staff surveyed other City policies and compiled relevant data for the Council's consideration. Staff recommends the approval the Proposed Salinas Blue Curb Markings Policy and the adoption of an ordinance amending Article VI of Chapter 20 (Stopping, Standing and Parking).

BACKGROUND:

At its March 21, 2023, meeting the City Council reviewed a request for a one accessible blue zone at 1224 Hawaii Place. The request did not meet the City's existing policy, and therefor was recommended to be denied. The City Council deliberated the item and resolved to approve the request for one blue accessible zone designation at 1224 Hawaii Place and requested staff to review the blue curb marking policy to establish criteria that would allow for approval of similar requests to better accommodate disabled residents (Attachment 1).

City staff researched the blue curb markings policies in other cities to help inform the policy update. In total the City was able to compile blue curb markings policies from sixteen (16) other

cities for comparison. A comparison table (Attachment 2) was created to juxtapose the policy requirements of each agency.

The City's existing policy for the consideration of blue zone curb markings (Attachment 3), was adopted August 15, 2006 via Resolution No. 19056. Blue curb markings prohibit stopping, standing, or parking except for disabled persons as permitted by the California Vehicle Code. The City's existing policy established the following criteria:

1. Off-street parking facilities for the residential property do not exist. The property does not have a garage, driveway, or other on-site parking space that can be provided for the disabled member of the household; or
2. On-street parking is unavailable. This criterion requires that the site be located adjacent to a school, apartment, and/or other businesses that consume on-street residential parking supply; and
3. The path of travel from the proposed on-street parking stall to the home meets ADA/Title 2 path of travel requirements.
4. Proof that the disabled resident has a permanent disabled placard on file; and
5. Signed statement acknowledging applicant understands that the on-street disabled parking requested can be used by other residents in the community that have a disabled placard.

After receiving feedback from the Council at its March 21, 2023, meeting and after conducting a survey of other city policies, staff recommends a Proposed Salinas Blue Curb Markings Policy and an ordinance amending Article VI of Chapter 20 (Stopping, Standing and Parking). The revised policy will require the following criteria:

1. A Complete Signed Application and Waiver Liability Form: An applicant must submit a complete Special Parking Restrictions Requests Form with a signed liability waiver. Incomplete, applications will be returned to the applicant with notes for correction. If an applicant fails to complete the application the request will be denied.
2. Proof of a permanent disabled placard: Applicant must possess a valid State issued permanent disable plate or placard. Proof can be provided by submitting a copy of supporting documentation issued by the DMV. Temporary disability placards are not eligible for the installation of a blue curb markings.
3. Proof of Residence: This criterion requires that the applicant demonstrate they are a resident of the requested address. The address must be a single-family residence. Proof can be provided by submitting a copy a utility bill, state issued ID, or rental agreement.
4. Description of the situation that validates the need. This criterion requires that the applicant describe the situation. The applicant will demonstrate that all other options for off-street parking have been exhausted.
5. Payment: The applicant must submit payment in accordance with the City of Salinas City-wide Fee schedule for the given fiscal year. The applicant must provide the initial

payment for “the one-time set-up” fee and an annual renewal costs per location to refresh the curb markings.

To improve operational efficiencies and reduce program cost, the new policy proposes delegating the authority to approve or deny the request for curb markings to the City Engineer. Notifications of the approval will be provided to neighboring properties. Residents will have twenty-eight (28) calendar days to appeal the decision to the Traffic and Transportation Commission following mailing of the notification. Submitted appeals shall: 1) be in writing and addressed to the City of Salinas Traffic and Transportation Commission; 2) provide grounds for the appeal specifying how the decision is not in alignment with this policy; and 3) include a recommended alternative action. The new policy will grant the Traffic and Transportation Commission the authority to approve or deny the appeal. Appeals to the Traffic and Transportation Commissions approval or denial will be heard by the City Council.

In evaluating options to update the special curb marking policy, staff analyzed other city policies and identified opportunities for efficient procedures. The goal was to update the blue curb marking policy to better accommodate disabled residents. The proposed policy also reduces operational inefficiencies and program costs.

Updates to the Ordinance are listed below:

1. Update Article numbering.
2. Delete references to *Parking meters* previously repealed by Council.
3. Add *Establishment of parking zones*
 - a. Grant authority to the City Engineer to maintain and establish curb markings.
 - b. Move Curb markings regulations to this section.
4. Delete *Bus zones*
5. Update *Parking time limited hen signs duly posted*.
6. Delete *Parking prohibited 4:30 p.m. to 6:00 p.m. when signs duly posted; removal of cars*.
7. Update *Parking prohibited when signed duly posted; Removal of vehicles*.
 - a. Grant authority to the Chief of Police to remove vehicles.
8. Delete *Parking prohibited on certain streets between 3:00 a.m. and 5:00 a.m.*
9. Add *Traffic and Transportation Commission authority*.

Traffic and Transportation Commission

At its June 8, 2023, meeting, the Traffic and Transportation Commission voted (3-2) on revised motion to recommend to Council approval of the Special Curb Markings Policy with the removal of the fees for applicants of blue curb markings and adding an appeal process to the policy. Commissioners Cox, Howell and Canseco voted in favor of the revised recommended motion. Commissioners Quigley and Gonzalez Reyes voted against the revised recommended motion.

The proposed policy incorporates the Traffic and Transportation Commission's recommendation to define an appeal process. Staff is dedicated to full cost recovery and therefore does not recommend waiver of the fees associated with the curb markings applications. Fees are currently set at \$914.00 for the initial setup and \$318.50 for annual maintenance. Fees are adjusted annually consistent with the Citywide Schedule of Fees and Charges for City Services.

CEQA CONSIDERATION:

Not a Project. The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

STRATEGIC PLAN INITIATIVE:

This action supports the Council's initiative of "Youth and Seniors".

FISCAL AND SUSTAINABILITY IMPACT:

The proposed policy update would have no impact to the General Fund. The applicant's request would not be subsidized by the community. The proposed policy requires that the applicant fund the cost to install and maintain requested curb markings.

ATTACHMENTS:

Resolution

Ch 20 Article VI Ordinance Update

Attachment 1: Resolution 22616

Attachment 2: Blue Curb Markings Policy Comparison Table

Attachment 3: Existing Salinas Blue Zone Policy

Attachment 4: Proposed Salinas Blue Curb Markings on Residential Streets Policy

RESOLUTION NO. _____ (N.C.S.)

**A RESOLUTION TO APPROVE THE PROPOSED SALINAS BLUE CURB MARKINGS
POLICY**

WHEREAS, the California Vehicle Code section 22507 gives power to local authorities to prohibit or restrict parking; and

WHEREAS, at its August 15, 2006 meeting, City Council adopted the City of Salinas Disabled (Blue) Parking Zones on Residential Streets Policy (Resolution No. 19056); and

WHEREAS, on March 21, 2023, the Salinas City Council approved a Resolution for a residential blue curb zone request and requested staff to review the blue curb marking policy to establish criteria that would allow for approval of requests in residential areas to better accommodate disabled residents; and

WHEREAS, city staff surveyed other City policies and compiled relevant data for the Council's consideration.

WHEREAS, at its June 8, 2023, meeting, the Traffic and Transportation Commission voted (3-2) on a revised motion to recommending City Council approval of a Resolution to approve the Proposed Salinas Blue Curb Markings Policy with the removal of the fees for applicants of blue curb markings and adding an appeal process; and

WHEREAS, city staff revised the policy to incorporate an appeals process; and

WHEREAS, city staff is dedicated to full cost recovery and does not recommend waiver of the fees associated with the curb markings application; and

WHEREAS, the City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA).

NOW, THEREFORE, BE IT RESOLVED that the Salinas City Council approves the Proposed Salinas Blue Curb Markings Policy.

PASSED AND APPROVED this 22nd day of August 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTEST:

Kimbley Craig, Mayor

Patricia M. Barajas, City Clerk

ORDINANCE NO. _____ (N.C.S.)

**AN ORDINANCE AMENDING ARTICLE VI OF CHAPTER 20 OF THE SALINAS
MUNICIPAL CODE UPDATING THE STOPPING, STANDING AND PARKING
REGULATIONS**

WHEREAS, the California Vehicle Code section 22507 gives power to local authorities to prohibit or restrict parking; and

WHEREAS, at its August 15, 2006 meeting, City Council adopted the City of Salinas Disabled (Blue) Parking Zones on Residential Streets Policy (Resolution No. 19056); and

WHEREAS, at its March 21, 2023 meeting, City Council approved the installation of one residential blue parking zone which deviated from existing policy (Resolution No. 22616); and

WHEREAS, at its June 8, 2023, meeting, the Traffic and Transportation Commission voted (3-2) on a revised motion to recommending City Council approval of a Resolution to approve the Proposed Salinas Blue Curb Markings Policy with the removal of the fees for applicants of blue curb markings and adding an appeal process; and

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF SALINAS:

SECTION 1. Recitals. The above recitals are true and correct and are by this reference incorporated herein in their entirety.

SECTION 2. Article VI of Chapter 9 of the Salinas Municipal Code is hereby amended as follows (Revisions are shown in underline/strikethrough text):

CHAPTER 20

Division 1. Generally.

Sec. ~~20-47~~ 20-06.01. Applicability of provisions.

- (a) The provisions of this chapter prohibiting the stopping, standing, or parking of a vehicle shall apply at all times or at those times herein specified, except when it is necessary to stop a vehicle to avoid conflict with other traffic or in compliance with the directions of a police officer or official traffic-control device.
- (b) The provisions of this chapter imposing a time limit on standing or parking shall not relieve any person from the duty to observe other and more restricted provisions of the Vehicle

Code or the ordinances of the city prohibiting or limiting the standing or parking of vehicles in specified places or at specified times.

Sec. ~~20-48~~ 20-06.02. Prohibited in certain places.*

No person shall stop, stand, or park a vehicle within any bridge, viaduct, overpass, subway, underpass, or tunnel, or within the approach to any bridge, viaduct, overpass, subway, underpass, or tunnel.

* For state law as to parking in specified places, see CVC, § 22500.

Sec. ~~20-48.1~~ 20-06.03. Parking in construction zones.

No persons shall park, or fail to remove, a vehicle upon any street or a portion thereof if the use of the street is necessary for the cleaning, repair, or the construction of the street, or for the installation of underground utilities, if signs are posted giving notice thereof. Vehicles in violation may be removed at the owner's expense if the signs are placed or erected at least forty-eight hours prior to the scheduled street work.

Sec. ~~20-49~~ 20-06.04. Use of streets for storage of vehicles prohibited; removal.

- (a) No person who owns or has possession, custody, or control of any vehicle shall park such vehicle upon any street or alley for more than a consecutive period of seventy-two hours.
- (b) In the event a vehicle is parked or left standing upon a street in excess of a consecutive period of seventy-two hours, any member of the police department authorized by the chief of police may remove such vehicle from the street in the manner and subject to the requirements of the Vehicle Code.

Sec. ~~20-50~~ 20-06.05. Parking in street for certain purposes prohibited.

No person shall park a vehicle upon any roadway or on any property owned by the city including city parks and other city property that is open to the public for the principal purpose of:

- (a) Displaying such vehicle for sale, lease or rent when the person so engaged is in the business of selling, leasing or renting vehicles;
- (b) Greasing or repairing such vehicle, except repairs necessitated by an emergency;
- (c) Washing such vehicle when the person so engaged is in the business of washing vehicles.

**Sec. ~~20-50.1~~ 20-06.06. Vehicles for sale on public streets and property prohibited—
Removal.**

- (a) It shall be unlawful for any person to park any vehicle displaying a sign indicating the vehicle is for sale on any public street, alley, parking lot or other public property.
- (b) Pursuant to the authority granted by Vehicle Code Section 22651.9, the city may remove any vehicle found upon any public street or public lands in the City of Salinas if because of

a sign or placard on the vehicle, it appears that the primary purpose of parking the vehicle at that location is to advertise to the public the private sale of that vehicle and all of the following:

- (1) A notice of parking violation was issued within no less than twenty-four hours and no more than thirty days pursuant to subsection (a) accompanied by a notice containing all of the following:
 - (A) A warning that an additional parking violation may result in the impoundment of the vehicle;
 - (B) A warning that the vehicle may be impounded pursuant to Vehicle Code Section 2651.9, even if moved to another street, so long as the signs or placards offering the vehicle for sale remain on the vehicle.
 - (C) A statement that all streets in the city are subject to prohibitions of this section;
 - (2) The vehicle is parked on a public street or land marked with signs that notify the public that parking a vehicle for sale at that location is prohibited and that such vehicles may be removed.
- (c) Vehicle Code Section 22852 shall apply to the removal of any vehicle pursuant to this section.

Sec. ~~20-50.5~~ 20-06.07. Farm labor vehicles—Definition.

The following words and phrases, as used in the chapter, shall have the same definition and meanings as defined by Section 322 of the California Vehicles Code: Farm Labor Vehicle and Farm-worker.

Sec. ~~20-50.6~~ 20-06.08. Farm labor vehicles—Prohibition.

All farm labor vehicles are prohibited from parking, stopping, or standing at any time for the purpose of loading or unloading passengers on public rights-of-way within the city, except in an area designated as a "Farm Labor Parking" lot.

Nothing in this section shall prohibit farm labor vehicles from loading, unloading or parking on private property where such activity is compatible with existing zoning regulations and any other relevant law, rule or regulation.

Nothing in this section shall prohibit farm labor vehicles from loading or unloading passengers at any existing Monterey-Salinas Transit (MST) established bus stop.

Sec. ~~20-51~~ 20-06.09. Parking to be parallel to curb; parking in direction of traffic; parking on left-hand side; unloading.

- (a) Subject to other and more restricted limitations, a vehicle may be stopped or parked within eighteen inches of the left-hand curb facing in the direction of traffic movement upon any one-way street unless signs are in place prohibiting such stopping or standing.
- (b) In the event a highway includes two or more separate roadways and traffic is restricted to one direction upon any such roadway, no person shall stand or park a vehicle upon the left-hand side of such one-way roadway unless signs are in place permitting such standing or parking.

- (c) Whenever any ordinance or resolution of the city determines that standing or parking shall be prohibited upon the left-hand side of any one-way street, or when standing or parking shall be permitted upon the left-hand side of any one-way roadway or highway having two or more separate roadways, the city traffic engineer shall place and maintain signs giving notice thereof.
- (d) The requirement of parallel parking shall not apply in the event any vehicle is actually engaged in the process of loading or unloading freight or goods, in which case that vehicle may be backed up to the curb; provided, that such vehicle does not extend beyond the centerline of the street and does not block traffic thereby.

Sec. ~~20-52~~ 20-06.10. Angle parking—Generally.

- (a) Whenever any provision of this chapter or other ordinance determines and designates any street or portion thereof upon which angle parking shall be permitted, the city traffic engineer shall mark or sign such street indicating the angle at which vehicles shall be parked.
- (b) When signs or markings are in place indicating angle parking as herein provided, no person shall park or stand a vehicle other than at the angle to the curb or edge of the roadway indicated by such signs or markings.
- (c) Angle parking shall be permitted upon those streets and parts of streets described in Section ~~20-53~~ 20-06.11.

Sec. ~~20-53~~ 20-06.11. Same—Streets enumerated.

In accordance with Section ~~20-52~~ 20-06.10 and when signs and markings are in place giving notice thereof, drivers of vehicles may stand or park a vehicle only as indicated by such markings or signs on the following streets or portions thereof:

- (a) Happ Place, east side, between West Market Street and the northerly terminus of Happ Place.
- (b) Lang Street, north side, between South Capitol Street and the easterly terminus of Lang Street.
- (c) Station Place, both sides, between West Market Street and the Southern Pacific Railway Company right-of-way.
- (d) Plaza Circle, north and east side at the easterly terminus of Plaza Circle.
- (e) California Street, east and west side, between Market Way and Lake Street.
- (f) Lincoln Avenue, west side, between Gabilan Street and Howard Street.
- (g) Market Way, south side, between California Street and Soledad Street.
- (h) Church Street, west side, between West Alisal Street and West Gabilan Street.

Sec. ~~20-54~~ 20-06.12. Parking, etc., in parkways.

No person shall stop, stand, or park a vehicle within any parkway.

Sec. ~~20-55~~ 20-06.13. Parking adjacent to schools.

- (a) Whenever any ordinance or resolution determines that there shall be no parking upon that side of any street adjacent to any school property, the city traffic engineer shall place and maintain signs giving notice thereof.
- (b) When official signs are erected indicating no parking upon that side of a street adjacent to any school property, no person shall park a vehicle in any such designated place.

Sec. ~~20-56~~ 20-06.14. Prohibited parking when signs posted.

- (a) Whenever any ordinance or resolution determines that there shall be no parking, stopping, or standing upon any designated street, side of any street, or any other location, the city traffic engineer shall place and maintain signs or markings giving notice thereof.
- (b) Whenever any ordinance or resolution determines that there shall be no parking or standing of any vehicle, including vehicles which are six feet or more in height (including any load thereon) within one hundred feet of any intersection on certain streets or highways or portions thereof, during all or certain hours of the day, the city transportation engineer shall place and maintain signs giving notice thereof. Any such ordinance or resolution may include a designation of certain streets upon which preferential parking privileges are given to residents or merchants adjacent to such streets, pursuant to a permit issued by the city transportation engineer, where such streets may be used for their use and the use of their guests.
- (c) When official signs or markings are in place as herein provided, no person shall park, stop, or stand a vehicle in any such location.

Sec. ~~20-57~~ 20-06.15. Emergency parking signs.

- (a) Whenever the chief of police shall determine that an emergency traffic congestion is likely to result from the holding of public or private assemblages, gatherings, or functions, or for other reasons, the chief of police is hereby authorized and directed to order temporary signs to be erected or posted indicating that the operation, parking, or standing of vehicles is prohibited on such streets and alleys as the chief of police shall direct during the time such temporary signs are in place. Such signs shall remain in place only during the existence of such emergency, and the chief of police shall cause such signs to be removed promptly thereafter.
- (b) When signs authorized by the provisions of this section are in place giving notice thereof, no person shall operate, park, or stand any vehicle contrary to the directions and provisions of such signs.

Sec. ~~20-58~~. Repealed by Ordinance No. 2474 (NCS).

Sec. ~~20-59~~ 20-06.16. Display of warning device when commercial vehicle disabled.

Every motor truck having an unladen weight of four thousand pounds or more, and every truck tractor irrespective of weight, when operated upon any street or highway during the time specified in Section 280 of the Vehicle Code, shall be equipped with and carry at least two flares or two red lanterns, or two warning lights or reflectors, which reflectors shall be of a type

approved by the department of highway patrol. When any vehicle above mentioned or any trailer or semi-trailer is disabled upon streets or highways outside of any business or residential district within the city, and upon which street or highway there is insufficient lighting to reveal a vehicle at a distance of two hundred feet during any time mentioned in Section 280 of the Vehicle Code, a warning signal of the character indicated above shall be immediately placed at a distance of approximately one hundred feet in advance of, and one hundred feet to the rear of, such disabled vehicle by the driver. The continuous flashing of at least four approved type Class A — Type 1 turn signal lamps, at least two toward the front and at least two toward the rear of the vehicle, shall be considered to meet the requirements of this section until the devices mentioned above can be placed at the required locations. The warning signals herein mentioned shall be displayed continuously during the times mentioned in Section 280 of the Vehicle Code while such vehicle remains disabled upon such street or highway.

Sec. ~~20-59.1~~ 20-06.17. Parking spaces.

- (a) When lines upon the surface of the roadway or pavement are in place designating parking spaces, including the angle of parking, no person shall park a vehicle except entirely within any such parking space, subject to the provisions of subsection (b).
- (b) When the parking of a vehicle is required to be within a parallel parking space, the vehicle or a combination of connected vehicles exceeding the dimensions of such a space may also occupy one or more adjoining parallel spaces; provided that all other provisions of this chapter applicable to such space shall be observed.

Division 2. Parking Meters.

~~Secs. 20-60 through 20-69. Repealed by Ord. No. 1537 (NCS).~~

Division 3. Loading and Unloading.

Sec. ~~20-72.~~ 20-06.18. Establishment of parking zones.

~~Whenever any ordinance or resolution determines a location for a loading zone or passenger loading zone, the city traffic engineer shall mark and maintain such zones as follows:~~

- ~~(a) Loading zones shall be indicated by a yellow paint line stenciled with black letters, "LOADING ZONE ONLY," upon the top of all curbs in such zones.~~
- ~~(b) Passenger loading zones shall be indicated by a white line stenciled with black letters, "PASSENGER LOADING ONLY," upon the top of all curbs in such zones.~~
- (a) The City Engineer is authorized to place, and maintain parking signs and curb markings to indicate parking or standing regulations, and the curb markings have the meanings as herein set forth:
 - (1) Red shall mean no stopping, standing, or parking at any time except as permitted by Section 21458 of the Vehicle Code, and except that a bus may stop in a red zone marked or signed as a bus zone.

- a. Whenever the city engineer determines a location for a bus zone, the city engineer shall paint and maintain a red line stenciled with white letters, "BUS ZONE," upon the top and side of all curbs and places specified as a bus zone.
 - b. No person shall stop, stand, or park any vehicle except a bus in a bus zone.
 - c. The word "bus" as used in this section means any motor bus, motor coach, trackless trolley coach, or passenger stage, used as a common carrier of passengers.
- (2) Yellow shall mean no stopping, standing, or parking at any time between 7:00 a.m. and 6:00 p.m. of any day except Sundays and holidays for any purpose other than the loading or unloading of passengers or materials; provided, that the loading or unloading of passengers shall not consume more than five minutes nor the loading or unloading of materials more than twenty minutes.
- (3) White shall mean no stopping, standing, or parking for any purpose other than loading or unloading of passengers, which shall not exceed five minutes, and such restrictions shall apply between 7:00 a.m. and 6:00 p.m. of any day except Sundays and holidays and except as follows:
- a. When such zone is in front of a hotel, the restrictions shall apply at all times;
 - b. When such zone is in front of a theater, the restrictions shall apply at all times except when such theater is closed.
- (4) Green means no standing or parking for longer than twenty minutes at any time between 7:00 a.m. and 6:00 p.m. of any day except Sundays and holidays. Zones shall be indicated by green paint lines, stenciled with white letters, "20-MINUTE PARKING ZONE," upon the top of all curbs within such zones.
- (5) Blue shall mean no stopping, standing or parking except for handicapped persons as permitted by Section 21458 of the California Vehicle Code.
- (b) When the City Engineer as authorized under this chapter has caused curb markings to be placed, no person shall, stop, stand, or park a vehicle adjacent to any such legible curb markings in violation of any of the provisions of this section.

Sec. 20-73. Bus zones.*

- ~~(a) Whenever any ordinance or resolution determines a location for a bus zone, the city traffic engineer shall paint and maintain a red line stenciled with white letters, "BUS ZONE," upon the top and side of all curbs and places specified as a bus zone.~~
- ~~(b) No person shall stop, stand, or park any vehicle except a bus in a bus zone.~~
- ~~(c) The word "bus" as used in this section means any motor bus, motor coach, trackless trolley coach, or passenger stage, used as a common carrier of passengers.~~

* For state law as to authority of cities to regulate the location of bus stands, see Veh. C. § 21112.

~~Sec. 20-74. Curb markings to indicate regulations.*~~

- ~~(a) Whenever any ordinance or resolution determines parking or standing regulations requiring curb markings, the city traffic engineer shall place and maintain the following curb markings, and such curb markings shall have the meanings as herein set forth:~~
- ~~(1) Red shall mean no stopping, standing, or parking at any time except as permitted by the Vehicle Code, and except that a bus may stop in a red zone marked or signed as a bus zone.~~
- ~~(2) Yellow shall mean no stopping, standing, or parking at any time between 7:00 a.m. and 6:00 p.m. of any day except Sundays and holidays for any purpose other than the loading or unloading of passengers or materials; provided, that the loading or unloading of passengers shall not consume more than five minutes nor the loading or unloading of materials more than twenty minutes.~~
- ~~(3) White shall mean no stopping, standing, or parking for any purpose other than loading or unloading of passengers, which shall not exceed five minutes, and such restrictions shall apply between 7:00 a.m. and 6:00 p.m. of any day except Sundays and holidays and except as follows:~~
- ~~a. When such zone is in front of a hotel, the restrictions shall apply at all times;~~
- ~~b. When such zone is in front of a theater, the restrictions shall apply at all times except when such theater is closed.~~
- ~~(4) Green means no standing or parking for longer than twenty minutes at any time between 7:00 a.m. and 6:00 p.m. of any day except Sundays and holidays. Zones shall be indicated by green paint lines, stenciled with white letters, "20 MINUTE PARKING ZONE," upon the top of all curbs within such zones.~~
- ~~(5) Blue shall mean no stopping, standing or parking except for handicapped persons as permitted by the California Vehicle Code.~~
- ~~(b) The city traffic engineer is authorized to install red zones of not less than two feet nor more than ten feet in length on curbs adjacent to driveways, crosswalks, or between paired parking stalls, and along both sides of any city street when in his judgment, based upon conditions of traffic and parking, he finds the installation of such red zones to be warranted.~~
- ~~(c) When the city traffic engineer as authorized under this chapter has caused curb markings to be placed, no person shall stop, stand, or park a vehicle adjacent to any such legible curb markings in violation of any of the provisions of this section.~~

~~* For state law as to curb markings to indicate parking regulations, see Veh. C. § 21458~~

~~Sec. 20-75~~ 20-06.19. Effect of establishment of zones.

- (a) Permission herein granted to stop or stand a vehicle for purposes of loading or unloading of materials shall apply only to commercial vehicles, and shall not extend beyond the time necessary therefor and in no event for more than twenty minutes.
- (b) The loading or unloading of materials shall apply only to commercial deliveries and also to the delivery or pick-up of express and parcel post packages and United States mail.

- (c) Permission herein granted to stop or park for purposes of loading or unloading passengers includes the loading or unloading of personal baggage, but shall not extend beyond the time necessary therefor and in no event for more than five minutes.
- (d) Within the total time limits specified in this section, the provisions of this section shall be enforced so as to accommodate necessary and reasonable loading or unloading time without permitting abuse of the privileges hereby granted.

Sec. ~~20-76~~ 20-06.20. Use of loading zones.

No person shall stop, stand, or park a vehicle in any yellow loading zone for any purpose other than loading or unloading passengers or materials for such time as is permitted in Section ~~20-74~~ 20-06.18.

Sec. ~~20-77~~ 20-06.21. Use of passenger loading zones.

No person shall stop, stand, or park a vehicle in any passenger loading zone for any purpose other than the loading or unloading of passengers for such time as is specified in Section ~~20-74~~ 20-06.18.

Sec. ~~20-77.1~~ 20-06.22. Use of taxicab stands.

No person shall stop, stand, or park a vehicle other than a taxicab in any taxicab stand established pursuant to Section 33-10 of this Code.

Sec. ~~20-78~~ 20-06.23. Use of alleys.

- (a) No person shall stop, stand, or park a vehicle in any alley for any purpose other than the loading or unloading of persons or materials, and for not more than one hour at one point.
- (b) No person shall park a vehicle within an alley in such a manner or under such conditions as to impede or obstruct the free movement of the vehicular traffic, and no person shall stop, stand, or park a vehicle within an alley in such a position as to block the driveway entrance to any abutting property.
- (c) No person shall park a vehicle upon any real property adjacent to an alley when any portion of the vehicle or its load projects into such alley.
- (d) No person shall use the alleys for the storage of vehicles when not actually engaged in loading or unloading operations, and no goods or trash shall be stored within the alley right-of-way.

Division 4. Stopping, Standing or Parking Restricted or Prohibited on Certain Streets.

Sec. ~~20-79~~ 20-06.24. Parking time limited when signs duly posted.

- (a) ~~Whenever the council, by ordinance or resolution, determines those streets or portions thereof upon which parking shall be subject to time limitations, the city traffic engineer shall designate such streets or portions thereof by appropriate signs or curb markings. The City Engineer is authorized to place and maintain parking signs to indicate parking or standing time limitations.~~

- (b) When ~~authorized~~ signs, parking meters or curb markings are in place on any municipal street or any portion thereof giving notice of any parking time limitation, no operator of any vehicle shall stop, stand or park such vehicle ~~between the hours of 8:00 a.m. and 6:00 p.m. of any day~~ except Sundays or holidays, in two or more spaces, which have been designated as limited time spaces, which spaces are less than one hundred eighty feet distant from each other, for a cumulative period of time in excess of the posted time limits. For purposes of this section, the distance between spaces shall be determined by measuring along the curb facing the closest point of one space to the closest point of the other space.
- (c) Intention and Purpose. In establishing parking limit zones, it is the intention and purpose of the city council to provide short-term parking for customers and business visitors, and to prohibit the use of such parking spaces for a total cumulative period of time longer than the posted time.

~~Sec. 20-80. Parking prohibited 4:30 p.m. to 6:00 p.m. when signs duly posted; removal of cars.~~

- ~~(a) Whenever the council, by ordinance or resolution, determines those streets or portions thereof upon which parking shall be prohibited between the hours of 4:30 p.m. and 6:00 p.m., the city traffic engineer shall designate such streets or portions thereof by appropriate signs.~~
- ~~(b) When authorized signs are in place giving notice thereof, no person shall stop, stand, or park any vehicle on any such streets or portions thereof between the hours of 4:30 p.m. and 6:00 p.m. of any day except Sundays and holidays.~~
- ~~(c) The chief of police is hereby authorized and directed to cause the removal from the street of any vehicle parked or left standing in violation of this section in the manner and subject to the requirements of the Vehicle Code; provided, however, that this authorization to remove shall only be exercised when signs referred to in this section clearly state that vehicles will be so removed.~~

~~Sec. 20-81~~ 20-06.25. Parking prohibited when signs duly posted; Removal of cars.

- (a) ~~Whenever the council, by ordinance or resolution, determines those streets or portions thereof upon which stopping, standing or parking shall be prohibited at any time,~~ The City Engineer is authorized to place, and maintain parking signs to indicate parking or standing prohibitions, the city traffic engineer shall designate such streets or portions thereof by appropriate signs placed at the first and last point where the legal requirement is effective, and at intervals not greater than two hundred fifty feet.
- (b) When appropriate signs are in place giving notice thereof, no person shall stop, stand, or park any vehicle contrary to the posted regulation on any such streets or portions thereof.
- (c) Council may, by resolution, prohibit certain types of vehicles or commercial truck trailers from stopping, standing, or parking on any street or portion thereof within the city.
- (d) In zones where vehicles can be towed for violating the posted prohibition restriction, the "Tow-Away," message or symbol shall be used. Where the "Tow-Away" symbol is used in a 12-inch width format, it shall be as shown in the California Manual for Uniform Traffic Control Devices R26K(CA) sign.

(e) The chief of police is hereby authorized and directed to cause the removal from the street of any vehicle parked or left standing in violation of this section in the manner and subject to the requirements of the Vehicle Code; provided, however, that this authorization to remove shall only be exercised when signs referred to in this section clearly state that vehicles will be so removed.

Sec. 20-82. Parking prohibited on certain streets between 3:00 a.m. and 5:00 a.m.

- ~~(a) Whenever the council, by ordinance or resolution, determines those streets or portions thereof upon which parking shall be prohibited on designated days between the hours of 3:00 a.m. and 5:00 a.m., the city traffic engineer shall designate such streets or portions thereof by appropriate signs.~~
- ~~(b) When authorized signs are in place giving notice thereof, no person shall park any vehicle on any such streets or portions thereof between the hours of 3:00 a.m. and 5:00 a.m. on the days designated.~~

~~(Ord. No. 1516 (NCS), § 2.)~~

Sec. 20-06.26. Traffic and Transportation Commission authority.

The Traffic and Transportation Commission authority is per Chapter 3, Article I of the Salinas Municipal Code. With respect to parking zones, the Traffic and Transportation Commission shall have the authority and responsibilities described and illustrated in Article VI of Chapter 20 (Stopping, Standing and Parking. *) Municipal Code. The Traffic and Transportation Commission's primary functions are to:

- (a) Review certain applications and forward recommendations to the city council;
- (b) Hear and decide appeals to the city engineer decisions;
- (c) In certain instances, the Traffic and Transportation Commission has the authority to approve, approve with conditions or modifications, or deny certain applications as identified in Article VI of Chapter 20 (Stopping, Standing and Parking. *)

Division 5. Parking Lots.

Sec. 20-83 20-06.27. Designation of public parking lots.

Whenever any land or premises is acquired, owned, leased, or occupied by the city for parking lot purposes, the council may by either resolution or ordinance designate such land or premises, or any portions thereof, as public parking lots.

Sec. 20-84 20-06.28. Signs to be posted.

Whenever the council, by ordinance or resolution, has designated any land or premises, or any portions thereof, as public parking lots, the city traffic engineer shall appropriately sign and mark such land or premises as public parking lots.

Sec. ~~20-85~~ 20-06.29. Parking spaces.

- (a) Whenever the council, by ordinance or resolution, has established public parking lots, the city traffic engineer shall designate parking spaces by white lines upon the surface of the roadway or pavement.
- (b) When markings are in place designating spaces or the angle for parking as herein provided, no person shall park a vehicle except entirely within such parking spaces or between lines indicating angle parking.
- (c) Whenever the parking of vehicles is required within parallel parking spaces, a vehicle or a combination of connected vehicles exceeding the dimensions of such a space may also occupy one or more adjoining spaces, provided that all other provisions of this chapter applicable to each such space shall be observed.
- (d) Whenever blue pavement markings and a sign consisting of a profile view of a wheelchair with occupant in white on a blue background are in place designating spaces or the angle for parking as herein provided, no person shall park at any time except handicapped persons as permitted by the California Vehicle Code.
- (e) Whenever yellow pavement markings and a pavement stencil consisting of the words CITY VEHICLE ONLY are in place designating spaces or the angle of parking as herein provided, no person shall park other than a city vehicle within such parking space or such lines indicating angle parking.

Sec. ~~20-86~~ 20-06.30. Parking time limited.

- (a) When authorized signs are in place on any public parking lot or parking structure giving notice of time limit parking regulations, no person shall park any vehicle on any such public parking lot or parking structure for a period of time longer than the posted time limit between the hours of 8:00 a.m. and 6:00 p.m. of any day except Sundays and holidays. The council may at any time, by resolution or ordinance, provide for the erection and maintenance of such signs, and may at any time change the length of such parking periods or the hours prescribed for parking in such parking lots or parking structures, or otherwise provide for the use or occupation of such parking lots or parking structures by resolution. Any such changes so provided for shall become effective when authorized signs are in place giving notice of such change or changes.
- (b) When authorized signs or curb markings are in place on any such municipal parking lots or any portion thereof giving notice of any parking time limitations, it shall be unlawful for any operator of a motor vehicle to move such vehicle or allow or permit others to move such vehicle within that municipal parking lot or to remove such vehicle from that lot and return to the same lot, within one hour or less, for the purpose of parking in excess of the established time limit.
- (c) Intention and Purpose. In establishing parking time limits in municipal parking lots, it is the intention and purpose of the city council to provide short-term parking for customers and business visitors, and to prohibit the use of such parking lot spaces for a total cumulative period of time longer than the posted time.

Sec. ~~20-87~~ 20-06.31. Permits for use by commercial vehicles.

A commercial vehicle, while actually engaged in construction or repair work upon the public streets or property adjacent thereto, may be parked and remain parked in a parking space for a period time in excess of the prescribed period of time upon special written permit therefor being first issued by the chief of police. The chief of police shall issue such permits only when circumstances indicate to him that there is a need to exempt the applicant from parking control for reason of convenience and necessity and upon the applicant paying such parking fees as the council by resolution shall determine.

Sec. ~~20-88~~ 20-06.32. Tickets—Issuance for violations.

Every police officer, acting in accordance with instructions issued by the chief of police, shall take the state vehicle license of any vehicle parking in violation of any of the provisions of this division; the time and place of such violation; the nature of the violation; the make of such vehicle; and such other facts a knowledge of which is necessary to a thorough understanding of the circumstances attending such violation; and issue, in writing, a citation for such violation.

~~Sec. 20-89. Repealed by Ordinance No. 2171 (NCS).~~

Division 6. Parking on Private Property.

Sec. ~~20-90~~ 20-06.33. When prohibited; signs.

It is unlawful for any person to park a motor vehicle upon any private property or upon property used for private parking purposes without the consent of the owner of such property, the person entitled to the possession thereof for the time being, or the authorized agent of either; provided, that signs specifying conditions under which parking is permitted shall have been posted at all entrances to such property or are otherwise displayed on the property in plain view of all entrances to such property. Such signs shall be approved both as to wording and posting by the police department.

Sec. ~~20-91~~ 20-06.34. Ticketing illegally parked vehicles.

Any regularly employed and salaried officer of the police department may issue a citation to the owner or driver of any motor vehicle that has been parked or left standing on any private property, driveway, or private parking lot, or property used for private parking purposes, in violation of Section ~~20-90~~ 20-06.33. ~~The provisions of Sections 41102 and 41103 of the Vehicle Code shall be applicable in determining responsibility for such citation, and such sections are hereby adopted by reference as a part of this division.~~

Sec. ~~20-92~~ 20-06.35. Removal of vehicle illegally parked.

Any regularly employed and salaried officer of the police department, the owner of any private property, or the person entitled to the possession thereof for the time being, or the authorized agent of either, may remove, or cause to be removed, any motor vehicle that has been parked or left standing on any private property, driveway, or private parking lot, or property used for private parking purposes, in violation of Section ~~20-90~~ 20-06.33.

Sec. ~~20-93~~ 20-06.36. Removal to be to safe place.

Any person referred to in Section ~~20-92~~ 20-06.35-who removes any vehicle from any private property in the city is authorized to remove such vehicle to the nearest garage or other place of safety, or to a garage designated or maintained by the city.

Sec. ~~20-94~~ 20-06.37. Liability for wrongful removal.

If a vehicle removed from such private property was rightfully there, the person or persons who complained of the presence of such vehicle or the person or persons (other than members of the police department) who caused such vehicle to be removed shall be liable for any and all charges for towage and for caring for and keeping safe such vehicle.

Sec. ~~20-95~~ 20-06.38. Notice to owner of removal.

Any person referred to in Section ~~20-92~~ 20-06.35 who removes a vehicle from private property shall give notice to the owner of the motor vehicle as provided for and required by Section 22852 of the Vehicle Code.

Sec. ~~20-96~~ 20-06.39. Garage keeper's lien.

The keeper of any garage in which any vehicle is stored in accordance with the provisions of this division shall have a lien thereon for his compensation for towage, and for caring for and keeping safe such vehicle, and may satisfy such lien upon compliance with and under the conditions stated in Section 22851 of the Vehicle Code.

SECTION 3. CEQA CONSIDERATIONS. Not a Project. The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

SECTION 4. SEVERABILITY. If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of any competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The Salinas City Council hereby declares that it would have passed this ordinance, and each and every section, subsection, clause and phrase thereof not declared invalid or unconstitutional without regard to whether any portion of the ordinance would be subsequently declared invalid or unconstitutional.

SECTION 5. EFFECTIVE DATE. This ordinance shall take effect and be in force thirty days from and after its adoption.

PASSED AND ADOPTED this 22nd day of August 2023, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED:

Kimbley Craig, Mayor

ATTEST:

Patricia M. Barajas, City Clerk

APPROVED AS TO FORM:

Christopher A. Callihan, City Attorney

RESOLUTION NO. 22616 (N.C.S.)

**A RESOLUTION OF THE SALINAS CITY COUNCIL APPROVING THE REQUEST
FOR ONE (1) BLUE ACCESSIBLE ZONE AT 1224 HAWAII PLACE**

WHEREAS, at its August 15, 2006, meeting, City Council adopted the City of Salinas Disabled (Blue) Parking Zones on Residential Streets Policy that provided a uniform process for the recommendation of on-street disabled parking (Resolution No. 19056); and

WHEREAS, on December 20, 2022, City Staff received a written request to install a blue accessible zone at 1224 Hawaii Place; and

WHEREAS, staff's recommended motion presented to the Traffic and Transportation Commission was to deny the request for one (1) blue accessible designation zone since it does not meet the requirements of the City of Salinas Disabled (Blue) Parking Zones on Residential Streets Policy; and

WHEREAS, at its February 9, 2023, meeting, the Traffic and Transportation Commission voted 2-4 to recommend to City Council to support of City staff's recommendation to deny the request for a blue accessible zone at 1224 Hawaii Place; and

WHEREAS, at its February 9, 2023, meeting, the Traffic and Transportation Commission voted 3-3 on an alternative motion to recommend to City Council to not support of City staff's recommendation to deny the request for a blue accessible zone at 1224 Hawaii Place; and

WHEREAS, the Traffic and Transportation Commission voted 3-3 on at its February meeting to approve the request for one (1) blue accessible designation zone at 1224 Hawaii Place.

NOW, THEREFORE, BE IT RESOLVED that the Salinas City Council hereby approves the request for one blue accessible zone designation at 1224 Hawaii Place and requests staff to review the blue curb marking policy to establish criteria that would allow for approval of similar requests to better accommodate disabled residents.

PASSED AND APPROVED this 21st day of March 2023, by the following vote:


AYES: Councilmembers Barrera, Gonzalez, Osornio, Rocha, Sandoval and Mayor Craig

NOES: Councilmember McShane


ABSENT: None

ABSTAIN: None

APPROVED:

DocuSigned by:

E554E94F4CE64C8...
Kimbley Craig, Mayor

ATTEST:

DocuSigned by:

5BE31EC636A6432
Patricia M. Barajas, City Clerk

Attachment 2: Blue Curb Markings Policy Comparison Table

	Submit Application	Proof of Disabled Placard	Garage	Driveway	On-street Parking Availability	Path of Travel	Fee	Other Considerations
City of Salinas	Yes	Yes	Yes	Yes	Yes	Yes		
Alameda	Yes ¹	Yes	Yes	Yes	No	No	No	Requires waiver and release of claims.
Albany	Yes ¹	No	Yes ²	Yes ²	Yes ²	No	Yes	CDD Staff have the authority to approve/deny the request and the applicant may appeal the decision.
Berkeley	Yes	Yes	Yes ²	Yes ²	No	Yes	No	Requires the adjacent sidewalk be an ADA compliant landing, and residents have the option of installing the required hardscape at their expense to meet this requirement in order meet the eligibility criteria.
Carson	Yes	Yes	Yes	Yes	Yes ²	No	No	
Corona	Yes	Yes	No	Yes	Yes ²	Yes	No	
Daly City	Yes	Yes ³	Yes	Yes	No	No	No	
El Cerrito	Yes	Yes	Yes ²	Yes ²	No	No	No	The City Engineer has the authority to approve/deny the request and the applicant may appeal the decision. The applicant can request curb markings Infront of a neighboring house, with permission from the property owner.
Emeryville	Yes	Yes ³	Yes	Yes	Yes ²	No	No	Maximum Driveway Slope is 5% (usually 2% for landings)
Long Beach	Yes	Yes ³	Yes	Yes	Yes ²	No	No	Requires waiver and release of claims.
Los Angeles	Yes							
Milpitas	Yes	Yes ³	Yes ²	Yes ²	Yes	Yes	Yes	The City Engineer has the authority to approve/deny the request and the applicant may appeal the decision.
Monterey	No	No	No	No	No	No	No	No program is available to request blue zones in residential areas.
Oakland	Yes	Yes	Yes	Yes	Yes ²	No	No	Requires waiver and release of claims.
Pittsburg	Yes	Yes	Yes	Yes	Yes ²	Yes	Yes	The City Traffic Engineer has the authority to approve/deny the request and the applicant may appeal the decision.
San Mateo	Yes	Yes	Yes	Yes	Yes ²	Yes	Yes	The Public Works Director has the authority to approve/deny the request and the applicant may appeal the decision.
Santa Barbara	Yes	Yes	Yes	Yes	No	No	No	The Parking Programs Supervisor has the authority to approve/deny the request and the applicant may appeal the decision.

¹The application requires a letter of support or concurrence from the property owner if the applicant is a renter.

² The criteria is objective. City staff determine if criteria is met, and may consider other information.

³Only permanent disabled placards are eligible, temporary placard do not qualify.

**The City of Salinas
Disabled (Blue) Parking Zones on Residential Streets Policy**

Policy adopted on August 15, 2006 *. Resolution No.* 19056

To be consistent with appropriate use of special curb markings and in response to increasing requests for on-street disabled zones in residential areas, the City has approved policy with criteria for when to install disabled (blue) parking zones on residential streets. More specifically, this policy restricts the installation of these disabled zones to specific locations meeting the criteria below.

The City of Salinas is committed to the installation of the pedestrian facilities that improve accessibility for disabled members of the community. At residential areas, off-street parking (such as a garage or driveway adjacent to the house) locations provide the most convenience and safety for those requiring disabled access to a house.

The policy below intends to ensure that disabled parking on residential streets are installed where they are most needed and that residents who are disabled have safe and convenient access to their homes from their vehicles.

- I. **Application.** In order to receive consideration under this policy, an applicant must submit a written request to the **City of Salinas Development and Engineering Services Department, ATTN: Traffic Section, 200 Lincoln Avenue, Salinas, California 93901.**
- II. **Consideration.** Effective on the adoption of this policy, requests for on-street disabled parking (blue) zones shall be subject to the following criteria:
 1. Off-street parking facilities for the residential property do not exist. The property does not have a garage, driveway, or other on-site parking space that can be provided for the disabled member of the household; or
 2. On-street parking is unavailable. This criterion requires that the site be located adjacent to a school, apartment, and/or other businesses that consume on-street residential parking supply; and
 3. The path of travel from the proposed on-street parking stall to the home meets ADA/Title 24 path of travel requirements.

The following criteria are required in all cases.

4. Proof that the disabled resident has a permanent disabled placard on file; and

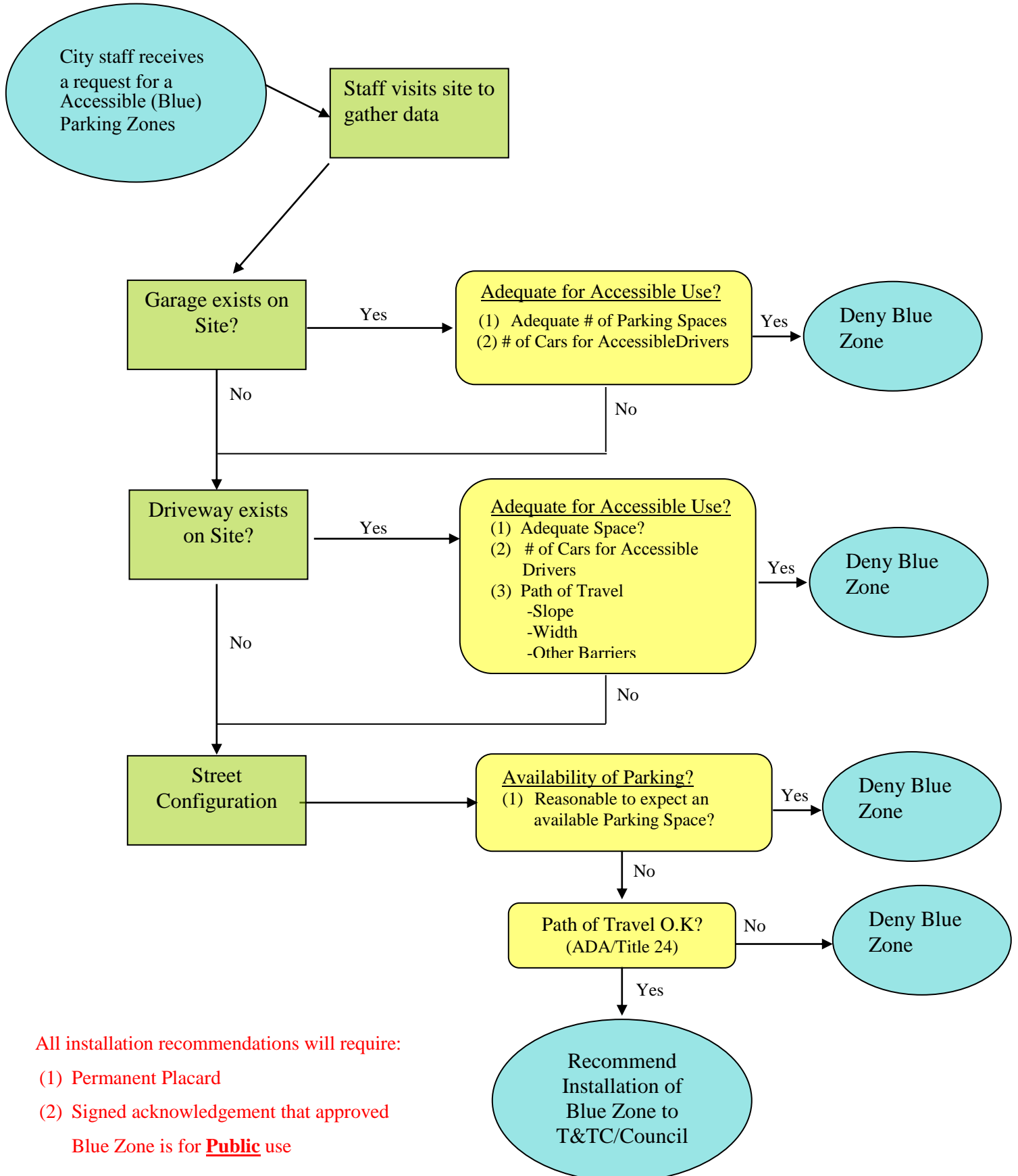
5. Signed statement acknowledging applicant understands that the on-street disabled parking requested can be used by other residents in the community that have a disabled placard.

This Policy provides a uniform process for the recommendation of an on-street disabled parking zone.

The City Engineer, at his or her discretion, may examine other considerations not part of this Policy's criteria. Results of these considerations may become the basis to support or oppose recommendation resulting from previously considered criteria.

- III. **Commission Consideration** City staff will bring its recommendation to the Traffic and Transportation Commission (T&TC). The meeting of the T&TC provides a public forum for the applicant or any impacted party to support or protest City staff's recommendation. The Traffic and Transportation Commission may recommend approval or denial of the applicant's request based on the criteria above for Disabled (Blue) Parking Zones on residential streets.
- IV. **Council Consideration.** The City Council makes the final decision regarding the request for Disabled (Blue) Parking Zones on residential streets. The meeting of the City Council provides another public forum to appeal decisions of the T&TC made following the application of this policy.
- V. The City Engineer, at his or her discretion, may remove any Disabled (Blue) Parking Zone if it is no longer needed (e.g., when resident has moved, when the situation no longer meets the above criteria, etc.).

Flowchart for Salinas Accessible (Blue) Parking Zones on Residential Streets Policy



The City of Salinas
Blue Curb Markings on Residential Streets Policy

Policy adopted on _____. Resolution No. _____

The City of Salinas is committed to providing facilities that improve accessibility for disabled members of the community, while also being sensitive to parking impacts in neighborhoods. Under California Vehicle Code (CVC) Section 21458(a)(5), blue curb markings may be installed on a city street to designate parking space for the sole use of vehicles bearing a special handicap license plate or displaying an appropriate placard. It is important to note that the installation of blue curb markings decreases the amount of available on-street in residential neighborhoods where there may be high parking demand.

Residents may submit an application to the City for the installation of a blue curb markings on their street. In an effort to be fair and consistent with each request the City has developed this policy with uniform criteria for considering when to install blue curb markings on residential streets. More specifically, this policy is intended to ensure the applicant has a valid permanent disabled persons placard, and that the private residence lacks an adequate driveway.

I. Application

In order to receive consideration under this policy, an applicant must submit a complete application form to the City of Salinas Public Works Department, ATTN: Traffic and Transportation Division, 200 Lincoln Avenue, Salinas, California 93901.

II. Criteria

Effective on the adoption of this policy, requests for blue curb markings in single-family residential streets shall be subject to the following criteria:

1. A Complete Signed Application and Waiver Liability Form:

An applicant must submit a complete Special Parking Restrictions Requests Form with a signed liability waiver. Incomplete applications will be returned to the applicant with notes for correction. If an applicant fails to complete the application the request will be denied.

2. Proof of a permanent disabled placard:

Applicant must possess a valid State issued permanent disable plate or placard. Proof can be provided by submitting a copy of supporting documentation issued by the DMV. Temporary disability placards are not eligible for the installation of a blue curb markings.

3. Proof of Residence:

This criterion requires that the applicant demonstrate they are a resident of the requested address. The address must be a single-family residence. Proof can be provided by submitting a copy a utility bill, state issued ID, or rental agreement. If the applicant is a renter, the owner must also provide a letter of concurrence with the request.

4. Description of the Situation that validates the need.

This criterion requires that the applicant describe the situation. The applicant will demonstrate that all other options for off-street parking have been exhausted. Locations with driveways over fourteen (14) feet wide shall not be eligible for blue curb markings under this policy.

III. **Consideration**

The City Engineer will approve or deny a request for on-street accessible parking based on the information gathered during the evaluation process. The City Engineer, at his or her discretion, may examine other considerations not part of this Policy's criteria. Results of these considerations may become the basis to approve or deny the request. The decision of the City Engineer is final unless appealed to the Traffic and Transportation Commission. If the request for on-street accessible parking is approved by the City Engineer, staff will mail a letter to all residents on the block to inform them of the installation.

IV. **Appeals**

A decision to approve or deny the request may be appealed to the Traffic and Transportation Commission. The applicant or a neighboring resident on the street may appeal the decision. Residents will have twenty-eight (28) calendar days to appeal the decision to the Traffic and Transportation Commission following mailing of the notification to neighbors.

Submitted appeals shall:

1. Be in writing and addresses to the City of Salinas Traffic and Transportation Commission;
2. Provide grounds for the appeal specifying how the decision is not in alignment with this policy; and
3. Include a recommended alternative action.

V. **Installation**

Following the twenty-eight (28) day appeals period, if approved, a high-priority service request for installation will be issued so that the space can be installed as soon as possible, pending weather delays and work crew availability. The limits of the blue curb markings will be marked in the field by Public Works staff for proper installation.

VI. **Annual Renewal**

The City will schedule annual maintenance of the blue curb markings following an annual renewal confirmation from the applicant. The City will mail notices to the

applicant beginning in May of each year to determine if the applicant wishes to maintain the curb markings and requesting confirmation. A series of 3 notices will be issued to the applicant and if no response is received by June 30th, the curb markings will be scheduled for removal. If the applicant renews the curb markings, public works crews will refresh the blue curb markings by September 30th.

VII. Removal

The City Engineer, at his or her discretion, may remove any Disabled (Blue) Parking Zone if they determine it is no longer needed (e.g., when resident has moved, when the situation no longer meets the above criteria, etc.). Following the decision to remove curb markings, the City will mail notices to surrounding area, and residents will have a twenty-eight (28) day appeals period days to appeal the decision to the Traffic and Transportation Commission.

Special Curb Markings Policy Update

Adriana Robles, City Engineer
Public Works Department

August 22, 2023



Motion & Executive Summary

A motion to approve a Resolution implementing the Salinas Blue Curb Marking Policy and to adopt an Ordinance amending Article VI of Chapter 20 (Stopping, Standing and Parking) of the Salinas Municipal Code

- March 21, 2023 City Council approved a Resolution directing staff to review the blue curb marking policy
- City staff surveyed other city policies and compiled data

Background

Surveyed Policies from other Jurisdictions

16 Jurisdictions Surveyed

94% Required Proof of Disabled Placard

94 % Required a Garage

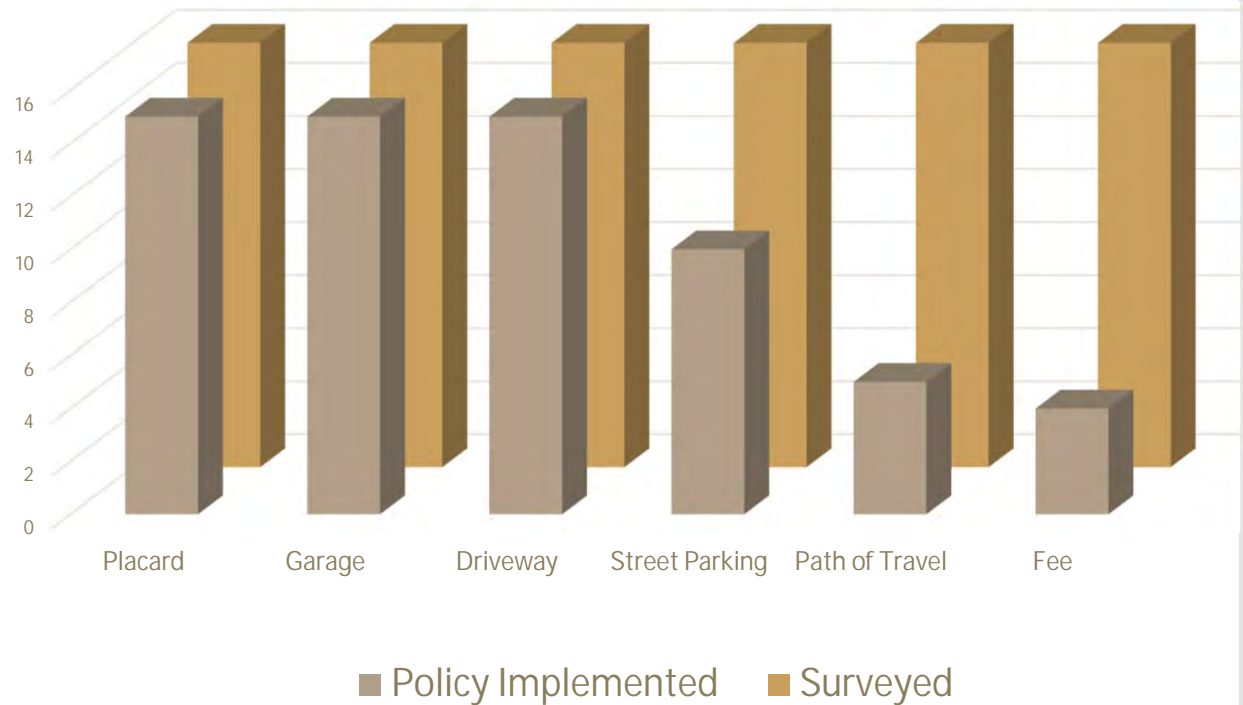
94% Reviewed Driveway

63% Reviewed On-Street Parking

31% Reviewed Path of Travel

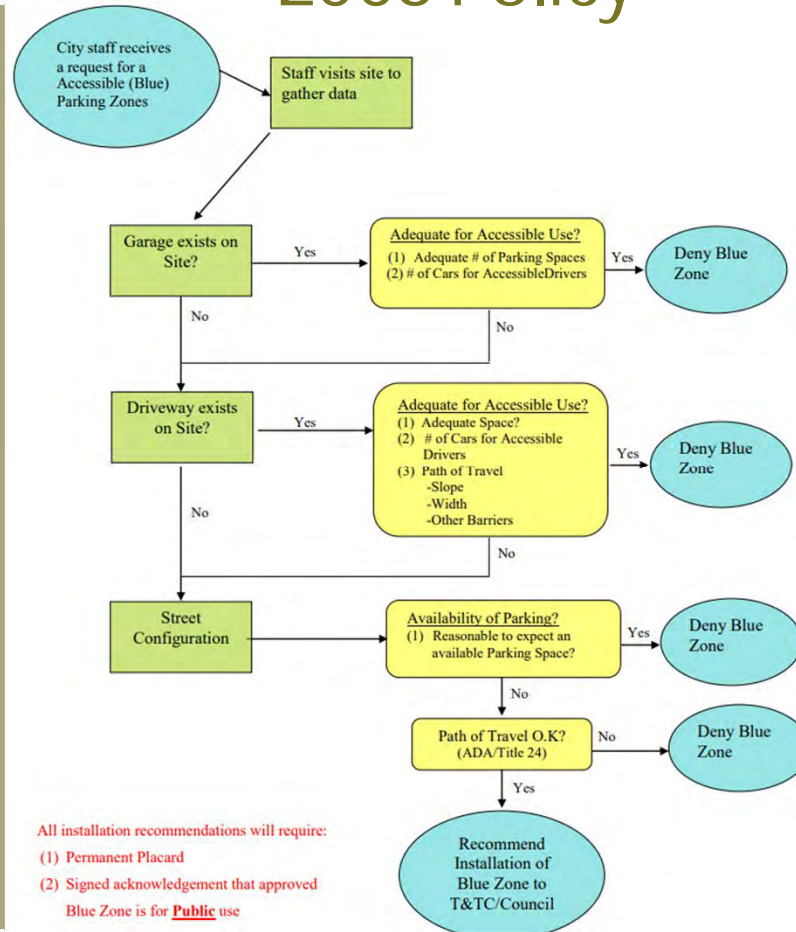
25% Charged a Fee

Blue Curb Markings Policies Other Jurisdictions

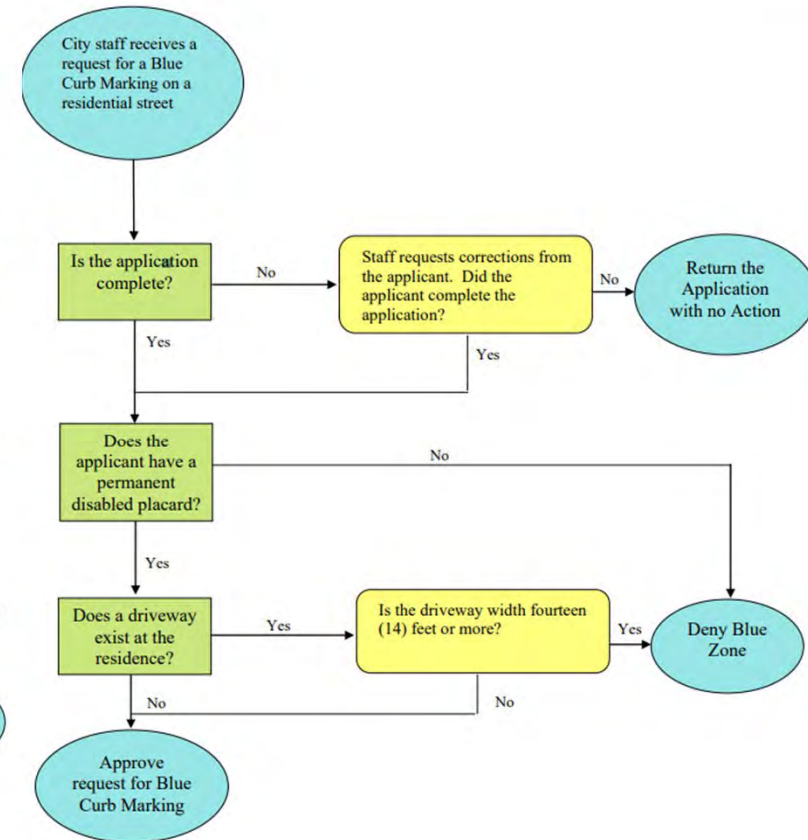


Discussion Policy Update

2006 Policy



Proposed Policy



Discussion Ordinance Update

- Delete reference to Parking Meters
- Add/Update Establishment of Parking Zones
 - Grant authority to the City Engineer to establish & maintain curb markings
 - Grant authority to the Traffic & Transportation Commission to hear protests
- Update Removal of Vehicles
 - Grant authority to the Chief of Police to remove vehicles
- Delete Parking prohibitions on certain streets between 3:00 a.m. and 5:00 a.m.

CEQA
Consideration

Strategic Plan
Initiative

Fiscal Impact

- Not a Project
- Youth and Seniors
- Implementation Cost = \$800 (2023) per request

Recommended Motion

A motion to approve the Proposed Salinas Blue Curb Markings Policy and to adopt an Ordinance amending Article VI of Chapter 20 (Stopping, Standing and Parking) of the Salinas Municipal Code



Legislation Text

File #: ID#23-456, Version: 1

Agreement with Salinas Valley TVB, Inc for the operation of the Salinas California Welcome Center

Approve a Resolution authorizing an Agreement with the Salinas Valley TVB, Inc. to operate a California Welcome Center in Salinas; and directing staff to continue to evaluate the use of the City's Tourism Improvement District (TID) funds and to provide quarterly updates on monthly operation and financial reporting to the Finance Committee.



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: SEPTEMBER 12, 2023

DEPARTMENT: COMMUNITY DEVELOPMENT

FROM: LISA BRINTON, DIRECTOR

BY: MICHAEL GOMEZ, ECONOMIC DEVELOPMENT ANALYST

TITLE: AGREEMENT WITH SALINAS VALLEY TVB, INC FOR THE
OPERATION OF THE SALINAS CALIFORNIA WELCOME
CENTER

RECOMMENDED MOTION:

A motion to approve a Resolution authorizing:

1. The City Manager or designee to execute an Agreement with the Salinas Valley TVB, Inc. to operate a California Welcome Center (CWC) in Salinas.
2. Directing staff to continue to evaluate the use of the City's Tourism Improvement District (TID) funds and to provide quarterly updates on CWC monthly operation and financial reporting to the Finance Committee.

EXECUTIVE SUMMARY:

Since June 2019, the City of Salinas (City) has entered into an annual Agreement with the Salinas Valley TVB, Inc (SVTVB) to financially support the operation of a California Welcome Center in Salinas. The California Welcome Center (CWC) is currently located in the Freight Building adjacent to the Salinas Train Station at the Intermodal Transportation Center (ITC). In February 2023 the City Council approved the renewal of the TID operated by the Monterey County Convention and Visitors Bureau (MCCVB) to extend the TID term for ten (10) years (July 1, 2023, to June 30, 2033). Under the TID the City collects a \$2.00 assessment per room-night stay at lodging facilities within its jurisdiction. Of this money, \$1.50 per room night is remitted to the MCCVB and the remaining \$0.50 per room night is retained by the City. Total compensation for services provided under the proposed Agreement are calculated at an amount equal to the total amount of annual assessments retained by the City minus one percent (1%) retained to cover the City's administrative costs. The City's FY 2023-2024 Budget estimates and appropriates an assessment revenue of \$120,000. Under provisions of the Agreement, SVTVB will invoice the City quarterly and provide necessary supportive documentation to enable the City to meet its required MCCVB reporting obligations related to the use of the TID assessment funds. The term of this Agreement is July 1, 2023, to June 30, 2024.

BACKGROUND:

Tourism Improvement Districts (TIDs) are special assessment districts authorized by the State that allow hospitality businesses to enact self-assessments to fund efforts to promote tourism within a particular region. Under the TID the City collects a \$2.00 assessment per room-night stay at lodging facilities within its jurisdiction. Of this money, \$1.50 per room night is remitted to the MCCVB and the remaining \$0.50 per room night is retained by the City. Assessments collected may be spent at the discretion of the City but must be used for the intended purpose of increasing the total number of room-night stays within the City. The City assumes primary responsibility for collecting the assessment and providing expenditure tracking and outcome reporting to MCCVB.

Historically, the City has supported SVTVB's operation of a designated CWC within its jurisdiction. The California Welcome Center program comprises of 22 strategically located official state welcome centers that serve as California's concierges and are managed by Visit California a nonprofit 501 (c) corporation. They are independently operated and are subject to the standards developed by the California Office of Tourism which conducts both announced and unannounced inspections. A CWC can be operated by convention and visitor bureaus, chambers of commerce, government or private entities, or a combination of those.

Since June 2011, the SVTVB has operated a CWC at the Freight Building under a separate lease agreement with the City. The CWC provides visitors with information on local activities, sites of interest, as well as dining and lodging options in Salinas using promotional materials, brochures, and staff. CWC services are provided seven days per week, excluding recognized holidays, and are intended to further the TID objective of increasing overnight room-night stays in Salinas.

DISCUSSION:

2022-2023 Annual Report Summary

Under the Fiscal Year 2022-2023 Agreement, the SVTVB received a total passthrough of \$116,168.15 (see Exhibit A for a breakdown by class) and provided monthly documentation (Exhibit B) of CWC operations that includes, but is not limited to:

- a) the number of visitors to the CWC (on a daily basis),
- b) an itemized summary of marketing materials (whether presented electronically or on a physical medium such as paper or canvas) which provide information regarding potential lodging options within the City of Salinas,
- c) an itemized list of additional marketing materials used to attract visitors to the CWC or the Salinas area,
- d) a summary (when available) of how many printed materials were provided to visitors, the number of visitors to SVTVB's website, and
- e) any additional information which can be collected or derived from collected data using formulas or software commonly utilized and accepted throughout the industry.

All CWC reports are provided as an attachment to this report along with an annual data summary. Highlights of past year activities include:

- The Salinas Intermodal Transportation Center was featured in the California Bountiful, California Farm Bureau magazine for the 2022 July/August issue, Visit California
- In partnership with the Chamber of Commerce debuted “California Welcome Center Program, Bringing Business and Communities Together”.
- An overall monthly average of 350 visitors and 19 social media posts.
- Over three thousand website visits to the CWC website and Soul of CA website.

The SVTVB meets monthly with city staff, Monterey County Convention and Visitor Bureau and other stakeholders to collaborate on strategies aimed at boosting overnight stays within the City of Salinas. The following strategies have been discussed and some have been implemented:

- Gathering hoteliers to have an open discussion on ways to improve overnight stays within Salinas to include SVTVB and MCCVB.
- Communication and sharing of event information for events within the City to be promoted by both SVTVB and MCCVB.
- Sharing current programs and projects to find way to partner and enhance outcomes.

Proposed 2023-2024 Agreement

The proposed Agreement continues allocation of a majority of the City’s collected TID assessment towards CWC operations and the promotion of events and points of interest with the objective of increasing overnight stays at lodging facilities within the City. Exhibit B of the Agreement outlines reporting requirements that will be presented to the Finance Committee on a quarterly basis. The proposed 2023-2024 Operating Budget, Exhibit C to the Agreement, provides a framework to ensure that all parties have a clear understanding of the CWC’s financial capabilities and use of TID funding. The term of the Agreement is July 1, 2023, to June 30, 2024.

Evaluation of Use of TID Funds

In the past, the requirement for both reporting and invoicing has been requested monthly, however; reports have been submitted bimonthly. To enhance the efficiency of the reporting process and to facilitate smoother communication, staff recommends, and the SVTVB agrees to transition to a quarterly reporting schedule, which will also include financial reporting. This adjustment aims to benefit both parties by providing a more manageable timeframe for compiling and reviewing reports while ensuring a more consistent flow.

On August 23, 2022, City Council questioned the direct correlation between CWC operations and overnight stays within Salinas, as the use of TID funds is to increase the number of overnight stays. Staff updated the SVTVB reporting requirements and established a reporting template that was used beginning October 2022 to include more quantitative data such as daily visitor count, social media posts, and special events hosted which has been translated to number of overnight stays based on the TID revenue received which can be seen on the attached Annual Data Summary.

Since its establishment in Salinas, the City has sustained the operation of the CWC. Over the years, reporting requirements for operations and finances have been strengthened. It is recommended that Council direct staff to continue to evaluate the use of the City's Tourism Improvement District (TID) funds and to provide quarterly updates on CWC monthly operation and financial reporting to the Finance Committee.

CEQA CONSIDERATION:

The City of Salinas has determined that the proposed action of approving this Agreement with SVTVB to use the City's TID assessment to fund CWC operations is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378) because the Agreement and use of TID assessment does not cause a direct or foreseeable indirect physical change on or in the environment. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

STRATEGIC PLAN INITIATIVE:

The promotion of tourism within the City of Salinas relates to the Council Goal of Economic Development. Increasing the room-night stays in the City leads to increased Transient Occupancy Tax revenue and Sales Tax revenue collection. Visitors staying overnight tend to eat and shop locally, supporting local businesses to thrive and contributing to the community's economic health. In addition, tourism marketing activities also promote Salinas as a desired destination for businesses.

DEPARTMENTAL COORDINATION:

The proposed Agreement was prepared and is administered by the Economic Development Division of the Community Development Department in coordination with both the Finance Department and City Attorney.

FISCAL AND SUSTAINABILITY IMPACT:

This item has no impact to the General Fund. The proposed Agreement will be funded from TID assessment collected and retained by the City between July 1, 2023, and June 30, 2024, minus 1% to cover administrative costs. The City's FY 2023-2024 Budget estimates and appropriates TID assessment revenues of \$120,000. Previously established General Ledger accounts, 8813.81.8141-57.8630 and 8813.81.8141-64.5400, will be used to respectively allocate collected TID assessment revenues and provide payment to SVTVB. Additional Agreement provisions provide the City with alternative payment options should the amount of assessment revenue received, minus the 1% administrative fee, be less than the monthly amount billed by SVTVB.

ATTACHMENTS:

Resolution

Exhibit A - Proposed Agreement

Exhibit B - Annual Quantitative Data

Exhibit C- Proposed FY 23-24 Budget
Exhibit D - to Staff Report– FY 22-23 Budget

Salinas Valley Tourism & Visitors Bureau

Profit and Loss by Class

July 2022 - June 2023

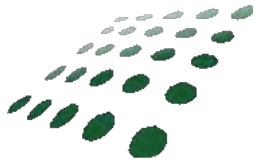
	CALIFORNIA WELCOME CENTER	1A STATION PLACE	TOTAL CALIFORNIA WELCOME CENTER	TOTAL
Income				
Certified Folder		2,352.11	2,352.11	\$2,352.11
Donations		371.84	371.84	\$371.84
Mo. County Funding		-5,001.55	-5,001.55	\$ -5,001.55
Sales of Product Income		1,160.52	1,160.52	\$1,160.52
Tourism Improvement District		116,168.15	116,168.15	\$116,168.15
Total Income	\$0.00	\$115,051.07	\$115,051.07	\$115,051.07
Cost of Goods Sold				
Cost of Goods Sold		366.11	366.11	\$366.11
Total Cost of Goods Sold	\$0.00	\$366.11	\$366.11	\$366.11
GROSS PROFIT	\$0.00	\$114,684.96	\$114,684.96	\$114,684.96
Expenses				
Accounting Services		4,428.75	4,428.75	\$4,428.75
Advertising		3,551.73	3,551.73	\$3,551.73
Bank Charges		20.00	20.00	\$20.00
Computer Supplies		149.90	149.90	\$149.90
CPA - Tax Accountant		3,150.00	3,150.00	\$3,150.00
Designation Fees		3,750.00	3,750.00	\$3,750.00
Display and Decor		6,676.89	6,676.89	\$6,676.89
Dues & Subscriptions		2,025.74	2,025.74	\$2,025.74
Event Supplies		782.71	782.71	\$782.71
Insurance		5,813.25	5,813.25	\$5,813.25
D&O Insurance		1,136.00	1,136.00	\$1,136.00
Total Insurance		6,949.25	6,949.25	\$6,949.25
Janitorial Services		38.74	38.74	\$38.74
Legal & Professional Fees		4,500.00	4,500.00	\$4,500.00
Graphic Design		2,080.00	2,080.00	\$2,080.00
Total Legal & Professional Fees		6,580.00	6,580.00	\$6,580.00
Meals and Entertainment		521.00	521.00	\$521.00
Office Expenses		1,464.97	1,464.97	\$1,464.97
Permits & Fees		100.88	100.88	\$100.88
Personal Property Tax		1,162.17	1,162.17	\$1,162.17
Postage Expense		302.00	302.00	\$302.00
Rent or Lease		22,041.60	22,041.60	\$22,041.60
Repair & Maintenance		3,367.34	3,367.34	\$3,367.34
Salaries/Wages				\$0.00
Payroll Fees		576.00	576.00	\$576.00
Payroll Tax Expense		4,428.99	4,428.99	\$4,428.99
Salary/Wages-Executive Director		49,999.92	49,999.92	\$49,999.92
Salary/Wages-Part Time Concierge		4,421.25	4,421.25	\$4,421.25
Workers' Comp Insurance		564.00	564.00	\$564.00
Total Salaries/Wages		59,990.16	59,990.16	\$59,990.16
Supplies				\$0.00
Office Supplies		1,436.37	1,436.37	\$1,436.37
Total Supplies		1,436.37	1,436.37	\$1,436.37
Taxes & Licenses		55.00	55.00	\$55.00
Training/Seminars/Education		1,199.00	1,199.00	\$1,199.00
Travel - Hotel, Parking, Flights		1,703.13	1,703.13	\$1,703.13

Salinas Valley Tourism & Visitors Bureau

Profit and Loss by Class

July 2022 - June 2023

	CALIFORNIA WELCOME CENTER	1A STATION PLACE	TOTAL CALIFORNIA WELCOME CENTER	TOTAL
Travel Meals		280.50	280.50	\$280.50
Utilities				\$0.00
Telephone & Internet		3,167.40	3,167.40	\$3,167.40
Total Utilities		3,167.40	3,167.40	\$3,167.40
Wayfinding Cost		17,685.00	17,685.00	\$17,685.00
Website Hosting & Management		120.00	120.00	\$120.00
Total Expenses	\$0.00	\$152,700.23	\$152,700.23	\$152,700.23
NET OPERATING INCOME	\$0.00	\$ -38,015.27	\$ -38,015.27	\$ -38,015.27
Other Income				
Interest Earned		1.36	1.36	\$1.36
Total Other Income	\$0.00	\$1.36	\$1.36	\$1.36
NET OTHER INCOME	\$0.00	\$1.36	\$1.36	\$1.36
NET INCOME	\$0.00	\$ -38,013.91	\$ -38,013.91	\$ -38,013.91



salinas valley

tourism and visitors bureau™

8305 Prunedale N. Rd, #7
Salinas, CA 93907
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craig@svtvb.org | soulofca.org

BOARD OF DIRECTORS

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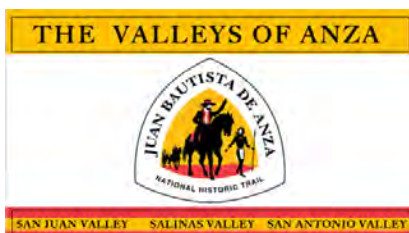
Denise Estrada
Krishna Patel
Blanca Stransky

EXECUTIVE DIRECTOR

Craig Kaufman



1A Station Place
Salinas, CA 93901



October 1, 2022

To: Michael Gomez, Economic Development Analyst, City of Salinas

From: Craig Kaufman, Executive Director, Salinas Valley Tourism & Visitors Bureau

Re: July 2022 Monthly Report

We continue to be open following the guidelines of and with protocols put in place by the Monterey County Health Department to protect staff and visitors.

In July we had a slight increase in onsite person visits to the Center compared to the previous month.

The Monterey & Salinas Valley Railroad Museum board of directors held their meeting at the Heritage Center on July 5th.

Heritage Center featured in California Bountiful, California Farm Bureau July/August 2022 issue.

Activity Summary: July 2022

3 phone calls; 0 request for information mailed, in person visitors 387

Social Media: Facebook: 889 likes / 912 follows

Soul of CA Facebook: 4,153 likes / 4,381 follows

Soul of CA Website: 3,075 users / 5,986 pageviews

CWC specific page: 99 pageviews

Visit California Website / CWC Salinas: 1.8MM unique visits per month (on average). CWC Salinas specific views: approx. 154 pageviews.

NEW LOCATION HIGHLIGHTS

Southern Pacific Freight Depot Location

On February 15, 2020, the California Welcome Center Salinas (CWCS) moved into the restored Southern Pacific Freight Building at 1A Station Place, Salinas from its 1213 North Davis Road location from which it had served the community for more than 8 years. This was the culmination of months of work by the City of Salinas to include the CWCS in the soon-to-be-completed Intermodal Transit Center where visitors will arrive by train, bus, and car.

The depot, with more than 1,500 square feet, will house not only the CWCS, but also a cultural heritage museum that reflects the history, through photographs, displays and narratives, of the railroad's impact on the Salinas Valley.

The facility has 100 linear feet of brochure display space, 400 square feet for exhibitions, 400 square feet retail and 600 square feet of visitor amenities, and features an outdoor deck for visitors to rest, eat or wait for those coming to the area by train or bus.

Oldtown Salinas

CWCS is now within walking distance to Salinas City Center, the quaint and historic Main Street district of Salinas that has approximately 400 businesses including 34 restaurants, two wine tasting rooms, three galleries and many quaint boutiques, retail shops and tourist resources. The Steinbeck House Restaurant, National Steinbeck Center Museum and other visitor service businesses are all nearby. Fifteen hotel and motel properties are within a short walking or driving distance of less than half a mile, and bed and breakfasts are within minutes of the location.

Proximity to Tourist Attractions

As the hub of the Central Coast, Salinas is just a short distance away from all of the area's attractions.

The CWCS is still not far from the Boronda History Center—a National Historic Landmark adobe house built in 1844. It is within walking distance of the National Steinbeck Center Museum and Steinbeck House Restaurant (John Steinbeck's boyhood home). It is two miles from the Salinas Sports Complex, home of the California Rodeo and Museum.

CWCS is 15 minutes (seven miles) away from the River Road Wine Trail where visitors can taste award-winning wines. It is 13 miles via Highway 68 to WeatherTech Raceway Laguna Seca where national events such as the MotoGP, Sea Otter Classic and Monterey Historic Automobile Races are held.

It is a scenic 20-mile drive from the CWCS to the city of Monterey, home of the Monterey Bay Aquarium on Cannery Row, Fisherman's Wharf, many historic adobes, some part of the California State Parks system, and approximately 23 miles to the Monterey Peninsula attractions of 17-Mile Drive, Carmel-by-the-Sea and Pebble Beach.

Point Lobos and Big Sur are nearby, six to 26 miles further south from Monterey on California State Route 1. Other attractions within a short driving distance are

Monterey Wine Country vineyards, wineries and tasting rooms; Pinnacles National Park; Missions Carmel, San Juan Bautista and Soledad (Mission San Antonio is 67 miles from Salinas); Gilroy Gardens and the Outlet Mall in Gilroy; Roaring Camp Railroad in Felton; the Santa Cruz Beach Boardwalk; the Tech Museum and Winchester Mystery House in San Jose.

Travel Services

The CWCS provides directions, maps and suggestions on things to see and do in our area and statewide, distributing brochures, guided walking tour maps of historic downtown areas, attraction ticket sales and concierge services. The CWCS offers referrals to local tours, guides, and contacts local and out-of-the-area hotels and restaurants for reservations on behalf of visitors. The CWCS provides free maps, printed directions, smart phone directions, and 1-7-day itineraries for visitors who wish to explore on their own. For self-service room reservations, there is direct access to the California Welcome Center website at visitcwc.com to obtain reservations locally and statewide. Free, high-speed internet access is available for visitors.

Visitor Brochures and Information

The CWCS has racks displaying Salinas and Monterey County information from Certified showcasing Visit California branding, to fit our floor plan. Brochures include tri-county and statewide information and California attractions arranged by region. The brochure racks are maintained and filled on a regularly scheduled basis by Certified Folder. The CWCS solicits to receive and distribute brochures and guides from area attractions. The California Welcome Center features a digital signage, plus video of local and statewide information. Free area maps and printed directions are available to all visitors in the Center.

The parking lot holds 110 car spaces, two handicapped spaces and four RV and bus spaces. In addition, there are contiguous lots offering 280 spaces, with 18 handicapped spaces. Upwards of 2,200 parking spaces are available at the Center over-all.

Direct Sales

The CWCS sells a wide variety of merchandise that relates to Salinas, John Steinbeck and local history. The store focuses on art and products made locally by local artists and is committed to providing an authentic souvenir experience. The CWCS retail items include:

- Apparel (sweatshirts, t-shirts and hats)
- Books highlighting local history and agriculture
- Salinas branded reusable coffee mugs and recycled tote bags (featuring vintage Salinas agriculture companies)
- Bumper stickers
- Children's books and agricultural related toys
- Cookbooks
- Key chains
- Magnets
- Maps and guidebooks for the area

These items benefit the traveler by providing authentic mementos from their trip to the area, as well as activities they can enjoy on their travels throughout California. The CWCS does business with a variety of local vendors as well as producing its own souvenirs in partnership with local businesses. Pricing is

competitive with other establishments.

The CWCS has popular items featuring the California State brand, including those that promote statewide California travel:

- Apparel such as California Bear Flag t-shirts
- Coloring books (Discover California)
- Maps (California, whole state and separate sections)
- Stickers (CA, CA Flag, and USA) and patches (CA Flag)
- California magnets
- California key chains

Displays and Exhibits

As a tenant in the City of Salinas' oldest commercial building still in existence, the CWCS, in addition to meeting its contract obligations as a California Welcome Center, will also be a cultural heritage museum, showcasing the history of the Southern Pacific Railroad, Salinas Valley agriculture and local history.

Restroom Facilities and ADA

The CWCS features two ADA compliant restroom facilities; each restroom has one ADA compliant commode and one sink. Changing stations in each restroom signify a family-friendly atmosphere.

Parking Facilities

The CWCS facility at the Intermodal Transit Center has ample free parking for visitors in cars, vans, busses or RVs.

ECONOMIC DEVELOPMENT

The CWCS draws support from the City of Salinas, the Salinas Valley cities, local agricultural businesses, attractions, foundations, and the Salinas Valley Tourism and Visitors Bureau. Designation as the 19th California Welcome Center has had a positive effect on local tours and retail store sales, resulting in additional revenue to compensate for any incremental expenses. The CWCS enjoys broad support in our community and the Monterey Bay region with diverse sponsorship opportunities.

With the monies provided by the TID and support from the City of Salinas, the SVTVB has created and executed programs with the sole purpose of promoting the City of Salinas as well as the Salinas Valley as a destination and increasing tourism, which will subsequently generate revenue and support the development of new jobs.

The CWCS is already supporting job creation through the State of California's infusion of \$100 million¹ annually into the promotion of tourism for the state of California and through the Welcome Center network. Since every \$109,000 in visitor spending = 1 job², the installation of the CWCS greatly increases the area's capacity to create jobs.

The CWCS also is generating additional tax revenue by the average spend of a visitor that comes into the Center. A visitor will spend an average of \$397 per day³ in the area.

AVG 5K VISITORS X \$397³

2 MM DOLLARS OF ECONOMIC LIFT TO THE REGION
NEW RETAIL SALES TAX EQUALS 2MM X 1%
\$20K PER YEAR OF ADDITIONAL TAX REVENUE

¹ Source: California Travel & Tourism Commission, 06.26.14

² Source: Dean Runyan Associates

³ Source: California Travel & Tourism Commission

BACKGROUND

The Salinas Valley Tourism and Visitor Bureau (SVTVB) was formed in 2008. The SVTVB is a non-profit, 501-C4 and was created to promote the region with a focus on the agricultural, viticultural, recreational and cultural assets of the City of Salinas and Salinas Valley. The SVTVB's mission is to promote the exploration, discovery and experience of the natural riches that originate in the Salinas Valley and surrounding regions.

In 2010 the State of California put out an RFP for any city, within the region, to compete for the 19th designation of a California Welcome Center. The cities of Gilroy (Gilroy Chamber of Commerce) and Monterey (Cannery Row Company) competed alongside the SVTVB to secure this coveted designation.

Once the designation was secured by the SVTVB in January of 2011, a public-private coalition consisting of the City of Salinas, the Monterey Convention and Visitors Bureau, the cities of the Salinas Valley, the National Steinbeck Center Museum, Salinas Valley Chamber of Commerce, and local private business supported the creation of the California Welcome Center Salinas.

Located at the heart of the Monterey Bay, one of the most historically significant areas in California, Salinas is the hub of the Central Coast. Native son and world-renowned author John Steinbeck recognized it as the "Pastures of Heaven" and his timeless works continue to attract international, national and local visitors to Salinas.

Salinas boasts a tradition rich in cultural diversity, scenic vistas, agriculture, viticulture, the arts, attractions and special events. Our city can be at the forefront of the green economy and promotes sustainable eco-tourism. Situated at the crossroads of El Camino Real, Old Stage Road, the Pacific Coast Highway and along the Historic De Anza Trail, Salinas has always been the logical resting point for weary travelers.

California Welcome Center Value

California Welcome Center Inclusion within Visit California's Consumer Marketing Content:

- *California Official State Visitor's Guide and Travel Planner (CVG)*
 - Feature, 2/3-page placement as regional resource (full CA map)
 - Call out on each regional map
 - A circulation of 500,000 copies distributed nationwide and to Canada
 - 425,000 digital copies being downloaded.
 - This exposure is valued at **\$200,000 per year** in advertising

- *California Official State Map*
 - Premium placement on the back panel
 - The space is valued at **\$49,000**
- *California Road Trips*
 - Welcome Centers are promoted throughout the publication
 - Promotion includes a listing providing contact information and directions
 - Advertising value of **\$26,000**
 - One million copies of this publication are distributed annually
- *California Welcome Centers Webpage*
 - Individual pages for each center on VisitCalifornia.com
 - Included on each regional page
 - Included in various trip itineraries
 - The site receives an average of **1.8MM unique visits per month.**

California Welcome Center Consumer Behavior Impacts

- Visitation
 - 1.6 million visitors in 2019
 - 42% of visitors found the Welcome Center via highway signage
 - 30% of visitors found the Welcome Center through the visitors guide or website
 - Most motivating factors for consumers to visit a Welcome Center include
 - Exclusive Offers/Discounts
 - Interactive experiences on local interest/attractions
 - Interactive experiences on area history and culture
- Visitor Impacts (2019 Study)
 - 60% of visitors learned something new about the area when visiting a center
 - 43% of visitors learned something new about California
 - 27% of visitors went on to visit an attraction featured at the center
 - 13% of visitors changed their travel plans following a visit to a center
 - 11% of visitors extended their stay in California
 - 1.4 extra nights in the area
 - 2.6 extra nights in California

BUSINESS

'Valleys of Anza' would use historic trail to expand tourism, tap revenue for social issues



The Anza Expedition of 1775-1776 came through Alta California in what is now Monterey County including Mission San Antonio de Padua established in 1771, the Salinas Valley along the Salinas River, over to Monterey and to the Carmel Mission – then only about six years old – through Salinas and on to the San Juan Bautista area 21 years before its mission was built. (James Herrera/Monterey Herald)

By **JAMES HERRERA** | jherrera@montereyherald.com | Monterey Herald

PUBLISHED: January 9, 2023 at 2:55 p.m. | UPDATED: January 9, 2023 at 2:57 p.m.

SALINAS – There's an important historic story underfoot in the region that could be mined into an international attraction, expanding tourism and hospitality while creating revenues to pay for social programs.

That's the hope of Salinas Valley Tourism and Visitors Bureau Executive Director Craig Kaufman whose idea for a program called the Valleys of Anza could provide regional economic development by leveraging historic sites to attract tourists to the inland valleys of Monterey and San Benito counties.

In 1776, around the time of the American Revolution, Spanish Lieutenant Colonel Juan Bautista de Anza, leading a contingent of more than 240 men, women, and children for more than 1,800 miles, arrived to establish a settlement at San Francisco Bay. That expedition came through Alta California in what is now Monterey County including Mission San Antonio de Padua established in 1771, the Salinas Valley along the Salinas River, over to Monterey and the Carmel Mission – then only about six years old – through Salinas and on to the San Juan Bautista area 21 years before its mission was built.

"I've been for years trying to figure out what kind of story could be told on an international level that would bring people to this part of (Monterey County)," said Kaufman.

The river was the lifeline for the diverse group of settlers, military escorts, and support workers of Spanish society made up of Native American, African, and European heritages, and included about 1,000 head of livestock. The expedition used the missions as stopping points along the way.

The Valleys of Anza program is the footprint of the San Antonio Valley, the Salinas Valley and the San Juan Valley where the Anza trail passed through the region. Kaufman points to a postcard he came across from 1906 urging tourists to come see Monterey County for its historic three nations of Spanish, Mexican and American cultures.

"That's truly what I'm picking up on is trying to reinvigorate this and trying to show that this is how we initially became a tourist attraction," said Kaufman.

A 2015 study from Harvard University showed that in Monterey County, hospitality and tourism had the greatest growth potential in accommodations and related services, and in cultural and educational entertainment, he said.

Kaufman believes the Anza program checks both of those boxes.

The Valleys of Anza program would incorporate assets that are underutilized in the region and create better circulation so that the over-tourism that occurs on the Monterey Peninsula, especially on the Big Sur coast, could be alleviated.

With the Anza Trail as the path, visitors could stay in accommodations at points along the trail in tiny house villages may be built in a Spanish-era theme, or camp out in grass huts based on what native peoples in the area lived in so that there is a tourism experience based on the expedition. It incorporates mobile hospitality, with a social-distancing aspect built in for people who do not necessarily want to stay in a hotel environment.

The trail could be marketed using the detailed journals left by the Anza expedition that helped the National Park Service meticulously map out the path and stopping points, and will enable the telling of the Anza story. The program could use augmented reality technology using smartphones in the natural settings that still exist along the trail as backdrops.

"What we are able to do is create re-enactments based upon those stories," said Kaufman.

The technology would help to tell the stories found in the detailed journals, and with the help of GPS, people could see what happened at that location during the Anza expedition.

"You have the background that's obviously live, but with these prerecorded vignettes telling the story of the Anza trail," said Kaufman.

The tours become self-guided either by car or by trail walks in multiple languages so there is no need for a crowded tour bus.

The idea has caught the attention of UC Berkeley's College of Environmental Design. Its Masters of Urban Design program will present six draft strategies later this month for bringing tourism to the Salinas and San Juan valleys to the stakeholders in the area including both Monterey and San Benito counties.

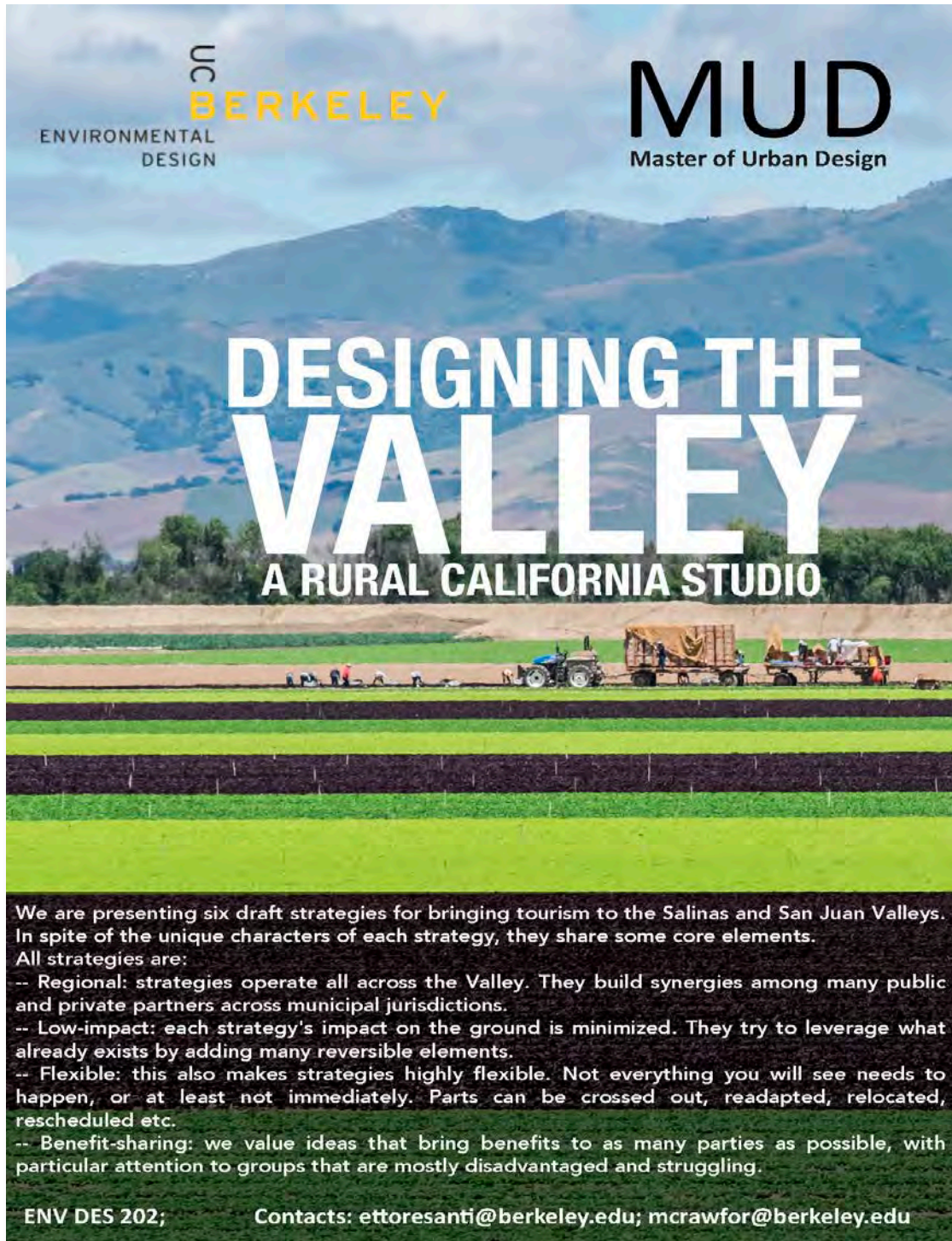
The Valleys of Anza program hopes to create new transient occupancy taxes with a portion being targeted to the development of new tiny home communities funded by a sustainable influx of revenue.

"If this model can work and we can start to get these villages up and running, we can now start to create new TOT for at-risk populations, or low-income, or teachers," said Kaufman. "That's the goal here and that's where Berkeley comes in."

The mobile communities can deal with different aspects or population of homeless individuals that are paid for by TOT and does not impact general funds, yet deals with the problem.

Kaufman is hoping that after the MUD presentation that people come away with a sense of urgency.

"We need to do something. If this is not the idea please come to the table with something because we're in trouble," said Kaufman. "The urgency is in economic development and job creation, and in protecting the tourism industry."



save the date:

january 18, 2023

12 noon - 5 pm

csumb salinas city center

gallery I

1 main street

salinas, ca 93901

presentations:

1. the agroway / rita ling, byron li, yaoyao ding

We propose a strip of agricultural experiences along the Highway 101. We design spaces where drivers can make stops, interact with local businesses, leave the highway, and even spend the night in the valley.

2. the anza trail / jiaxing cui, sen du, xuyuan fan

We restore and revive *the Anza Trail* through landscape, wine, food, and outdoor activities. We imagine the Anza Trail as a tourist infrastructure that will create opportunities for many local partners.

3. travels with steinbeck / patricia cespedes flores, isha khan

Join *Travels with Steinbeck* to discover hidden gems, engage with nature, support local economies, strengthen community building efforts, and commemorate the astounding scale of the Valleys.

4. images of the bowl / diego gonzalez ramirez

Images of the Bowl compiles the visual vocabulary of the Salad Bowl of the World. A collected series of public images of its history, agriculture, and architecture completely transforms the perception of the valley.

5. rewilding the valley / yash gogri, freya tan, mufeng yu

We propose different educational experiences that aim to create awareness of the rich natural resources of the Salinas Valley. We envision knowledge productions that will empower the wilderness of the valley.

6. housing the valley / sagarika nambiar, srusti shah, varun shah

A tactical approach to reconfigure housing using different degrees of temporality. We propose multiple, coordinated, low-cost, temporary solutions that intervene holistically in the valley's housing crisis.



[instagram.com/berkeley_mud/](https://www.instagram.com/berkeley_mud/)

contact:

craig kaufman 831-261-3430

craig@svtvb.org

sponsored by:



salinas valley
tourism and visitors bureau™



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Salinas, CA 93907
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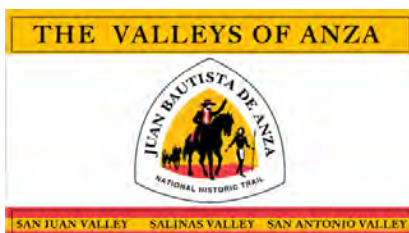
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Blanca Stransky

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1A Station Place
Salinas, CA 93901



October 1, 2022

To: Michael Gomez, Economic Development Analyst, City of Salinas

From: Craig Kaufman, Executive Director, Salinas Valley Tourism & Visitors Bureau

Re: August 2022 Monthly Report

We continue to be open following the guidelines of and with protocols put in place by the Monterey County Health Department to protect staff and visitors.

In August we had an increase in onsite person visits to the Center compared to the previous month.

The Monterey & Salinas Valley Railroad Museum board of directors held their meeting at the Heritage Center on August 9th.

The Salinas Valley Chamber of Commerce co-hosted with Visit California Open House for a Chamber Mixer at the Heritage Center on August 25th. Visit California debuted "California Welcome Center Program, Bringing Businesses and Communities Together" which includes CWC Salinas in this video.

Activity Summary: August 2022

3 phone calls; 0 request for information mailed, in person visitors 427

Social Media: Facebook: 889 likes / 912 follows

Soul of CA Facebook: 4,250 likes / 4,550 follows

Soul of CA Website: 1,853 users / 4,083 pageviews

CWC specific page: 110 pageviews

Visit California Website / CWC Salinas: 1.8MM unique visits per month (on average). CWC Salinas specific views: approx. 154 pageviews.

NEW LOCATION HIGHLIGHTS

Southern Pacific Freight Depot Location

On February 15, 2020, the California Welcome Center Salinas (CWCS) moved into the restored Southern Pacific Freight Building at 1A Station Place, Salinas from its 1213 North Davis Road location from which it had served the community for more than 8 years. This was the culmination of months of work by the City of Salinas to include the CWCS in the soon-to-be-completed Intermodal Transit Center where visitors will arrive by train, bus, and car.

The depot, with more than 1,500 square feet, will house not only the CWCS, but also a cultural heritage museum that reflects the history, through photographs, displays and narratives, of the railroad's impact on the Salinas Valley.

The facility has 100 linear feet of brochure display space, 400 square feet for exhibitions, 400 square feet retail and 600 square feet of visitor amenities, and features an outdoor deck for visitors to rest, eat or wait for those coming to the area by train or bus.

Oldtown Salinas

CWCS is now within walking distance to Salinas City Center, the quaint and historic Main Street district of Salinas that has approximately 400 businesses including 34 restaurants, two wine tasting rooms, three galleries and many quaint boutiques, retail shops and tourist resources. The Steinbeck House Restaurant, National Steinbeck Center Museum and other visitor service businesses are all nearby. Fifteen hotel and motel properties are within a short walking or driving distance of less than half a mile, and bed and breakfasts are within minutes of the location.

Proximity to Tourist Attractions

As the hub of the Central Coast, Salinas is just a short distance away from all of the area's attractions.

The CWCS is still not far from the Boronda History Center—a National Historic Landmark adobe house built in 1844. It is within walking distance of the National Steinbeck Center Museum and Steinbeck House Restaurant (John Steinbeck's boyhood home). It is two miles from the Salinas Sports Complex, home of the California Rodeo and Museum.

CWCS is 15 minutes (seven miles) away from the River Road Wine Trail where visitors can taste award-winning wines. It is 13 miles via Highway 68 to WeatherTech Raceway Laguna Seca where national events such as the MotoGP, Sea Otter Classic and Monterey Historic Automobile Races are held.

It is a scenic 20-mile drive from the CWCS to the city of Monterey, home of the Monterey Bay Aquarium on Cannery Row, Fisherman's Wharf, many historic adobes, some part of the California State Parks system, and approximately 23 miles to the Monterey Peninsula attractions of 17-Mile Drive, Carmel-by-the-Sea and Pebble Beach.

Point Lobos and Big Sur are nearby, six to 26 miles further south from Monterey on California State Route 1. Other attractions within a short driving distance are

Monterey Wine Country vineyards, wineries and tasting rooms; Pinnacles National Park; Missions Carmel, San Juan Bautista and Soledad (Mission San Antonio is 67 miles from Salinas); Gilroy Gardens and the Outlet Mall in Gilroy; Roaring Camp Railroad in Felton; the Santa Cruz Beach Boardwalk; the Tech Museum and Winchester Mystery House in San Jose.

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The CWCS provides directions, maps and suggestions on things to see and do in our area and statewide, distributing brochures, guided walking tour maps of historic downtown areas, attraction ticket sales and concierge services. The CWCS offers referrals to local tours, guides, and contacts local and out-of-the-area hotels and restaurants for reservations on behalf of visitors. The CWCS provides free maps, printed directions, smart phone directions, and 1-7-day itineraries for visitors who wish to explore on their own. For self-service room reservations, there is direct access to the California Welcome Center website at visitcwc.com to obtain reservations locally and statewide. Free, high-speed internet access is available for visitors.

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The CWCS has racks displaying Salinas and Monterey County information from Certified showcasing Visit California branding, to fit our floor plan. Brochures include tri-county and statewide information and California attractions arranged by region. The brochure racks are maintained and filled on a regularly scheduled basis by Certified Folder. The CWCS solicits to receive and distribute brochures and guides from area attractions. The California Welcome Center features a digital signage, plus video of local and statewide information. Free area maps and printed directions are available to all visitors in the Center.

The parking lot holds 110 car spaces, two handicapped spaces and four RV and bus spaces. In addition, there are contiguous lots offering 280 spaces, with 18 handicapped spaces. Upwards of 2,200 parking spaces are available at the Center over-all.

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The CWCS sells a wide variety of merchandise that relates to Salinas, John Steinbeck and local history. The store focuses on art and products made locally by local artists and is committed to providing an authentic souvenir experience. The CWCS retail items include:

- Apparel (sweatshirts, t-shirts and hats)
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- Salinas branded reusable coffee mugs and recycled tote bags (featuring vintage Salinas agriculture companies)
- Bumper stickers
- Children's books and agricultural related toys
- Cookbooks
- Key chains
- Magnets
- Maps and guidebooks for the area

These items benefit the traveler by providing authentic mementos from their trip to the area, as well as activities they can enjoy on their travels throughout California. The CWCS does business with a variety of local vendors as well as producing its own souvenirs in partnership with local businesses. Pricing is

competitive with other establishments.

The CWCS has popular items featuring the California State brand, including those that promote statewide California travel:

- Apparel such as California Bear Flag t-shirts
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As a tenant in the City of Salinas' oldest commercial building still in existence, the CWCS, in addition to meeting its contract obligations as a California Welcome Center, will also be a cultural heritage museum, showcasing the history of the Southern Pacific Railroad, Salinas Valley agriculture and local history.

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The CWCS features two ADA compliant restroom facilities; each restroom has one ADA compliant commode and one sink. Changing stations in each restroom signify a family-friendly atmosphere.

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ECONOMIC DEVELOPMENT

The CWCS draws support from the City of Salinas, the Salinas Valley cities, local agricultural businesses, attractions, foundations, and the Salinas Valley Tourism and Visitors Bureau. Designation as the 19th California Welcome Center has had a positive effect on local tours and retail store sales, resulting in additional revenue to compensate for any incremental expenses. The CWCS enjoys broad support in our community and the Monterey Bay region with diverse sponsorship opportunities.

With the monies provided by the TID and support from the City of Salinas, the SVTVB has created and executed programs with the sole purpose of promoting the City of Salinas as well as the Salinas Valley as a destination and increasing tourism, which will subsequently generate revenue and support the development of new jobs.

The CWCS is already supporting job creation through the State of California's infusion of \$100 million¹ annually into the promotion of tourism for the state of California and through the Welcome Center network. Since every \$109,000 in visitor spending = 1 job², the installation of the CWCS greatly increases the area's capacity to create jobs.

The CWCS also is generating additional tax revenue by the average spend of a visitor that comes into the Center. A visitor will spend an average of \$397 per day³ in the area.

AVG 5K VISITORS X \$397³

2 MM DOLLARS OF ECONOMIC LIFT TO THE REGION
NEW RETAIL SALES TAX EQUALS 2MM X 1%
\$20K PER YEAR OF ADDITIONAL TAX REVENUE

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BACKGROUND

The Salinas Valley Tourism and Visitor Bureau (SVTVB) was formed in 2008. The SVTVB is a non-profit, 501-C4 and was created to promote the region with a focus on the agricultural, viticultural, recreational and cultural assets of the City of Salinas and Salinas Valley. The SVTVB's mission is to promote the exploration, discovery and experience of the natural riches that originate in the Salinas Valley and surrounding regions.

In 2010 the State of California put out an RFP for any city, within the region, to compete for the 19th designation of a California Welcome Center. The cities of Gilroy (Gilroy Chamber of Commerce) and Monterey (Cannery Row Company) competed alongside the SVTVB to secure this coveted designation.

Once the designation was secured by the SVTVB in January of 2011, a public-private coalition consisting of the City of Salinas, the Monterey Convention and Visitors Bureau, the cities of the Salinas Valley, the National Steinbeck Center Museum, Salinas Valley Chamber of Commerce, and local private business supported the creation of the California Welcome Center Salinas.

Located at the heart of the Monterey Bay, one of the most historically significant areas in California, Salinas is the hub of the Central Coast. Native son and world-renowned author John Steinbeck recognized it as the "Pastures of Heaven" and his timeless works continue to attract international, national and local visitors to Salinas.

Salinas boasts a tradition rich in cultural diversity, scenic vistas, agriculture, viticulture, the arts, attractions and special events. Our city can be at the forefront of the green economy and promotes sustainable eco-tourism. Situated at the crossroads of El Camino Real, Old Stage Road, the Pacific Coast Highway and along the Historic De Anza Trail, Salinas has always been the logical resting point for weary travelers.

California Welcome Center Value

California Welcome Center Inclusion within Visit California's Consumer Marketing Content:

- *California Official State Visitor's Guide and Travel Planner (CVG)*
 - Feature, 2/3-page placement as regional resource (full CA map)
 - Call out on each regional map
 - A circulation of 500,000 copies distributed nationwide and to Canada
 - 425,000 digital copies being downloaded.
 - This exposure is valued at **\$200,000 per year** in advertising

- *California Official State Map*
 - Premium placement on the back panel
 - The space is valued at **\$49,000**
- *California Road Trips*
 - Welcome Centers are promoted throughout the publication
 - Promotion includes a listing providing contact information and directions
 - Advertising value of **\$26,000**
 - One million copies of this publication are distributed annually
- *California Welcome Centers Webpage*
 - Individual pages for each center on VisitCalifornia.com
 - Included on each regional page
 - Included in various trip itineraries
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- Visitation
 - 1.6 million visitors in 2019
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The Monterey & Salinas Valley Railroad Museum board of directors held their meeting at the Heritage Center on September 13th.

The Salinas Valley Chamber of Commerce co-hosted with SVTVB for our ribbon cutting event marking the 150th Anniversary of the Groundbreaking of the Southern Pacific Freight Depot on September 3, 1872.

The Monterey County Farm Bureau held their Annual Meeting of Members on September 15th at the Heritage Center.

Activity Summary: September 2022

5 phone calls; 0 request for information mailed, in person visitors 693

Social Media: Facebook: 936 likes / 985 follows

Soul of CA Facebook: 4,276 likes / 4,601 follows

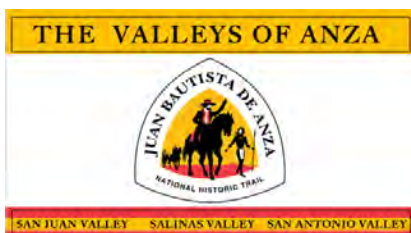
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CWC specific page: 121 pageviews

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Salinas, CA 93901



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October 2022 Report

Daily Visitor Count	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	
Week 1	49	27	24	19	10	71	63	
Week 2	16		12	10	14	62	28	
Week 3	39		6	5	49	8	18	
Week 4	36		3	10	12	11	3	605

Actual Count is 621

Material Distributed (Standard)	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	
Week 1	See below-Additional Comments							
Week 2								
Week 3								
Week 4								1

Material Distributed (New)	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	
Week 1	See below-Additional Comments							
Week 2								
Week 3								
Week 4								0

*For new material distributed submit sample

Social Media Posts Posted	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	
Week 1	See below.							
Week 2								
Week 3								
Week 4								51

*Provide Title and Date

Met with Hotel Operators	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	
Week 1								
Week 2								
Week 3								
Week 4								0

*Name of Hotels/Motel

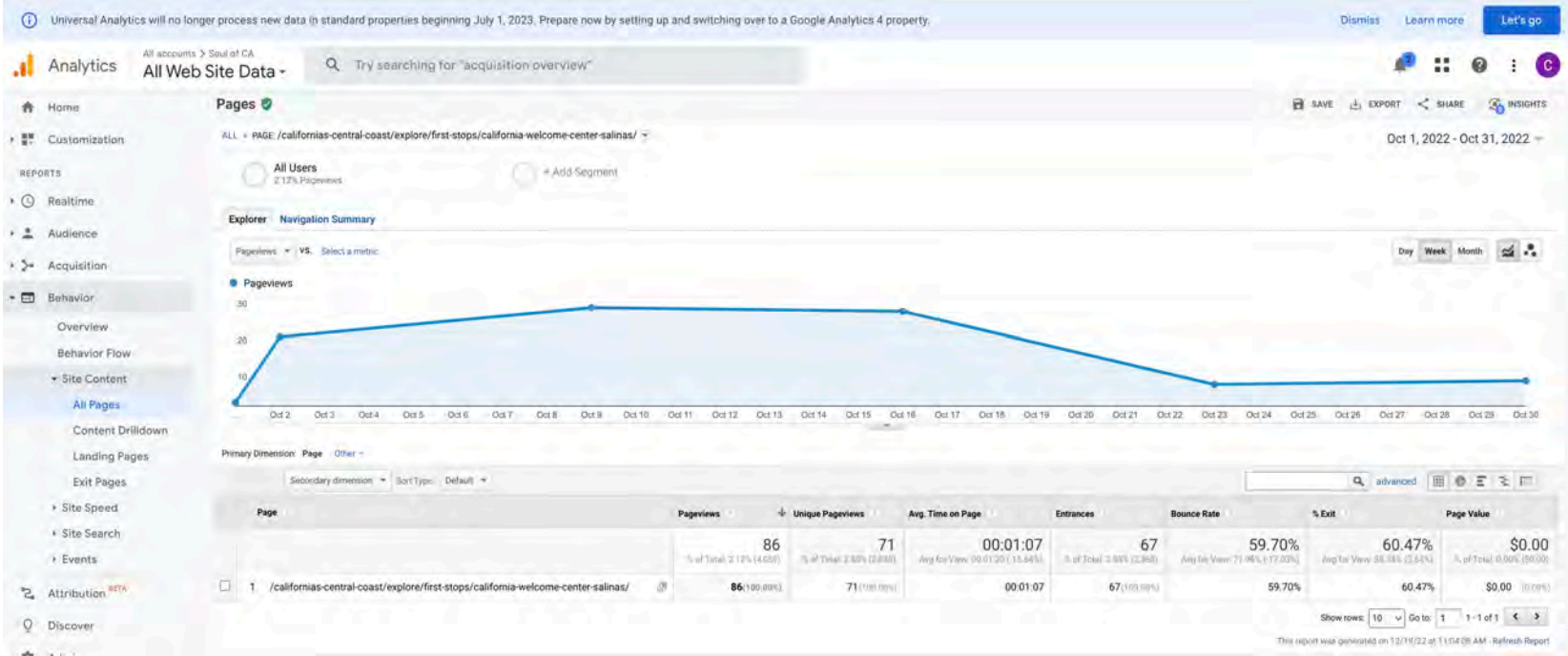
Special events Hosted	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	
Week 1			Pinnacles Gateway Partners Tour & Meeting 10/3/22			Spreckels School Field Trip, 3rd grade 10/6/22	Spreckels School Field Trip, 3rd grade 10/7/22	
Week 2		MSVRR Board Meeting 10/11/22		Monterey Park School Field Trip, 3rd grade 10/13/22	Monterey Park School Field Trip, 3rd grade 10/14/22	Delta Kappa Gama Tour Group 10/15/22		
Week 3			Horseless Carriage Club Tour Group 10/19/22					

*Event Name and Date

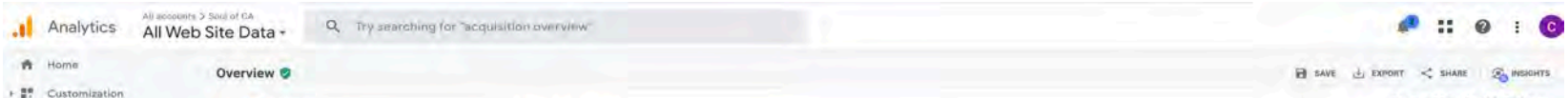
Week 4								8
Total number of page views to the CWC's website Google Analytics-see next page-Screenshot #1								86
Total number of page views to the Soul of CA website? Google Analytics-see next page-Screenshot #2								4059

Any highlights/Additional Comments:							
Materials Distributed-Tracking individual brochures and stopping each guest to count was not performed. Health and safety issues concerns due to the COVID pandemic and transmission of other respiratory viruses.							

Screenshot #1




Screenshot #2






Social Media Posts- Title & Date List

California Welcome Center, Salinas: 42 Posts in October 2022




BookShop Santa Cruz is sponsoring a talk by the writer George Saunders. He has a new book titled, Liberation Day. His talk and the book deal with some big issues, power, ethics, justice. Sounds very timely, doesn't it? 11/1 7:00 at the Veteran's Memorial Building in Santa Cruz. info at

Sat, Oct 29




You have heard of Pickleball but you may not recognize it if you saw it. This weekend at the Monterey Tennis Center on Pearl St. there will be lots of pickleball activity. The 28th thru the 30th. Come check it out.

Thu, Oct 27




Interested in exotic birds? Check out the Monterey County Fairgrounds on Sunday 10/30 from 10-4. Lots of information, merchandise, and birds. It's the Exotic Bird Mart & Expo.

Wed, Oct 26




Farmers Market Carmel 6th& Mission (Wednesdays 10-2) The days are shorter the time change is coming and the fruits of summer are becoming fewer and harder to get. Unless you canned or froze them. There are still lots of vegetables available for those hearty soups one eats in autumn. So come down to the market see what's there and...

Tue, Oct 25




If you are in South Salinas on Thursday, October 27th watch out for the Homecoming Parade from Salinas High. They will be on Main Street from 3:00 until 3:30. Parades, Bands, and Enthusiasm. Show your Cowboy spirit.

Tue, Oct 25




Farmers Market Monterey Alvarado St. Tuesdays 4-8 The change in weather and the soon to arrive time change both signal a change in the variety of fresh produce available at the market. While the fruits of summer are waning the vegetables are still going strong. Check out the variety of retail booths and some savory prepared foods. They...

Mon, Oct 24



Farmers Market Carmel Valley Community Center (Sundays 10-2) The days are shorter the time change is coming and the fruits of summer are becoming fewer and harder to get. Unless you canned or froze them. There are still lots of vegetables available for those hearty soups one eats in autumn. So come down to the market see what's there...

Sat, Oct 22



Farmers Market Del Monte Mall (Sundays 8-12) The days are shorter the time change is coming and the fruits of summer are becoming fewer and harder to get. Unless you canned or froze them. There are still lots of vegetables available for those hearty soups one eats in autumn. So come down to the market see what's there and maybe the...

Sat, Oct 22


Farmers Market City Center Salinas (Saturdays 9-2) The days are shorter the time change is coming and the fruits of summer are becoming fewer and harder to get. Unless you canned or froze them. There are still lots of vegetables available for those hearty soups one eats in autumn. So come down to the market see what's there and...
 Fri, Oct 21


Want to see an old silent movie with a full orchestra? Want this to star some favorites of the B&W era? How about Laurel & Hardy and Buster Keaton. The Peacherine Ragtime Orchestra at Sunset Center will make it happen. Because it is almost Halloween they will feature some "spooky" movies. Give it a try. Details at
 Fri, Oct 21


Farmers Market Del Monte Mall (Fridays 8-12) The days are shorter the time change is coming and the fruits of summer are becoming fewer and harder to get. Unless you canned or froze them. There are still lots of vegetables available for those hearty soups one eats in autumn. So come down to the market see what's there and maybe the...
 Thu, Oct 20


You want to get into the world of reptiles? Or just look at a LOT of interesting animals and talk to the owners? Come to the Monterey County Fairgrounds on October 22nd & 23rd. Guess what you will see? Yes, snakes, lizards, chameleons, and skinks just to name a few. Maybe. It's at the Monterey County Fairgrounds and there will be...
 Thu, Oct 20


Shoreline Church is sponsoring a Fall Family Festival in preparation for Halloween. Come to their site at Garden Rd. in Monterey on the 29th of October from 1-4 and join in the festivities. Details at info@shoreline.church
 Thu, Oct 20


Farmers Market Soledad (Thursdays 4-6) The days are shorter the time change is coming and the fruits of summer are becoming fewer and harder to get. Unless you canned or froze them. There are still lots of vegetables available for those hearty soups one eats in autumn. So come down to the market see what's there and maybe there will be ...
 Wed, Oct 19


This weekend at Live Oak Grange the Glass Pumpkin Patch is returning. From 10 to 4 on Saturday 22nd & Sunday the 23rd Chris Johnson's Studio will be selling their creations to benefit the Grange and its good works. Beautiful heirloom quality glass art will be available. Details at
 Wed, Oct 19

First Friday at the Monterey Museum of Art. Come see the "after hours" museum and enjoy music and art. (Of course there's art!) Get a unique experience in this gem of a museum.
 Wed, Oct 19


You may have overlooked this but, tonight at 6:00 at the Marina Library the local candidates for Representative will be discussing the issues of the day and answering questions from us, the constituency. Maybe you have something to share.
 Wed, Oct 19


Farmers Market Marina Village Center (Sundays 10-2) The days are shorter the time change is coming and the fruits of summer are becoming fewer and harder to get. Unless you canned or froze them. There are still lots of vegetables available for those hearty soups one eats in autumn. So come down to the market see what's there and...
 Sat, Oct 15


Farmers Market Greenfield (Saturdays 9-1) The days are shorter the time change is coming and the fruits of summer are becoming fewer and harder to get. Unless you canned or froze them. There are still lots of vegetables available for those hearty soups one eats in autumn. So come down to the market see what's there and maybe the...
 Fri, Oct 14


Gunhild Carling is not a household name. You can check out her talents on YouTube's Post Modern Jukebox. She plays numerous instruments, dances and sings. She probably tells jokes and stories as well. (No guarantees about that though.) The PaperWing Theater in Monterey is featuring her October 16th at 5:00 in their theater in New...
 Fri, Oct 14


Farmers Market Salinas Valley Memorial Hospital (Fridays 12:30- 5:30) The days are shorter the time change is



Farmers Market Salinas Valley Memorial Hospital (Fridays 12:00- 3:00) The days are shorter the time change is coming and the fruits of summer are becoming fewer and harder to get. Unless you canned or froze them. There are still lots of vegetables available for those hearty soups one eats in autumn. So come down to the market see what's...

Thu, Oct 13



Farmers Market Castroville (Thursdays 2-dusk) The days are shorter the time change is coming and the fruits of summer are becoming fewer and harder to get. Unless you canned or froze them. There are still lots of vegetables available for those hearty soups one eats in autumn. So come down to the market see what's there and maybe the...

Wed, Oct 12



Rebels & Renegades isn't the normal sort of name for a music fest but this looks to be a different sort of fest. Lots of alternative music from the CW tradition but lots more as well. It all happens at the Monterey County Fairgrounds from October 15 through the 16th. Obviously there will be music, but you can expect a lively art scene, makers...

Wed, Oct 12



Salinas Valley Pride Celebration Central Park 2:00- 4:00 12th annual celebration of our LGBTQ+ community. Lots of fun, music, and entertainment.

Wed, Oct 12



El Mercado 4-9 Wednesdays Days are shortening, nights are cooler, fall is coming and we start thinking about where did I put those sweaters? But the Farmers markets are still going strong. The ones that continue through September anyway. Time to buy the last offerings of those summer fruits, maybe this is the year to start canning?...

Tue, Oct 11



Farmers Market Monterey Alvarado St. 4-8 Days are shortening, nights are cooler, fall is coming and we start thinking about where did I put those sweaters? But the Farmers markets are still going strong. The ones that continue through September anyway. Time to buy the last offerings of those summer fruits, maybe this is the year...

Tue, Oct 11



Farmers Market Natividad Hospital Wednesdays 11-3:30 The change in weather and the soon to arrive time change both signal a change in the variety of fresh produce available at the market. While the fruits of summer are waning the vegetables are still going strong. Check out the variety of retail booths and some savory prepared foods. They...

Tue, Oct 11



Come by the Salinas Sports Complex (Rodeo Grounds) and enjoy the California Rodeo's Fall Roundup for a day of fun family activities. There will be a carnival, a pumpkin patch and much more fun. More information at

Mon, Oct 10



Farmers Market Pacific Grove Mondays 3-7 The change in weather and the soon to arrive time change both signal a change in the variety of fresh produce available at the market. While the fruits of summer are waning the vegetables are still going strong. Check out the variety of retail booths and some savory prepared foods. They are all still here...

Sun, Oct 9



Farmers Market Carmel Valley Sundays 10-2 Days are shortening, nights are cooler, fall is coming and we start thinking about where did I put those sweaters? But the Farmers markets are still going strong. The ones that continue through September anyway. Time to buy the last offerings of those summer fruits, maybe this is the year...

Sat, Oct 8



Jane Austen's classic, Pride and Prejudice, has been presented and interpreted more than a few times. Here we have an updated version presented by the Aquila Theater Group. All you fans of Mr. Darcy should get on board with this. October 14th at 8:00 at the Sunset Center in Carmel. More details at

Sat, Oct 8




Farmers Market Salinas City Center 9-2 Days are shortening, nights are cooler, fall is coming and we start thinking about where did I put those sweaters? But the Farmers markets are still going strong. The ones that continue through September anyway. Time to buy the last offerings of those summer fruits, maybe this is the year to start...

Fri, Oct 7




We know there are many artists in our area. Over 100 of them have gotten together to give you an easy way to see there works and studios. On two weekends October 8th & 9th and October 15th & 16th they will be opening their studios around the area. That's 75 different locations to see their work and maybe buy directly from the creator.....




Farmers Market Del Monte Mall 8-12 Fridays Days are shortening, nights are cooler, fall is coming and we start thinking about where did I put those sweaters? But the Farmers markets are still going strong. The ones that continue through September anyway. Time to buy the last offerings of those summer fruits, maybe this is the year...

Fri, Oct 7




In the buildup for Halloween many like to find a way to frighten themselves. Here's a likely one, a haunted mine. You can go into an old mine and encounter lots of dead miners and maybe a canary or two. Come to the Monterey County Fairgrounds during the last four weekends (8 & 9, 15 & 16, 22 & 23, 29 & 30) of October from 6:00 until 9:30...

Thu, Oct 6




Fado, the Portuguese music genre has had several "queens" over the years. Fado is filled with strong heartfelt emotions and has a profound effect on the listeners. One of the best interpreters of the style is coming to town on October 11th at the Sunset Center in Carmel. Mariza will be appearing at 7:30. MOre info is available at

Thu, Oct 6




Taste of Carmel is coming tomorrow to the Carmel Mission courtyard. It will feature food and drink from many of Carmel's restaurants. The theme, "Long Time, No Sea" says it all. There will be drink, food, music and dancing in the gorgeous setting of the Mission. Thursday, October 6th at 6:00 until 9:00. Details at

Wed, Oct 5




Maybe you knew it, or not, but the Fisherman's Wharf in Monterey is celebrating its 177th birthday. There will be activities, music, and entertainment. The shops and restaurants will each get in on the fun in their own way. This Sunday, October 9th from 1-5.

Wed, Oct 5




Farmers Market Soledad 4-6 Thursdays Days are shortening, nights are cooler, fall is coming and we start thinking about where did I put those sweaters? But the Farmers markets are still going strong. The ones that continue through September anyway. Time to buy the last offerings of those summer fruits, maybe this is the year to start...

Wed, Oct 5




King City Broadway 4-7 Wednesdays Days are shortening, nights are cooler, fall is coming and we start thinking about where did I put those sweaters? But the Farmers markets are still going strong. The ones that continue through September anyway. Time to buy the last offerings of those summer fruits, maybe this is the year to start...

Tue, Oct 4



Fans of country influenced rock will immediately recognize this group, others will wonder about the name. Rest assured, this is a well established and influential band. They aren't household names but their music will pop up in your memory as soon as you hear the opening riffs. More info is at

Mon, Oct 3





Farmers Market Marina Village Center Saturdays 10-2 Days are shortening, nights are cooler, fall is coming and we start thinking about where did I put those sweaters? But the Farmers markets are still going strong. The ones that continue through September anyway. Time to buy the last offerings of those summer fruits, maybe this is the year...

Sat, Oct 1

Social Media Posts- Title & Date List



Soul of CA: 9 Posts in October 2022



"Sticky fingers, tired feet; one last house, trick or treat!" — Rusty Fischer Rusty Fischer, a former high school teacher, has worked for the b...

Soul of CA



View insights ... Mon Oct 31, 9:44am



#tbt The Paraiso Hot Springs dates back to 1791, when 20 acres were granted to the Mission fathers by King Carlos of Spain. The Esselen I...

Soul of CA


View insights ... Thu Oct 27, 10:37am









"There is no substitute for hard work." — Thomas A Edison Thomas Alva Edison (February 11, 1847 – October 18, 1931) was an American in...

Soul of CA

View insights ... Mon Oct 24, 10:10am



#tbt The beginnings of Salinas becoming a trade center happened in 1873 when the Southern Pacific Railroad arrived in Salinas. At the tim...

 f Soul of CA	#tbt The beginnings of Salinas becoming a trade center happened in 1874 when the Southern Pacific Railroad arrived in Salinas. At the time...	View insights	...	Thu Oct 20, 10:21am
 f Soul of CA	"Time is the only critic without ambition." — John Steinbeck John Ernst Steinbeck Jr. (February 27, 1902 – December 20, 1968) was an Am...	View insights	...	Mon Oct 17, 9:52am
 f Soul of CA	#tbt The first irrigation system in California was created by the padres at Mission San Antonio de Padua in the Jolon Valley. In 1773, they bu...	View insights	...	Thu Oct 13, 9:28am
 f Soul of CA	"A sunrise or sunset can be ablaze with brilliance and arouse all the passion, all the yearning, in the soul of the beholder." — Mary Balogh M...	View insights	...	Mon Oct 10, 11:08am
 f Soul of CA	#tbt Pictured here is a Salinas City street scene circa 1920s. The Salinas City Bank (left), founded by Jesse D. Carr and established in May ...	View insights	...	Thu Oct 6, 10:37am
 f Soul of CA	"The Indian Summer of life should be a little sunny and a little sad, like the season, and infinite in wealth and depth of tone, but never hustl...	View insights	...	Mon Oct 3, 12:57pm



November 2022 Report

Daily Visitor Count	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	
Week 1	10	29	10	3	15		7	
Week 2	2	10	9	2	15		4	
Week 3	7	14	51	13		15	15	
Week 4	14		10	19		8	12	294

Actual Count is 297

Material Distributed (Standard)	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	
Week 1	See below-Additional Comments							
Week 2								
Week 3								
Week 4								1

Material Distributed (New)	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	
Week 1	See below-Additional Comments							
Week 2								
Week 3								
Week 4								0

*For new material distributed submit sample

Social Media Posts Posted	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	
Week 1	See below.							
Week 2								
Week 3								
Week 4								39

*Provide Title and Date

Met with Hotel Operators	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	
Week 1								
Week 2								
Week 3								
Week 4								0

*Name of Hotels/Motel

Special events Hosted	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	
Week 1		UC Berkeley MUD Class presentations with Stakeholders. 11/2/22						
Week 2								
Week 3			Monterey County Office of Education Tour Group & TAMC / Santa Cruz County Chamber of Commerce Tour Group. 11/17/22	Hertiage Park Stakeholders Meeting 11/18/22				

*Event Name and Date

Week 4								3
Total number of page views to the CWC's website Google Analytics-see next page-Screenshot #1		53		Total number of page views to the Soul of CA website? Google Analytics- see next page-Screenshot #2		2319		

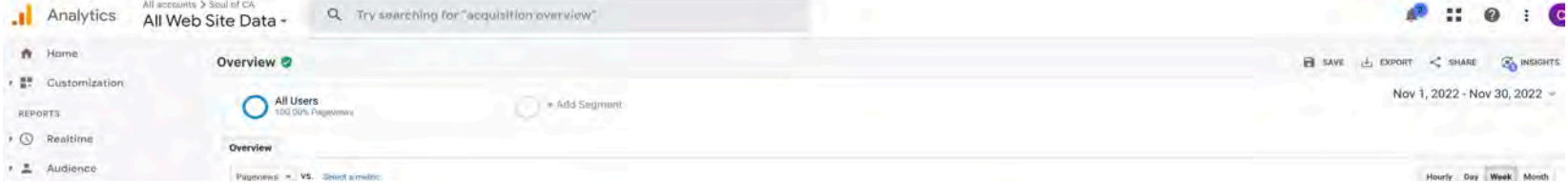
Any highlights/Additional Comments:

Materials Distributed-Tracking individual brochures and stopping each guest to count was not performed. Health and safety issues concerns due to the COVID pandemic and transmission of other respiratory viruses.

Screenshot #1















Screenshot #2











































Social Media Posts- Title & Date List

California Welcome Center, Salinas: 31 Posts in November 2022









Title		Date published ↓	
	Looking for something to do with the out of town guests? Check out the Monterey & Salinas Valley Railroad Museum. It's open the first wee... California Welcome Center Salinas	View insights	Wed Nov 30, 12:43pm
	Like to dance? Like Celtic music? Then you should head to St. Mary's on the Sea Episcopal Church in Pacific Grove. They are sponsoring a ... California Welcome Center Salinas	View insights	Wed Nov 30, 11:57am
	Looking for an unusual way to kick off your holiday season? How about an evening of beautiful music? The Camerata Singers are putting o... California Welcome Center Salinas	View insights	Tue Nov 29, 12:49pm
	Looking for a way to get in the holiday spirit, but Black Friday doesn't work for you. How about Christmas at the Inns? Several of Pacific Gr... California Welcome Center Salinas	View insights	Fri Nov 25, 12:24pm
	For years now we have had First Baptist's presentation of the Streets Of Bethlehem. It's back, with actors, animals, and a recreation of the ... California Welcome Center Salinas	View insights	Thu Nov 24, 10:00am
	How about some Barrels of Fun? Carmel Valley Artists' Association is having their 15th annual fundraiser and they want you to come and bi... California Welcome Center Salinas	View insights	Wed Nov 23, 12:37pm
	Lacy J. Dalton may ring a bell with some and the Edge of the West band might also. If they do then you are the person that KSQD is lookin... California Welcome Center Salinas	View insights	Fri Nov 18, 12:39pm
	Thank you Santa Cruz County Chamber of Commerce 2022 Community Leadership group and Transportation Agency for Monterey County... California Welcome Center Salinas	View insights	Fri Nov 18, 9:50am
	We all know that there is a serious housing problem in the area. What if you could help and have a couple brews? Come to the Grand Openi... California Welcome Center Salinas	View insights	Thu Nov 17, 12:22pm
	Looking for a source of great gifts and maybe buy a book or two? Check out La Selva Beach's Holiday Fair and Book Sale. Many interesting... California Welcome Center Salinas	View insights	Thu Nov 17, 11:52am
	One of the premiere children's choirs will make its appearance at the Sunset Center again this year. the Vienna Boys Choir will be appearin... California Welcome Center Salinas	View insights	Thu Nov 17, 11:30am
	Horses and riders are on notice for this weekend. Gvmkhata is coming to the Sheriff's Posse Grounds. Lots of well-trained horses, talented...		

	 Facebook Flairs and flairs are on notice for this weekend. Cynthia is coming to the center's Flairs Group. Lots of well-dressed flairs, please...	View insights	...	Wed Nov 16, 2:26pm
	 Facebook Flair on the Farm is gathering focused on decorative and delightful items for gifts and your own home. Lots of interesting, even charming t...	View insights	...	Wed Nov 16, 12:26pm
	 Facebook The history of this area has a deep agricultural foundation. This has come with a lot of unresolved issues that bubble up from time to time. ...	View insights	...	Wed Nov 16, 11:11am
	 Facebook Do you like short films? You know those 5-15 minute creations that delight, inspire, and provoke us with quick bursts of insight. Nine of the...	View insights	...	Wed Nov 16, 11:05am
	 Facebook Telling the story of a Native Californian family and its dealing with the legacy of invasion and disruption of their culture after a grant returns...	View insights	...	Mon Nov 14, 11:47am
	 Facebook We've all heard of the unrest in Iran and its beginnings in the reluctance of women to be treated unfairly. Here is a chance to gain further in...	View insights	...	Sun Nov 13, 2:32pm
	 Facebook Otter Opry sounds intriguing don't it? It is a bluegrass series sponsored by the folks at United Methodist Church in Monterey. This particula...	View insights	...	Sun Nov 13, 12:47pm
	 Facebook From Wind to Whales is a book celebrating the wonders of the Monterey Bay and its environment. From mountain lions to whales and the ...	View insights	...	Thu Nov 10, 12:05pm
	 Facebook Maybe you have some friends coming to visit and are looking for something a little different to do with them. Try this, go to Pacific Biologic...	View insights	...	Thu Nov 10, 11:58am
	 Facebook Chances are you would love to help the Ukranian people if you just had a personal contact or knew of a good place to put your money and ...	View insights	...	Thu Nov 10, 11:57am
	 Facebook Taming of the Shrew, Shakespeare's play about courtship, marriage, and relationships is being presented at Other Brother Brewing Compa...	View insights	...	Wed Nov 9, 5:09pm
	 Facebook All parade lovers, if you don't already know there is parade through downtown Salinas this week. It's Veterans' Day and the 11th Annual Vet...	View insights	...	Wed Nov 9, 11:55am
	 Facebook All you folks working in Sand City, here's an option for your lunchtime. Check out the new venue, Sandbox, and their Bach's Lunch concept...	View insights	...	Wed Nov 9, 11:42am
	 Facebook Miracles Without Borders is a presentation of a family's experience and survival of the terror of the Kristalnacht. Lives were disrupted and ...	View insights	...	Tue Nov 8, 11:40am
	 Facebook Carmel Orchid Society is gathering to spread the love of orchids and information about the care and feeding of orchids and many other pla...	View insights	...	Mon Nov 7, 12:42pm
	 Facebook The arts are essential to any community's growth. Here is a chance to help nurture their growth. At Hartnell College they are presenting Kal...	View insights	...	Sat Nov 5, 10:00am
	 Facebook Cabrillo College is sponsoring a unique artistic challenge. The artist, pro or amateur, may submit any work in any medium but the size can ...	View insights	...	

	California Welcome Center Salinas	View insights	...	Thu Nov 3, 12:47pm
	If you should happen to be in Santa Cruz on November 5th and looking for an interesting activity, here you are... Rootstock Santa Cruz is h...	View insights	...	Thu Nov 3, 11:55am
	Casa Serrano is not only a historic adobe but it contains a fine collection of local artists' works. And, it is open on weekends from 2-4 with ...	View insights	...	Wed Nov 2, 12:11pm
	If you know one of the 16,000 people in Monterey County with epilepsy, then you know the difficulties that person deals with. Here is a fun...	View insights	...	Wed Nov 2, 10:00am

Social Media Posts- Title & Date List

Soul of CA: 8 Posts in November 2022

Title		Date published ↓	
	"A bridge is born of necessity, but it must establish its own identity. It should harmonize with its surroundings, and the design must transe... Soul of CA	View insights	... Mon Nov 28, 10:32am
	Happy Thanksgiving 2022! Soul of CA	View insights	... Thu Nov 24, 9:24am
	"Joy in looking and comprehending is nature's most beautiful gift." — Albert Einstein Albert Einstein (March, 14, 1879 – April 18, 1955) was ... Soul of CA	View insights	... Mon Nov 21, 9:57am
	#tbt By 1892, Julius Trescony owned 42,000 acres in the San Lucas area. Renting out his land holdings to tenant farmers to raise wheat an... Soul of CA	View insights	... Thu Nov 17, 5:00am
	"Happiness is neither virtue nor pleasure nor this thing nor that but simply growth, We are happy when we are growing." — William Butler Y... Soul of CA	View insights	... Mon Nov 14, 10:50am
	#tbt The "Potato King of the World" aka Jim Bardin grew a variety of potatoes in the Blanco district of the Salinas Valley in the early 1900s.... Soul of CA	View insights	... Thu Nov 10, 11:47am
	"There's something about the sound of a train that's very romantic and nostalgic and hopeful." — Paul Simon Paul Frederic Simon (born Oc... Soul of CA	View insights	... Mon Nov 7, 9:18am
	#tbt In 1912, the price for extracted honey was \$5 for a sixty-pound can. Monterey County was considered one of the banner bee counties ... Soul of CA	View insights	... Thu Nov 3, 10:52am



December 2022 Report

Daily Visitor Count	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	
Week 1	2	6	14		5	2	4	
Week 2	10	3	2		2	5	53	
Week 3	2	3	3		6	9	6	
Week 4	3	10	1		3	3	15	172

Material Distributed (Standard)	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	
Week 1	See below- Additional							
Week 2								
Week 3								
Week 4								

Material Distributed (New)	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	
Week 1	See below- Additional							
Week 2								
Week 3								
Week 4								0

*For new material distributed submit sample

Social Media Posts Posted	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	
Week 1	See below.							
Week 2								
Week 3								
Week 4								24

*Provide Title and Date

Met with Hotel Operators	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	
Week 1								
Week 2								
Week 3								
Week 4								0

*Name of Hotels/Motel

Special events Hosted	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	
-----------------------	-------	-------	-------	-------	-------	-------	-------	--

*Event Name and Date

			12/3 Korean TV interview about the Center and the Salinas Valley. https://www.ktv.go.kr/program/home/PG2150012D/content/667102				
Week 1							
							Good Times Travel, Fountain Valley, CA. Requested tour of the Heritage Center. 12/14/22
Week 2							
Week 3			MSVRR Board Meeting				
Week 4							
							3

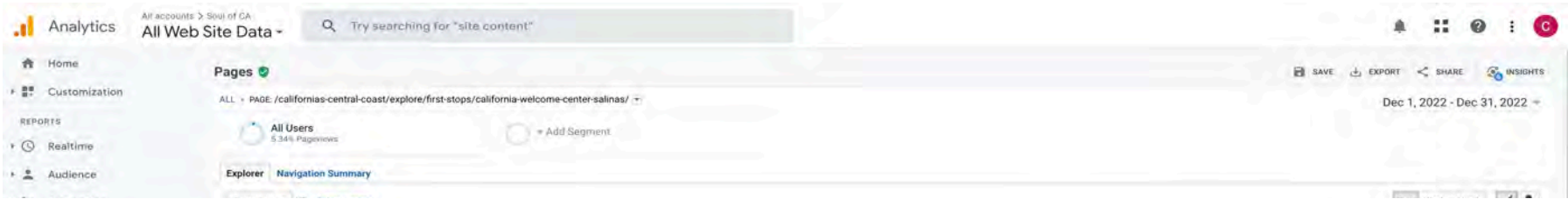
Total number of page views to the CWC's website Google Analytics-see next page-Screenshot #1	104
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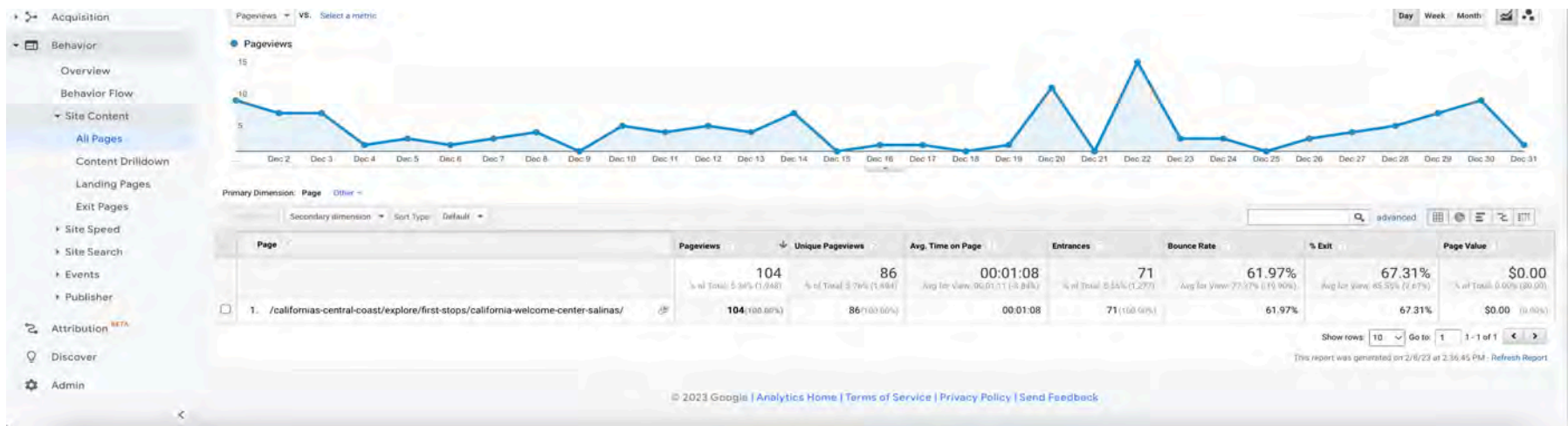
Total number of page views to the Soul of CA website? Google	1948
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Any highlights/Additional Comments:

Materials Distributed-Tracking individual brochures and stopping each guest to count was not performed. Health and safety issues concerns due to the COVID pandemic and transmission of other respiratory viruses.

Screenshot #1














Screenshot #2




Social Media Posts- Title & Date List

California Welcome Center, Salinas: 14 Posts in December 2022

	<p>The English Beat, the British ska band, is coming to the Golden State Theatre in Monterey. Remember "Mirror in the Bathroom"? That was them. This will be a night to shake it or toe tap or whatever it is you do. December 12th 8:00 more info at http://www.goldenstatetheatre.com</p> <p>Dec 17, 2022</p>	Post reach	Engagement
		49	0
	<p>In addition to the free exhibit of trains the Santa Cruz Museum of Art & History is admitting everyone for free on the</p>		

	In addition to the tree exhibit of trains the Santa Cruz Museum of Art & History is admitting everyone for free on the 18th of December (tomorrow). It's their Family Day, hours are from 12 until 6 more details at Dec 17, 2022	Post reach 55	Engagement 2
	From today through December 25th the Golden State Toy Train Operators will be displaying their collections and skill at the Santa Cruz Museum of Art & History. It's free and the museum is open from 12 until 6. More info at Dec 17, 2022	Post reach 39	Engagement 0
	A good morning with Good Times Travel bus group from Southern California. Thanks for visiting our Regional Heritage Center and experiencing some of our history here on the Central Coast. Dec 14, 2022	Post reach 82	Engagement 12
	Singing Christmas carols can be fun especially with a group of good singers (not just one's friends and family). If this appeals to you come to Carmel Plaza on December 18th from 1:00 until 2:00. You will be joined by members of the the Bach Festival Chorus (They are good)and you can really show your stuff. Dec 11, 2022	Post reach 45	Engagement 1
	The sky is full of many interesting objects. Wouldn't you like to ask someone who knows about them? Here's a chance. Come to the El Gabilan Library on N. Main in Salinas at 4:30 until 6:00 on December 13th and 14th and Dr. Jean Perkins will be on hand to guide you through the night sky. Dec 11, 2022	Post reach 40	Engagement 2
	Are you a fan of Paul Simon? Would you like to hear a lot of his music performed by talented duos? Kuumbwa Jazz Center is the place to be on December 11th at 3:00pm. Hear his songs sung and played and his creativity laid out before you. For more info check out Dec 9, 2022	Post reach 34	Engagement 1
	This weekend at the Carmel Mission Basilica the talented folks of the I Cantori Di Carmel will be presenting the Christmas Oratorio by J.S. Bach. Can you think of something that is really more seasonal? (Hallelujah Chorus is really more Eastery.) The 10th and 11th at 8:00. Dec 9, 2022	Post reach 37	Engagement 0
	Want to meet up with a group of lovers of Charles Dickens? Come by to the Christmas with Charles Dickens. It's a potluck presented by the Monterey Peninsula Dickens Fellowship. So bring a dish, some love of the author, and the right sort of spirit to 514 Park St. in Pacific Grove at 6:00. Dec 9, 2022	Post reach 33	Engagement 0
	Mulled wine & Music are a good combination this time of year. St. Mary's Episcopal Church has always had good seasonal celebrations. Come and hear their beautiful organ play lots of Christmas music from Germany then enjoy some mulled wine. A good way to continue the seasonal spirit. All this on December 10th at 2:00 more info at... Dec 8, 2022	Post reach 30	Engagement 0
	It's the time of year for Christmas markets and fests and this is a big one. Tannery Art Center is sponsoring a market		




It's the time of year for Christmas markets and fests and this is a big one. Ranney Art Center is sponsoring a market with MANY vendors, music, dance, food, and drink. If you can't find something for those hard-to-buy-for people on your list, maybe there's nothing out there for them. It's at 1010 River St. in Santa Cruz on December 10th from 10-...

Dec 7, 2022

Post reach Engagement

37 0




A time honored tradition in the area, Christmas in the Adobes is your chance to wander through as many of the old buildings as you can, or want to. They will be staffed by volunteers, carolers, and others dressed in period outfits and filled with info about the history of Monterey and the area. The fun starts at 5:00 on December 9th & 10th and...

Dec 5, 2022

Post reach Engagement

40 1




<https://www.ksbw.com/article/highway-1-closed-near-ragged-point-due-to-a-rockslide-on-saturday/42141294>

Dec 4, 2022

Post reach Engagement

20 0



Take a trip back in local history by heading over to the First Mayor's House in Salinas. Every effort has been made to give you an informative experience. The knowledgeable docents will make sure you get the most from your trip. Check them out the first Saturday of each month. from 10-3 More info available at

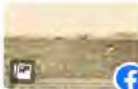
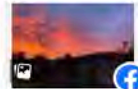

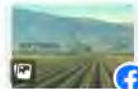

Dec 1, 2022



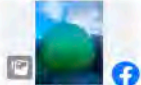







Post reach Engagement

26 1

Social Media Posts- Title & Date List

Soul of CA: 10 Posts in Decemberr 2022

Title				Date published	Status	Distribution ⓘ	Impressions ⓘ	Reach ⓘ
	 #tbt Around 1889, alfalfa wa... Soul of CA	View insights	...	Dec 29, 2022		+2.3x Distribution	7.8K Impressions	7.1K Accounts Center acc...
	 "How glorious a greeting the... Soul of CA	View insights	...	Dec 26, 2022		-6.2x Distribution	550 Impressions	481 Accounts Center acc...
	 #tbt Twenty-five acres of the... Soul of CA	View insights	...	Dec 22, 2022		-1.3x Distribution	2.7K Impressions	2.5K Accounts Center acc...
	 "What good is the warm of s... Soul of CA	View insights	...	Dec 19, 2022		+1.0x Distribution	3.5K Impressions	3.4K Accounts Center acc...
	 #tbt By 1912, Castroville was... Soul of CA	View insights	...	Dec 15, 2022		-2.1x Distribution	1.6K Impressions	1.5K Accounts Center acc...

Title				Date published	Status	Distribution ⓘ	Impressions ⓘ	Reach ⓘ
<input type="checkbox"/>		#tbt By 1912, Castroville was... Soul of CA	View insights ...	Dec 15, 2022		-2.1x Distribution	1.6K Impressions	1.5K Accounts Center acc...
<input type="checkbox"/>		"If you are going to achieve e... Soul of CA	View insights ...	Dec 12, 2022		-8.7x Distribution	394 Impressions	338 Accounts Center acc...
<input type="checkbox"/>		#tbt In 1868, Eugene Sherwo... Soul of CA	View insights ...	Dec 8, 2022		+1.9x Distribution	6.4K Impressions	5.9K Accounts Center acc...
<input type="checkbox"/>		"Oh, who are the people in y... Soul of CA	View insights ...	Dec 5, 2022		-6.9x Distribution	497 Impressions	449 Accounts Center acc...
<input type="checkbox"/>		#tbt In the 1890s, King City's... Soul of CA	View insights ...	Dec 1, 2022		-2.1x Distribution	1.6K Impressions	1.6K Accounts Center acc...



January 2023 Report

Daily Visitor Count	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	
Week 1		6	8	3	7	17		
Week 2	2	4	3	5		2		
Week 3	4	8	6	8	1	8		
Week 4	3	1	2	13	1	5	5	122

Material Distributed (Standard)	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	
Week 1	See below-Additional Comments							
Week 2								
Week 3								
Week 4								

Material Distributed (New)	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	*For new material distributed submit sample
Week 1	See below-Additional Comments							
Week 2								
Week 3								
Week 4								0

Social Media Posts Posted	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	*Provide Title and Date
Week 1	See below.							
Week 2								
Week 3								
Week 4								18

Met with Hotel Operators	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	*Name of Hotels/Motel
Week 1								
Week 2								
Week 3								
Week 4								0

Special events Hosted	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	*Event Name and Date
Week 1								
Week 2								
Week 3			January 18th- SVTVB & UC Berkeley Presentations - see attachment					
Week 4								1

Total number of page views to the CWC's website Google Analytics-see next page-Screenshot #1	135
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Total number of page views to the Soul of CA website? Google Analytics-see next page-Screenshot #2	5446
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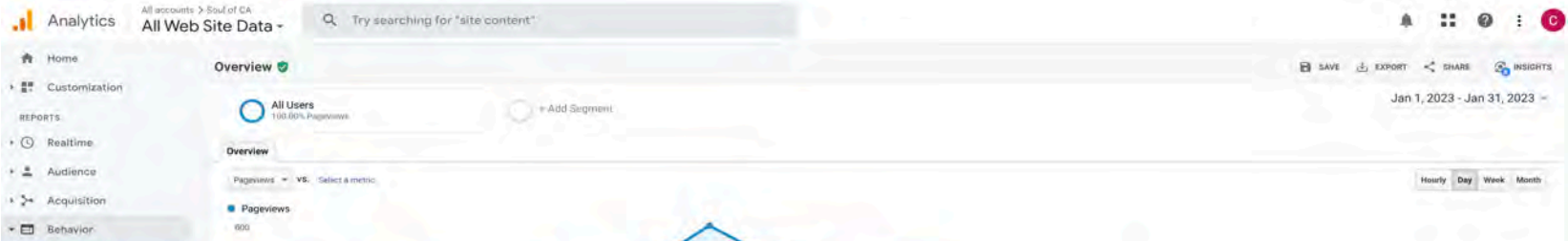
Note: January 2023 Heavy rains throughout the region with road closures and local flooding along the Salinas River.

Any highlights/Additional Comments:
Materials Distributed-Tracking individual brochures and stopping each guest to count was not performed. Health and safety issues concerns due to the COVID pandemic and transmission of other respiratory viruses.

Screenshot #1





Screenshot #2





Social Media Posts- Title & Date List
California Welcome Center, Salinas: 9 Posts in January 2023


				Date published	Status	Distribution ⓘ	Impressions ⓘ	Reach ⓘ
		The important work begun b...	View insights	...	Wed Jan 25, 12:33...	-1.9x Distribution	27 Impressions	25 Accounts Center acc...
		Looking to expand your expe...	View insights	...	Wed Jan 25, 12:25...	-1.2x Distribution	40 Impressions	35 Accounts Center acc...
		Feeling confined? Want to ge...	View insights	...	Wed Jan 18, 12:57...	-1.2x Distribution	43 Impressions	40 Accounts Center acc...
		Want to see a free movie? H...	View insights	...	Wed Jan 18, 12:50...	-1.9x Distribution	27 Impressions	24 Accounts Center acc...
		Since he is the longest endur...	View insights	...	Tue Jan 17, 2:39pm	+1.3x Distribution	63 Impressions	60 Accounts Center acc...
		Our Regional Heritage Cente...	View insights	...	Tue Jan 10, 10:05am	-- Distribution	41 Impressions	33 Accounts Center acc...
		Judy Collins has been singin...	View insights	...	Sun Jan 8, 2:34pm	+1.2x Distribution	61 Impressions	56 Accounts Center acc...
		On this day back in 1873, the...	View insights	...	Wed Jan 4, 10:29am	+2.9x Distribution	146 Impressions	137 Accounts Center acc...
		Is there a train fan in your ho...				+2.1x	104	98



View insights

...

Tue Jan 3, 12:47pm








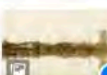

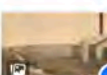

Distribution

Impressions

Accounts Center acc...

Social Media Posts- Title & Date List

Soul of CA: 9 Posts in January 2023

Title		Date published		Status	Distribution ⓘ	Impressions ⓘ	Reach ⓘ
<input type="checkbox"/>	 "Land really is the best art." ... Soul of CA	View insights	...	Mon Jan 30, 10:05...	-1.5x Distribution	2.3K Impressions	2.1K Accounts Center acc...
<input type="checkbox"/>	 #tbt When the Southern Paci... Soul of CA	View insights	...	Thu Jan 26, 11:11am	-1.3x Distribution	2.7K Impressions	2.5K Accounts Center acc...
<input type="checkbox"/>	 "Until one has loved an anim... Soul of CA	View insights	...	Mon Jan 23, 9:37am	-6.8x Distribution	505 Impressions	456 Accounts Center acc...
<input type="checkbox"/>	 #tbt The Granger's Union Ha... Soul of CA	View insights	...	Thu Jan 19, 9:56am	-3.9x Distribution	878 Impressions	841 Accounts Center acc...
<input type="checkbox"/>	 "If you can't fly then run, if y... Soul of CA	View insights	...	Mon Jan 16, 6:55am	-10.6x Distribution	325 Impressions	290 Accounts Center acc...
<input type="checkbox"/>	 #tbt Chinatown in Salinas wa... Soul of CA	View insights	...	Thu Jan 12, 5:00am	-1.7x Distribution	2K Impressions	2K Accounts Center acc...
<input type="checkbox"/>	 "The best thing one can do ... Soul of CA	View insights	...	Mon Jan 9, 10:02am	-5.3x Distribution	642 Impressions	599 Accounts Center acc...
<input type="checkbox"/>	 #tbt The Salinas River is the l... Soul of CA	View insights	...	Thu Jan 5, 11:50am	+2.0x Distribution	7K Impressions	6.7K Accounts Center acc...
<input type="checkbox"/>	 "The object of a New Year is ... Soul of CA	View insights	...	Mon Jan 2, 9:34am	-4.2x Distribution	816 Impressions	766 Accounts Center acc...



February 2023 Report

Daily Visitor Count	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	
Week 1	18	3	5	13	5	3	5	
Week 2	2	3	3	2	9	8	9	
Week 3	12	4	3	3	70	4	2	
Week 4	4	9						199

Material Distributed (Standard)	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	
Week 1	See below-Additional Comments							
Week 2								
Week 3								
Week 4								

Material Distributed (New)	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	*For new material distributed submit sample
Week 1	See below-Additional Comments							
Week 2								
Week 3								
Week 4								0

Social Media Posts Posted	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	*Provide Title and Date
Week 1	See below.							
Week 2								
Week 3								
Week 4								12

Met with Hotel Operators	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	*Name of Hotels/Motel
Week 1								
Week 2								
Week 3								
Week 4								0

Special events Hosted	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	*Event Name and Date
Week 1								
Week 2								
Week 3								
Week 4								0

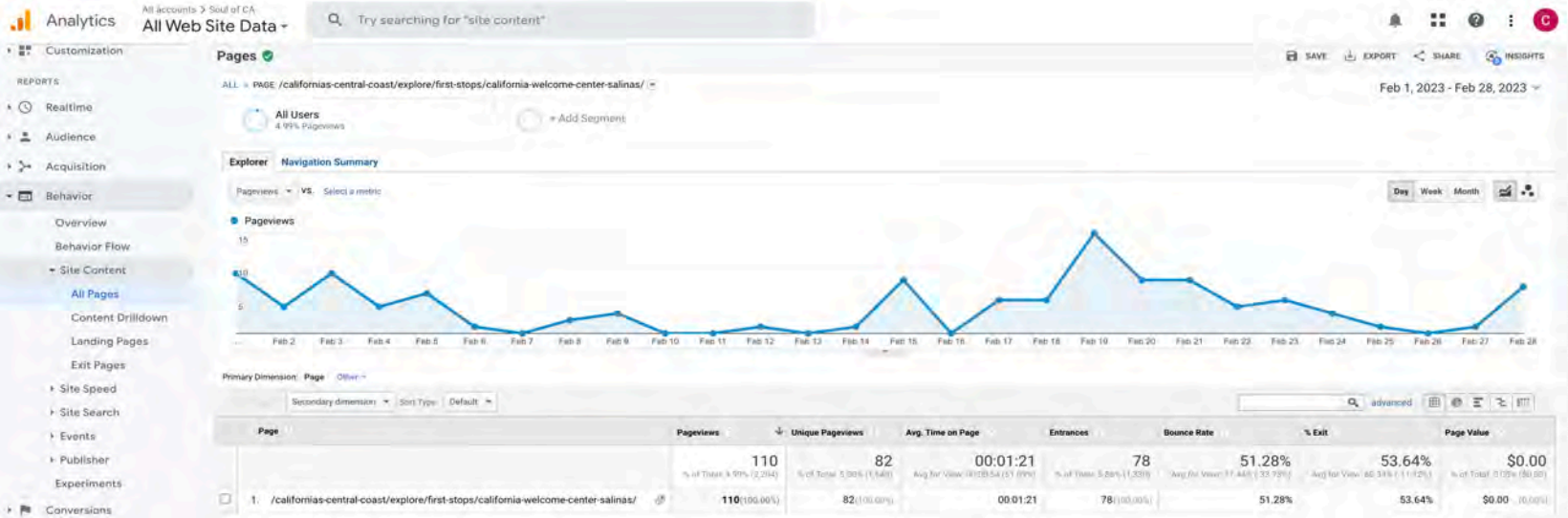
Total number of page views to the CWC's website Google Analytics-see next page-Screenshot #1	110
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Total number of page views to the Soul of CA website? Google Analytics-see next page-Screenshot #2	1,241
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Any highlights/Additional Comments:

Materials Distributed-Tracking individual brochures and stopping each guest to count was not performed. Health and safety issues concerns due to the COVID pandemic and transmission of other respiratory viruses.

Screenshot #1







Screenshot #2





Social Media Posts- Title & Date List
California Welcome Center, Salinas: 4 Posts in February 2023

Title		Type	Date published ↓	Reach ⓘ ↑↓	Likes and reactions ⓘ ↑↓
	Hey there, need to get out and stret... California Welcome Center Salinas	View insights	...	Post	Wed Feb 22, 3:58... 48 Accounts Center acc...
	If you are a fan of beautiful scenery ... California Welcome Center Salinas	View insights	...	Post	Wed Feb 22, 10:18... 71 Accounts Center acc...
	Can't wait for Car Week? Your chanc... California Welcome Center Salinas	View insights	...	Post	Wed Feb 1, 2:02pm 52 Accounts Center acc...
	Is there a train fan in your household... California Welcome Center Salinas	View insights	...	Post	Wed Feb 1, 12:48pm 43 Accounts Center acc...

Social Media Posts- Title & Date List
Soul of CA: 8 Posts in February 2023

Title		Type	Date published ↓	Reach ⓘ ↑↓	Likes and reactions ⓘ ↑↓
	"I like the cold weather. It means yo... Soul of CA	View insights	...	Post	Mon Feb 27, 10:09... 733 Accounts Center acc...
	#tbt Bruce Church began his lettuce... Soul of CA	View insights	...	Post	Thu Feb 23, 9:31am 9.5K Accounts Center acc...
	"When I do good I feel good, when I ... Soul of CA	View insights	...	Post	Mon Feb 20, 9:43a... 238 Accounts Center acc...
	#tbt Tiburcio Vasquez was an early ... Soul of CA	View insights	...	Post	Thu Feb 16, 10:20a... 11.7K Accounts Center acc...

		"Patience and perseverance have a ... Soul of CA	View insights	...	Post	Mon Feb 13, 11:07a...	391 Accounts Center acc...	16 Reactions
		#tbt The oldest cattle brand in Calif... Soul of CA	View insights	...	Post	Thu Feb 9, 9:32am	22K Accounts Center acc...	1.1K Reactions
		"I don't like looking back. I'm always... Soul of CA	View insights	...	Post	Mon Feb 6, 9:22am	2.4K Accounts Center acc...	140 Reactions
		#tbt Ferrini Ranch is comprised of 8... Soul of CA	View insights	...	Post	Thu Feb 2, 11:25am	1.3K Accounts Center acc...	38 Reactions



March 2023 Report

Daily Visitor Count	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	
Week 1	7	4	8	19	7	1	6	
Week 2	5	5	13	7	2	3	17	
Week 3	11	4	10	12	8	9	16	
Week 4	3	4	6	11				198

Material Distributed (Standard)	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	
Week 1	See below-Additional Comments							
Week 2								
Week 3								
Week 4								

Material Distributed (New)	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	*For new material distributed submit sample
Week 1	See below-Additional Comments							
Week 2								
Week 3								
Week 4								0

Social Media Posts Posted	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	*Provide Title and Date
Week 1	See below.							
Week 2								
Week 3								
Week 4								16

Met with Hotel Operators	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	*Name of Hotels/Motel
Week 1								
Week 2								
Week 3								
Week 4								0

Special events Hosted	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	*Event Name and Date
Week 1								
Week 2								
Week 3								
Week 4								0

Total number of page views to the CWC's website Google Analytics-see next page-Screenshot #1	101
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Total number of page views to the Soul of CA website? Google Analytics-see next page-Screenshot #2	1411
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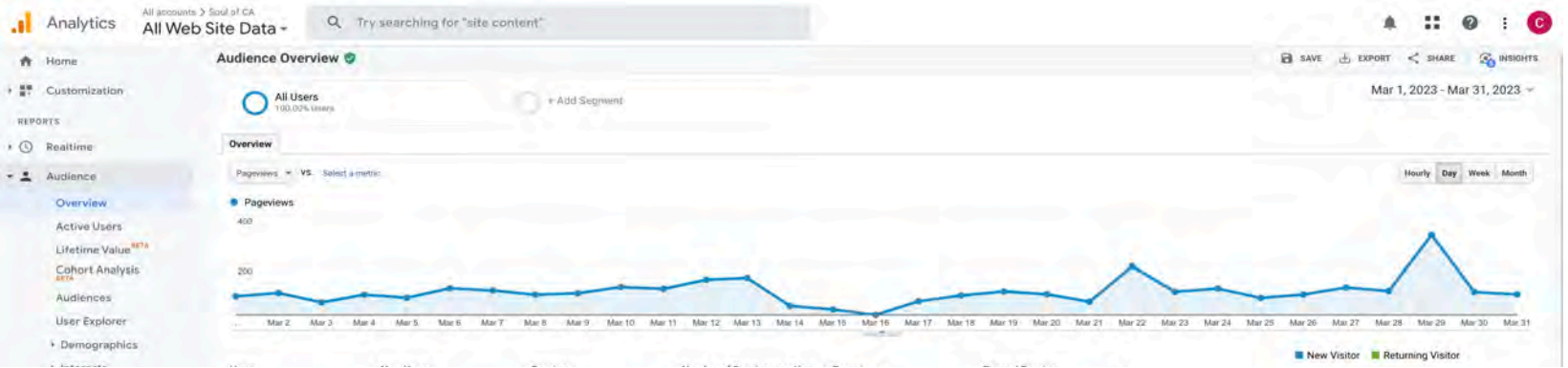
Any highlights/Additional Comments:

Materials Distributed-Tracking individual brochures and stopping each guest to count was not performed. Health and safety issues concerns due to the COVID pandemic and transmission of other respiratory viruses.

Screenshot #1











Screenshot #2





















Social Media Posts- Title & Date List
California Welcome Center, Salinas: 8 Posts in March 2023

Title				Type	Date published ↓	Reach ⓘ ↑↓	Likes and reactions ⓘ ↑↓
	Show your love for Heritage Park thi...	View insights	...	Post	Thu Mar 30, 5:46pm	44 Accounts Center acc...	1 Reactions
	Cesar Chavez, you know the man's ...	View insights	...	Post	Tue Mar 28, 12:49...	26 Accounts Center acc...	1 Reactions
	https://www.montereyherald.com/20...	View insights	...	Post	Sat Mar 25, 9:24am	26 Accounts Center acc...	3 Reactions
	Attention dog lovers, or anyone who...	View insights	...	Post	Fri Mar 24, 2:16pm	42 Accounts Center acc...	1 Reactions
	Toys, games and more are on displa...	View insights	...	Post	Fri Mar 24, 11:19am	28 Accounts Center acc...	0 Reactions
	On the lookout for something new, c...	View insights	...	Post	Wed Mar 8, 2:18pm	30 Accounts Center acc...	1 Reactions
	Looking for some fun musical diversi...	View insights	...	Post	Wed Mar 1, 11:13am	49 Accounts Center acc...	2 Reactions
	for 11 years now the Watsonville Film...	View insights	...	Post	Wed Mar 1, 10:58am	97 Accounts Center acc...	1 Reactions

Social Media Posts- Title & Date List
Soul of CA: 8 Posts in March 2023

Title				Type	Date published ↓	Reach ⓘ ↑↓	Likes and reactions ⓘ ↑↓
-------	--	--	--	------	------------------	------------	--------------------------

		#tbt Pictured here on November 25, ... Soul of CA	View insights	...	Post	Thu Mar 30, 12:17...	4.4K Accounts Center acc...	212 Reactions
		"There will always be a frontier wher... Soul of CA	View insights	...	Post	Mon Mar 27, 10:15...	803 Accounts Center acc...	41 Reactions
		#tbt The Pajaro Valley was once the ... Soul of CA	View insights	...	Post	Thu Mar 23, 12:25...	1.2K Accounts Center acc...	67 Reactions
		"In the deep spring when the grass ... Soul of CA	View insights	...	Post	Mon Mar 20, 9:05a...	951 Accounts Center acc...	45 Reactions
		#tbt Pictured here, on the right in th... Soul of CA	View insights	...	Post	Thu Mar 16, 2:28pm	815 Accounts Center acc...	35 Reactions
		"Water is the driving force of all nat... Soul of CA	View insights	...	Post	Mon Mar 13, 10:41...	743 Accounts Center acc...	29 Reactions
		#tbt This high school auditorium, bu... Soul of CA	View insights	...	Post	Thu Mar 9, 5:30am	5.2K Accounts Center acc...	516 Reactions
		"After every storm the sun will smile;... Soul of CA	View insights	...	Post	Mon Mar 6, 11:39am	1.1K Accounts Center acc...	59 Reactions



April 2023 Report

Daily Visitor Count	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	
Week 1	38	11	14	93	4	12	9	
Week 2	8	6	70	7	16	4	14	
Week 3	0	63	16	11	6	3	4	
Week 4	55	95	4					563

Material Distributed (Standard)	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	
Week 1	See below-Additional Comments							
Week 2								
Week 3								
Week 4								

Material Distributed (New)	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	*For new material distributed submit sample
Week 1	See below-Additional Comments							
Week 2								
Week 3								
Week 4								0

Social Media Posts Posted	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	*Provide Title and Date
Week 1	See below.							
Week 2								
Week 3								
Week 4								

Met with Hotel Operators	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	*Name of Hotels/Motel
Week 1								
Week 2								
Week 3								
Week 4								0

Special events Hosted	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	*Event Name and Date
Week 1				4/6 Laurel Wood Elementary				
Week 2			4/13 Kammann Elementary		4/21 Salinas Virtual Academy			
Week 3	4/20 Kammann Elementary	4/22 Toro Park Elementary						
Week 4	4/27 Toro Park Elementary	4/28 Ag Knowledge Tour Group & Toro Park Elementary						7

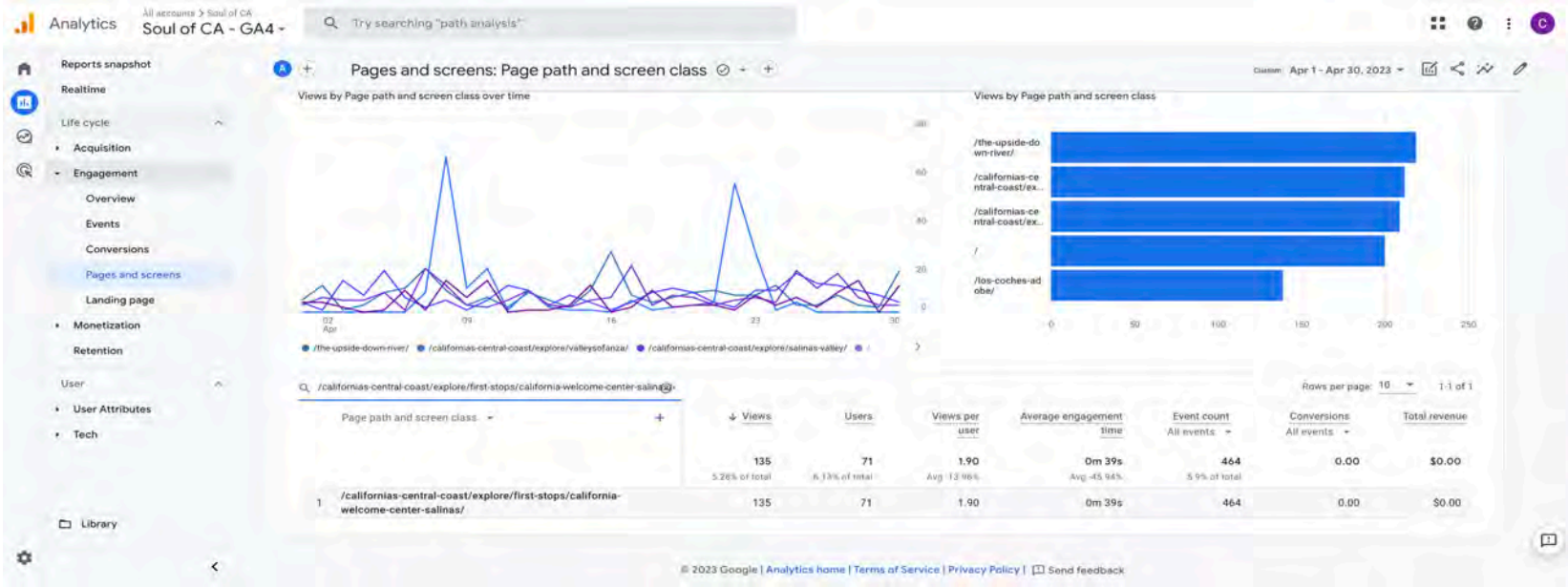
Total number of page views to the CWC's website Google Analytics-see next page-Screenshot #1	135
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Total number of page views to the Soul of CA website? Google Analytics-see next page-Screenshot #2	2559
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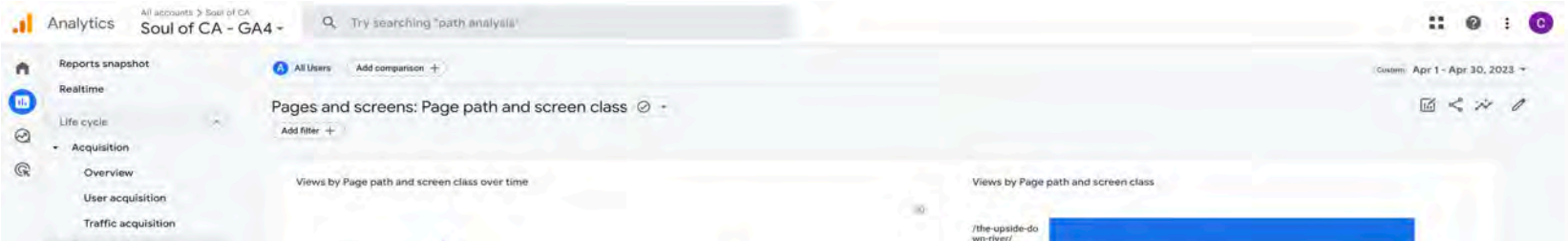
Any highlights/Additional Comments:

Materials Distributed-Tracking individual brochures and stopping each guest to count was not performed. Health and safety issues concerns due to the COVID pandemic and transmission of other respiratory viruses.

Screenshot #1






Screenshot #2










Social Media Posts- Title & Date List
California Welcome Center, Salinas: 3 Posts in April 2023









All content

Posts and Stories										
Media type										
Filter										
Clear										
Search by ID or caption										
Columns										
Title	Type	Date published	Reach	Likes and reactions	Sticker taps	Link clicks	Comments	Shares		
 Salinas night life is getting more and...	Post	Wed Apr 19, 1:42pm	43	1	--	--	0	0		
 Through the contributions and enga...	Post	Wed Apr 12, 11:02...	13	1	--	1	0	0		
 Want to bring out your inner artist b...	Post	Wed Apr 5, 3:03pm	43	0	--	--	0	0		

Social Media Posts- Title & Date List
Soul of CA: 8 Posts in April 2023

All content

Posts and Stories										
Media type										
Filter										
Clear										
Search by ID or caption										
Columns										
Title	Type	Date published	Reach	Likes and reactions	Sticker taps	Link clicks	Comments	Shares		
 #tbt Angelo Zanetta remodeled the ...	Post	Thu Apr 27, 11:50am	977	52	--	--	1	7		
 "It is one of the blessings of old frie...	Post	Mon Apr 24, 10:15...	402	20	--	--	0	2		
 #tbt By 1925, Monterey County was ...	Post	Thu Apr 20, 9:51am	14.1K	568	--	--	52	31		
 "Youth is the gift of nature, but age i...	Post	Mon Apr 17, 9:19am	431	23	--	--	0	3		
 #tbt Lockwood is named after Belus...	Post		2.3K	179	--	--	23	29		

	 Soul of CA	View insights	...	Post	Thu Apr 13, 12:04p...	Accounts Center acc...	Reactions	--	--	Comments	Shares
	 "Always follow your own path." — Qu...	View insights	...	Post	Mon Apr 10, 9:19am	589 Accounts Center acc...	23 Reactions	--	--	2 Comments	1 Shares
	 #tbt The Rancho San Francisquito h...	View insights	...	Post	Thu Apr 6, 11:52am	7.1K Accounts Center acc...	356 Reactions	--	--	26 Comments	25 Shares
	 "Each morning sees some task begu...	View insights	...	Post	Mon Apr 3, 9:36am	966 Accounts Center acc...	73 Reactions	--	--	0 Comments	9 Shares



May 2023 Report

Daily Visitor Count	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	
Week 1	3	2	5	47	50	25	4	
Week 2	12	6	6	95	19	12	6	
Week 3	5	70	54	15	17	10	15	
Week 4	10	16	6	19	3	7		539

Material Distributed (Standard)	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	
Week 1	See below-Additional Comments							
Week 2								
Week 3								
Week 4								

Material Distributed (New)	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	*For new material distributed submit sample
Week 1	See below-Additional Comments							
Week 2								
Week 3								
Week 4								0

Social Media Posts Posted	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	*Provide Title and Date
Week 1	See below.							
Week 2								
Week 3								
Week 4								

Met with Hotel Operators	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	*Name of Hotels/Motel
Week 1								
Week 2								
Week 3								
Week 4								0

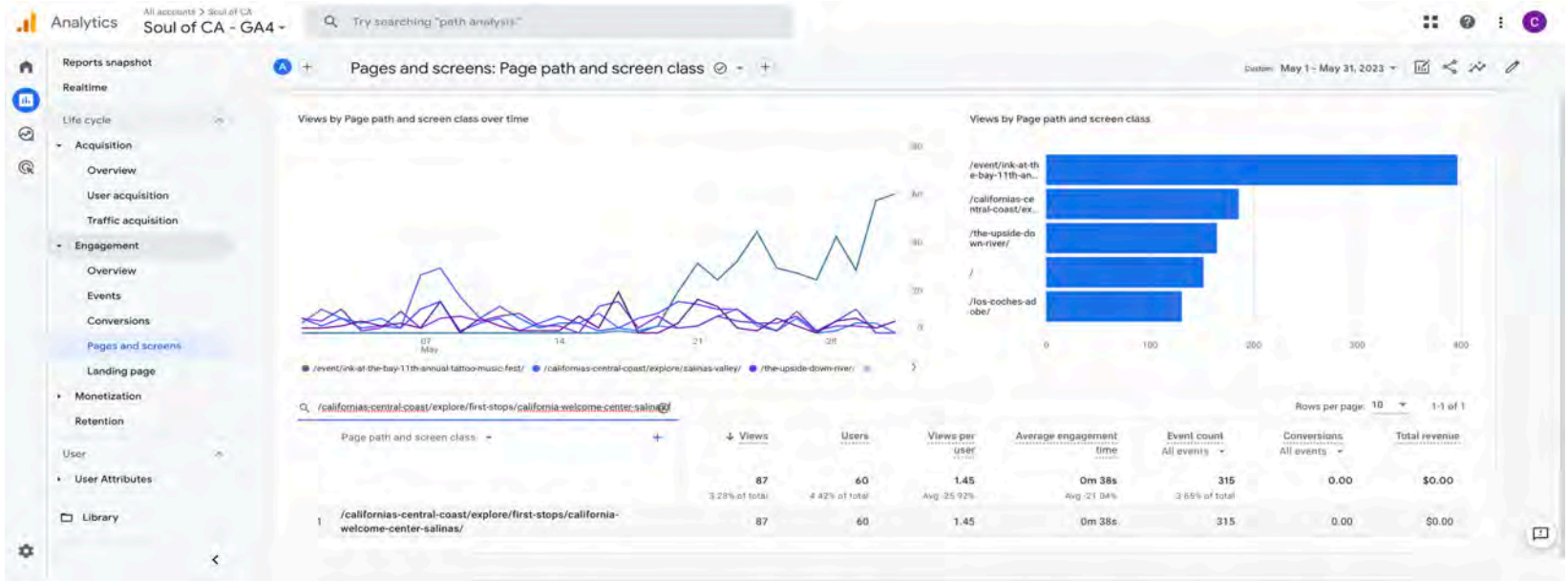
Special events Hosted	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	*Event Name and Date
Week 1				5/4 New Republic Elementary	5/5 New Republic Elementary			
Week 2				5/12 La Jolla Elementary				
Week 3		5/18 Boronda Meadows Elementary	5/19 Boronda Meadows Elementary					
Week 4								5

Total number of page views to the CWC's website Google Analytics-see next page-Screenshot #1	87
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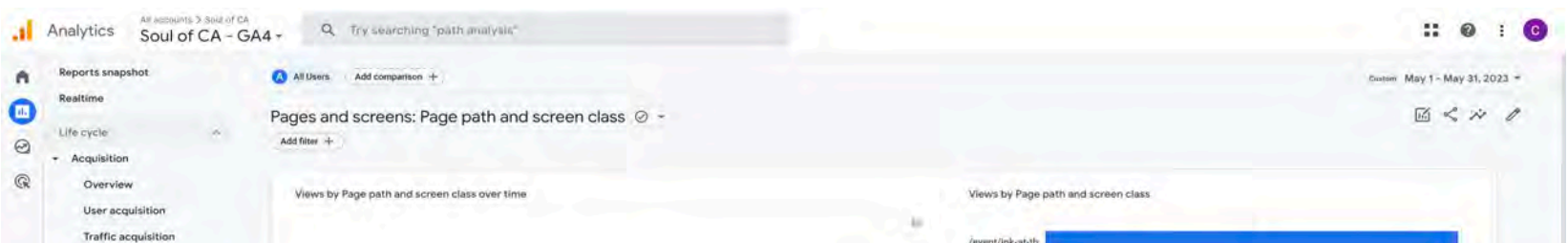
Total number of page views to the Soul of CA website? Google Analytics-see next page-Screenshot #2	2654
--	------

Any highlights/Additional Comments:
Materials Distributed-Tracking individual brochures and stopping each guest to count was not performed. Health and safety issues concerns due to the COVID pandemic and transmission of other respiratory viruses.

Screenshot #1



Screenshot #2















California Welcome Center, Salinas: 8 Posts in March 2023

All content											
Posts and Stories											
Media type											
Filter											
Clear											
Search by ID or caption											
Columns											
Title	Type	Date published	Reach	Likes and reactions	Sticker taps	Link clicks	Comments	Shares			
Steinbeck wrote that there is always...	Post	Wed May 31, 2:48...	35	0	--	4	0	0			
You looking for an unusual activity? ...	Post	Wed May 24, 2:51...	38	0	--	--	0	0			
Looking for something familiar and f...	Post	Wed May 17, 9:21am	87	1	--	--	0	1			
The Sunset Center in Carmel is feat...	Post	Fri May 12, 2:42pm	29	0	--	1	0	0			

Social Media Posts- Title & Date List

Soul of CA: 9 Posts in May 2023

Title	Type	Date published	Reach	Likes and reactions	Sticker taps	Link clicks	Comments	Shares
"Their remembrance be as lasting a...	Post	Mon May 29, 9:25...	131	6	--	--	0	0
#tbt The Spreckels Hotel was built i...	Post	Thu May 25, 10:37...	3.9K	85	--	--	7	14
"If you make the mistake of looking ...	Post	Mon May 22, 10:02...	1.2K	48	--	--	1	5
#tbt Monterey County Bank was fou...	Post	Thu May 18, 9:52am	1.7K	90	--	--	4	14

		"Let us be grateful to people who m...	View insights	...	Post	Mon May 15, 8:50a...	3K Accounts Center acc...	156 Reactions	--	--	9 Comments	15 Shares
		#tbt Mission San Juan Bautista was ...	View insights	...	Post	Thu May 11, 5:00am	212 Accounts Center acc...	15 Reactions	--	--	0 Comments	1 Shares
		"At the end of the day, we must go f...	View insights	...	Post	Mon May 8, 10:04a...	198 Accounts Center acc...	13 Reactions	--	--	0 Comments	0 Shares
		#tbt By 1889, Monterey County was ...	View insights	...	Post	Thu May 4, 9:51am	3.5K Accounts Center acc...	82 Reactions	--	--	2 Comments	16 Shares
		"In the deep spring when the grass ...	View insights	...	Post	Mon May 1, 9:23am	3.3K Accounts Center acc...	218 Reactions	--	--	13 Comments	29 Shares



June 2023 Report

Daily Visitor Count	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	
Week 1	1	5	36	17	10	8	12	
Week 2	9	21	6	18	11	9	17	
Week 3	24	8	7	8	5	4	16	
Week 4	15	9	38	18	12			344

Material Distributed (Standard)	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	
Week 1	See below-Additional Comments							
Week 2								
Week 3								
Week 4								

Material Distributed (New)	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	*For new material distributed submit sample
Week 1	See below-Additional Comments							
Week 2								
Week 3								
Week 4								0

Social Media Posts Posted	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	*Provide Title and Date
Week 1	See below.							
Week 2								
Week 3								
Week 4								

Met with Hotel Operators	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	*Name of Hotels/Motel
Week 1								
Week 2								
Week 3								
Week 4								0

Special events Hosted	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	*Event Name and Date
Week 1			Heritage Park Open House					
Week 2								
Week 3				Host MSVVR Board Meeting				
Week 4			"I-55" Club - tour					3

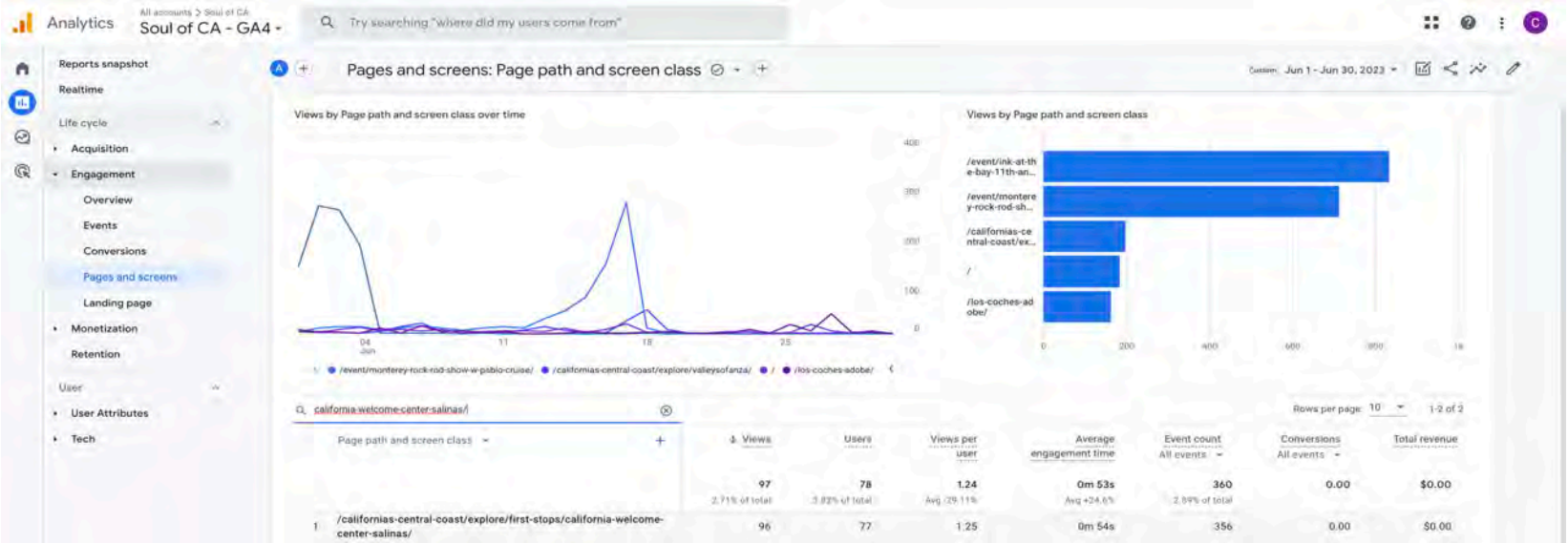
Total number of page views to the CWC's website Google Analytics-see next page-Screenshot #1	
	96

Total number of page views to the Soul of CA website? Google Analytics-see next page-Screenshot #2	
	3582

Any highlights/Additional Comments:

Materials Distributed-Tracking individual brochures and stopping each guest to count was not performed. Health and safety issues concerns due to the COVID pandemic and transmission of other respiratory viruses.

Screenshot #1



Screenshot #2









Social Media Posts- Title & Date List
California Welcome Center, Salinas: 3 Posts in June 2023

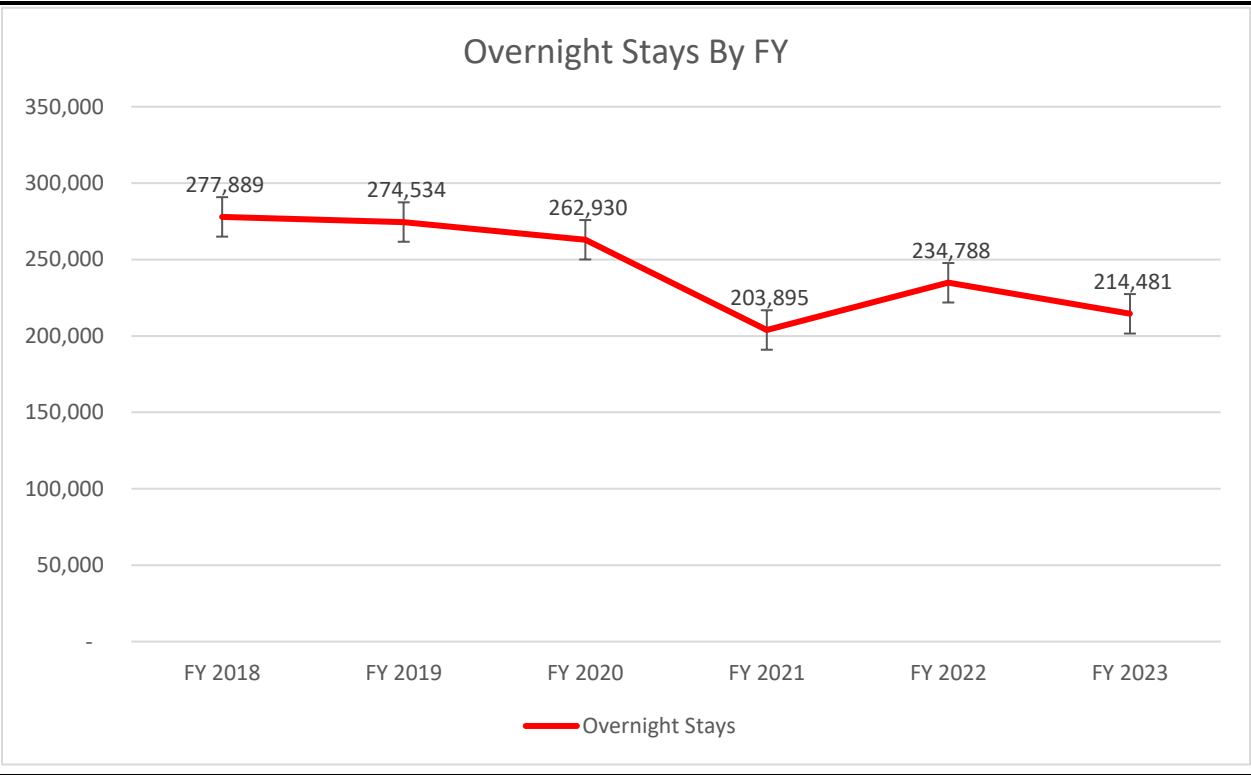
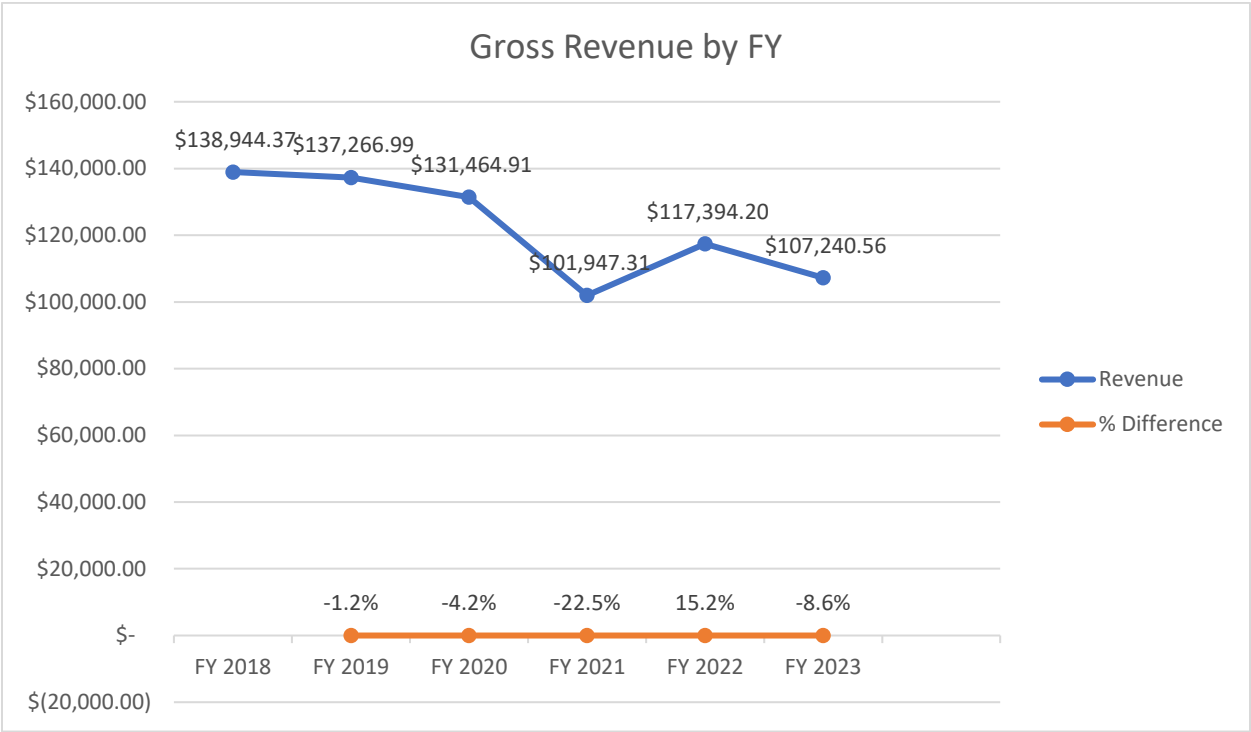
Title	Type	Date published	Reach	Likes and reactions	Sticker taps	Link clicks	Comments	Shares
This Saturday at MY Museum in Mo... California Welcome Center Salinas	Post	Wed Jun 28, 11:10...	40 Accounts Center acc...	0 Reactions	--	--	0 Comments	0 Shares
Do you have a young person in your ... California Welcome Center Salinas	Post	Wed Jun 21, 10:25...	29 Accounts Center acc...	0 Reactions	--	--	0 Comments	0 Shares
Slavery is a shameful mark on our hi... California Welcome Center Salinas	Post	Wed Jun 14, 3:12pm	28 Accounts Center acc...	1 Reactions	--	--	0 Comments	0 Shares

Social Media Posts- Title & Date List
Soul of CA: 9 Posts in June 2023

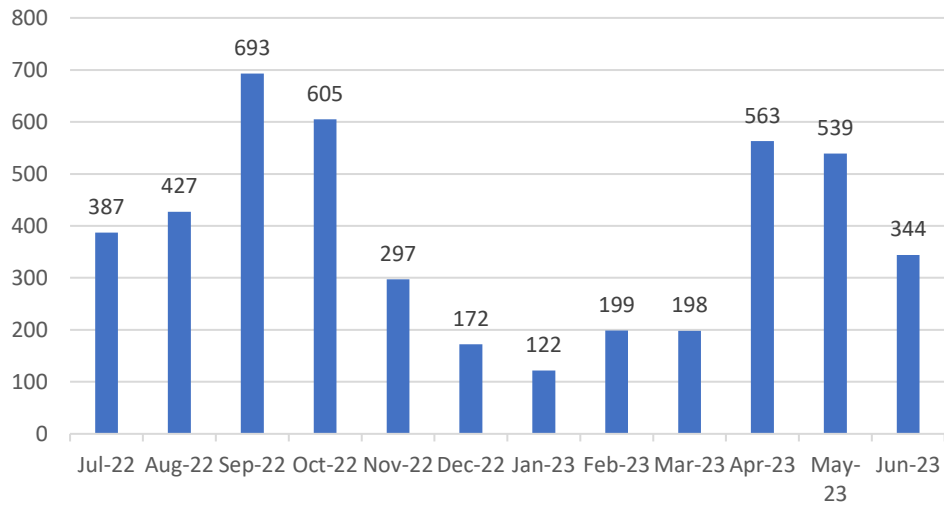
Title	Type	Date published	Reach	Likes and reactions	Sticker taps	Link clicks	Comments	Shares
#tbt Pictured here are the world's largest hay ... Soul of CA	Boost post	Thu Jun 29, 12:20...	12.2K Accounts Center acc...	204 Reactions	--	--	37 Comments	33 Shares
"Earth and sky, woods and fields, lakes and ri... Soul of CA	Boost post	Mon Jun 26, 10:35...	546 Accounts Center acc...	40 Reactions	--	--	1 Comments	6 Shares
#tbt The 126-acres of well-landscaped groun... Soul of CA	Boost post	Thu Jun 22, 10:40...	2.1K Accounts Center acc...	57 Reactions	--	--	2 Comments	10 Shares
"You must never, ever give out. We must keep... Soul of CA	Boost post	Mon Jun 19, 9:27am	144 Accounts Center acc...	2 Reactions	--	--	0 Comments	1 Shares
#tbt Pictured here in 1913, the Salinas River b... Soul of CA	Boost post	Thu Jun 15, 12:02p...	2.5K Accounts Center acc...	103 Reactions	--	--	6 Comments	16 Shares
"The courage to soar to great heights is insid... Soul of CA	Boost post	Mon Jun 12, 11:43...	683 Accounts Center acc...	20 Reactions	--	--	2 Comments	3 Shares
#tbt On April 10, 2013 it was declared that the... Soul of CA	Boost post	Thu Jun 8, 10:47am	14.5K Accounts Center acc...	161 Reactions	--	--	25 Comments	49 Shares

	 Soul of CA	Boost post	Post	Mon Jun 5, 9:50am	716 Accounts Center acc...	22 Reactions	--	--	0 Comments	0 Shares
	 Soul of CA	Boost post	Post	Thu Jun 1, 9:44am	7.5K Accounts Center acc...	292 Reactions	--	--	39 Comments	15 Shares

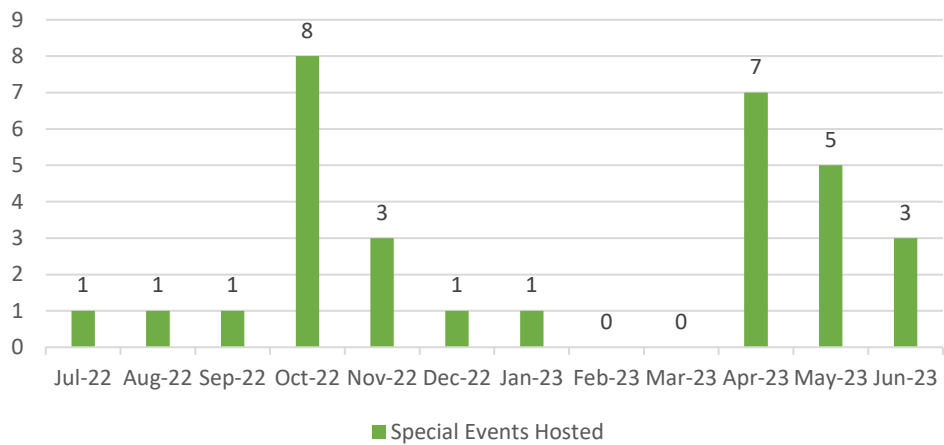
FY 2023 Annual Summary Report



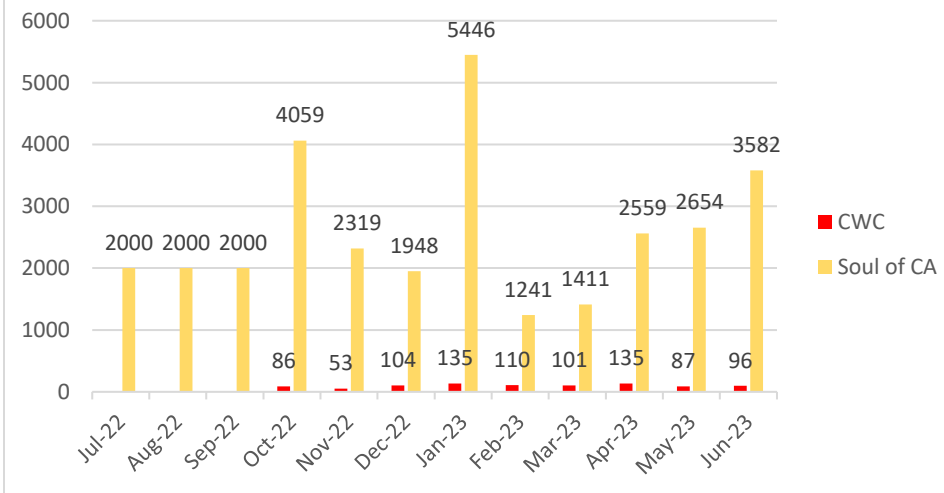
FY 2023 Visitor Count



FY 2023 Special Events Hosted



FY 2023 CWC Website Views



RESOLUTION NO. _____ (N.C.S.)

**A RESOLUTION AUTHORIZING EXECUTION OF AN AGREEMENT WITH THE
SALINAS VALLEY TVB, INC FOR THE OPERATION OF THE SALINAS
CALIFORNIA WELCOME CENTER**

WHEREAS, the Monterey County Convention and Visitors Bureau (MCCVB) manages a Tourism Improvement District (TID) that includes the City of Salinas; and

WHEREAS, through this TID, the City of Salinas receives \$0.50 per occupied room-night within the City of Salinas to be used to increase room-night stays within the City (Assessment); and

WHEREAS, the Salinas Valley TVB, Inc (SVTVB) operates a California Welcome Center in Salinas; and

WHEREAS, SVTVB has provided the City with information demonstrating that marketing and promotional activities typically conducted by California Welcome Centers have the effect of increasing local overnight stays; and

WHEREAS, the City and SVTVB desire to enter into an agreement to provide for the City's contribution of Assessment toward Welcome Center operations as a means of further promoting overnight stays at lodging facilities within the City of Salinas; and

WHEREAS, the total amount of compensation to SVTVB shall not exceed the amount of Assessment actually collected, minus one percent (1%) to cover the City's administrative costs; and

WHEREAS, staff will continue to evaluate use of the TID funds and report quarterly to the Finance Committee during the term of the Agreement; and

WHEREAS, the City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378) because the Agreement and use of TID assessment does not cause a direct or foreseeable indirect physical change on or in the environment. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

NOW, THEREFORE, BE IT RESOLVED that the Salinas City Council hereby approves the attached Agreement with the SVTVB and authorizes the City Manager to execute said Agreement and direct staff to continue to evaluate the City's TID funds and to provide quarterly updates on CWC monthly operation and financial reporting to the Finance Committee.

PASSED AND APPROVED this 12th day of September, 2023 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Kimbley Craig, Mayor

ATTEST:

Patricia M. Barajas, City Clerk

Attached:

Exhibit A – Proposed Agreement

AGREEMENT BETWEEN THE CITY OF SALINAS AND THE SALINAS VALLEY TVB INC.



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**AGREEMENT BETWEEN
THE CITY OF SALINAS AND THE SALINAS VALLEY TVB INC.**

This Agreement (the “Agreement”) is made and entered into this 12th day of September, 2023, between the **City of Salinas**, a California Charter city and municipal corporation (hereinafter “City”), and the **Salinas Valley TVB INC**, a 501(c)(4) organization (hereinafter “SVTVB”).

RECITALS

WHEREAS, pursuant to the Monterey County Tourism Improvement District (MCTID) Management District Plan (MDP), \$2.00 is collected from all Salinas lodging facilities, in association with the MCTID operated by the Monterey County Convention and Visitors Bureau (MCCVB) as defined therein (the “TID Assessment”), and

WHEREAS, of TID Assessment, \$1.50 per room night is remitted back to the MCCVB and the remaining \$0.50 per room night is retained by the City of Salinas (hereinafter “Assessment”); and

WHEREAS, Assessment collected may be used at the discretion of the City of Salinas for the purpose of promoting overnight stays at lodging facilities within the City of Salinas; and

WHEREAS, SVTVB was chosen by Visit California to operate a California Welcome Center within the City of Salinas; and

WHEREAS, SVTVB has provided the City with information demonstrating that activities typically conducted by Welcome Centers have the effect of increasing local overnight stays; and

WHEREAS, the City and SVTVB desire to enter into this Agreement to provide for the City’s contribution of Assessment towards Welcome Center operations as a means of further promoting overnight stays at lodging facilities within the City of Salinas.

NOW, THEREFORE, City and SVTVB agree as follows:

TERMS

1. **Scope of Service.** The scope of SVTVB’s services is described in **Exhibit B**, attached hereto and incorporated herein by reference.
2. **Term; Completion Schedule.** This Agreement shall commence on July 1, 2023, and shall terminate on June 30, 2024.
3. **Compensation.** City agrees to pay SVTVB a total amount of funds equal to the amount of the above-referenced Assessment actually remitted to the City of Salinas during the period of

July 1, 2023, through June 30, 2024, less one percent (1%) of said Assessment, which shall be retained by the City of Salinas to cover its administrative costs. In no case shall compensation to SVTVB exceed the amount of Assessment. City shall pay SVTVB as follows:

- a. Except as provided in Subsection c, below, City shall remit quarterly payments of \$30,000 to SVTVB beginning as of July 2023, for the term of this Agreement.
- b. On or after July 1, 2024, City shall remit to SVTVB all remaining Assessment monies collected within the period defined above, less the one percent of the Assessment reserved for the City as defined above.
- c. If at any point during the term of this Agreement the Assessment remittances received to-date (less the amount needed to cover the City's administrative costs) is insufficient to pay the entirety of an invoice submitted for the amount described above, the City shall, at its discretion, perform one of the following actions:
 - i) Pay the invoice in full, if the City reasonably believes that future remittances will cover the costs to be paid;
 - ii) Notify SVTVB of the shortfall, and pay the invoice in full once sufficient TID monies have been received; or
 - iii) Notify SVTVB of the shortfall and pay the currently available monies due to SVTVB. SVTVB shall be entitled to receive payment for any shortfall if and/or when TID monies are collected during the term of this Agreement.
 - iv) SVTVB may request, and the City shall reasonably provide, a current fund balance reflecting the amounts of TID funds remitted to the City, as such records are available to the City upon the date of the request, as well as the amount of funds paid to the SVTVB to date.

4. Billing. SVTVB shall submit to City an invoice, prepared in a form satisfactory to City, describing its services and providing reports and/or information for the period covered by the invoice. Each invoice shall represent one or more whole months and individual months shall not be divided among multiple invoices. Except as specifically authorized by City, SVTVB's invoices shall include the following information:

- (A) A brief description of services performed, including verification that the services have been performed in accordance with Exhibit B;
- (B) The date the services were performed;
- (C) Reports and/or other information required by Exhibit B; and
- (D) The SVTVB's signature.

Any such invoices shall be in full accord with any and all applicable provisions of this Agreement. Provided that the invoices meet the requirements of this Agreement and sufficient funds are available as described under **Section 3. Compensation.**, the City will be obligated to remit the amount of \$30,000 in full satisfaction of each quarterly invoice submitted.

City shall make payment on each such invoice within thirty (30) days of receipt; provided, however, that if SVTVB submits an invoice which is incorrect, incomplete, or not in accordance

with the provisions of this Agreement (including its exhibits), City shall not be obligated to process any payment to SVTVB until thirty (30) days after a correct and complying invoice has been submitted by SVTVB. The City shall process undisputed invoices immediately.

5. **Meet & Confer.** SVTVB agrees to meet and confer with City or its agents or employees with regard to services as set forth herein as may be required by the City to ensure timely and adequate performance of the Agreement.

6. **Additional Copies.** If City requires additional copies of reports, or any other material which SVTVB is required to furnish as part of the services under this Agreement, SVTVB shall provide such additional copies as are requested, and City shall compensate SVTVB for the actual costs related to the production of such copies by SVTVB.

7. **Responsibility of SVTVB.** By executing this Agreement, SVTVB agrees that the services to be provided and work to be performed under this Agreement shall be performed in a fully competent manner. By executing this Agreement, SVTVB further agrees and represents to City that the SVTVB possesses, or shall arrange to secure from others, all of the necessary professional capabilities, experience, resources, and facilities necessary to provide the City the services contemplated under this Agreement and that City relies upon the professional skills of SVTVB to do and perform SVTVB's work.

8. **Responsibility of City.** The City agrees to:

(A) Assist SVTVB by placing at its disposal all available information pertinent to this Agreement, including but not limited to, previous reports and any other data relative to this Agreement. Nothing contained herein shall obligate City to incur any expense in connection with completion of studies or acquisition of information not otherwise in the possession of City.

(B) Examine all studies, reports, sketches, drawings, specifications, proposals, and other documents presented by SVTVB and render verbally or in writing, as may be appropriate, decisions pertaining thereto within a reasonable time so as not to delay the services of SVTVB.

(C) Steven S. Carrigan, City Manager, or his designee, shall act as City's representative with respect to the work to be performed under this Agreement. Such person shall have the complete authority to transmit instructions, receive information, interpret and define City's policies and decisions with respect to materials, equipment, elements, and systems pertinent to SVTVB's services. City may unilaterally change its representative upon notice to the SVTVB.

9. **Acceptance of Work Not a Release.** Acceptance by the City of the work to be performed under this Agreement does not operate as a release of SVTVB from professional responsibility for the work performed.

10. **Indemnification and Hold Harmless.** SVTVB shall defend, indemnify, and hold harmless the City and its officers, officials, employees, volunteers, and agents from and against any and all liability, loss, damage, expense, costs (including without limitation costs and fees of litigation) of every nature arising out of or in connection with SVTVB's performance of work

hereunder, including the performance of work of any of SVTVB's subcontractors or agents, or SVTVB's failure to comply with any of its obligations contained in the agreement, except such loss or damage which was caused by the sole negligence or willful misconduct of the City.

11. Insurance. SVTVB shall procure and maintain for the duration of this Agreement insurance meeting the requirements specified in **Exhibit A** hereto.

12. Access to Records. SVTVB shall maintain all preparatory books, records, documents, accounting ledgers, and similar materials including but not limited to calculation and survey notes relating to work performed for the City under this Agreement on file for at least three (3) years following the date of final payment to SVTVB by City. Any duly authorized representative(s) of City shall have access to such records for the purpose of inspection, audit, and copying at reasonable times during SVTVB's usual and customary business hours. SVTVB shall provide proper facilities to City's representative(s) for such access and inspection.

13. Non-Assignability. It is recognized by the parties hereto that a substantial inducement to City for entering into this Agreement was, and is, the professional reputation and competence of SVTVB. This Agreement is personal to SVTVB and shall not be assigned by it without express written approval of the City.

14. Termination.

(A) City shall have the authority to terminate this Agreement, upon ten days written notice to SVTVB, as follows:

- (1) If in the City's opinion the conduct of the SVTVB is such that the interest of the City may be impaired or prejudiced, or
- (2) If in the City's opinion the conduct of the SVTVB is in violation of the requirements of the operation of a California Welcome Center as provided by Visit California.

(B) Upon termination, SVTVB shall be entitled to payment of such amount as fairly compensates SVTVB for all work satisfactorily performed up to the date of termination based upon the SVTVB's rates shown in Section 3 of this Agreement, except that:

- (1) In the event of termination by the City for SVTVB's default, City shall deduct from the amount due SVTVB the total amount of additional expenses incurred by City as a result of such default. Such deduction from amounts due SVTVB are made to compensate City for its actual additional costs incurred in securing satisfactory performance of the terms of this Agreement, including but not limited to, costs of engaging another SVTVB(s) for such purposes. In the event that such additional expenses shall exceed amounts otherwise due and payable to SVTVB hereunder, SVTVB shall pay City the full amount of such expense.

(C) The rights and remedy of the City and SVTVB provided under this Section are not exclusive and are in addition to any other rights and remedies provided by law or appearing in any other section of this Agreement.

15. Compliance with Laws, Rules, and Regulations. Services performed by SVTVB pursuant to this Agreement shall be performed in accordance and full compliance with all applicable federal, state, and City laws and any rules or regulations promulgated thereunder.

16. Exhibits Incorporated. All exhibits referred to in this Agreement and attached to it are hereby incorporated in it by this reference. In the event there is a conflict between any of the terms of this Agreement and any of the terms of any exhibit to the Agreement, the terms of the Agreement shall control the respective duties and liabilities of the parties.

17. Independent Contractor. It is expressly understood and agreed by both parties that SVTVB, while engaged in carrying out and complying with any of the terms and conditions of this Agreement, is an independent contractor and not an employee of the City. SVTVB expressly warrants not to represent, at any time or in any manner, that SVTVB is an employee or servant of the City.

18. Integration and Entire Agreement. This Agreement represents the entire understanding of City and SVTVB as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters contained herein. This Agreement may not be modified or altered except by amendment in writing signed by both parties.

19. Jurisdiction and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California, County of Monterey, and City of Salinas. Jurisdiction of litigation arising from this Agreement shall be in the State of California, in the County of Monterey or in the appropriate federal court with jurisdiction over the matter.

20. Severability. If any part of this Agreement is found to be in conflict with applicable laws, such part shall be inoperative, null and void insofar as it is in conflict with said laws, but the remainder of the Agreement shall continue to be in full force and effect.

21. Notices.

(A) Written notices to the City hereunder shall, until further notice by City, be addressed to:

City Manager
City of Salinas
200 Lincoln Avenue
Salinas, California 93901

With a copy to:

City Attorney

City of Salinas
200 Lincoln Avenue
Salinas, California 93901

(B) Written notices to the SVTVB shall, until further notice by the SVTVB, be addressed to:

Craig Kaufman
Salinas Valley Tourism and Visitors Bureau
8305 Prunedale North Road, #7
Salinas, CA 93907

(C) The execution of any such notices by the City Manager shall be effective as to SVTVB as if it were by resolution or order of the City Council, and SVTVB shall not question the authority of the City Manager to execute any such notice.

(D) All such notices shall either be delivered personally to the other party's designee named above, or shall be deposited in the United States Mail, properly addressed as aforesaid, postage fully prepaid, and shall be effective the day following such deposit in the mail.

22. Nondiscrimination. During the performance of this Agreement, SVTVB shall not discriminate against any employee or applicant for employment because of race, color, religion, ancestry, creed, sex, national origin, familial status, sexual orientation, age (over 40 years) or disability. SVTVB shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, ancestry, creed, sex, national origin, familial status, sexual orientation, age (over 40 years) or disability.

23. Conflict of Interest. SVTVB warrants and declares that it presently has no interest, and shall not acquire any interest, direct or indirect, financial or otherwise, in any manner or degree which will render the services required under the provisions of this Agreement a violation of any applicable local, state or federal law. SVTVB further declares that, in the performance of this Agreement, no subcontractor or person having such an interest shall be employed. In the event that any conflict of interest should nevertheless hereinafter arise, SVTVB shall promptly notify City of the existence of such conflict of interest so that City may determine whether to terminate this Agreement. SVTVB further warrants its compliance with the Political Reform Act (Government Code section 81000 et seq.) and Salinas City Code Chapter 2A that apply to SVTVB as the result of SVTVB's performance of the work or services pursuant to the terms of this Agreement.

24. Headings. The section headings appearing herein shall not be deemed to govern, limit, modify, or in any manner affect the scope, meaning or intent of the provisions of this Agreement.

25. Attorneys' Fees. In case suit shall be brought to interpret or to enforce this Agreement, or because of the breach of any other covenant or provision herein contained, the prevailing party in such action shall be entitled to recover their reasonable attorneys' fees in addition to such costs

as may be allowed by the Court. City's attorneys' fees, if awarded, shall be calculated at the market rate.

26. Non-Exclusive Agreement. This Agreement is non-exclusive and both City and SVTVB expressly reserve the right to contract with other entities for the same or similar services.

27. Rights and Obligations Under Agreement. By entering into this Agreement, the parties do not intend to create any obligations express or implied other than those set out herein; further, this Agreement shall not create any rights in any party not a signatory hereto.

28. Licenses. If a license of any kind, which term is intended to include evidence of registration, is required of SVTVB, its representatives, agents or subcontractors by federal, state or local law, SVTVB warrants that such license has been obtained, is valid and in good standing, and that any applicable bond posted in accordance with applicable laws and regulations.

29. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute a single agreement.

30. Legal Representation. Each party affirms that it has been represented, if it so chose, by legal counsel of its own choosing regarding the preparation and the negotiation of this Agreement and the matters and claims set forth herein, and that each of them has read this Agreement and is fully aware of its contents and its legal effect. Neither party is relying on any statement of the other party outside the terms set forth in this Agreement as an inducement to enter into this Agreement.

31. Joint Representation. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against any party. No presumptions or rules of interpretation based upon the identity of the party preparing or drafting the Agreement, or any part thereof, shall be applicable or invoked.

32. Warranty of Authority. Each party represents and warrants that it has the right, power, and authority to enter into this Agreement. Each party further represents and warrants that it has given any and all notices, and obtained any and all consents, powers, and authorities, necessary to permit it, and the persons entering into this Agreement for it, to enter into this Agreement.

33. No Waiver of Rights. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver or a waiver of a subsequent breach of the same or any other provision of this Agreement. The failure to provide notice of any breach of this Agreement or failure to comply with any of the terms of this Agreement shall not constitute a waiver thereof. Failure on the part of either party to enforce any provision of this Agreement shall not be construed as a waiver of the right to compel enforcement of such provision or any other provision. A waiver by the City of any one or more of the conditions of performance under this Agreement shall not be construed as waiver(s) of any other condition of performance under this Agreement.

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement on the date first written above.

CITY OF SALINAS

Steven S. Carrigan
City Manager

APPROVED AS TO FORM:

☐ Christopher A. Callihan, City Attorney, or
☐ Rhonda Combs, Assistant City Attorney

SVTVB

Craig Kaufman
Executive Director

Exhibit A

Insurance Requirements

SVTVB shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the SVTVB, his agents, representatives, employees, or subcontractors. With respect to General Liability and Professional Liability, coverage should be maintained for a minimum of five (5) years after Agreement completion.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

- (A) **Commercial General Liability** (“CGL”): Insurance Services Office Form (“ISO”) CG 00 01 covering CGL on an occurrence basis, including products and completed operations, property damage, bodily injury, and personal & advertising injury with limits no less than **\$1,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
- (B) **Automobile Liability**: ISO Form CA 0001 covering any auto, or if SVTVB has no owned autos, hired and non-owned, with limits no less than **\$1,000,000** per accident for bodily injury and property damage.
- (C) **Workers’ Compensation** insurance as required by the State of California, with Statutory Limits, and Employer’s Liability Insurance with a limit of no less than **\$1,000,000** per accident for bodily injury or disease.
- (D) **Professional Liability** (also known as Errors and Omissions) insurance appropriate to the work being performed, with limits no less than **\$1,000,000** per occurrence or claim, **\$2,000,000** aggregate per policy period of one year.

If the SVTVB maintains broader coverage and/or higher limits than the minimums shown above, the City of Salinas requires and shall be entitled to the broader coverage and/or higher limits maintained by the SVTVB. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

OTHER INSURANCE PROVISIONS

The insurance policies are to contain, or be endorsed to contain, the following provisions:

Additional Insured Status

The City of Salinas, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the SVTVB including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the SVTVB’s insurance (at least as broad as ISO Form CG 20 10, CG 11 85, or **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 forms if later revisions used).

Primary Coverage

For any claims related to this Agreement or the project described within this Agreement, the **SVTVB's insurance coverage shall be primary coverage** at least as broad as ISO Form CG 20 01 04 13 as respects the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be excess of the SVTVB's insurance and shall not contribute with it.

Notice of Cancellation

Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the City.

Waiver of Subrogation

SVTVB hereby grants to City a waiver of any right to subrogation which any insurer of said SVTVB may acquire against the City by virtue of the payment of any loss under such insurance. SVTVB agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.

The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City of Salinas for all work performed by the SVTVB, its employees, agents, and subcontractors.

Self-Insured Retentions

Self-insured retentions must be declared by SVTVB to and approved by the City. At the option of the City, SVTVB shall provide coverage to reduce or eliminate such self-insured retentions as respects the City, its officers, officials, employees, and volunteers; or the SVTVB shall provide evidence satisfactory to the City guaranteeing payment of losses and related investigations, claim administrations, and defense expenses. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the City.

Claims Made Policies

If any of the required policies provide coverage on a claims-made basis:

1. The Retroactive Date must be shown and must be before the date of this Agreement or the beginning of Agreement work.
2. Insurance must be maintained and evidence of insurance must be provided ***for at least five (5) years after completion of the Agreement of work.***
3. If coverage is canceled or non-renewed, and not ***replaced with another claims-made policy form with a Retroactive Date*** prior to the Agreement effective date, the SVTVB must purchase "extended reporting" coverage for a minimum of ***five (5) years*** after completion of Agreement work.
4. A copy of the claims reporting requirements must be submitted to the City for review.

Verification of Coverage

SVTVB shall furnish the City with original certificates and amendatory endorsements or copies of the applicable insurance language effecting coverage required by this Agreement. All

certificates and endorsements are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the SVTVB's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

Subcontractors

SVTVB shall require and verify that all sub-SVTVBs and/or subcontractors maintain insurance meeting all the requirements stated herein, and SVTVB shall ensure that Entity is an additional insured on insurance required from such sub-SVTVBs and/or subcontractors.

Special Risks or Circumstances

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

Maintenance of Insurance

Maintenance of insurance by SVTVB as specified shall in no way be interpreted as relieving SVTVB of its indemnification obligations or any responsibility whatsoever and the SVTVB may carry, at its own expense, such additional insurance as it deems necessary.

Exhibit B

The SVTVB shall operate a California Welcome Center (“Welcome Center”) that is officially recognized by Visit California. To accomplish this, SVTVB shall perform the following tasks:

- A. The SVTVB shall continue to operate the California Welcome Center within the City of Salinas and shall be responsible for ensuring that said Center is operated in accordance with the requirements of Visit California. SVTVB shall employ staff of appropriate quantity and skill so that the Welcome Center is open to the public seven days per week for the duration of this contract. In the event that this staff member is unable to perform his/her duties, or in the event Welcome Center at any point becomes unable to remain open seven days per week, Welcome Center shall employ contract labor or take other means necessary to maintain uninterrupted seven-day-per-week operations. The requirement to remain open shall be waived for any holidays recognized by the City of Salinas. This Section shall be inapplicable if the Welcome Center is required to close pursuant to a lawful health order issued by a state or local government, or if directed to do so by Visit California.
- B. SVTVB shall provide quarterly reports to the City of Salinas with the deadline for submission set no later than the second week of the month (Due Oct, Jan, April, July). These reports shall include financial statements and information sufficient to enable the City to report on the success of the Welcome Center in increasing the number of overnight stays within the City of Salinas. This information shall include, but is not limited to, the number of visitors to the Center (on a daily basis), an itemized summary of marketing materials (whether presented electronically or on a physical medium such as paper or canvas) which provide information regarding potential lodging options within the City of Salinas, an itemized list of additional marketing materials used to attract visitors to the Welcome Center or the Salinas area, a summary (when available) of how many printed materials were provided to visitors, the number of visitors to SVTVB’s website, and any additional information which can be collected or derived from collected data using formulas or software commonly utilized and accepted throughout the industry.
- C. SVTVB shall meet and confer with the hotel operators within the City of Salinas, individually or collectively, on a reasonable basis, but not less than once per year, to discuss opportunities for the Welcome Center to increase the number of overnight stays within the City of Salinas.
- D. SVTVB shall convene once a month with city staff, MCCVB and other stakeholders to collaborate on strategies aimed at boosting overnight stays within the City of Salinas.
- E. SVTVB shall prepare and deliver a proposed budget prior to execution of this Agreement. The proposed budget shall include a detailed breakdown of expected income and anticipated expenses for the duration of this Agreement. At the conclusion of the term of the Agreement, SVTVB shall provide the City with a comprehensive budget report detailing the actual expenses incurred during the term of the Agreement. The budget report

shall include a comparison between the projected budget and the actual expenses for each line item.

Salinas Valley Tourism & Visitors Bureau CWC FY 2023-24 Budget

	<u>Budget 2023-24</u>
Income	
Certified Folder	2,400.00
Sales of Product Income	3,000.00
Sponsorships/ Donations	1,000.00
Tourism Improvement District	135,000.00
Total Income	141,400.00
Cost of Goods Sold	
Cost of Goods Sold	1,500.00
Inventory Loss/Damage	75.00
Inventory Shrinkage	25.00
Total Cost of Goods Sold	1,600.00
Gross Profit	139,800.00
<u>Expenses</u>	
Accounting Services	4,800.00
Advertising	1,500.00
Bank Charges	65.00
Merchant Fees	100.00
Cleaning Supplies	300.00
CPA - Tax Accountant	2,200.00
Designation Fees	5,000.00 A
Dues & Subscriptions	1,150.00
Event Supplies	300.00
Insurance	2,500.00
D&O Insurance	1,136.00
Legal Fees	500.00
Meals and Entertainment	145.00
Penalties & Interest	0.00
County Property Tax	1,200.00
Postage Expense	200.00
Promotional	500.00
Rent or Lease	24,024.00 B
Repair & Maintenance	3,500.00 C
<u>Salaries/Wages</u>	
Payroll Fees	660.00
Payroll Tax Expense	6,300.00
Salaries/Wages-Concierge CWC	5,532.00
Salary/ Wages-Store Manager CWC	D
Salary/Wages-Executive Director	50,000.00
Workers' Comp Insurance	350.00
Total Salaries/Wages	62,842.00
Security	900.00
Social Media/Promotion	1,440.00
<u>Supplies</u>	

Office Supplies	1,200.00	
Restroom Supplies	300.00	
Total Supplies		1,500.00
Taxes & Licenses	150.00	
Travel - Hotel, Parking, Flights	1,000.00	
Travel-Mileage	650.00	
Utilities		
PG&E	3,090.00	
Telephone & Internet	3,204.00	
Trash	0.00	
Water/Sewer	780.00	
Total Utilities		7,074.00
Total Expenses	124,676.00	
Net Operating Income	15,124.00	

NOTES

A- Annual fees due to Visit CA / Dept. of Transportation for CWC
 B - \$21,000 (\$1750 x 12 months) @ 1A Station Place -Payable to City of Salinas
 C - budget for exterior vandalism - broken windows
 D- Open position to be filled



City of Salinas

200 Lincoln Ave., Salinas,
CA 93901
www.cityofsalinas.org

Legislation Text

File #: ID#23-496, Version: 1

2nd Reading, Ordinance amending Article VI of Chapter 9 of the Salinas Municipal Code - Flood Damage Prevention

Consider adopting an Ordinance amending Article VI of Chapter 9 the Salinas Municipal Code to update the regulations governing flood damage prevention.



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: AUGUST 22, 2023 – INTRODUCED
SEPTEMBER 12, 2023 – 2ND READING

DEPARTMENT: PUBLIC WORKS

FROM: DAVID JACOBS, PE, PLS, DIRECTOR

BY: ADRIANA ROBLES, PE, CFM, CITY ENGINEER
ANDREA CARDENAS, EIT, ENGINEERING AIDE II

TITLE: CHAPTER 9, ARTICLE VI ORDINANCE UPDATE

RECOMMENDED MOTION:

A motion to adopt an Ordinance update to Article VI of Chapter 9 of the Salinas Municipal Code to update the regulations governing flood damage prevention.

BACKGROUND:

The National Flood Insurance Program (NFIP) was established by the U.S. Congress with the passage of the National Flood Insurance Act of 1968. The NFIP is managed by the Federal Emergency Management Agency (FEMA). Most homeowner insurance policies do not cover flood damage. In November 1981, the City Council accepted participation in the National Flood Insurance Program. By participating in the NFIP, the City of Salinas is able to provide property owners, renters, and businesses with flood insurance options. In exchange, the participating community agrees to adopt, implement and enforce floodplain management regulations that help mitigate future flood effects. Through the Community Rating System (CRS) program, FEMA can verify and recognize when a community is exceeding the minimum requirements of the NFIP. Some of the responsibilities of a NFIP community include adopting and enforcing flood maps and the flood damage prevention ordinance, advising and working with FEMA and the State when updates to the flood maps are needed, and maintaining records of the city's CRS-credited activities. As part of this voluntary incentive program, a community is awarded an NFIP policy premium discount when extra measures are performed. The discounted amount is based on the rating received through the CRS program.

Since 2013, the City of Salinas as a participant in the CRS program, has maintained a class seven (7) rating which qualifies residents and property owners of Salinas for a 15 percent discount on flood insurance premiums when located in the Special Flood Hazard Area (SFHA) and a five (5) percent discount outside the SFHA.

In 2018, FEMA, began working with a contractor to update and validate the SFHAs on Flood Insurance Rate Maps (FIRMs) for creeks throughout Monterey County. The upper portion of the Natividad Creek and its tributaries was selected by FEMA to map. Preliminary Flood Insurance Study

(FIS) and FIRM were provided by FEMA for review by the City on October 21, 2021. A news release and radio public service announcement issued on May 11, 2022 informed the general public of the review of the preliminary flood maps. Updates will revise the following FIRMs: 06053C0226H, 06053C0227H, 06053C0228H, 06053C0229H, 06053C0236H, 06053C0237H and 06053C0238H and FIS: 06053CV001C, 06053CV002C, 06053CV003C, 06053CV004C and 06053CV005C. Maps can be accessed from FEMA's Flood Map Service Center ([FEMA Flood Map Service Center | Welcome!](#)).

On May 30, 2023 a Letter of Final Determination was issued indicating the FIS and FIRM would become effective on November 30, 2023. As an NFIP participant, the City of Salinas is required to review and update its floodplain regulations to align the federal code (44 CFR Part 60.3(d)) of the NFIP.

The updated ordinance has been reviewed by FEMA and requires council adoption prior to the effective date of the new FIS and FIRM.

A summary of changes is listed below:

1. Update Article numbering.
2. Update *Statement of purposed*.
3. Insert *Coordination with California Building Standards Code*.
4. Update *Design flood elevation* definition.
5. Add definition for *Flood hazard area*.
6. Add definition for *Fraud or victimization*.
7. Add definition for *Nuisance*.
8. Insert provisions for applicability of *Other laws*.
9. Insert *General applicability*.
10. Add additional *Duties and responsibilities of the floodplain administrator*.
11. Insert section for *Permits for Floodplain Development*.
12. Update sections for *Flood Hazard Reduction*.
13. Add *Limitations on authority for Variance Procedures*.
14. Update *Conditions of variances*.

CEQA CONSIDERATION:

Not a Project. The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

STRATEGIC PLAN INITIATIVE:

This report supports the City of Salinas Strategic Plan goals and objectives for Infrastructure and

Environmental Sustainability, Public Safety, and Effective and Culturally Responsive Government.

DEPARTMENTAL COORDINATION

Staff from the Public Works Department (Development Engineering Division) working through the City Engineer manage and administer the Floodplain ordinance.

FISCAL AND SUSTAINABILITY IMPACT:

Adoption of the Flood Damage Prevention Ordinance Update will not have a fiscal impact on the City's budget. Fees are collected to recover costs associated with plan check and inspection required for development in Special Flood Hazard Zones.

ATTACHMENTS

Ch 9 Article VI Ordinance Update

ORDINANCE NO. _____ (N.C.S.)

**AN ORDINANCE AMENDING ARTICLE VI OF CHAPTER 9 OF THE SALINAS
MUNICIPAL CODE UPDATING THE FLOODPLAIN REGULATIONS**

City Attorney's Impartial Analysis

*This Ordinance amends sections of Chapter 9 of the Salinas Municipal Code to
incorporate 44 CFR Part 60.3(d) of the NFIP regulations.*

WHEREAS, the Federal Emergency Management Agency (FEMA) has identified special flood hazard areas within the boundaries of the City of Salinas and such areas may be subject to periodic inundation which may result in loss of life and property, health and safety hazards, disruption of commerce and governmental services, extraordinary public expenditures for flood protection and relief, and impairment of the tax base, all of which adversely affect the public health, safety and general welfare, and

WHEREAS, the City of Salinas was accepted for participation in the National Flood Insurance Program on November 4, 1981 and the City Council desires to continue to meet the requirements of Title 44 Code of Federal Regulations, Sections 59 and 60, necessary for such participation; and

WHEREAS, in September 2018, FEMA Region IX informed the County of Monterey, City of Salinas, City of Gonzales and City of Soledad of a project to update the flood maps for certain creeks within the County. The upper portion of the Natividad Creek was mapped as part of the update; and

WHEREAS, preliminary Flood Insurance Study (FIS) report, preliminary Flood Insurance Rate Map (FIRM) and preliminary Summary of Map Actions (SOMA) were provided by FEMA on October 21, 2021; and

WHEREAS, a news release, along with a radio public service announcement, were issued by FEMA on May 11, 2022 of the public review period of the preliminary flood maps; and

WHEREAS, on May 30, 2023, FEMA issued a Letter of Final Determination indicating the updated FIS and FIRM will become effective on November 30, 2023, and requiring review of the city's floodplain regulations to align with 44 CFR Part 60.3(d) of the National Flood Insurance Program (NFIP).

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF SALINAS AS
FOLLOWS:**

SECTION 1. Recitals. The above recitals are true and correct and are by this reference incorporated herein in their entirety.

SECTION 2. Article VI of Chapter 9 of the Salinas Municipal Code is hereby amended as follows (Revisions are shown in underline/strikethrough text):

Chapter 9

Division I. Generally.

Sec. ~~9-51.1~~9-06.01. Statutory authorization.

The Legislature of the State of California has in Government Code Sections 65302, 65560, and 65800 conferred upon local governments the authority to adopt regulations designed to promote the public health, safety, and general welfare of its citizenry. Therefore, the City Council of the City of Salinas does hereby adopt the following floodplain management regulations.

Sec. ~~9-51.2~~9-06.02. Findings of fact.

- (a) The flood hazard areas of Salinas, California are subject to periodic inundation which results in loss of life and property, health and safety hazards, disruption of commerce and governmental services, extraordinary public expenditures for flood protection and relief, and impairment of the tax base, all of which adversely affect the public health, safety and general welfare.
- (b) These flood losses are caused by the cumulative effect of obstructions in areas of special flood hazards which increase flood heights and velocities, and when inadequately anchored, damage uses in other areas. Uses that are inadequately flood-proofed, elevated or otherwise protected from flood damage also contribute to the flood loss.

Sec. ~~9-51.3~~9-06.03. Statement of purpose.

It is the purpose of this article to promote the public health, safety, and general welfare, and to minimize public and private losses due to flood conditions in specific areas by provisions designed:

- (a) To protect human life and health;
- (b) To minimize expenditure of public money for costly flood control projects;
- (c) To minimize the need for rescue and relief efforts associated with flooding and generally undertaken at the expense of the general public;
- (d) To minimize prolonged business interruptions;
- (e) To minimize damage to public and private facilities and utilities such as water and gas mains, electric, telephone and sewer lines, streets and bridges located in areas of special flood hazard;
- (f) To help maintain a stable tax base by providing for the second use and development of areas of special flood hazard so as to minimize future flood blight areas;

- (g) To ensure that potential buyers are notified that property is in an area of special flood hazard; and
- (h) To ensure that those who occupy the areas of special flood hazard assume responsibility for their actions.
- (i) Minimize unnecessary disruption of commerce, access and public service during times of flooding.
- (j) Require the use of appropriate construction practices in order to prevent or minimize future flood damage.
- (k) Contribute to improved construction techniques in the floodplain.
- (l) Meet the requirements of the National Flood Insurance Program for community participation as set forth in Title 44 Code of Federal Regulations, Section 59.22

Sec 9-06.04. Coordination with California Building Standards Code.

Pursuant to the requirement established in State statute that the City of Salinas administer and enforce the California Building Standards Code, the City Council of the City of Salinas hereby acknowledges that the building codes contain certain provisions that apply to the design and construction of buildings and structures in flood hazard areas. Therefore, these regulations are intended to be administered and enforced in conjunction with the building codes.

Sec. 9-51.4-9-06.05. Methods of reducing flood losses.

In order to accomplish its purposes, this article includes methods and provisions for:

- (a) Restricting or prohibiting uses which are dangerous to health, safety, and property due to water or erosion hazards, or which result in damaging increases in erosion or in flood heights or velocities;
- (b) Requiring that uses vulnerable to floods, including facilities which serve such uses, be protected against flood damage at the time of initial construction;
- (c) Controlling the alteration of natural floodplains, stream channels, and natural protective barriers, which help accommodate or channel flood waters;
- (d) Controlling filling, grading, dredging, and other development which may increase flood damage; and
- (e) Preventing or regulating the construction of flood barriers which will unnaturally divert flood waters or which may increase flood hazards in other areas.

Sec. 9-52.1-9-06.06. Definitions.

Unless specifically defined below, words or phrases used in this article shall be interpreted so as to give them the meaning they have in common usage and to give this article its most reasonable application.

- (a) "Accessory structure." See Section 37-50.010 of Salinas City Code. For floodplain management purposes, the term includes only accessory structures used for parking and storage.
- (b) "Accessory use." See Section 37-50.010 of the Salinas City Code.

- (c) "Agricultural structure" means a walled and roofed structure used exclusively for agricultural purposes or uses in connection with the production, harvesting, storage, raising, or drying of agricultural commodities and livestock, including aquatic organisms. Structures that house tools or equipment used in connection with these purposes or uses are also considered to have agricultural purposes or uses.
- (d) "Alluvial fan" means a geomorphologic feature characterized by a cone or fan-shaped deposit of boulders, gravel, and fine sediments that have been eroded from mountain slopes, transported by flood flows, and then deposited on the valley floors, and which is subject to flash flooding, high velocity flows, debris flows, erosion, sediment movement and deposition, and channel migration.
- (e) "Alteration of watercourse" means a dam, impoundment, channel relocation, change in channel alignment, channelization, or change in cross-sectional area of the channel or the channel capacity, or any other form of modification which may alter, impede, retard or change the direction and/or velocity of the riverine flow of water during conditions of the base flood.
- (f) "Apex" means the point of highest elevation on an alluvial fan, which on undisturbed fans is generally the point where the major stream that formed the fan emerges from the mountain front.
- (g) "Appeal" means a request for a review of the floodplain administrator's interpretation of any provision of this article or a request for a variance.
- (h) "Area of shallow flooding" means a designated AO or AH Zone on the Flood Insurance Rate Map (FIRM). The base flood depths range from one to three feet; a clearly defined channel does not exist; the path of flooding is unpredictable and indeterminate; and velocity flow may be evident. Such flooding is characterized by ponding or sheet flow.
- (i) "Area of special flood hazard." See "Special flood hazard area."
- (j) "ASCE 24" means the standard Flood Resistant Design and Construction, referenced by the building code, developed and published by the American Society of Civil Engineers, Reston, VA. Where cited, ASCE 24 refers to the edition of the standard that is referenced by the building code.
- (k) "Base flood" means the flood having a one percent chance of being equaled or exceeded in any given year (also called the "one-hundred-year flood").
- (l) "Base flood elevation (BFE)" means the elevation of the base flood, including wave height, relative to the National Geodetic Vertical Datum (NGVD), North American Vertical Datum (NAVD) or other datum specified on the Flood Insurance Rate Map (FIRM).
- (m) "Basement" means any floor below the first story in a building (below ground level), except that a floor level in a building having only one floor shall be considered a basement unless such floor qualifies as a first story.
- (n) "Board of appeals" means the city council.

- (o) "Break-away walls" are any type of walls, whether solid or lattice, and whether constructed of concrete, masonry, wood, metal, plastic or any other suitable building material which is not part of the structural support of the building and which is designed to break away under abnormally high tides or wave action without causing any damage to the structural integrity of the building on which they are used or any buildings to which they might be carried by flood waters. A break-away wall shall have a safe design loading resistance of no less than ten and no more than twenty pounds per square foot. Use of break-away walls must be certified by a registered engineer or architect and shall meet the following conditions:
- (1) Break-away wall collapse shall result from a water load less than that which would occur during the base flood; and
 - (2) The elevated portion of the building shall not incur any structural damage due to the effects of wind and water loads acting simultaneously in the event of the base flood.
- (p) "Building code" means California Code of Regulations Title 24, the California Building Standards Code, the family of building codes specifically adopted by the State of California and composed of:
- (1) Part 2, applicable to buildings and structures other than dwellings within the scope of this part.
 - (2) Part 2.5, applicable to one- and two-family dwellings and townhouses not more than three stories, and accessory structures.
 - (3) Part 10, applicable to existing buildings (as defined in that code).
 - (4) Other specified codes.
- (q) "Design flood" means the flood associated with the greater of the following two areas:
- (1) Area with a flood plain subject to a 1-percent or greater chance of flooding in any year.
 - (2) Area designated as a flood hazard area on a community's flood hazard map, or otherwise legally designated.
- ~~(q)~~(r) "Design flood elevation (DFE)" means the elevation of the highest flood (generally the BFE including freeboard) that a retrofitting method is designed to protect against. In areas designated as Zone AO, the design flood elevation shall be the elevation of the highest existing grade of the building's perimeter plus the depth number (in feet) specified on the flood hazard map. In areas designated as Zone AO where a depth number is not specified on the map, the depth number shall be taken as being equal to 2 feet (610 mm).
- ~~(r)~~(s) "Development." See Section 37-10.280 of the Salinas City Code.
- ~~(s)~~(t) "Elevation Certificate" means an official record that shows new buildings and substantial improvements in all identified Special Flood Hazard Areas (SFHAs) are properly elevated. This elevation information is needed to show compliance with the floodplain management ordinance.

~~(t)~~(u) "Encroachment" means the advance or infringement of uses, plant growth, fill, excavation, buildings, permanent structures or development into a floodplain which may impede or alter the flow capacity of a floodplain.

~~(u)~~(v) "Exceptional hardship" means, for the purpose of variances from these regulations or the building code, the exceptional difficulty that would result from a failure to grant a requested variance. Mere economic or financial hardship is not exceptional. Inconvenience, aesthetic considerations, physical handicaps, personal preferences, or the disapproval of one's neighbors do not rule, qualify as exceptional hardships. All of these circumstances can be resolved through other means without granting variances, even when the alternatives are more expensive or require the property owner to build elsewhere or put the parcel to a different use than originally intended.

~~(v)~~(w) "Existing manufactured home park or subdivision" means a manufactured home park or subdivision for which the construction of facilities for servicing the lots on which the manufactured homes are to be affixed (including, at a minimum, the installation of utilities, the construction of streets, and either the final site grading or the pouring of concrete pads) is completed before the effective date of the floodplain management regulations adopted by a community.

~~(w)~~(x) "Expansion to an existing manufactured home park or subdivision" means the preparation of additional sites by the construction of facilities for servicing the lots on which the manufactured homes are to be affixed (including the installation of utilities, the construction of streets, and either final site grading or the pouring of concrete pads).

~~(x)~~(y) "Flood or flooding or flood water" means a general and temporary condition of partial or complete inundation of normally dry land areas from:

- (1) The overflow of inland or tidal waters;
- (2) The unusual and rapid accumulation or runoff of surface waters from any source; and/or mudslides (i.e., mudflows);
- (3) Any other condition resulting from flood-related erosion.

~~(y)~~(z) "Flood boundary and floodway map (FBFM)" means the official map on which the Federal Emergency Management Agency or Federal Insurance Administration has delineated both the areas of special flood hazard and the floodway.

~~(z)~~(aa) "Flood control project" means a dam or barrier design and constructed to keep water away from or out of a specified area, including but not limited to levees, floodwalls, and channelization.

~~(aa)~~(bb) "Flood damage-resistant materials" means any construction material capable of withstanding direct and prolonged contact with floodwaters without sustaining any damage that requires more than cosmetic repair.

(cc) "Flood hazard area" means the greater of the following two areas:

- (1) The area within a floodplain subject to a 1-percent or greater chance of flooding in any year.

- (2) The area designated as a flood hazard area on the community's flood hazard map, or otherwise legally designated.
- ~~(bb)~~(dd) "Flood hazard boundary map [FHBM]" means the official map on which the Federal Emergency Management Agency or Federal Insurance Administration has delineated the areas of flood hazards.
- ~~(ee)~~(ee) "Flood insurance rate map (FIRM)" means the official map on which the Federal Emergency Management Agency or Federal Insurance Administration has delineated both the areas of special flood hazards and the risk premium zones applicable to the community.
- ~~(dd)~~(ff) "Flood insurance study [FIS]" means the official report provided by the Federal Insurance Administration that includes flood profiles, the FIRM, the flood boundary and floodway map, and the water surface elevation of the base flood.
- ~~(ee)~~(gg) "Floodplain or flood-prone area" means any land areas susceptible to being inundated by water from any source (see definition of "flooding").
- ~~(ff)~~(hh) "Floodplain administrator" is the individual appointed to administer and enforce the floodplain management regulations. The city engineer is hereby appointed to be the floodplain administrator.
- ~~(gg)~~(ii) "Floodplain management" means the operation of an overall program of corrective and preventive measures for reducing flood damage and preserving and enhancing, where possible, natural resources in the floodplain, including but not limited to emergency preparedness plans, flood control works, floodplain management regulations, and open space plans.
- ~~(hh)~~(jj) "Floodplain management regulations" means the ordinance codified in this chapter and other zoning ordinances, subdivision regulations, building codes, health regulations, special purpose ordinances (such as grading and erosion control ordinances) and other applications of police power which control development in flood-prone areas. The term describes such federal, state or local regulations in any combination thereof, which provide standards for the purpose of flood damage prevention and reduction.
- ~~(ii)~~(kk) "Floodproofing" means any combination of structural and nonstructural additions, changes, or adjustments to structures which reduce or eliminate flood damage to real estate or improved real property, water and sanitary facilities, structures and their contents. Refer to FEMA Technical Bulletins TB 1-93, TB 3-93, and TB 7-93 or most recent updates for guidelines on dry and wet floodproofing.)
- ~~(jj)~~(ll) "Floodway" means the channel of a river or other watercourse and the adjacent land areas that must be reserved in order to discharge the base flood without cumulatively increasing the water surface elevation more than one foot. Also referred to as "regulatory floodway."
- ~~(kk)~~(mm) "Floodway fringe" means that area of the one-hundred-year floodplain shown on the FEMA floodway maps that could be completely obstructed without increasing the water surface elevation of the one-hundred-year flood more than one foot at any point.

~~(nn)~~ "Fraud or victimization" means, for the purpose of variances from these regulations or the building code, the intentional use of deceit to deprive another of rights or property, making a victim of the deprived person or the public. As it pertains to buildings granted variances to be constructed below the elevation required by the building code, future owners or tenants of such buildings and the community as a whole may bear the burden of increased risk of damage from floods, increased cost of flood insurance, and increased recovery costs, inconvenience, danger, and suffering.

~~(H)~~(oo) "Functionally dependent use" means a use which cannot perform its intended purpose unless it is located or carried out in close proximity to water. The term includes only docking facilities, port facilities that are necessary for the loading and unloading of cargo or passengers, and ship building and ship repair facilities, but does not include long-term storage or related manufacturing facilities.

~~(mm)~~(pp) "Highest adjacent grade" means the highest natural elevation of the ground surface prior to construction next to the proposed walls of a structure.

~~(nn)~~(qq) "Historic structure" means any structure that is either:

- (1) Listed individually in the National Register of Historic Places (a listing maintained by the Department of Interior) or preliminarily determined by the Secretary of the Interior as meeting the requirements for individual listing on the National Register;
- (2) Certified or preliminarily determined by the Secretary of the Interior as contributing to the historical significance of a registered historic district or a district preliminarily determined by the Secretary to qualify as a registered historic district;
- (3) Individually listed on a state inventory of historic places in states with historic preservation programs which have been approved by the Secretary of the Interior;
- (4) Individually listed on a local inventory of historic places in communities with historic preservation programs that have been certified either by an approved state program as determined by the Secretary of the Interior or directly by the Secretary of the Interior in states without approved programs; or

~~(ee)~~(rr) "Letter of Map Change (LOMC)" means an official determination issued by FEMA that amends or revises an effective Flood Insurance Rate Map or Flood Insurance Study. Letters of Map Change include:

- (1) Letter of Map Amendment (LOMA): An amendment based on technical data showing that a property was incorrectly included in a designated special flood hazard area. A LOMA amends the current effective Flood Insurance Rate Map and establishes that a specific property, portion of a property, or structure is not located in a special flood hazard area.
- (2) Letter of Map Revision (LOMR): A revision based on technical data that may show changes to flood zones, flood elevations, special flood hazard area boundaries and floodway delineations, and other planimetric features.
- (3) Letter of Map Revision Based on Fill (LOMR-F): A determination that a structure or parcel of land has been elevated by fill above the base flood elevation and is,

therefore, no longer located within the special flood hazard area. In order to qualify for this determination, the fill must have been permitted and placed in accordance with the community's floodplain management regulations.

- (4) Conditional Letter of Map Revision (CLOMR): A formal review and comment as to whether a proposed flood protection project or other project complies with the minimum NFIP requirements for such projects with respect to delineation of special flood hazard areas. A CLOMR does not revise the effective Flood Insurance Rate Map or Flood Insurance Study; upon submission and approval of certified as-built documentation, a Letter of Map Revision may be issued by FEMA to revise the effective FIRM.
- ~~(pp)~~(ss) "Levee" means a man-made structure, usually an earthen embankment, designed and constructed in accordance with sound engineering practices to contain, control or divert the flow of water so as to provide protection from temporary flooding.
- ~~(qq)~~(tt) "Levee system" means a flood protection system which consists of a levee, or levees, and associated structures, such as closure and drainage devices, which are constructed and operated in accord with sound engineering practices.
- ~~(rr)~~(uu) "Lowest floor" means the lowest floor of the lowest enclosed area (including basement). (See "Basement" definition).
- (1) An unfinished or flood resistant enclosure below the lowest floor, usable solely for parking of vehicles, building access or storage in an area other than a basement area is not considered a building's lowest floor provided it conforms to applicable non-elevation design requirements including, but not limited to:
- The wet floodproofing standard in Section ~~9-55.1(e)(3)~~9-06.34(c)(3);
 - The anchoring standards in Section ~~9-55.1(a)~~9-06.34(a);
 - The construction materials and methods standards in Section ~~9-55.1(b)~~9-06.34(b); and
 - The standards for utilities in Section ~~9-55.29~~9-06.36.
- (2) For residential structures, all subgrade enclosed areas are prohibited as they are considered to be basements (see "Basement" definition). This prohibition includes below-grade garages and storage areas.
- ~~(ss)~~(vv) "Manufactured home" means a structure that is factory-fabricated, built in one or more sections, which is built on a permanent chassis and is designed for use with or without a permanent foundation when connected to the required utilities, and which complies with requirements adopted by the State of California Department of Housing and Community Development. For floodplain management purposes, the term "manufactured home" also includes park trailers, travel trailers and other similar vehicles placed on a site for greater than one hundred eighty consecutive days. The term "manufactured home" does not include a "recreation vehicle."
- ~~(tt)~~(ww) "Manufactured home park or subdivision" means a parcel (or contiguous parcels) of land divided into two or more manufactured home lots for sale or rent.

~~(uu)~~(xx) "Market value" shall be determined by estimating the cost to replace the structure in new condition and adjusting that cost figure by the amount of depreciation which has accrued since the structure was constructed. The cost of replacement of the structure shall be based on a square foot cost factor determined by reference to a building cost estimating guide recognized by the building construction industry. The amount of depreciation shall be determined by taking into account the age and physical deterioration of the structure and functional obsolescence as approved by the floodplain administrator, but shall not include economic or other forms of external obsolescence. Use of replacement costs or accrued depreciation factors different from those contained in recognized building cost estimating guides may be considered only if such factors are included in a report prepared by an independent professional appraiser and supported by a written explanation of the differences.

~~(vv)~~(yy) "Mean sea level" means, for purposes of the National Flood Insurance Program, the National Geodetic Vertical Datum (NGVD) of 1929 or other datum, to which base flood elevations shown on a community's flood insurance rate map are referenced.

~~(ww)~~(zz) "New construction" means, for floodplain management purposes, structures for which the "start of construction" commenced on or after the effective date of a floodplain management regulation adopted by the city, and includes any subsequent improvements to such structures.

~~(xx)~~(aaa) "New manufactured home park or subdivision" means a manufactured home park or subdivision for which the construction of facilities for servicing the lots on which the manufactured homes are to be affixed (including at a minimum, the installation of utilities, the construction of streets, and either final site grading or the pouring of concrete pads) is completed on or after the effective date of floodplain management regulations adopted by this community.

(bbb) "Nuisance" means that which is injurious to safety or health of an entire community or neighborhood, or any considerable number of persons, or unlawfully obstructs the free passage or use, in the customary manner, of any navigable lake, or river, bay, stream, canal, or basin.

~~(yy)~~(ccc) "Obstruction" includes, but is not limited to, any dam, wall, wharf, embankment, levee, dike, pile, abutment, protection, excavation, channelization, bridge, conduit, culvert, building, wire, fence, rock, gravel, refuse, fill, structure, vegetation or other material in, along, across or projecting into any watercourse which may alter, impede, retard or change the direction and/or velocity of the flow of water, or due to its location, its propensity to snare or collect debris carried by the flow of water, or its likelihood of being carried downstream.

~~(zz)~~(ddd) "One-hundred-year flood" or "100-year flood" means a flood which has a one percent annual probability of being equaled or exceeded. It is identical to the "base flood," which will be the term used throughout this article.

~~(aaa)~~(eee) "Permit for floodplain development" means an official document or certificate issued by the community, or other evidence of approval or concurrence, which authorizes performance of specified development activities that are located in flood hazard areas and that are determined to be compliant with these regulations.

~~(bbb)~~(fff) "Person" means an individual or his agent, firm, partnership, association or corporation, or agent of the aforementioned groups, or this state or its agencies or political subdivisions.

~~(eee)~~(ggg) "Recreation vehicle." See Section 37-50.190 of the Salinas City Code.

~~(ddd)~~(hhh) "Regulatory floodway" means the channel of a river or other watercourse and the adjacent land areas that must be reserved in order to discharge the base flood without cumulatively increasing the water surface elevation more than one foot.

~~(eee)~~(iii) "Remedy a violation" means to bring the structure or other development into compliance with state or local floodplain management regulations, or, if this is not possible, to reduce the impacts of its noncompliance. Ways that impacts may be reduced include protecting the structure or other affected development from flood damages, implementing the enforcement provisions of the article or otherwise deterring future similar violations, or reducing state or federal financial exposure with regard to the structure or other development.

~~(fff)~~(jjj) "Riverine" means relating to, formed by, or resembling a river (including tributaries, stream, brook, etc.).

~~(ggg)~~(kkk) "Special flood hazard area (SFHA)" means an area having special flood or flood-related erosion hazards, and shown on an FHBM or FIRM as Zone A, AO, A1—30, AE, A99 or AH.

~~(hhh)~~(lll) "Start of construction" includes substantial improvement and other proposed new development, and means the date the building permit was issued, provided the actual start of construction, repair, reconstruction, rehabilitation, addition, placement or other improvement was within one hundred eighty days of the permit date. The actual start means either the first placement of permanent construction of a structure on a site, such as the pouring of slab or footings, the installation of piles, the construction of columns, or any work beyond the stage of excavation; or the placement of a manufactured home on a foundation. Permanent construction does not include land preparation such as clearing, grading and filling; nor does it include the installation of streets and/or walkways; nor does it include excavation for a basement, footings, piers or foundations or the erection of temporary forms; nor does it include the installation on the property of accessory buildings, such as garages or sheds not occupied as dwelling units or not part of the main structure. For a substantial improvement, the actual start of construction means the first alteration of any wall, ceiling, floor, or other structural part of a building, whether or not that alteration affects the external dimensions of the building.

~~(iii)~~(mmm) "Structure" means anything constructed or erected on the ground or which is attached to something erected on the ground, including a manufactured home.

~~(jjj)~~(nnn) "Substantial damage" means damage of any origin sustained by a structure whereby the cost of restoring the structure to its before damaged condition would equal or exceed fifty percent of the market value of the structure before the damage occurred.

~~(kkk)~~(ooo) "Substantial improvement" means any repair, reconstruction, rehabilitation, addition, or other proposed new development of a structure, or improvement of a structure, the cost of which equals or exceeds fifty percent of the

market value of the structure before "start of construction" of the improvement. This term includes structures which have incurred "substantial damage," regardless of the actual repair work performed. For the purpose of this definition "substantial improvement" is considered to occur when the first alteration of any wall, ceiling, floor or other structural part of the building commences, whether or not the alteration affects the external dimensions of the structure. The term does not, however, include either:

- (1) Any project for improvement of a structure to correct existing violations or state or local health, sanitary, or safety code specifications which have been identified by the local code enforcement official and which are the minimum necessary to assure safe living conditions; or
- (2) Any alteration of an "historic structure," provided that the alteration will not preclude the structure's continued designation as a "historic structure."

~~(HH)~~~~(ppp)~~ "Utility and Miscellaneous Group U" means buildings and structures of an accessory character and miscellaneous structure not classified in any special occupancy, as described in the building code.

~~(mmm)~~~~(qqq)~~ "Variance" means a grant of relief from the requirements of this article which permits construction in a manner that would otherwise be prohibited by this article.

~~(nnn)~~~~(rrr)~~ "Violation" means the failure of a structure or other development to be fully compliant with the community's floodplain management regulations. A structure or other development without the elevation certificate, other certifications, or other evidence of compliance required in this article is presumed to be in violation until such time as that documentation is provided.

~~(ooo)~~~~(sss)~~ "Water surface elevation" means the height, in relation to the National Geodetic Vertical Datum (NGVD) of 1929, (or other datum, where specified) of floods of various magnitudes and frequencies in the floodplains of coastal or riverine areas.

~~(ppp)~~~~(ttt)~~ "Watercourse" means a lake, river, creek, stream, wash, arroyo, channel or other topographic feature on or over which waters flow at least periodically. Watercourse includes specifically designated areas in which substantial flood damage may occur.

Sec. ~~9-53.1~~9-06.07. Lands to which this article applies.

This article shall apply to all areas of special flood hazards within the jurisdiction of the City of Salinas.

Sec. ~~9-53.2~~9-06.08. Basis for establishing the areas of special flood hazard.

The areas of special flood hazard identified by the Federal Insurance Administration (FIA) of the Federal Emergency Management Agency (FEMA) in the flood insurance study (FIS) in a scientific and engineering report entitled "The Flood Insurance Study for the City of Salinas," dated May 4, 1981, and accompanying flood insurance rate maps (FIRMs) and flood boundary and floodway maps (FBFMs), dated November 4, 1981, and all subsequent amendments and/or revisions, are hereby adopted by reference and declared to be a part of this article. The flood insurance study (FIS) is on file at the Salinas Permit Center, 65 West Alisal Street, Engineering and Transportation Department. This FIS and attendant mapping are the minimum area of

applicability of this article and may be supplemented by studies for other areas which allow implementation of this article and which are recommended to the city council by the floodplain administrator.

Sec. 9-53.3.9-06.09. Compliance.

No structure or land shall hereafter be constructed, located, extended, converted, or altered without full compliance with the term of this article and other applicable regulations. Violation of the requirements (including violations of conditions and safeguards established in connection with conditions) shall constitute a misdemeanor. Alternatively, and in the discretion of the city attorney, any violation of the requirements set forth in this article may be prosecuted administratively pursuant to the provisions of the City Code. Nothing herein shall prevent the city from taking such legal action available to it under the law as may be necessary to prevent or remedy any violation.

Sec. 9-06.10. Other laws.

The provisions of these regulations shall not be deemed to nullify any provisions of local, State or federal law.

Sec. 9-53.4.9-06.11. Abrogation and greater restrictions.

This article is not intended to repeal, abrogate, or impair any existing easements, covenants, or deed restrictions. However, where this article and another ordinance, easement, covenant, or deed restriction conflict or overlap, whichever imposes the most stringent restrictions shall prevail.

Sec. 9-53.5.9-06.12. Interpretation.

In the interpretation and application of this article, all provisions shall be:

- (a) Considered as minimum requirements;
- (b) Liberally construed in favor of the governing body; and
- (c) Deemed neither to limit nor repeal any other powers granted under state statutes.

Sec. 9-53.6.9-06.13. Warning and disclaimer of liability.

The degree of flood protection required by this article is considered reasonable for regulatory purposes and is based on scientific and engineering considerations. Larger floods can and will occur on rare occasions. Flood heights may be increased by man-made or natural causes. This article does not imply that land outside the areas of special flood hazards or uses permitted within such areas will be free from flooding or flood damages. This article shall not create liability on the part of the city, any officer or employee thereof, the state of California, the Federal Insurance Administration, or the Federal Emergency Management Agency, for any flood damages that result from reliance on this article or any administrative decision lawfully made hereunder.

Sec. 9-53.7.9-06.14. Severability.

This article and the various parts thereof are hereby declared to be severable. Should any section of this article be declared by the courts to be unconstitutional or invalid, such decision

shall not affect the validity of the article as a whole, or any portion thereof other than the section so declared to be unconstitutional or invalid.

Sec. 9-06.15. General applicability.

These regulations, in conjunction with the building codes, provide minimum requirements for development located in flood hazard areas, including the subdivision of land; filling, grading and other site improvements; installation of utilities; installation, placement and replacement of manufactured homes; placement of recreational vehicles; installation of tanks; temporary structures and temporary or permanent storage; utility and miscellaneous Group U buildings and structures; certain building work exempt from permit under the building codes; and flood control projects.

Division II. Administration.

Sec. ~~9-54.1~~9-06.16. Establishment of development permit.

A development permit shall be obtained before construction or development begins within any area of special flood hazard established in Section ~~9-53.2~~9-06.08 Application for a development permit shall be made on forms furnished by the floodplain administrator, and may include, but are not limited to: plans in duplicate drawn to scale showing the nature, location, dimensions, and elevation of the area in question; existing or proposed structures, fill, storage of materials, drainage facilities; and the location of the foregoing. Specifically, the following information is required:

- (a) Site plan, including but not limited to:
 - (1) For all proposed structures, spot ground elevations at building corners and twenty-foot or smaller intervals along the foundation footprint, or one-foot contour elevations throughout the building site; and
 - (2) Proposed locations of water supply, sanitary sewer, and utilities; and
 - (3) If available, the base flood elevation from the flood insurance study and/or flood insurance rate map; and
 - (4) If applicable, the location of the regulatory floodway.
- (b) Foundation design detail, including but not limited to:
 - (1) Proposed elevation, in relation to mean sea level, of the lowest floor (including basement) of all structures;
 - (2) For a crawl-space foundation, location and total net area of foundation openings as required in Section ~~9-55.1(e)(3)~~9-06.34(c)(3) of this article and FEMA Technical Bulletin TB 1-93 and 7-93 or most recent updates; and
 - (3) For foundations placed on fill, the location and height of fill, and compaction requirements (compacted to ninety-five percent using the Standard Proctor Test method); and

- (c) Proposed elevation in relation to mean sea level to which any nonresidential structure will be floodproofed, as required in Section ~~9-55.1(e)(2)~~9-06.34(c)(2) of this article and FEMA Technical Bulletin TB 3-93 or most recent update; and
- (d) All appropriate certifications listed in Section ~~9-54.3(d)~~9-06.19(d) of this article; and
- (e) Description of the extent to which any watercourse will be altered or relocated as a result of proposed development.

Sec. ~~9-54.2~~9-06.17. Designation of the city engineer as local floodplain administrator.

The city engineer is hereby appointed to administer, implement, and enforce this article by granting or denying development permits in accord with its provisions, and shall be the floodplain administrator for the purpose of this article. The responsibilities hereunder may be delegated from time-to-time by the city engineer to one or more designees.

Sec. ~~9-54.3~~9-06.18. Coordination of the floodplain administrator with the building official.

The floodplain administrator shall coordinate with and provide comments to the building official to administer and enforce the flood provisions of the building code and to ensure compliance with the applicable provisions of these regulations. The floodplain administrator and the building official have the authority to establish written procedures for reviewing applications and conducting inspections for buildings and for administering and documenting determinations of substantial improvement and substantial damage made pursuant to Section ~~9-54.5~~9-06.20 of these regulations.

Sec. ~~9-54.4~~9-06.19. Duties and responsibilities of the floodplain administrator.

The duties and responsibilities of the floodplain administrator shall include, but not be limited to:

- (a) Permit Review.
 - (1) Review all development permits to determine that the permit requirements of this article have been satisfied and that all other required state and federal permits have been obtained;
 - (2) Ensure that the site is reasonably safe from flooding and to be designed and constructed with methods, practices and materials that minimize flood damage;
 - (3) Ensure the proposed development does not adversely affect the carrying capacity of areas where base flood elevations have been determined but a floodway has not been designated. For purposes of this article, "adversely affects" means that the cumulative effect of the proposed development when combined with all other existing and anticipated development will not increase the water surface elevation of the base flood more than one foot at any point.
 - (4) Review, in coordination with the Building Official, required design certifications and documentation of elevations specified by the building code to determine that such certifications and documentations are complete.
 - (5) Review applications and plans for modification of any existing development in flood hazard areas for compliance with these regulations.

- (6) Interpret flood hazard area boundaries and provide available flood elevation and flood hazard information.
- (7) Determine whether additional flood hazard data shall be obtained from other sources or developed by the applicant.
- (8) Coordinate with the Building Official and others to identify and investigate damaged buildings located in flood hazard areas and inform owners of the requirement to obtain permits for repairs.
- (9) Prepare comments and recommendations for consideration when applicants seek variances for development other than buildings in accordance with Section ~~9-56-49-06.59~~ of these regulations
- (10) Review all permit applications and plans to determine whether proposed development is located in flood hazard areas.
- (11) Complete the appropriate section of the Department of Housing and Community Development Floodplain Ordinance Compliance Certification for Manufactured Home/Mobil home Installations when submitted by applicants.
- (12) Review requests submitted to the Building Official seeking approval to modify the strict application of the flood load and flood resistant construction requirements of the building code, to determine whether such requests require consideration as a variance pursuant to Sections 9-06.55 through 9-06.59 of these regulations.
- (13) Require applicants who propose alteration of a watercourse to notify adjacent communities and the NFIP State Coordinating Agency, and to submit copies of such notifications to the Federal Emergency Management Agency (FEMA).
- (14) Inspect development in accordance with Section 9-06.51 of these regulations and inspect flood hazard areas to determine when development is undertaken without issuance of permits.
- (b) Use of Other Base Flood Data.
 - (1) When base flood elevation data has not been provided in accordance with Section ~~9-53.29-06.08~~, the floodplain administrator shall obtain, review, and reasonably utilize any base flood elevation and floodway data available from a federal or state agency, or other source, in order to administer Section ~~9-55.1.9-06.34~~ Any such information shall be submitted to the city for adoption; or
 - (2) If no base flood elevation data is available from a federal or state agency or other source, then a base flood elevation shall be obtained using one of two methods from the FEMA publication "Managing Floodplain Development in Approximate Zone A Areas—A Guide for Obtaining and Developing Base (100-year) Flood Elevations" dated July 1995 in order to administer Section ~~9-55.19-06.34~~:
 - (A) Simplified Method.
 - (i) 100-year or base flood discharge shall be obtained using the appropriate regression equation found in a U.S. Geological Survey publication, or the discharge-drainage area method; and

- (ii) Base flood elevation shall be obtained using the Quick-2 computer program developed by FEMA; or

(B) Detailed Method.

- (i) 100-year or base flood discharge shall be obtained using the U.S. Army Corps of Engineers' HEC-HMS computer program; and
- (ii) Base flood elevation shall be obtained using the U.S. Army Corps of Engineers' HEC-RAS computer program.

(c) Notification of Other Agencies. Whenever a watercourse is to be altered or relocated:

- (1) Notify adjacent communities and the California Department of Water Resources prior to alteration or relocation;
- (2) Submit evidence of such notification to the Federal Insurance Administration, Federal Emergency Management Agency; and
- (3) Require that the flood carrying capacity within the altered or relocated portion of such watercourse is maintained.

(d) Whenever a base flood elevation changes due to physical alterations:

- (1) Require applicants who submit hydrologic and hydraulic engineering analyses to support permit applications to submit to FEMA the data and information necessary to maintain the Flood Insurance Rate Maps (FIRMs) when the analyses indicate changes in base flood elevations, flood hazard area boundaries, or floodway designations; such submissions shall be made within six months of such data becoming available
- (2) When additional hydrologic, hydraulic or other engineering data, studies, and additional analyses are submitted to support an application, the applicant has the right to seek a Letter of Map Change from FEMA to change the base flood elevations, change floodway boundaries, or change boundaries of flood hazard areas shown on FIRMs, and to submit such data to FEMA for such purposes. The analyses shall be prepared by a qualified CA Licensed Civil Engineer in a format required by FEMA. Submittal requirements and processing fees shall be the responsibility of the applicant. Provided FEMA issues a Conditional Letter of Map Revision (CLOMR), construction of proposed flood control projects and land preparation for development are permitted, including clearing, excavation, grading, and filling. Permits for construction of buildings shall not be issued until the applicant satisfies the FEMA requirements for issuance of a Letter of Map Revision (LOMR).
- (3) In addition to applicable Federal, State and other local permits, a permit for floodplain development is required for construction of flood control projects. The purpose for the permit is to examine the impact on flood hazard areas, floodways, and base flood elevations shown on the FIRM. Unless otherwise authorized by separate regulations, issuance of this permit does not address the sufficiency of the structural elements of the proposed flood control project. Permits for floodplain development and building permits in areas affected by proposed flood

control projects shall not be issued based on Conditional Letters of Map Revision issued by FEMA.

- (4) Applications for permits for flood control projects shall include documentation including but not limited to:
 - (A) Site plan or document showing the existing topography and the boundaries of the flood hazard areas, floodway boundaries, and base flood elevations shown on the FIRM.
 - (B) Site plan or document showing the proposed topography and the proposed changes to the boundaries of the flood hazard areas, floodway boundaries, and base flood elevations.
 - (C) The documentation submitted to FEMA for a Conditional Letter of Map Revision (CLOMR). Submittal requirements and processing fees shall be the responsibility of the applicant. A CLOMR is required when a proposed flood control project alters a floodway and increases base flood elevations more than greater than 0.00 feet, or alters a watercourse a riverine flood hazard area for which base flood elevations are included in the Flood Insurance Study or on the FIRM and floodways have not been designated and increases base flood elevations more than 1.0 foot.

Such submissions are necessary so that upon confirmation of those physical changes affecting flooding conditions, risk premium rates and floodplain management requirements are based on current data.

- (e) Whenever there are changes in corporate boundaries:
 - (1) Notify FEMA in writing whenever the corporate boundaries have been modified by annexation or other means and include a copy of a map of the community clearly delineating the new corporate limits.
- (f) Documentation of Floodplain Development. Obtain and maintain for public inspection and make available as needed:
 - (1) Certification required by Section ~~9-55.1(e)(1)~~9-06.34(c)(1) and ~~9-55.4(b)9-06.48(b)~~ (lowest floor elevations);
 - (2) Certification required by Section ~~9-55.1(e)(2)~~9-06.34(c)(2) (elevation or floodproofing of nonresidential structures);
 - (3) Certification required by Section ~~9-55.1(e)(3)~~9-06.34(c)(3) (wet floodproofing standard);
 - (4) Certification of elevation required by Section ~~9-55.3(b)~~9-06.38(b) (subdivision standards);
 - (5) Certification required by Section ~~9-55.5(a)~~9-06.49(a) (floodway encroachments).
- (g) Map Determinations. Make interpretations where needed, as to the exact location of the boundaries of the areas of special flood hazard. Where there appears to be a conflict between a mapped boundary and actual field conditions, grade and base flood elevations shall be used to determine the boundaries of the special flood hazard area.

The person contesting the location of the boundary shall be given a reasonable opportunity to appeal the interpretation as provided in Section ~~9-56.19-06.55~~ et seq.

- (h) Remedial Action. Take action to remedy violations of this article as specified in Section ~~9-53.39-06.09~~.

Sec. ~~9-54.5-9-06.20~~. Substantial improvement and substantial damage determinations.

For applications for building permits to improve buildings and structures, including alterations, movement, enlargement, replacement, repair, additions, rehabilitations, renovations, substantial improvements, repairs of substantial damage, and any other improvement of or work on such buildings and structures, the floodplain administrator, in coordination with the building official, shall:

- (a) Estimate the market value, or require the applicant to obtain an appraisal of the market value prepared by a qualified independent appraiser, of the building or structure before the start of construction of the proposed work; in the case of repair, the market value of the building or structure shall be the market value before the damage occurred and before any repairs are made.
- (b) Compare the cost to perform the improvement, the cost to repair the damaged building to its pre-damaged condition, or the combined costs of improvements and repairs, when applicable, to the market value of the building or structure.
- (c) Determine and document whether the proposed work constitutes substantial improvement or repair of substantial damage.
- (d) Notify the applicant when it is determined that the work constitutes substantial improvement or repair of substantial damage and that compliance with the flood resistant construction requirements of the building code is required and notify the applicant when it is determined that work does not constitute substantial improvement or repair of substantial damage.

Sec. ~~9-54.6-9-06.21~~. Department records.

In addition to the requirements of the building code and these regulations, and regardless of any limitation on the period required for retention of public records, the floodplain administrator shall maintain and permanently keep and make available for public inspection all records that are necessary for the administration of these regulations and the flood provisions of the building codes, including Flood Insurance Studies and Flood Insurance Rate Maps; documents from FEMA that amend or revise FIRMs; records of issuance of permits and denial of permits; determinations of whether proposed work constitutes substantial improvement or repair of substantial damage; required certifications and documentation specified by the building codes and these regulations; notifications to adjacent communities, FEMA, and the State related to alterations of watercourses; assurance that the flood carrying capacity of altered waterways will be maintained; documentation related to variances, including justification for issuance or denial; and records of enforcement actions taken pursuant to these regulations and the flood resistant provisions of the building codes.

Sec. 9-54.7.9-06.22. Appeals.

The city council of the City of Salinas shall hear and decide appeals when it is alleged there is an error in any requirement, decision, or determination made by the floodplain administrator in the enforcement or administration of this article.

Division IIA. Permits for Floodplain Development.

Sec. 9-06.23. Permit required.

Any person, owner or authorized agent who intends to conduct any development in a flood hazard area shall first make application to the Floodplain Administrator and shall obtain the required permit for floodplain development. No permit shall be issued until compliance with the requirements of these regulations and all other applicable codes and regulations has been satisfied. No building permit shall be issued based on Conditional Letters of Map Revision issued by FEMA. Depending on the nature and extent of proposed development that includes a building or structure, the Floodplain Administrator may determine a permit for floodplain development is required in addition to a building permit.

Sec. 9-06.24. Application for permit.

The applicant shall file an application in writing on a form furnished by the Floodplain Administrator. The information provided shall:

- (a) Identify and describe the development to be covered by the permit.
- (b) Describe the land on which the proposed development is to be conducted by legal description, street address or similar description that will readily identify and definitely locate the site.
- (c) Indicate the use and occupancy for which the proposed development is intended.
- (d) Be accompanied by a site plan and construction documents as specified in Article 105 of these regulations, including grading, excavation and filling plans and other information deemed appropriate by the Floodplain Administrator.
- (e) State the valuation of the proposed work.
- (f) Be signed by the applicant or the applicant's authorized agent.
- (g) Include such other data and information required by the Floodplain Administrator to demonstrate compliance with these regulations.

Sec. 9-06.25. Validity of permit.

The issuance of a permit for floodplain development under these regulations or the building codes shall not be construed to be a permit for, or approval of, any violation of these regulations, the building code, or any other ordinance of the community. The issuance of a permit for floodplain development based on submitted documents and information shall not prevent the Floodplain Administrator from requiring the correction of errors and omissions. The Floodplain Administrator is authorized to prevent occupancy or use of a structure or site which is in violation of these regulations.

Sec. 9-06.26. Other permits required.

The applicant shall obtain all other required state and federal permits prior to initiating work authorized by these regulations and shall provide documentation of such permits to the

Floodplain Administrator. Such permits include but are not limited to the California State Water Resources Control Board for activities that affect wetlands and alter surface water flows, in conjunction with the U.S. Army Corps of Engineers; Section 404 of the Clean Water Act.

Sec. 9-06.27. Expiration.

A permit for floodplain development shall become invalid when the proposed development is not commenced within 180 days after its issuance, or when the work authorized is suspended or abandoned for a period of 180 days after the work commences. Extensions shall be requested in writing and justifiable cause demonstrated. The Floodplain Administrator is authorized to grant, in writing, one or more extensions of time, for periods not more than 180 days each unless FEMA has issued notification of revision to the Flood Insurance Rate Study and Flood Insurance Rate Maps that alter the flood hazard area or floodway boundaries, flood zones, or base flood elevations, in which case the permit is invalid.

Sec. 9-06.28. Suspension or revocation.

The Floodplain Administrator is authorized to suspend or revoke a permit for floodplain development issued under these regulations wherever the permit is issued in error or on the basis of incorrect, inaccurate or incomplete information, or in violation of these regulations or any ordinance or code of this community.

Sec. 9-06.29. Appeals of decisions.

When it is alleged there is an error in any decision or determination made by the Floodplain Administrator in the interpretation or enforcement of these regulations, such decision or determination may be appealed to the City Council by filing a written appeal setting forth the reasons of the appeal.

Division III. Flood Hazard Reduction.

Sec. 9-06.30. Information for development in flood hazard areas.

The site plan or construction documents for any development subject to the requirements of these regulations shall be drawn to scale and shall include, as applicable to the proposed development:

- (a) Delineation of flood hazard areas; floodway boundaries and flood zone(s); base flood elevation(s); ground elevations; proposed filling, grading, and excavation; and drainage patterns and facilities when necessary for review of the proposed development.
- (b) Where base flood elevations or floodway data are not included on the FIRM or in the Flood Insurance Study, they shall be established in accordance with Section 9-06.31 or Section 9-06.32 of these regulations.
- (c) Where the parcel on which the proposed development will take place will have more than 50 lots or is larger than 5 acres and base flood elevations are not included on the FIRM or in the Flood Insurance Study, such elevations shall be established in accordance with Section 9-06.31(b) of these regulations.

- (d) Location of the proposed activity and proposed structures; locations of water supply, sanitary sewer, and other utilities; and locations of existing buildings and structures.
- (e) Location, extent, amount, and proposed final grades of any filling, grading, or excavation.
- (f) Where the placement of fill is proposed, the amount, type, and source of fill material; compaction specifications; a description of the intended purpose of the fill areas; and evidence that the proposed fill areas are the minimum necessary to achieve the intended purpose.
- (g) Existing and proposed alignment of any proposed alteration of a watercourse.

Sec. 9-06.31. Information in flood hazard areas without base flood elevations (approximate Zone A).

Where flood hazard areas are delineated on the FIRM and base flood elevation data have not been provided, the Floodplain Administrator is authorized to:

- (a) Require the applicant to include base flood elevation data prepared by a qualified CA Licensed Civil Engineer in accordance with currently accepted engineering practices. Such analyses shall be performed and sealed by a qualified CA Licensed Civil Engineer. Studies, analyses and computations shall be submitted in sufficient detail to allow review and approval by the Floodplain Administrator. The accuracy of data submitted for such determination shall be the responsibility of the applicant.
- (b) Obtain, review, and provide to applicants base flood elevation and floodway data available from a federal or state agency or other source or require the applicant to obtain and use base flood elevation and floodway data available from a federal or state agency or other source.
- (c) Where base flood elevation and floodway data are not available from another source, where the available data are deemed by the Floodplain Administrator to not reasonably reflect flooding conditions, or where the available data are known to be scientifically or technically incorrect or otherwise inadequate:
 - (1) Require the applicant to include base flood elevation data in accordance with Section 9-06.31(a) of these regulations; or
 - (2) Specify that the base flood elevation is two (2) feet above the highest adjacent grade at the location of the development, provided there is no evidence indicating flood depths have been or may be greater than two (2) feet.
- (d) Where the base flood elevation data are to be used to support a request for a Letter of Map Change from FEMA, advise the applicant that the analyses shall be prepared by a qualified CA Licensed Civil Engineer in a format required by FEMA, and that it shall be the responsibility of the applicant to satisfy the submittal requirements and pay the processing fees.

Sec. 9-06.32. Additional analyses and certifications.

As applicable to the location and nature of the proposed development activity, and in addition to the requirements of these regulations, the applicant shall have the following analyses signed and sealed by a qualified CA Licensed Civil Engineer for submission with the site plan and construction documents:

- (a) For development activities proposed to be located in a floodway, a floodway encroachment analysis that demonstrates that the encroachment of the proposed development will not cause any increase in base flood elevations; where the applicant proposes to undertake development activities that do increase base flood elevations, the applicant shall submit such analysis to FEMA as specified in Section 9-06.19(d)(2) of these regulations and shall submit the Conditional Letter of Map Revision, when issued by FEMA, with the site plan and construction documents.
- (b) For development activities proposed to be located in a riverine flood hazard area where base flood elevations are included in the Flood Insurance Study or on the FIRM but floodways have not been designated, hydrologic and hydraulic analyses that demonstrate that the cumulative effect of the proposed development, when combined with all other existing and anticipated flood hazard area encroachments, will not increase the base flood elevation more than 0.00 feet at any point within the community. This requirement does not apply in isolated flood hazard areas not connected to a riverine flood hazard area or in flood hazard areas identified as Zone AO or Zone AH.
- (c) For alteration of a watercourse, an engineering analysis prepared in accordance with standard engineering practices that demonstrates the flood-carrying capacity of the altered or relocated portion of the watercourse will not be decreased, and certification that the altered watercourse shall be maintained in a manner which preserves the channel's flood-carrying capacity. The applicant shall submit the analysis to FEMA as specified in Section 9-06.19(d)(2) of these regulations. The applicant shall notify the chief executive officer of adjacent communities and the California Department of Water Resources. The Floodplain Administrator shall maintain a copy of the notification in the permit records and shall submit a copy to FEMA.

Sec. 9-06.33. Requirements for buildings and structures in flood hazard areas.

Applications for building and structures within the scope of the building code that are proposed in flood hazard areas shall comply with the applicable requirements of the building code.

Sec. ~~9-55.1~~ 9-06.34. Standards of construction.

In all areas of special flood hazards the following standards are required:

- (a) Anchoring.
 - (1) All new construction and substantial improvements shall be anchored to prevent flotation, collapse or lateral movement of the structure resulting from hydrodynamic and hydrostatic loads, including the effects of buoyancy.

- (2) All manufactured homes shall meet the anchoring standards of Section ~~9-55.49-~~
06.48.
- (b) Construction Materials and Methods.
 - (1) All new construction and substantial improvements shall be constructed with flood-resistant materials as specified in FEMA Technical Bulletin TB 2-93 or the most recent update, and utility equipment resistant to flood damage;
 - (2) All new construction and substantial improvements shall be constructed using methods and practices that minimize flood damage;
 - (3) All new construction and substantial improvements shall be constructed with electrical, heating, ventilation, plumbing and air conditioning equipment and other service facilities that are designed and/or located so as to prevent water from entering or accumulating within the components during conditions of flooding;
 - (4) Require within Zones AH or AO adequate drainage paths around structures on slopes to guide flood waters around and away from proposed structures.
- (c) Elevation and Floodproofing.
 - (1) Residential construction, new construction or substantial improvement of any structure shall have the lowest floor, including basement, elevated as follows:
 - (A) In an AO Zone, elevated above the highest adjacent grade to a height exceeding the depth number specified in feet on the FIRM by two feet, or elevated at least two feet above the highest adjacent grade if no depth number is specified;
 - (B) In an A Zone, elevated two feet (minimum) above the base flood elevation; such base flood elevation shall be determined by methods in Section ~~9-54.3(b)~~9-06.19(b) of this article.
 - (C) In all other zones, elevated two feet (minimum) above the base flood elevation.

Upon completion of the structure, the elevation of the lowest floor including basement shall be certified by a registered professional engineer or surveyor, and verified by the building official to be properly elevated. Such certification and verification shall be provided to the floodplain administrator both prior to pouring the foundation and immediately after such foundation pour.

- (2) Nonresidential construction, new or substantial improvement, shall either be elevated to conform to Section ~~9-55.1(e)(1) or (2)~~9-06.34(c)(1) or (2) together with attendant utility and sanitary facilities:
 - (A) Be floodproofed below the elevation recommended under Section ~~9-55.1(e)(1)~~9-06.34(c)(1) so that the structure is watertight with walls substantially impermeable to the passage of water;
 - (B) Have structural components capable of resisting hydrostatic and hydrodynamic loads and effects of buoyancy; and

- (C) Be certified by a registered professional engineer or architect that the standards of this Section ~~9-55.1(e)(2)~~9-06.34(c)(2) are satisfied. Such certification shall be provided to the floodplain administrator.
- (3) All new construction and substantial improvements with fully enclosed areas below the lowest floor (excluding basements) that are usable solely for parking of vehicles, building access or storage, and which are subject to flooding, shall be designed to automatically equalize hydrostatic flood forces on exterior walls by allowing for the entry and exit of floodwater. Designs for meeting this requirement shall follow the guidelines in FEMA Technical Bulletins TB 1-93 and TB 7-93 or most recent update, and must meet or exceed the following minimum criteria:
 - (A) Have a minimum of two openings having a total net area of not less than one square inch for every square foot of enclosed area subject to flooding. The bottom of all openings shall be no higher than one-foot above grade. Openings may be equipped with screens, louvers, valves or other coverings or devices provided that they permit the automatic entry and exit of floodwater; or
 - (B) Be certified by a registered professional engineer or architect, to comply with the local floodproofing standards approved by the Federal Insurance Administration.
- (4) Manufactured homes shall also meet the standards in Section ~~9-55.49~~9-06.48.
- (5) All development, including man-made changes to improved or unimproved real estate for which specific provisions are not specified in these regulations or the building code, shall:
 - (A) Be located and constructed to minimize flood damage.
 - (B) Meet the limitations of Section 9-06.39 of these regulations when located in a regulated floodway.
 - (C) Be anchored to prevent flotation, collapse or lateral movement resulting from hydrostatic loads, including the effects of buoyancy, during conditions of the design flood.
 - (D) Be constructed of flood damage-resistant materials.
 - (E) Have mechanical, plumbing, and electrical systems above the design flood elevation or meet the requirements of ASCE 24, except that minimum electric service required to address life safety and electric code requirements is permitted below the design flood elevation provided it conforms to the provisions of the electrical part of the building code for wet locations.

Sec. 9-06.35. Detached garages and accessory storage structures.

Detached garages and accessory storage structures used only for parking or storage are permitted below the base flood elevation provided the garages and accessory storage structures:

- (1) Are one story and not larger than 600 square feet in area when located in special flood hazard areas.
- (2) Are anchored to resist flotation, collapse or lateral movement resulting from flood loads.
- (3) Have flood openings in accordance with the building code.
- (4) Have flood damage-resistant materials used below the base flood elevation.
- (5) Have mechanical, plumbing and electrical systems, including plumbing fixtures, elevated to or above the base flood elevation.

Sec. ~~9-55.2~~9-06.36. Standards for utilities.

- (a) All new and replacement water supply and sanitary sewage systems shall be designed to minimize or eliminate infiltration of flood waters into the system and discharge from systems into flood waters.
- (b) On-site waste disposal systems shall be located to avoid impairment to them or contamination from them during flooding.
- (c) Sanitary sewer facilities. All new and replaced sanitary sewer facilities, private sewage treatment plants (including all pumping stations and collector systems) and on-site waste disposal systems shall be designed in accordance with Chapter 7, ASCE 24, to minimize or eliminate infiltration of floodwaters into the facilities and discharge from the facilities into flood waters, and impairment of the facilities and systems.
- (d) Water supply facilities. All new and replaced water supply facilities shall be designed in accordance with the provisions of Chapter 7, ASCE 24, to minimize or eliminate infiltration of floodwaters into the systems.
- (e) Electrical, heating, ventilation, air-conditioning, plumbing, duct systems, and other equipment and service facilities shall be elevated to two feet above the base flood level, with the exception of those that they are designed and installed to prevent water from entering or accumulating within the components and to resist hydrostatic and hydrodynamic loads and stresses, including the effects of buoyancy, during the occurrence of flooding to the design flood elevation.

Sec. 9-06.37. Utility and Miscellaneous Group U.

Utility and miscellaneous Group U includes buildings that are accessory in character and miscellaneous structures not classified in any specific occupancy in the building code, including, but not limited to, agricultural buildings, aircraft hangars (accessory to a one- or two-family residence), barns, carports, fences more than 6 feet (1829 mm) high, grain silos (accessory to a residential occupancy), greenhouses, livestock shelters, private garages, retaining walls, sheds, stables, and towers. In addition to the building code requirements for fire and life safety, the following shall apply to utility and miscellaneous Group U buildings and structures in flood hazard areas:

- (1) New construction and substantial improvement of such buildings and structures shall be anchored to prevent flotation, collapse or lateral movement resulting from

flood loads, including the effects of buoyancy, during conditions of the design flood.

- (2) New construction and substantial improvement of such buildings and structures, when fully enclosed by walls, shall be elevated such that the lowest floor, including basement, is elevated to or above the design flood elevation in accordance with ASCE 24 or shall be dry floodproofed in accordance with ASCE 24.
- (3) Unless dry floodproofed, fully enclosed areas below the design flood elevation shall be constructed in accordance with ASCE 24 and limited to parking, storage, and building access.
- (4) When fully enclosed by walls, flood openings shall be installed in accordance with ASCE 24.
- (5) Flood damage-resistant materials shall be used below the design flood elevation.
- (6) Mechanical, plumbing and electrical systems, including plumbing fixtures, shall be located or installed in accordance with ASCE 24.

Sec. ~~9-55.3~~9-06.38. Standards for subdivisions and other proposed development.

- (a) All new subdivisions proposals and other proposed development, including proposals for manufactured home parks and subdivisions, greater than fifty lots or five acres, whichever is the lesser, shall:
 - (1) Identify the special flood hazard areas (SFHA) and base flood elevations (BFE).
 - (2) Identify the elevations of lowest floors of all proposed structures and pads on the final plans.
 - (3) If the site is filled above the base flood elevation, the following as-built information for each structure shall be certified by a registered civil engineer or licensed land surveyor and provided as part of an application for a letter of map revision based on fill (LOMR-F) to the floodplain administrator:
 - (A) Lowest floor elevation.
 - (B) Pad elevation.
 - (C) Lowest adjacent grade.
 - (4) When, as part of a proposed subdivision, fill will be placed to support buildings, the fill shall be placed in accordance with the building code and approval of the subdivision shall require submission of as-built elevations for each filled pad certified by a licensed land surveyor or registered civil engineer.
 - (5) Where base flood elevations are not included on the FIRM, the base flood elevations determined in accordance with Section 9-06.31(a) of these regulations.
 - (6) The flood hazard area, including floodways, as appropriate, shall be delineated on preliminary subdivision plats.
- (b) All subdivision proposals shall be consistent with the need to minimize flood damage.

- (c) All subdivision proposals shall have public utilities and facilities such as sewer, gas, electrical, and water systems located and constructed to minimize or eliminate flood damage in accordance with Sec.9-06.36(c) and Sec. 9-06.36(d) of these regulations, as applicable, and appropriate codes.
- (d) All subdivision proposals shall provide adequate drainage to reduce exposure to flood hazards; in Zone AH and AO, adequate drainage paths shall be provided to guide floodwater around and away from proposed structures.

Sec. 9-06.39. Development in floodways.

Development, site improvements and land disturbing activity involving fill or regrading shall not be authorized in the floodway unless the floodway encroachment analysis required in Section 9-06.32(a) of these regulations demonstrates the proposed work will not result in any increase in the base flood level during occurrence of the base flood discharge.

Sec. 9-06.40. Limitations on placement of fill.

Subject to the limitations of these regulations, fill shall be designed to be stable under conditions of flooding including rapid rise and rapid drawdown of floodwaters, prolonged inundation, and protection against flood-related erosion and scour. In addition to these requirements, when intended to support buildings and structures, fill shall comply with the requirements of the building code. The placement of fill intended to change base flood elevations, change floodway boundaries, or change boundaries of flood hazard areas shown on FIRMs shall be subject to the requirements of Section 9-06.19(d)(2) of these regulations.

Sec. 9-06.41. Tanks.

Tanks that serve buildings shall comply with the requirements of the building code. Underground and above-ground tanks that serve other purposes shall be designed, constructed, installed and anchored in accordance with ASCE 24.

Sec. 9-06.42. Requirements for temporary structures and temporary storage in flood hazard areas.

Temporary structures shall be erected for a period of less than 180 days and temporary storage of goods and materials shall be permitted for a period of less than 180 days. Extensions may be granted in accordance with Section 9-06.27 of these regulations. In addition, the following apply:

- (1) Temporary structures shall be anchored to prevent flotation, collapse or lateral movement resulting from hydrostatic loads, including the effects of buoyancy, during conditions of the design flood. Fully enclosed temporary structures shall have flood openings that are in accordance with ASCE 24 to allow for the automatic entry and exit of flood waters.
- (2) Temporary stored materials shall not include hazardous materials.
- (3) The requirements of Section 9-06.48 of these regulations, when located in floodways.

Sec. 9-06.43. Fences in floodways.

Fences in floodways that have the potential to block the passage of floodwaters, such as stockade fences and wire mesh fences, shall meet the limitations of Section 9-06.48 of these regulations.

Sec. 9-06.44. Oil derricks.

Oil derricks located in flood hazard areas shall be designed in conformance with flood loads required by the building code.

Sec. 9-06.45. Retaining walls, sidewalks and driveways in floodways.

Retaining walls and sidewalks and driveways that involve placement of fill in floodways shall meet the limitations of Section 9-06.48 of these regulations and the requirements for site grading in Chapter 18 of the building code.

Sec. 9-06.46. Roads and watercourse crossing in floodways.

Roads and watercourse crossings that encroach into floodways or riverine waterways with base flood elevations where floodways have not been designated, including roads, bridges, culverts, low-water crossings and similar means for vehicles or pedestrians to travel from one side of a watercourse to the other side shall meet the limitations of Section 9-06.48 of these regulations. Alteration of a watercourse that is part of work proposed for a road or watercourse crossing shall meet the requirements of Section 9-06.32(c) of these regulations.

Sec. 9-06.47. Swimming pools.

Above-ground swimming pools, on-ground swimming pools, and in-ground swimming pools that involve placement of fill in floodways shall meet the requirement of Section 9-06.48 of these regulations.

Sec. ~~9-55.4~~9-06.48. Standards for manufactured homes.

- (a) All new and replacement manufactured homes and additions to manufactured homes that are placed or substantially improved within Zones A1-30, AH, and AE on the community's flood insurance rate map, on sites located:
 - (1) Outside of a manufactured home park or subdivision;
 - (2) In a new manufactured home park or subdivision;
 - (3) In an expansion to an existing manufactured home park or subdivision; or
 - (4) In an existing manufactured home park or subdivision on a site upon which a manufactured home has incurred "substantial damage" as the result of a flood, shall be elevated on a permanent foundation such that the lowest floor of the manufactured home is elevated two feet (minimum) above the base flood elevation and be securely fastened to an adequately anchored foundation system to resist flotation, collapse, and lateral movement.
- (b) All manufactured homes to be placed or substantially improved on sites in an existing manufactured home park or subdivision within Zones A1-30, AH, and AE on the community's Flood Insurance Rate Map that are not subject to the provisions of subsection

- (a) of this section will be securely fastened to an adequately anchored foundation system to resist flotation, collapse, and lateral movement, and be elevated so that either:
- (1) The lowest floor of the manufactured home is elevated two feet (minimum) above the base flood elevation; or
 - (2) The bottom of the frame is supported by reinforced piers or other foundation elements of at least equivalent strength that are no less than thirty-six inches in height above grade.
- (c) Fully enclosed areas below elevated manufactured homes shall comply with the enclosed area requirements of Section R322 of the residential code (CCR Title 24 Part 2.5).
- (d) All new and replacement manufactured homes, including substantial improvement of manufactured homes installed in flood hazard areas shall be installed on permanent, reinforced foundations that are designed in accordance with the foundation requirements of Section R322.2 of the residential code (CCR Title 24 Part 2.5) and these regulations. Foundations for manufactured homes subject to Section 9-55.4(b) of these regulations are permitted to be reinforced piers or other foundation elements of at least equivalent strength.
- (e) Materials below elevated manufactured homes shall comply with the flood-damage resistant materials requirements of Section R322 of the residential code (CCR Title 24 Part 2.5).
- (f) Mechanical equipment and outside appliances shall be elevated to or above the lowest floor or bottom of the lowest horizontal structural member of the manufactured home, as applicable to the flood hazard area.
- ~~(d)~~(g) All manufactured homes installed in flood hazard areas shall be installed by an installer that is licensed pursuant to the Business and Professions Code and shall comply with the requirements of the Department of Housing and Community Development (HCD) and the requirements of these regulations. In addition to permits pursuant to these regulations, permits from the HCD are required where the HCD is the enforcement agency for installation of manufactured homes. Upon completion of installation and prior to the final inspection by the Floodplain Administrator, the installer shall submit certification of the elevation of the manufactured home, prepared by a licensed land surveyor or registered civil engineer, to the Floodplain Administrator.

Upon the completion of the structure, the elevation of the lowest floor including basement shall be certified by a registered professional engineer or surveyor, and verified by the community building inspector to be properly elevated. Such certification and verification shall be provided to the floodplain administrator.

Sec. 9-55.5.9-06.49. Floodways.

Located within areas of special flood hazard (established in Section ~~9-53.29-06.08~~) are areas designated as floodways. Since a floodway is an extremely hazardous area due to the velocity of flood waters which carry debris, potential projectiles, and erosion potential, the following provisions apply:

- (a) All encroachments are prohibited, including fill, new construction, substantial improvement, and other new development unless certification by a registered professional engineer is provided demonstrating that encroachments shall not result in

any increase in the base flood elevation during the occurrence of the base flood discharge, and a CLOMR is issued by the Federal Emergency Management Agency.

- (b) If subsection (a) of this section is satisfied, all new construction, substantial improvement, and other proposed new development shall comply with all other applicable flood hazard reduction provisions of this division.

Sec. ~~9-55.6~~9-06.50. Standards for recreational vehicles.

All recreational vehicles placed on sites within Zones A1-30, AH, and AE on the community's flood insurance rate map will either:

- (a) Meet the permit requirements of Section ~~9-54.19-06.16~~ through ~~9-54.39-06.18~~ of this article and the elevation and anchoring requirements for manufactured homes in Section ~~9-55.4(a)~~9-06.48(a); or
- (b) Be on the site for fewer than one hundred eighty consecutive days, and be fully licensed and ready for highway use. A recreational vehicle is ready for highway use if it is on its wheels or jacking system, is attached to the site only by quick disconnect type utilities and security devices, and has no permanently attached additions.

Sec. ~~9-55.7~~9-06.51. Inspections.

- (a) Inspections, in general. Development for which a permit for floodplain development is required shall be subject to inspection. Approval as a result of an inspection shall not be construed to be an approval of a violation of the provisions of these regulations or the building code. Inspections presuming to give authority to violate or cancel the provisions of these regulations or the building code or other ordinances shall not be valid.
- (b) Inspections of development other than buildings and structures. The floodplain administrator shall make or cause to be made, inspections of all development other than buildings and structures that is authorized by issuance of a permit for floodplain development under these regulations. The floodplain administrator shall inspect flood hazard areas from time to time to determine when development is undertaken without issuance of a permit.
- (c) Inspections of manufactured homes installations. The floodplain administrator shall make or cause to be made, inspections of installation and replacement of manufactured homes in flood hazard areas authorized by issuance of a permit for floodplain development under these regulations. Upon installation of a manufactured home and receipt of the elevation certification required in Section ~~9-55.4(d)~~9-06.48(g) of these regulations the floodplain administrator shall inspect the installation or have the installation inspected.
- (d) Buildings and structures. The building official shall make or cause to be made, inspections for buildings and structures in flood hazard areas authorized by permit, in accordance with the building code:
 - (1) Lowest floor elevation. Upon placement of the lowest floor, including the basement, and prior to further vertical construction, certification of the elevation required in the building code shall be prepared by a CA Licensed Land Surveyor or Civil Engineer and submitted to the building official.

- (2) Final inspection. Prior to the final inspection, certification of the elevation required in the building code shall be prepared by a CA Licensed Land Surveyor or Civil Engineer and submitted to the building official.

Sec. 9-06.52. Violations.

Any development in any flood hazard area that is being performed without an issued permit or that is in conflict with an issued permit shall be deemed a violation. A building or structure without the documentation of the elevation of the lowest floor, other required design certifications, or other evidence of compliance required by these regulations or the building code, is presumed to be a violation until such time as required documentation is submitted. Violation of the requirements shall constitute a misdemeanor.

Sec. 9-06.53. Authority.

The Floodplain Administrator is authorized to serve notices of violation or stop work orders to owners of property involved, to the owner's agent, or to the person or persons doing the work for development that is not within the scope of the building codes but is regulated by these regulations and that is determined to be a violation.

Sec. 9-06.54. Unlawful continuance.

Any person who shall continue any work after having been served with a notice of violation or a stop work order, except such work as that person is directed to perform to remove or remedy a violation or unsafe condition, shall be subject to penalties as prescribed by law

Division IV. Appeal—Variance Procedure.

Sec. 9-56.1-9-06.55. Appeal process—Definitions.

- (a) "Fraud and victimization" means that the variance granted must not cause fraud on or victimization of the public. In examining this requirement, the city will consider the fact that every newly constructed building adds to government responsibilities and remains a part of the community for fifty to one hundred years. Buildings that are permitted to be constructed below the base flood elevations are subjected during all those years to increased risk of damage from floods, while future owners of the property and the community as a whole are subject to all the costs, inconvenience, danger, and suffering that those increased flood damages bring. In addition, future owners may purchase the property, unaware that it is subject to potential flood damage that can be insured only at very high flood insurance rates.
- (b) "Hardship" means the exceptional hardship that would result from a failure to grant the requested variance. The city requires that the variance be exceptional, unusual, and peculiar to the property involved. Mere economic or financial hardship alone is not exceptional. Inconvenience, aesthetic considerations, physical handicaps, personal preferences or disapproval of one's neighbors likewise does not qualify as an exceptional hardship. All of these problems can be resolved through other means without granting a variance, even if the alternative is more expensive, or requires the property owner to build elsewhere or put the parcel to a different use than originally intended.

- (c) "Public safety and nuisance" means that the granting of a variance must not result in anything which is injurious to safety or health of the surrounding community or neighborhood, or any considerable number of persons, or unlawfully obstructs the free passage or use, in the customary manner, of any navigable lake, or river, bay, stream, canal, or basin.

Sec. ~~9-56.2~~9-06.56. Nature of variances.

The variance criteria set forth in this section of this article are based on the general principle of zoning law that variances pertain to a piece of property and are not personal in nature. A variance may be granted for a parcel of property with physical characteristics so unusual that complying with the requirements of this article would create an exceptional hardship to the applicant or the surrounding property owners. The characteristics must be unique to the property and not be shared by adjacent parcels. The unique characteristic must pertain to the land itself, not to the structure, its inhabitants, or the property owners.

It is the duty of the city to help protect its citizens from flooding. This need is so compelling and the implications of the cost of insuring a structure built below flood level are so serious that variances from the flood elevation or from other requirements in the flood ordinance will be quite rare. Therefore, the variance guidelines provided in this article are more detailed and contain multiple provisions that must be met before a variance can be properly considered or granted. The criteria are designed to screen out those situations in which alternatives other than a variance are more appropriate.

Sec. 9-06.57. Limitations on authority.

The City Council shall base its determination on technical justifications submitted by applicants, the considerations and conditions set forth in this article, the comments and recommendations of the Floodplain Administrator and Building Official, as applicable, and has the right to attach such conditions to variances as it deems necessary to further the purposes and objectives of these regulations and the building code.

Sec. ~~9-56.3~~9-06.58. Appeal board.

- (a) The appeals board shall hear and decide appeals and requests for variances from the requirements of this article.
- (b) The board of appeals shall hear and decide appeals when it is alleged there is an error in any requirement, decision, or determination made by the floodplain administrator in the enforcement or administration of this article.
- (c) In passing upon such applications, the board of appeals shall consider all technical evaluations, all relevant factors, standards specified in other sections of this article, and:
 - (1) The danger that materials may be swept onto other lands to the injury of others;
 - (2) The danger of life and property due to flooding or erosion damage;
 - (3) The susceptibility of the proposed facility and its contents to flood damage and the effect of such damage on the individual owner;
 - (4) The importance of the services provided by the proposed facility to the community;

- (5) The necessity to the facility of a waterfront location, where applicable;
 - (6) The availability of alternative locations, for the proposed use which are not subject to flooding or erosion damage;
 - (7) The compatibility of the proposed use with existing and anticipated development;
 - (8) The relationship of the proposed use to the comprehensive plan and floodplain management program for that area;
 - (9) The safety of access to the property in times of flood for ordinary and emergency vehicles;
 - (10) The expected heights, velocity, duration, rate of rise, and sediment transport of the flood waters and the effects of wave action, if applicable, expected at the site; and
 - (11) The costs of providing governmental services during and after flood conditions, including maintenance and repair of public utilities and facilities such as sewer, gas, electrical, and water system, and streets and bridges.
- (d) Any applicant to whom a variance is granted shall be given written notice over the signature of a community official that:
- (1) The issuance of a variance to construct a structure below the base flood level will result in increased premium rates for flood insurance up to amounts as high as twenty-five dollars for one hundred dollars of insurance coverage; and
 - (2) Such construction below the base flood level increases risks to life and property. A copy of the notice shall be recorded by the floodplain administrator in the office of the county of Monterey recorder and shall be recorded in a manner so that it appears in the chain of title of the affected parcel of land.
- (e) Generally, variances may be issued for new construction and substantial improvements to be erected on a lot of one-half acre or less in size contiguous to and surrounded by lots with existing structures constructed below the base flood level, provided [subsections] (1) through (11) in subsection (c) of this section have been fully considered. As the lot size increases beyond the one-half acre, the technical justification required for issuing the variance increases.
- (f) Upon consideration of the factors of subsection (c) of this section and the purposes of this article, the board of appeals may attach such conditions to the granting of variances as it deems necessary to further the purposes of this article.
- (g) The floodplain administrator shall maintain a record of all appeal actions, variance actions, including justification for their issuance, and report such variances issued in its biennial report submitted to the Federal Insurance Administration, Federal Emergency Management Agency.

Sec. ~~9-56.4~~9-06.59. Conditions for variances.

- (a) Generally, variances may be issued for new construction, substantial improvement, and other proposed new development to be erected on a lot of one-half acre or less in size contiguous to and surrounded by lots with existing structures constructed below the base flood level, providing that the procedures of Sections ~~9-54 and 9-55~~ 9-06.16 and 9-06.54 of

this article have been fully considered. As the lot size increases beyond one-half acre, the technical justification required for issuing the variance increases.

- (b) Variances may be issued for the repair or rehabilitation of "historic structures" (as defined in Section ~~9-52.1(ee)~~9-06.06(qq)) upon a determination that the proposed repair or rehabilitation will not preclude the structure's continued designation as an historic structure and the variance is the minimum necessary to preserve the historic character and design of the structure. When the proposed work precludes the structure's continued designation as a historic building, a variance shall not be granted and the structure and any repair, improvement, and rehabilitation shall be subject to the requirements of the building code.
- (c) Variances shall not be issued within any mapped regulatory floodway if any significant increase in flood levels during the base flood discharge would result.
- (d) Variances shall only be issued upon a determination that the variance is the "minimum necessary" considering the flood hazard, to afford relief. "Minimum necessary" means to afford relief with a minimum of deviation from the requirements of this article. For example, in the case of variances to an elevation requirement, this means the city need not grant permission for the applicant to build at grade, or even to whatever elevation the applicant proposes, but only to that elevation which the city believes will both provide relief and preserve the integrity of the local ordinance.
- (e) Variances shall only be issued upon:
 - (1) A showing of good and sufficient cause;
 - (2) A determination that failure to grant the variance would result in exceptional "hardship" (as defined in Section ~~9-56.1(b)~~9-06.55(b)) to the applicant; and
 - (3) A determination that the granting of a variance will not result in increased flood heights, additional threats to public safety, extraordinary public expense, create a nuisance (as defined in Section ~~9-56.1(e)~~9-06.55(c)), cause fraud or victimization of the public (as defined in Section ~~9-56.1(a)~~9-06.55(a)), or conflict with existing local laws or ordinances.
 - (4) A determination that the variance is the minimum necessary, considering the flood hazard, to afford relief.
- (f) Variances may be issued for new construction, substantial improvements, and other proposed new development necessary for the conduct of a functionally dependent use provided that the provisions of subsections (a) through (e) of this section are satisfied, that the structure or other development is protected by methods that minimize flood damage during the base flood and provided the variance does not create a public nuisance or any additional threats to public safety.
- (g) Upon consideration of the factors of Section ~~9-56.4(e)~~9-06.59(e) and the purposes of this article, the city may attach such conditions to the granting of variances as it deems necessary to further the purposes of this article.
- (h) Any applicant to whom a variance is granted shall be given written notice that the structure will be permitted to be built with a lowest floor elevation below the base flood elevation and that the cost of flood insurance will be commensurate with the increased risk resulting from the reduced lowest floor elevation.

- (i) A variance is to be issued for the construction or substantial improvement of agricultural structures that are not elevated or dry floodproofed, provided the requirements of this section are satisfied and:
 - (1) A determination has been made that the proposed agricultural structure:
 - (A) Is used exclusively in connection with the production, harvesting, storage, raising, or drying of agricultural commodities and livestock, or storage of tools or equipment used in connection with these purposes or uses, and will be restricted to such exclusive uses.
 - (B) Has low damage potential.
 - (C) Does not increase risks and pose a danger to public health, safety, and welfare if flooded and contents are released, including but not limited to the effect of flooding on manure storage, livestock confinement operations, liquified natural gas terminals, and production and storage of high volatile, toxic, or water-reactive materials.
 - (D) Complies with the wet floodproofing construction requirements of Section ~~9-56.4(i)(2)~~9-06.59(i)(2), below.
 - (2) Wet floodproofing construction requirements.
 - (A) Anchored to resist flotation, collapse, and lateral movement.
 - (B) When enclosed by walls, walls have flood openings that comply with the flood opening requirements of ASCE 24, Chapter 2.
 - (C) Flood damage-resistant materials are used below the base flood elevation.
 - (D) Mechanical, electrical, and utility equipment are elevated above the base flood elevation.

SECTION 3. CEQA CONSIDERATIONS. Not a Project. The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

SECTION 4. SEVERABILITY. If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of any competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The Salinas City Council hereby declares that it would have passed this ordinance, and

each and every section, subsection, clause and phrase thereof not declared invalid or unconstitutional without regard to whether any portion of the ordinance would be subsequently declared invalid or unconstitutional.

SECTION 5. EFFECTIVE DATE. This ordinance shall take effect and be in force thirty days from and after its adoption.

PASSED AND ADOPTED this 22nd day of August 2023, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED:

Kimbley Craig, Mayor

ATTEST:

Patricia M. Barajas, City Clerk

APPROVED AS TO FORM:

Christopher A. Callihan, City Attorney



City of Salinas

200 Lincoln Ave., Salinas,
CA 93901
www.cityofsalinas.org

Legislation Text

File #: ID#23-537, Version: 1

90-Minute Parking Zone at 431 Abbott Street

Approve a Resolution establishing a total of 80 feet of 90-minute parking zone located at 431 Abbott Street.



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: SEPTEMBER 12, 2023

DEPARTMENT: PUBLIC WORKS, TRAFFIC AND TRANSPORTATION DIVISION

FROM: DAVID JACOBS, PE, PLS, DIRECTOR

BY: ADRIANA ROBLES, PE, CFM, CITY ENGINEER
GERARDO RODRIGUEZ, ASSISTANT ENGINEER

TITLE: 90-MINUTE PARKING ZONE AT 431 ABBOTT STREET

RECOMMENDED MOTION:

A motion to approve a Resolution establishing a total of 80 feet of 90-minute parking zone located at 431 Abbott Street.

BACKGROUND:

On June 13, 2023, City Council denied a resolution establishing a 20-minute green zone designation located at 431 Abbott Street citing that the 20-minute green zone designation would not provide sufficient time for a customer to visit the business and indicating visits would most likely exceed the 20 minutes allowed by the green zone designation.

On June 22, 2023, Carlos Andalon, owner of Empire Motors, submitted a revised application requesting a 90-minute parking zone along the business frontage located at 431 Abbott Street (Attachment 2) to allow his customers more time to visit and conduct business. According to the requestor, vehicles parked for extended periods along the business' frontage are limiting access for customers. Customers spend an average of 60 to 90 minutes per visit at his business. The requestor is aware that the proposed green zones, if approved, are not for the exclusive use of the requestor. The 90-minute parking zone restricted space are for the public's use. Enforcement is generally done based on complaints received.

The proposed 90-minute parking zone is effective only from 8:00 am to 6:00 pm of any day except Sundays and holidays (Salinas Municipal Code Section 20-79). After 6:00 pm the restriction parking zone is available for general public parking.

Abbott Street, between Chamberlain Street and Malarin Street, is a four-lane arterial street with on-street bike lanes and on-street parking. The street is approximately 65 feet wide, from curb face to curb face. Parking is generally permitted on both sides of Abbott Street. Currently there are 90-minute parking designations located across 431 Abbott Street at the 400 & 500 block on Abbott Street and Alameda Avenue.

The City's 2002 General Plan Circulation Element calls out for improvements to Abbott Street. The ultimate condition of Abbott Street is planned to have a raised median and the removal of on-

street parking. Additionally, Abbott Street is a Focused Growth Overlay District, per Municipal Code Section 37-40.210(a)(4), that promotes mixed-use development that is pedestrian-oriented, compact, active, vital, and safe. The applicant has been informed that the proposed green zones on Abbott Street may need to be removed in the future to be consistent with the City General Plan and Municipal Code.

On August 8, 2023, the City Council adopted Resolution No. 22756 approving the 2023-2024 Special Curb Markings List. If approved, staff is requesting an amendment to that resolution to incorporate this new limited parking zone designation.

On August 23, 2023, the City Council approved an ordinance update that would allow similar curb marking requests to be approved by the City Engineer. The ordinance will take effect 30 days after adoption. The request for the 90-minute parking zone is more quickly expedited by presenting to City Council on September 12, 2023.

Traffic and Transportation Commission

The recommendation of establishing a total of 80 feet of 90-minute parking zone designation at 431 Abbott Street was presented to the Traffic and Transportation Commission at its August 10, 2023, meeting. The Commission voted unanimously (6-0) to recommend approval of the proposed timed parking zone.

CEQA CONSIDERATION:

Designation of parking restrictions on City street is exempt under CEQA 15301, Class 1(c) since the actions consists of operation and minor alteration of an existing City street.

STRATEGIC PLAN INITIATIVE:

The 90-minute parking zone supports the Council goals of “Effective and Culturally Responsive Government” and “Economic Development.”

DEPARTMENTAL COORDINATION:

90-minute parking zone is installed and maintained by Public Works staff. Parking enforcement is provided in coordination with Parking Enforcement contractor (LAZ) and the City Police Department.

FISCAL AND SUSTAINABILITY IMPACT:

There is no impact to the General Fund. Carlos Andalon, owner of 431 Abbott Street, has submitted payment to fund the costs and the installation of the 90-minute parking zone.

ATTACHMENTS:

Resolution

Attachment 1: Application

Attachment 2: Location Map

RESOLUTION NO. _____ (N.C.S.)

**A RESOLUTION ESTABLISHING A TOTAL OF 80 FEET OF 90-MINUTE
PARKING ZONE DESIGNATION AT 431 ABBOTT STREET**

WHEREAS, on June 13, 2023, City Council denied a resolution establishing a 20-minute green zone designation at 431 Abbott Street; and

WHEREAS, City Council questioned the ability of a customer to complete an auto purchase transaction within the requested time restriction; and

WHEREAS, City staff received a revised request from Carlos Andalon, the owner of Empire Motors of 431 Abbott Street, to install 90-minute parking zone designation along the business' Abbott Street frontage; and

WHEREAS, at its meeting of August 8, 2023, the Salinas City Council adopted Resolution 22756 approving the 2023-2024 Special Curb Markings List; and

WHEREAS, on August 10, 2023, the Traffic and Transportation Commission voted unanimously (6-0) to recommend to Council to approve staff's recommendation of establishing 80 feet of 90-minute parking zone designation at 431 Abbott Street.

NOW, THEREFORE, BE IT RESOLVED that the Salinas City Council hereby approves establishing a total of 80 feet of 90-minute parking zone designation at 731 Abbott Street.

BE IT FURTHER RESOLVED that the Salinas City Council hereby amends Resolution No. 22756, by adding 80 feet of 90-minute parking zone designation at 431 Abbott Street.

PASSED AND APPROVED this 12th day of September 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Kimbley Craig, Mayor

ATTEST:

Patricia M. Barajas, City Clerk



CITY OF SALINAS

Public Works Department, Traffic and Transportation Division

200 Lincoln Avenue

Salinas, CA, 93901

(831)758-7241 8:00 a.m. – 5:00 p.m. M-F

<https://www.cityofsalinas.org/>

SPECIAL PARKING RESTRICTIONS REQUEST FORM

INSTRUCTIONS TO THE APPLICANT: Fill out this request form completely. Sign, date and return this form to **200 Lincoln Ave, Salinas, CA, 93901 Attn: Public Works** to begin processing. Please include the appropriate fees for the requested curb marking(s). For questions, please contact the Public Works Department (831)758-7241.

Applicant Information

Full Name:	Andalon	Carlos	Date:	6/22/23
	<i>Last</i>	<i>First</i>	<i>M.I.</i>	
Name of Establishment:	Empire Motors			
Address:	431 Abbott St			
	<i>Street Address</i>		<i>Suite/Unit #</i>	
	Salinas	CA	93901	
	<i>City</i>	<i>State</i>	<i>ZIP Code</i>	
Phone:	(831)809-6826		Email:	carlos_andalon@yahoo.com

Curb Marking Request Information

- Type of curb marking or parking restriction you are applying for:
☐ Green 20-Min ☐ Yellow ☐ White ☐ Blue ☒ 90-Min ☐ 1-Hour ☐ 2-Hour
- Length of Zone Requested (feet): 80 feet
- Have you applied for a similar curb marking at your establishment before (check one): ☒ Yes ☐ No
If **yes**, date of last application: 3/15/23
- Are there any existing parking restrictions near your establishment? (check one): ☐ Yes ☒ No
If **yes**, please provide the number of parking stalls and location (address): _____
- Description of your business or property: Retail Auto Sales
- Business hours and days (if applicable): 10am - 7pm Mon-Sun
- How long has your business been located at this address? 10 years
- Do you own or lease the premise? For how long? 10 years
- For Yellow Zones:
 - Number of pick-ups /deliveries daily: _____
 - Typical size and type of truck: _____
 - Estimated times of highest usage: _____

For White or Green Zones:

- a. Estimated number of visitors daily: _____
- b. Estimated time clients/patrons spend at your establishment: _____
- c. Estimated times of highest usage: _____

For Blue Zones (Business):

- a. Estimated number of disabled persons visiting premises daily: _____
- b. Estimated times of highest usage: _____

For Blue Zones (Residential):

- a. Does a garage or driveway exist on site? (check one): ☐ Yes ☐ No
- b. No. of disabled persons in the household: _____

For White, 20-Min Green Zones, 90-Min, 1-Hour and 2-Hour Parking:

- a. Estimated number of visitors daily: 20
- b. Estimated time clients/patrons spend at your establishment: 60-90 minutes
- c. Estimated times of highest parking usage: 3-6pm
- d. Number of employees: 3
- e. Do your employees use any of off-street spaces? Yes
- f. How many off-street parking spaces do you provide? 3
- g. Is your establishment within 300ft of a municipal off-street parking facility? (check one): ☐ Yes ☒ No

10. Is there support from adjacent properties, including support from the Home Owners Association, for installation of the requested curb marking? Can you demonstrate this support if necessary? Yes

11. Are there any facilities (churches, schools, shopping malls, office complexes, etc.) in the area that affect the availability of parking or loading at this location? No

Fees

Please make all checks payable to **CITY OF SALINAS** (Account No. 1000.50.5122-56.5060).

New Curb Marking Fee (per establishment) :	\$865.50
Annual Renewal Fee (per establishment): Due June 30 th of every year	\$301.50

Disclaimer and Signature

I certify that my answers are true and complete to the best of my knowledge.

I understand that such curb marking(s) reduce the availability of on-street parking space to the general public and appropriate information is provided on the bottom of this application to assist commissioners in determining the justification for altering the present use of the curb. I understand this curb marking(s) request is not a reserved space for my personal use or place of business and parking enforcement for curb markings are generally done on an on-call basis. Also, I understand that special curb markings are all subject to removal by City Staff at any time for the purpose of safety and public use.

*I also understand that if this application is approved, a fee of **\$865.50** must be paid for the installation of the curb marking(s), and that an annual **\$301.50** renewal fee for the parking stall(s) will be paid June 30th of every year. The approval of my curb marking request form is subject to review by City Staff. The curb markings becomes invalid in the event I vacate the premises or the nature of the business at the premise changes.*

All curb marking requests will be presented to the Traffic & Transportation Commission and City Council for approval. Should my request be denied, my fee will be refunded.

Signature: _____

Date: 6/22/23

Traffic and Transportation commissioners, my name is Carlos Andalon the business and property owner at 431 Abbott St., the applicant for 90-minute parking.

I previously brought before the commission a request for 20-minute green zone ID#23-278 on May 11, 2023, which was denied. This letter is intended to address the concerns the traffic and transportation commission and city council had regarding my request for special curb markings.

One of the main concerns brought up was the fact that I am a used car dealership and that I want to use the parking for the vehicles I have for sale. I assure you; this is not the case. In the 10 years I've been at this location, I have never been cited for parking vehicles for sale on the street. I am aware it's against city ordinance to do so. Lack of space for my inventory is not a problem I have. My primary concern is long term parking. In the past, vehicles have parked for days, even weeks without moving. Campers, vehicles with trailers, and at times vehicles have parked there with "for sale by owner" signs. They figure, park by a dealership and they'll generate more interest. This is all very unappealing for my business.

As stated by some commissioners and councilmembers, parking is at a premium, and I agree. Parking limitation signage will help parking turnover which helps economic development. If customers have no place to quickly park and peek around my car dealership, it could negatively impact my business. The 90-minute parking would not just benefit my business but all the community in having accessible parking, including the new mix use complex across the street that have already gotten 90-minute parking for the same reason of long-term parking being a problem. The signage would also help open any overnight parking necessary for the community. I genuinely ask, give me the opportunity and I will prove to you that I will not use this parking for inventory or any other misuse. Special curb markings can be revoked, and I encourage/welcome that to happen if I were to misuse the signage.

Car dealerships around Salinas have been granted special curb marking, with what appears to have been zero issues. I believe this request is no different, in that it will help promote parking for potential customers and discourage any long-term parking. I really hope this letter can alleviate some of the concerns brought forth. Please feel free to contact me at (831) 287-1212 anytime if anyone would like to discuss further.

Sincerely,

Carlos Andalon

A handwritten signature in black ink, appearing to read 'Carlos Andalon', written in a cursive style.

PROPOSED 90-MINUTE PARKING ZONE AT 431 ABBOTT STREET



LEGEND

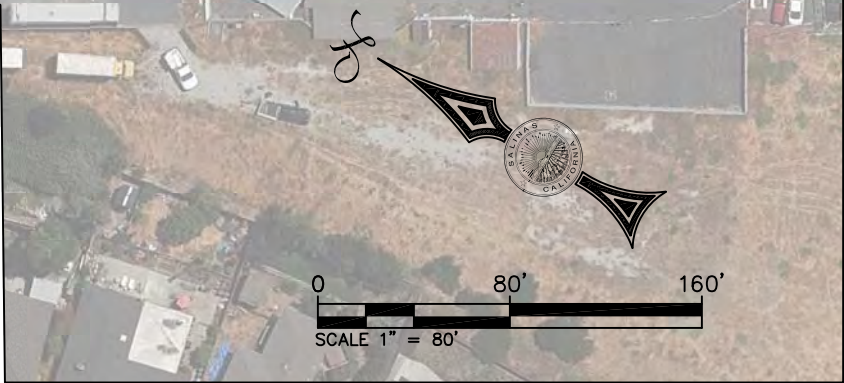
— EXISTING "NO STOPPING" RED ZONE



R32(CA)(R)
12"X18"



R32(CA)(L)
12"X18"





Legislation Text

File #: ID#23-538, Version: 1

Establishment of an Affordable Housing Enterprise Fund

Approve a Resolution authorizing the establishment of an Affordable Housing Enterprise Fund with corresponding revenue and expense accounts; and the allocation of all rental income received from City-owned properties purchased for use as affordable housing to the Affordable Housing Enterprise Fund.



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: SEPTEMBER 12, 2023

DEPARTMENT: COMMUNITY DEVELOPMENT DEPARTMENT

FROM: LISA BRINTON, DIRECTOR

THROUGH: ROD POWELL, ASSISTANT DIRECTOR

BY: MICHAEL GOMEZ, ECONOMIC DEVELOPMENT ANALYST

TITLE: ESTABLISHMENT OF AN AFFORDABLE HOUSING ENTERPRISE FUND

RECOMMENDED MOTION:

A motion to approve a resolution authorizing:

1. the establishment of an Affordable Housing Enterprise Fund with corresponding revenue and expense accounts; and
2. the allocation of all rental income received from City-owned properties purchased for use as affordable housing to the Affordable Housing Enterprise Fund.

EXECUTIVE SUMMARY:

The City has recently utilized funds awarded through the California Interagency Council's Homelessness (Cal ICH) Family Homeless Challenge (FHC) grant and prior allocation of its American Rescue Plan Act (ARPA) funds to acquire and maintain ownership of residential properties. Establishment of an Affordable Housing Enterprise Fund is intended to provide an adequate, ongoing source of sustainable funds necessary to effectively manage, maintain, and improve these City-owned housing assets through both routine maintenance and emergent repairs.

BACKGROUND:

In response to the growing demand for affordable housing options within our community, the City has taken significant recent steps to acquire existing for-sale residential properties within its jurisdiction with an intent of repurposing them for affordable housing. Acquisition of these properties represent an additional opportunity for the City to further support the provision of safe, sustainable, and affordable living spaces for our residents.

On November 16, 2021, Council approved Resolution 22250 appropriating seven million dollars (\$7,000,000.00) from the American Rescue Plan Act ("ARPA") to the Affordable Housing Production Fund and authorizing the funds to be used for predevelopment, acquisition,

construction, plans, and studies. Additional funding to support the acquisition of single-family homes and additional Accessory Dwelling Units (ADUs) also came forward in 2022 when the City was awarded funding from Cal ICH through its competitive Family Homeless Challenge grant.

On March 7, 2023, the City Council approved the Purchase and Sales Agreement for a two-story townhouse duplex located at 403 E. Romie Lane. Following a short acquisition process, both units were quickly offered and leased to two families sheltered by the City's co-funded SHARE Center and each family was able to immediately leverage available resources, including Section 8 housing vouchers, to finally obtain a safe, affordable living space. In recognition of this efficient successful model, staff are seeking to replicate the process and continue to search for appropriate opportunities to acquire and expand the City's support of affordable housing opportunities.

DISCUSSION:

The establishment of a new Affordable Housing Enterprise Fund (AHEF) will facilitate and support the ongoing management and maintenance of City-owned housing assets acquired through various affordable housing initiatives. As part of the City's ongoing commitment to address the critical need for affordable housing within our city, this dedicated account will enable efficient and transparent management of rental revenues and expenses associated with these properties. Funds allocated to the AHEF will be exclusively dedicated to managing and maintaining the City's affordable housing properties and will also support transparency and accountability, a necessary mechanism for required financial tracking, efficient resource allocation, and compliant reporting and auditing as required by available source funding.

The Economic Development Division of the Community Development Department will assume primary management and responsibility of the AHEF, including the initiation of transactions, budgetary planning, and financial reporting. Establishment of this dedicated account will significantly enhance the City's ability to manage, maintain, and incorporate this new type of affordable housing asset into its existing real estate portfolio.

DEPARTMENT COORDINATION:

Community Development Department staff have coordinated with the Finance Department to determine that an enterprise fund is the best mechanism to establish a compliant, long-term tracking and management of the ongoing financial needs of City-owned affordable housing assets.

CEQA CONSIDERATION:

The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378). Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

STRATEGIC PLAN INITIATIVE:

This item furthers the City of Salinas Strategic Plan 2022-2025 Goals and Strategies of Housing/Affordable Housing through active acquisition, preservation, and provision of affordable housing.

FISCAL AND SUSTAINABILITY IMPACT:

Establishing the AHEF will have no impact to the general fund. All rental income received will be used for ongoing maintenance and long-term sustainability of properties as well as the payment of any necessary property tax obligations.

ATTACHMENTS:

Resolution

RESOLUTION NO. _____ (N.C.S.)

A RESOLUTION AUTHORIZING THE ESTABLISHMENT OF AN AFFORDABLE HOUSING ENTERPRISE FUND AND THE ALLOCATION OF ALL RENTAL INCOME RECEIVED FROM CITY-OWNED PROPERTIES PURCHASED FOR USE AS AFFORDABLE HOUSING TO THE AFFORDABLE HOUSING ENTERPRISE FUND

WHEREAS, in response to the growing demand for affordable housing options within our community, on November 16, 2021, Council appropriated seven million dollars from the American Rescue Plan Act (ARPA) to the Affordable Housing Production Fund; and

WHEREAS, the City has taken significant recent steps, such as the purchase of 403 E. Romie Lane, to acquire existing for-sale residential properties within its jurisdiction with an intent of repurposing them for affordable housing; and

WHEREAS, the 403 E. Romie Lane acquisition resulted in the rapid lease and occupancy of two formerly sheltered families through collaboration with SHARE Center staff and effective leverage of available resources, including Section 8 housing vouchers; and

WHEREAS, the establishment of a new Affordable Housing Enterprise Fund will facilitate and support the ongoing management and maintenance of City-owned housing assets acquired through various affordable housing initiatives and will also support transparency, accountability; efficient grant-related reporting and tracking; and

WHEREAS, the establishment of this dedicated account will significantly enhance the City's ability to manage, maintain, and incorporate this new type of affordable housing assets into its existing real estate portfolio; and

WHEREAS, the City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378) because the Agreement and use of TID assessment does not cause a direct or foreseeable indirect physical change on or in the environment. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

NOW, THEREFORE, BE IT RESOLVED that the Salinas City Council hereby authorizes the establishment of an Affordable Housing Enterprise Fund with corresponding revenue and expense accounts; and

BE IT FURTHER RESOLVED that the Salinas City Council hereby authorizes the allocation of all rental revenues received from City-owned properties purchased for use as affordable housing to the Affordable Housing Enterprise Fund.

PASSED AND APPROVED this 12th day of September 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Kimbley Craig, Mayor

ATTEST:

Patricia M. Barajas, City Clerk



Legislation Text

File #: ID#23-540, Version: 1

2023 California International Airshow Permit

Approve a Resolution authorizing the City Manager, or their designee to execute an Airport Use Permit for the 2023 California International Airshow, to be conducted by the Monterey County Airshow Association, Inc. at the Salinas Municipal Airport.



CITY OF SALINAS

CITY COUNCIL STAFF REPORT

DATE: SEPTEMBER 12, 2023

DEPARTMENT: PUBLIC WORKS, AIRPORT DIVISION

FROM: BRETT J. GODOWN, C.M., C.A.E., AIRPORT MANAGER

TITLE: 2023 CALIFORNIA INTERNATIONAL AIRSHOW PERMIT AT
THE SALINAS MUNICIPAL AIRPORT

RECOMMENDED MOTION:

A motion from the City Council approving a resolution, authorizing the City Manager, or their designee to execute an Airport Use Permit for the 2023 California International Airshow, to be conducted by the Monterey County Airshow Association, Inc. at the Salinas Municipal Airport, in accordance with the terms of said permit.

RECOMMENDATION:

s

It is recommended the City Council approve a resolution, authorizing the City Manager, or their designee to execute an Airport Use Permit for the 2023 California International Airshow, to be conducted by the Monterey County Airshow Association, Inc. at the Salinas Municipal Airport, in accordance with the terms of said permit.

BACKGROUND:

The 42nd California International Airshow is scheduled to take place at the Salinas Municipal Airport on October 7 and 8, 2023. This year's airshow will feature the Royal Canadian Airforce Snowbird Demonstration Team, the United States Airforce Thunderbird Demonstration Team, the US Navy F-35C Demonstration Team, and several other aircraft acts and displays. The California International Airshow has been showcasing aviation excellence for over 40 years while at the same time raising over \$9 million for local charities.

Utilizing all volunteers and service groups from the community, the organization each year plans and executes the event that entertains 25,000 to 30,000 spectators annually. The top military and civilian performers in the United States and Canada thrill and inspire the crowds. Over 100 static aircraft, exhibits and displays are available for Airshow fans to enjoy during their experience. The goal each year is to produce an event that will be family-oriented, educational, and entertaining for the whole family. In addition to its main goal of raising money for charity, the airshow's charter also emphasizes volunteerism and community involvement, family-oriented entertainment, aviation, and its contributions to the American way of life, and pride in our nation and its military.

To most of Monterey County and the Central Coast, the California International Airshow represents a homegrown community event based in Salinas that is a spectacle of fun and entertainment. To the City of Salinas, it is an annual economic infusion of millions of dollars to the local economy. The airshow event planning process never ends; at the completion of each annual event, the event planners begin preparing for the next year's event. The hosting of the Airshow is in the best interests of general aviation and the Airport, with the purposes of enhancing the Salinas community image, promoting public use of the Airport, and promoting revenue for local charitable organizations.

At the August 25, 2023, Airport Commission meeting, the Commission recommended City Council approve the Airport Use Permit for the 2023 California International Airshow, to be conducted by the Monterey County Airshow Association, Inc. at the Salinas Municipal Airport.

ANALYSIS:

Permit:

The attached Permit is essentially the same as those approved in previous years but with minor modifications. The Permit requires a \$10,000,000.00 Airmeet Liability Insurance Policy and includes authorization for various street closures and specific operational provisions. Typically, only one other City Permit, a Special Events Permit, is required for the event. Once completed, the Special Events Permit becomes the "Exhibit A" document referenced in the Airshow Permit. The Airport Use Permit is being presented to the Airport Commission for review without the Special Events Permit because 1) All Airport use issues are covered in the Airshow Permit and the Special Events Permit covers City Streets and facilities and therefore does not come under Airport Commission review; and, 2) Timing is such that the Airport Use Permit needs to advance through the Airport Commission in order to gain overall Permit approval prior to the Airshow.

In-Kind Contribution:

Airport Staff recommends waiving the \$37,500.00 Permit Fee. Additionally, staff recommends not billing any staff time associated with the airshow. Typically, staff time billed to the airshow is less than \$1,300.00 per year.

Salinas Pilot Association (SPA) Donation:

The Airshow Organization is continuing to honor the fundraising clause in the agreement for the Salinas Pilot Association (SPA). The Monterey County Airshow Association, Inc. will donate \$2,500.00 (cash donation) to SPA for volunteer services rendered during the airshow period. In consideration of the \$2,500.00 donation, SPA will provide various services during the air show.

City of Salinas Booth Space:

In consideration for waiving the Airport's \$37,500.00 Permit Fee, the Airshow Association has agreed to provide the City of Salinas, at no charge, three (3) Booth Spaces for promoting and enhancing the Airport and City of Salinas' community outreach.

CEQA/NEPA CONSIDERATION:

The City of Salinas has determined that the proposed action is not a project and therefore exempt as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378).

STRATEGIC PLAN INITIATIVE:

Approval of the 2023 California International Airshow permit complements Salinas City Council's economic development and public safety 2023-2025 Strategic Goals and Strategies.

FISCAL AND SUSTAINABILITY IMPACT:

Staff recommends waiving the \$37,500.00 Use Permit Fee. Staff recommends that the Airport Enterprise Fund absorb staff time associated with the 2023 California International Airshow.

The economic-financial impact of the Airshow is hard to quantify without procuring economic impact analysis services. Money spent by the Monterey County Airshow Association, Inc. hosting the Airshow and patrons of the event contributes to the local economy and the local tax base. Past performance indicates the annual Airshow drives hundreds of thousands of dollars in economic impact to the local economy. Additionally, the Monterey County Airshow Association, Inc. has contributed in excess of \$9 million dollars to charities over the last 40 years.

DEPARTMENTAL COORDINATION

The Use Permit has been reviewed as to form by the City Attorney's office. Public Works, Police Department, and Fire Department participate in the planning and execution of the Airshow.

ATTACHMENTS:

2023 Airport Use Permit to Conduct Air Shows at the Salinas Municipal Airport
Resolution - 2023 Airport Use Permit to Conduct Air Shows at the Salinas Municipal Airport

RESOLUTION NO. _____ (N.C.S.)

**RESOLUTION APPROVING THE ISSUANCE OF AN AIRPORT USE PERMIT AND
WAIVING THE AIRPORT USE PERMIT FEES FOR MONTEREY COUNTY
AIRSHOW ASSOCIATION, INCORPORATED FOR THE 2023 CALIFORNIA
INTERNATIONAL AIRSHOW AT THE SALINAS MUNICIPAL AIRPORT**

WHEREAS, the City of Salinas is the owner of that certain public airport known as the Salinas Municipal Airport (“Airport”); and

WHEREAS, the Monterey County Airshow Association, Incorporated (“Airshow Association”), desires to conduct the 2023 California International Airshow at the Airport; and

WHEREAS, the staging of said Airshow is in the best interest of general aviation and the public with the purposes of enhancing the Salinas community image, promoting public use of the Airport, and promoting revenue for local charitable organizations; and

WHEREAS, the City of Salinas desires to grant the Airshow Association the right to utilize the Airport, adjoining public streets, and facilities used in conjunction with the Airshow pursuant to the terms of an Airport Use Permit, for the conducting of the 2023 California International Airshow; and

WHEREAS, the City of Salinas desires to support the Airshow’s activities by waiving the Airport Use Permit Fees; and

WHEREAS, pursuant to FAA Policies and Procedures Concerning the Use of Airport Revenue: Federal Register Volume 64, No. 30, February 16, 1999, the City Attorney’s Office has determined that it is permissible for the City Council to authorize a sponsorship contribution from the Airport Enterprise Fund to the California International Airshow provided the following criteria are met:

- (1) The contribution must be minimal,
- (2) The contribution must be substantially related to the operation of the Airport,
- (3) The contribution must have the intangible benefit of enhancing the Airport’s acceptance in local communities impacted by the Airport; and

WHEREAS, at the August 24, 2023, Airport Commission meeting, the Airport Commission recommended approval of the Airport Use Permit and the waiving of the Airport Use Permit Fees, totaling \$37,500.00, for the Monterey County Airshow Association, Incorporated for the 2023 California International Airshow at the Salinas Municipal Airport.

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF SALINAS that the attached Airport Use Permit (“Permit”) is hereby approved and further, that the City Manager or their designee is hereby authorized and directed, for and on behalf of the City of Salinas as its act and deed, to execute and issue such Permit; and

BE IT FURTHER RESOLVED that the City fees and charges associated with this Permit and event are hereby waived.

PASSED AND ADOPTED this 12th day of September 2023 by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

Kimbley Craig, Mayor

ATTEST: _____
Patricia Barajas, City Clerk

**PERMIT TO CONDUCT AIR SHOWS
AT THE SALINAS MUNICIPAL AIRPORT**

THIS PERMIT is issued by the **CITY OF SALINAS**, a California charter city and municipal corporation, hereinafter referred to as “City,” to the **MONTEREY COUNTY AIRSHOW ASSOCIATION, INCORPORATED**, a California Nonprofit Corporation doing business as the **CALIFORNIA INTERNATIONAL AIRSHOW**, hereinafter referred to as “Permittee.”

WITNESSETH

WHEREAS, City is the owner of that certain public airport known as the Salinas Municipal Airport (“Airport”) located in the City of Salinas, County of Monterey, California; and

WHEREAS, it is the desire of Permittee to use said Airport for the purpose of preparing for and conducting the 2023 California International Airshow (“Airshow”); and

WHEREAS, the staging of said Airshow is in the best interests of general aviation and the public with the purposes of enhancing the Salinas community image, promoting public use of the Airport, and promoting revenue for local charitable organizations.

NOW, THEREFORE, this Permit is provided upon the following terms and conditions:

TERMS

1. SCOPE OF PERMIT

City hereby grants Permittee the right to utilize portions of the Airport and adjoining public streets and facilities used in conjunction with the Airshow, for the staging and conducting of the Airshow and for purposes incidental thereto as further described below and for no other purpose unless granted, in writing, by City.

2. NATURE OF INTEREST GRANTED

It is specifically understood and agreed by the parties hereto that the relationship created by this instrument is not one of landlord and tenant, principal and agent, or owner and contractor, it being the intention of the parties that this Permit is merely for the purpose of allowing Permittee to use portions of the Airport and

the facilities thereon on a temporary basis for the purposes of staging and conducting the Airshow and activities related and incidental thereto.

3. TERM

This Permit shall allow Permittee to utilize portions of the Airport pursuant to the terms and conditions of this Permit for a fifteen (15) day period beginning on the Saturday, September 30, 2023, through Saturday, October 14, 2023.

4. FEE

The Airport Administrative Fees for this permit are being waived. The total fees being waived are \$37,500.00 for the use of the airport during the permitted period. The permittee will be billed and agrees to pay for repair or replacement of any Airport equipment, facilities, or property damaged as a result of Airshow operation and/or the Permittee's use and occupation of the Airport during the term of this Permit. Additionally, in consideration of the Fee Wavier, the Permittee agrees to terms and conditions of Section 31, Sponsorship, of this agreement.

5. OBLIGATIONS OF PERMTITEE

A. FAA Approval. Approval of the Federal Aviation Administration (FAA) must be obtained by Permittee for all phases of the Airshow, as evidenced by a Certificate of Waiver or Authorization, a copy of which must be provided to City at least fifteen (15) days prior to the effective date of this Permit.

B. Fencing. Construction of temporary fencing in addition to any existing permanent fencing will be permitted, subject to prior approval of City's Airport Manager as to type of fence mounting and location of fences and access gates. Temporary fencing may be anchored to permanent fence corners provided that such attachment in no way alters or damages any permanent fence structure and all attaching devices are removed with the temporary fence. Permittee shall install temporary fencing around the perimeter of the Jet West maintenance hangar and adjacent ramp area, prior to any activity conducted in the Jet West maintenance hangar. Also, temporary fencing will be placed around all lighting equipment left in place behind the crowd line and any other area deemed necessary by the City's Airport Manager.

C. Security. Permittee shall provide, at its own expense, sufficient security personnel to protect general aviation aircraft based at the Salinas Airport during the term of this Permit, whenever such aircraft are located in other than the regularly assigned tiedown location. Such sufficiency shall be determined by City's Police Department and any recommendations from City's Police Department regarding security activities shall be followed. Permittee shall provide security for all Airport buildings, facilities, equipment, and property during the periods when the Airport is open to Airshow spectators. Permittee will also provide security for transient aircraft, Airshow participating aircraft, and vehicles and equipment that are participating in the Airshow during the period of this Permit.

D. Crowd Control. Permittee shall furnish such personnel as are necessary to enable the public to park, give traffic directions, and provide crowd control. Crowd control barriers shall be in place before any Airshow activity takes place on the Airport.

E. Water, Sanitary, and First Aid Facilities. Permittee shall provide at its own expense such water, sanitary, and first aid facilities as are deemed necessary by Monterey County Health Department to accommodate expected crowds.

F. Temporary Living Facilities. Except as hereinafter provided, camper trucks, trailers, and/or other temporary living facilities may be utilized in any areas designated by the Airport Manager. By way of this Permit, if Permittee authorizes overnight stays, Permittee shall provide continuous security patrols of the overnight stay area between the hours of 7:00pm and 7:00am.

G. Fire Protection and Aircraft Rescue Equipment. Permittee shall furnish and be responsible for any and all such fire protection and aircraft crash rescue equipment and services as are deemed necessary by the City and the FAA.

H. Repair and Maintenance of Airport Property. Permittee shall be responsible for the repair and maintenance of any buildings, facilities, equipment or property of the Airport impacted by operations under this Permit. Immediately subsequent to the close of the Airshow and not later than the Monday (5:00pm) following event, Permittee shall clean the entire area used by it, shall remove any and all debris and trash, and shall restore the area insofar as possible to the condition existing immediately prior to the commencement of

the Permittee's operations as allowed by this Permit. The aircraft parking ramps southeast of the Airport Terminal Building, both based and transient aircraft ramps will be cleared not later than the Monday (5:00pm) following the event, so as to permit use of the ramp for aircraft parking. If, in the opinion of City's Airport Manager, the repair, maintenance, cleaning, and trash removal requirements have not been accomplished satisfactorily, City may, after notification of Permittee, cause such repair, maintenance, cleaning, and trash removal to be made at Permittee's expense. The cost of such work shall be billed separately.

I. Licenses and Permits. Permittee shall obtain and bear the expense of all licenses, permits, and other authorization required by any and all applicable agencies. Pyrotechnic permits will be obtained from the City and State of California when required. Permittee shall pay promptly and discharge all lawful taxes and assessments which may be levied by the federal, state, county, city or other tax levying body on any taxable interest of Permittee as well as all taxes and assessments on taxable personal property of whatever nature owned by Permittee and located on the Permit premises. Permittee shall promptly pay all excise, license, and permit fees of whatever nature applicable to the operation of Permittee's business.

J. Permit to Conduct Airshow. When this Permit is approved by the Salinas City Council, it shall be deemed a permit issued by the Community Development Director in lieu of a Temporary Land Use Permit, as required under Section 37-50.300 of the City's Zoning Code.

K. Spectator Parking. It is understood and agreed that certain portions of the Airport will be utilized for parking of spectator operated private vehicles. Permittee agrees that all such vehicles parked on Airport premises, inside the security fence, will be removed from said area not later than 6:00 p.m. of any day when parking has been authorized by City's Airport Manager. However, the Permittee will ensure that all vehicles are removed from the Airport within two (2) hours after activity ends. Permittee will be prepared to move said vehicles to an area outside the security fence if they remain after the time specified above. Permittee will be responsible for advising all vehicle operators of this provision. If vehicles are not removed by Permittee as agreed in this section, such vehicles will be removed at the direction of Airport management and Permittee shall be held responsible for the costs and charges associated with such removals.

L. Transient Aircraft. Transient aircraft are authorized to park overnight in areas designated by City's Airport Manager, who will collect overnight tiedown fees as appropriate.

M. Street Closure. Permittee agrees to abide and comply with the Street Closing Permit attached hereto, marked Exhibit A, and incorporated herein by reference.

N. Costs Associated with Airshow Production. Permittee shall bear all costs connected with staging of the Airshow and activities incidental thereto. The sole function of City is to provide the necessary facilities and areas and to enforce the provisions of this Permit.

6. OBLIGATIONS OF CITY

A. City shall make available for use, by Permittee, City-owned and controlled buildings, land, personal property, and equipment necessary to facilitate the Airshow for which the City may charge a fee in addition to the Permit Fee.

B. It is recognized that the nature of the Airshow precludes normal general aviation and public use of the Airport during the Airshow events. Therefore, City shall close the Airport to all general aviation aircraft during the period that the Airshow is actually in progress, provided however that locally based aircraft and transient aircraft shall be allowed to operate when scheduled Airshow events are not taking place. Permittee shall not interfere with the regular operation of tenants doing business on the Airport.

7. OPERATIONAL PROVISIONS

A. Traffic Control. All barricades on City streets at critical intersections shall be staffed by Airshow personnel. Airshow will pay for all Salinas Public Works services related to the Airshow, including but not limited to: delivery/removal and utilization of barricades, cones, and other traffic control equipment; garbage/debris removal; sweeping and sanitation; and traffic control and guide signs. Permittee shall furnish such personnel as are necessary to enable the public to park, give traffic directions, and provide crowd control. The Salinas Police Department is responsible for determining the appropriate personnel required at critical intersections, the exact hours, and number of personnel necessary to safely and efficiently manage traffic control for this event.

B. Staffing by Salinas Police Department. Police staffing shall be consistent with the City's current salary schedule and labor agreements. The exact hours and number of law enforcement personnel needed for traffic control and other duties will be determined by the Police Department prior to and during the Airshow.

C. Security. Permittee shall provide private security on the Airport inside the Airport security fence on all days of Airshow activity attended by the general public, as required in section 5 of this Permit.

D. Airshow Communications Command Post. Permittee shall establish an Airshow Communications Command Post from which all of its efforts in regard to the Airshow and this Permit shall be coordinated. A Salinas Police Department representative shall be present at the Airshow Communications Command Post each day at Permittee's expense.

E. Airshow Bank. One uniformed Salinas Police Officer will be present at the Airshow bank each day at Permittee's expense.

F. Emergency Services Communications Plan. Permittee shall establish in coordination with the Salinas Fire Department, a communications plan to include emergency services.

G. Incident Command Center. Permittee shall provide an area for location of an Incident Command Center, as required by Salinas Fire Department.

H. Parking of Fire Department Apparatus. Permittee shall provide area for parking of fire apparatus at the Airport.

I. Emergency Notification List. Permittee shall provide a current emergency notification list to the City prior to the commencement date of this Permit.

J. Emergency Response Location Grid. Permittee shall provide an accurate Airport emergency response location grid map to the City prior to the commencement date of this Permit.

K. Access to Fire Access Roads and Gates. Permittee shall ensure that fire access roads and gates remain clear and accessible throughout the Airshow.

L. Fire Prevention Activities in Cooking Booths. All cooking booths or areas shall have at least one 2A10BC fire extinguisher available, as determined by the Fire Marshall, if an open flame device will be used for cooking purposes. No open flame device may be used for any purpose other than cooking.

8. SAFETY

A. Safety shall be of primary importance to this event. Anyone who flies in a manner and style not considered to demonstrate good airmanship and safety shall be barred from any further activities. It shall be the duty of the Permittee to ensure that the safety and good airmanship of all Airshow performers will be observed at all times, and Permittee shall take any and all steps necessary, including prohibition of flying, in the event Permittee determines that good airmanship and safety are being threatened or compromised. In the absence of the FAA monitor or Permittee supervision, and when City's Airport Manager is of the opinion that the Permittee is unable to fulfill said requirements of good airmanship and safety, the Airport Manager shall stop all Airshow connected activity until the unsafe or unsatisfactory condition is corrected. Other applicable enforcement agencies shall have full authority to order stoppage or direct correction of any unsafe condition or practice observed on or over the Airport.

B. No person shall operate a motor vehicle of any kind on the Airport in a negligent or reckless manner. The speed limit on the Airport is a speed consistent with the variable weather conditions of the area being traversed and common sense and good judgment but in no case greater than 15 MPH. No person shall cross any Airport runway, whether in a vehicle or otherwise, without having first obtained permission from the Air Traffic Controller, except when the runway has been officially closed by the City's Airport Manager and the person has been notified of that status before each runway crossing.

9. INSURANCE

A. Permittee shall, at its sole expense, throughout the duration of this Permit, maintain commercial general liability and property damage insurance, including but not limited to premises and automobile, and Air Meet liability insurance, covering all operations of the Permittee, its agents, and employees, performed in connection with this Permit, including but not limited to set up of premises, practices, performances, cleanup and dismantling, and any pyrotechnic displays or demonstrations. Such insurance coverage shall be in the amounts and according to the conditions provided as follows:

- (1) Air Meet. A \$10,000,000 Air Meet Liability Occurrence All Risk Policy on a standard policy form which includes, without limitation, the following coverages:

- a. Grandstand liability, if grandstands are to be used;
- b. Non-owned automobile liability for Airshow activities;
- c. Pyrotechnics liability; and
- d. The City of Salinas, along with its employees, officers, agents, representatives, boards, commissions, and commissioners, shall be named as additional insureds by endorsement to the Air Meet liability insurance policy.

(2) General Liability. A \$2,000,000 commercial general liability insurance policy on a per-occurrence basis, which includes, without limitation, the following coverages:

- a. Bodily injury;
- b. Property damage;
- c. Personal injury and advertising;
- d. Auto liability, including non-owned auto liability;
- e. Parking liability;
- f. Products/completed operations;
- g. Liquor legal liability;
- h. Host liquor liability;
- i. Contractual Liability; and
- j. The City of Salinas, along with its employees, officers, agents, representatives, boards, commissions, and commissioners, shall be named as additional insureds by endorsement to the general liability insurance policy.

(3) All insurance companies affording coverage to the Permittee shall be insurance organizations admitted by the Insurance Commissioner of the State Department of Insurance to transact the business of insurance in the State of California. And insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the City.

(4) Each insurance policy required shall provide that the coverage shall not be canceled or reduced in coverage except with notice to the City of Salinas. For the purposes of this notice

requirement, any cancellation or reduction in coverage shall be considered a material change and subject this Permit to cancellation.

- (5) Permittee shall provide evidence of compliance with the insurance requirements listed above by providing to the City certificates of insurance and endorsements, in forms satisfactory to the City, at least fifteen (15) days prior to the effective date of this Permit. No material change in coverage or cancellation may be made after that time.

If any policy has an aggregate limit or for some other reason the total amount of the limits of any policy are not available to cover indemnification obligations and/or losses described in this Permit, the insurance certificate(s) shall also state the unpaid limits of the policy.

Certificates of insurance shall identify any deductible amounts. All deductibles must be in amounts acceptable to City.

- (6) Permittee's coverage shall be primary coverage as respects the City. Any insurance or self-insurance maintained by the City shall be excess of the Permittee's insurance.
- (7) Maintenance of insurance by the Permittee as specified in the Permit shall in no way be interpreted as relieving the Permittee of any responsibility whatsoever and the Permittee may carry, at its own expense, such additional insurance as it deems necessary.
- (8) In the event of cancellation of any of the required insurance, this Permit is immediately null and void and Permittee shall immediately cease all operations under this Permit and vacate the Airport premises.
- (9) Permittee hereby grants to City a waiver of any right to subrogation which any insurer of Permittee may acquire against the City by virtue of any payment of any loss under such insurance. Permittee agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.

B. Prior to the commencement of any and all activities pertinent to the granting of the Permit and/or its rights and privileges (including set-up of premises, practices, performances, clean-up, and dismantling),

Permittee shall ensure that all of its employees and/or all employees of any contractors of Permittee, are covered by Workers' Compensation insurance with statutory limits as well as Employer's Liability insurance with a limit of no less than \$1,000,000 per accident for bodily injury or disease, for any person injured while performing any work incidental to the work in or on the Airport. Permittee hereby waives any rights of subrogation against the City. Permittee shall file a certificate evidencing such coverage as well as a waiver of subrogation endorsement on a form satisfactory to City.

C. Permittee shall require that all contractors and/or concessionaires maintain liability insurance, including aircraft liability insurance when applicable, and provide certificates of insurance to the Permittee evidencing such insurance in an amount no less than \$1,000,000 per occurrence for bodily injury and property damage liability which name the City of Salinas, its employees, officers, agents, representatives, boards, commissions and commissioners, and the Permittee, as additional insureds by endorsements with occurrence form coverage, in amounts, determined appropriate by the City and Permittee, to the product or service being provided by the concessionaire.

10. HOLD HARMLESS/INDEMNIFICATION

Permittee shall indemnify, defend, and save the City, its officers, employees, agents, and representatives harmless against any and all claims for damages to all persons or property arising from Permittee's execution of the activity, or otherwise by the conduct of the Permittee, its officers, employees, agents, concessionaires, subcontractors or others (including the active and passive negligence of the City, its officers, agents, and employees), in connection with the execution of the activities covered by this Permit and any and all costs, expenses, attorneys' fees, and liability incurred by the City, its officers, agents, employees, or representatives in defending against such claims, whether the same proceed to judgment or not, except only those claims arising from the willful misconduct of the City, its officers, agents, or employees. Further, Permittee shall at its own expense, upon written request by the City, defend any such suit or action brought against the City, its officers, agents, representatives, and employees. This section specifically includes any liability arising out of or in connection with separate agreements that City may execute with third parties for

services, volunteer or otherwise, relating to or in support of Airshow events including, but not limited to, preparation, set-up, and clean-up work and activities.

Further, Permittee agrees to save, indemnify, defend, and hold harmless the City, its officers, employees, and agents against all liabilities, judgments, costs, and expenses, which may accrue against City as a consequence of granting permits and agreements to Permittee and from Permittee's compliance with the provisions of the City's rules, regulations, resolutions, and ordinances. Permittee shall reimburse the City for all costs and expenses (including but not limited to fees and charges of attorneys and other professional and court costs) incurred by the City in enforcing the provisions of this Section.

11. NO DEMANDS UPON CITY

Permittee shall be deemed to have accepted the condition of the Airport premises prior to its occupation and use thereof for the purposes of this Permit and shall make no demand upon City for any alterations, repairs or construction.

12. USE OF SALINAS MUNICIPAL AIRPORT

Permittee may use such areas and facilities at the Airport as are designated by the City's Airport Manager. Permittee shall have the right to construct and maintain such temporary facilities and/or structures as are necessary for operations as allowed by this Permit, including controlling the ingress and egress of the public and Airshow participants. Said temporary facilities and/or structures must be satisfactory to the City's Airport Manager. Upon the request of the City's Airport Manager, Permittee shall remove said temporary facilities and/or structures.

13. DAMAGE TO SALINAS MUNICIPAL AIRPORT

Permittee shall cause to be repaired at its own expense, any and all damage to the property of the City or to the property of others on the Airport, which damage has been caused by Permittee, its agents, employees or others who may be on the Airport for any purpose connected with the staging and operation of the Airshow, including patrons of the Airshow. This provision applies to all aircraft moved from its normal and regular tiedown or parking space to make room for Airshow activity, until returned to its normal and regular tiedown or parking space. The Permittee accepts full legal liability and responsibility for all aircraft while located at

other than its regular tiedown location until forty-eight (48) hours after the tiedown ramp has been vacated by Airshow facilities.

14. HAZARDOUS SUBSTANCES

A. Pursuant to Health and Safety Code section 25359.7, Permittee shall notify City in writing within a reasonable time of any material release of hazardous substances and of any hazardous substances that have come to be located on or beneath the Airport.

B. Prior to the expiration of this Permit, Permittee shall at its cost and expense remove all items of personal property, including but not limited to all flammable and hazardous materials and waste as defined by state, federal, or local law at the time of expiration of the Permit.

C. Permittee shall make available for inspection to the City all records relating to the maintenance, release, mitigation, and cleanup of any hazardous substances on the leased premises.

D. Permittee shall comply with all federal, state, and local laws and regulations relating to hazardous materials and waste, and shall timely comply with the orders of any governmental agencies relating thereto. Permittee shall request that a representative from Monterey County Environmental Health Department review hazardous material storage and use to determine that compliance with local laws and regulations has been obtained.

E. City may reasonably enter upon and inspect the premises at any time.

15. CHARGES BY PERMITTEE

A. Permittee shall have the right to charge admission to members of the public desiring to witness the events allowed by this Permit.

B. Persons desiring or required to use the Airport for its normal purposes shall not be charged an admission to specific areas required for the performance of their normal activity on the Airport; except, however, that Permittee may charge admission to occupants of transient aircraft arriving during the open hours period of this Permit and desiring to attend the Airshow. Persons not charged an admission shall include but not be limited to: City's employees regularly employed at the Airport or required to work on the Airport as certified by the City's Airport Manager; on site employees of businesses at the Airport; tenants leasing property

from the City and conducting business on the flight line; owners of aircraft based at the Airport; and persons demonstrating a valid requirement to conduct business on the Airport.

16. FURTHER COVENANTS AND AGREEMENTS

A. Throughout its operation and the operation of all its facilities on the Airport, neither Permittee nor any person or organization occupying space or facilities thereon will discriminate against any person or class of persons by reason of age, sex, race, color, religion, ancestry, national origin, blindness or other physical disability, in the use of any facilities provided for the public on the Airport.

B. Throughout Permittee's rendering to the public any service (including the furnishings or sale of admission tickets, transportation, supplies or materials) essential to its operation at the Airport it will:

- (1) Furnish such service on a fair, equal, and non-discriminatory basis to all users thereof; and
- (2) Charge fair, reasonable, and non-discriminatory prices for each unit of service; provided that Permittee may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

C. This Permit shall be subject to the terms of the City's agreements, as amended, with the FAA. If they conflict, provisions of the FAA agreements that implement federal law shall take precedence over provisions of this Permit.

D. Permittee shall abide and be bound by the Minority Business Enterprise Program, a copy of which has been provided to Permittee, adopted and as amended from time to time by the City pursuant to United States Department of Transportation regulations Title 49, Code of Federal Regulations, Subtitle A, Part 23, participation by disadvantaged business enterprises in Airport concessions, and Part 26, participation by Minority Business Enterprise in Department of Transportation programs, a copy of which has also been provided to Permittee.

E. Permittee will obey all rules, regulations, and orders of the FAA, California Aviation Office, and the City of Salinas, existing or as amended.

F. It is further understood and agreed that during the term of this Permit, Permittee shall use the Airport in an orderly and peaceable manner, and in strict compliance with all applicable laws and ordinances and shall

not use the Airport, nor allow any person or persons to use the Airport, for any purpose whatsoever that is in violation of any law or ordinance.

17. NO ASSIGNMENT, DELEGATION, OR SUBLICENSING

This Permit, being in the nature of a personal revocable permit, may not be assigned or delegated. However, Permittee may allow concessionaires to enter upon the Airport for the performance of functions and services within the scope of the uses allowed to Permittee under the provisions of this Permit.

18. RIGHT TO AMEND

This Permit shall be subordinate to the provisions of any existing or future agreement between City and the United States, by which City obtains federally owned surplus property or federal aid for the improvement, operation, and/or maintenance of the Airport. In the event that the FAA, or any other federal agency, requires modifications or changes in this Permit as a condition for the granting of funds for the improvement of the air terminal or lands or improvements covered by its laws, rules, or regulations, Permittee agrees to consent to the amendments, modifications, revisions, supplements, or deletions of any of the terms, conditions, or requirements of this Permit as may be required to obtain such funds.

19. SPECIAL PROVISION

It is understood and agreed that nothing contained in this Permit shall be construed as granting or authorizing the granting of an exclusive right for the use of any landing areas or air navigation facility at the Airport.

20. PERMITTEE INDEPENDENT CONTRACTOR

For all the purposes of this Permit, Permittee is and shall be deemed to be, with respect to the City, an independent contractor. It is mutually agreed and understood that nothing contained in the Permit shall be deemed or construed to constitute a partnership or joint venture between the parties to this Permit. Moreover, it is agreed and understood that regarding the rights and obligations provided herein, this Permit establishes the extent of the relationship between the City and Permittee. It is agreed and understood that the City and Permittee are independent contractors and that neither is the employee or employer of the other and that employees of one are not the employees of the other.

21. CANCELLATION BY CITY

In addition to any rights to which it may be entitled by law, City may cancel this Permit upon or after the occurrence of any of the following events:

A. The assumption by the United States Government, or any of its authorized agencies, of the operation, use or control of the Airport, or any substantial part of the Airport, in such manner as to substantially restrict the use of the Airport for any of the purposes for which Permittee is authorized;

B. The existence or operation of any rule, regulation, sponsor assurance, or order of the FAA, directly or indirectly requiring the discontinuance or substantial reduction of the use of the Airport for any of the purposes for which Permittee is authorized;

C. The issuance of an injunction by any Court of competent jurisdiction restraining the use of the Airport for any of the purposes for which this Permit has authorized;

D. Cancellation of any policy of insurance required by Section 9 of this Permit;

E. The filing by Permittee of a voluntary petition in bankruptcy, the institution of proceedings in bankruptcy against Permittee, or the adjudication on Permittee as a bankrupt pursuant to voluntary or involuntary bankruptcy proceedings;

F. The appointment of a receiver of Permittee's assets which results in a liquidation of Permittee's business;

G. The general assignment of this Permit by Permittee for the benefit of creditors; or

H. The default by Permittee in the performance of any of the terms and conditions required by this Permit to be kept and performed.

22. CANCELLATION BY PERMITTEE

Permittee may cancel this Permit and terminate all of its obligations at any time subsequent to the commencement of the term upon the breach of City, or City's failure to perform any of the material covenants or agreements contained in this Permit. In such a case, the Permit fee identified in Section 4 will be refunded to Permittee.

23. WAIVER

It is agreed that a failure on the part of City to take appropriate action or to declare this Permit terminated for default by Permittee in any one or more of the terms, covenants or conditions will not be considered or construed as a waiver by the City of such right on any further or future default on the part of Permittee. Additionally, the subsequent acceptance of the fee by City shall not be construed as a waiver of City's rights concerning any preceding breach of any term, covenant or condition by Permittee.

24. SURRENDER

Permittee covenants that on the last day of this Permit or any extension of it, Permittee will peaceably and quietly leave and surrender the Airport premises in as good a condition as they are now (or, may be in after making alterations, additions, or improvements as permitted by City) except for ordinary wear and tear.

25. ASSIGNMENT BY CITY

It is further agreed by and between City and Permittee that City reserves the right to assign, pledge, or hypothecate this Permit, without the consent of Permittee, should such assignment, pledging, or hypothecation become necessary in the financing or refinancing of the Salinas Municipal Airport.

26. SECTION HEADINGS

The section headings contained in this Permit are for convenience in reference and are not intended to define, govern, limit, modify, or in any manner affect the scope meaning, or intent of the provisions of this Permit.

27. TIME

Concerning this Permit and the performance of each and every provision contained herein, time is of the essence.

28. NOTICES

Except as otherwise contained herein, all notices, statements, demands, consents, approvals, authorizations, offers, agreements, appointments or designations hereunder by either party, shall be in writing and shall be sufficiently given and served upon the other party if sent by mail, postage prepaid and addressed as follows:

If to City, the same shall be addressed to:

Airport Manager
City of Salinas
Salinas Municipal Airport
30 Mortensen Avenue
Salinas, California 93905

With a copy to:

City Attorney
City of Salinas
200 Lincoln Avenue
Salinas, California 93901

or to such other place as City may by such similar notice in writing designate.

If to Permittee, the same shall be addressed to:

Monterey County Airshow Association
P.O. Box 1448
Salinas, California 93902

29. LITIGATION INVOLVING PERMIT; ATTORNEY FEES

In case suit shall be brought to interpret or enforce this Permit, or any term of provision contained herein, or because of the breach of any term or provision contained herein, the prevailing party in any such action shall be entitled to recover their reasonable attorneys' fees in addition to such costs as may be allowed by the court. City's attorney's fees, if awarded, shall be calculated at the market rate.

30. RIGHTS AND OBLIGATIONS UNDER PERMIT

This Permit constitutes the entire agreement between the City and Permittee and is the final expression of the City and Permittee with respect to the included terms and conditions, and as a complete and exclusive statement of the terms and conditions. Any prior agreements, premises, negotiations or representations not expressly set forth in this Permit are of no force and effect unless it is in writing and signed by the City and Permittee. By granting this Permit, the City does not intend to create any obligations express or implied other than those set out herein; further, this Permit shall not create any rights in any party not a signatory hereto.

31. SPONSORSHIP

A. Sponsorship Contribution From Airport Enterprise Fund. Pursuant to FAA Policies and Procedures Concerning the Use of Airport Revenue: Federal Register Volume 64, No. 30, February 16, 1999,

the City Attorney's Office has determined that it is permissible for the City Council to authorize a sponsorship contribution from the Airport Enterprise Fund to the California International Airshow provided the following criteria are met:

- (1) The contribution must be minimal.
- (2) The contribution must be substantially related to the operation of the Airport.
- (3) The contribution must have the intangible benefit of enhancing the Airport's acceptance in local communities impacted by the Airport.

B. Minimal Contribution. In consideration for waving the Administrative Fees and Facility Rental Fees for the Airshow, the minimal contribution for the Airshow Sponsorship has been met.

C. Enhancement of Airport Acceptance. To ensure and maximize the enhancement of the Airport's acceptance in the local community, the following considerations will be made by the Permittee:

- (1) Space will be provided in the event program or other publication, for the Airport to publish an educational article or be recognized.
- (2) The City shall receive not less than the equivalent sponsorship benefits as other sponsors for equivalent/like sponsorship contributions, whether paid or in-kind.
- (3) City and or Airport logos will be included on banners and promotional materials similar to that of equal sponsors.
- (4) Booth, vendor, and or concession space will be provided to the City of Salinas, at no charge. A total of three (3) spaces shall be reserved for the City's uses. The sole use of the City spaces will be to promote and enhance the City's image. The Airshow shall provide entrance credentials necessary for City Staff, volunteers, or contractors to administer the space.
- (5) The Salinas Pilots Association (SPA) shall receive a \$2,500.00 cash donation for volunteer services rendered during the airshow period. SPA will provide services and duties that are agreeable to SPA and Airshow Association. Historically this has

included transient aircraft parking services and docent services for general aviation aircraft displays.

CITY OF SALINAS

Brett J. Godown, Airport Manager

Date

APPROVED AS TO FORM:

Christopher A. Callihan, City Attorney

Date

MONTEREY COUNTY AIRSHOW ASSOCIATION, INCORPORATED

President

Date

Secretary

Date



City of Salinas

200 Lincoln Ave., Salinas,
CA 93901
www.cityofsalinas.org

Legislation Text

File #: ID#23-541, Version: 1

REACH Air Medical Services, LLC Facility Lease Agreement

Approve a Resolution authorizing the Mayor to execute a facility lease agreement between the City of Salinas and REACH Air Medical Services, LLC at the Salinas Municipal Airport.



CITY OF SALINAS

CITY COUNCIL STAFF REPORT

DATE: SEPTEMBER 12, 2023

DEPARTMENT: PUBLIC WORKS, AIRPORT DIVISION

FROM: DAVID JACOBS, PUBLIC WORKS DIRECTOR

BY: BRETT J. GODOWN, C.M., C.A.E., AIRPORT MANAGER

TITLE: REACH AIR MEDICAL SERVICES LLC, 20A & 240 SUITE 102
MORTENSEN AVE. FACILITY LEASE AT THE SALINAS
MUNICIPAL AIRPORT

RECOMMENDED MOTION:

A motion approving a resolution authorizing the Mayor or their designee to execute a facility lease between the City of Salinas and REACH Air Medical Services, LLC at the Salinas Municipal Airport.

RECOMMENDATION:

It is recommended that the City Council approve a resolution authorizing the Mayor or their designee to execute a facility lease between the City of Salinas and REACH Air Medical Services, LLC at the Salinas Municipal Airport.

BACKGROUND:

REACH Air Medical Services, LLC (Reach) is a long-term business tenant at the Salinas Municipal Airport. Reach provides air ambulance services to the Salinas Valley. Reach first entered a facility lease for 20 Mortensen Ave., with the City of Salinas for office space in the airport terminal in 2012. The Lease expired in 2022 and has remained in a month-to-month rental status to accommodate the desired ultimate leasing conditions. Reach desires to expand its crew quarter footprint by annexing the upstairs office space previously leased by the Bob Hoover Academy. The Bob Hoover Academy has vacated the space.

At the August 24, 2023, Airport Commission meeting, the Airport Commission recommended City Council approve a resolution authorizing the Mayor or their designee to execute a facility lease between the City of Salinas and REACH Air Medical Services, LLC at the Salinas Municipal Airport.

ANALYSIS:

Term

The lease provides one three-year initial term and three three-year option to renew the lease.

Space

1. Approximately 2,601 square feet of office space located on the second floor of the Airport Terminal building with the space address of 20A Mortensen Ave.
2. Approximately 400 square feet of office space located on the first floor of Building 240 Mortensen Ave with a Suite address of 102.
3. Two aircraft parking spaces, generally located by agreement, in the airport transient parking area.

Uses

The negotiated uses include current/existing uses only. Following the execution of the lease, the lessee may request to add additional uses through a lease amendment process. The following uses are included in the lease:

1. Operation of aerial medical transport service.
2. Crew Quarters for medical transport services.
3. Operation of offices for associated business purposes.
4. Short and long-term parking of aerial transport service aircraft.

Base Rent

1. The monthly rate for the building and land on the Demised Premise is equal to \$4,250 per month or \$51,000 per annum.
2. In addition to the Base Rent, Lessee shall pay for all water, gas, heat, light, power, telephone, sewage, garbage, and rubbish disposal, and all other services supplied to the Premises.

Escalator

The annual rent shall be increased by an amount equal to three percent (3%) of the annual rent in effect during the immediately preceding year.

At the August 24, 2023, Airport Commission meeting, the Airport Commission recommended that the City Council approve a resolution authorizing the Mayor or their designee to execute a facility lease between the City of Salinas and REACH Air Medical Services, LLC at the Salinas Municipal Airport.

CEQA/NEPA CONSIDERATION:

The City of Salinas has determined that the proposed action is not a project and therefore, exempt as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378).

STRATEGIC PLAN INITIATIVE:

This action supports the City Council’s Strategic Plan Goals for Public Safety.

DEPARTMENTAL COORDINATION:

The City of Salinas Airport Facility Lease was reviewed as to form by the City Attorney.

FISCAL AND SUSTAINABILITY IMPACT:

Revenues from this lease will provide an annual positive impact to the Airport Enterprise Fund of \$51,000. Each year thereafter, the rent will be adjusted by a fixed three percent (3%) escalator. Over the term of this lease, a total positive impact of \$723,793.52 will be remitted to the Airport Enterprise Fund.

Year	Monthly Rent	Annual Rent
1	\$4,250.00	\$51,000.00
2	\$4,377.50	\$52,530.00
3	\$4,508.83	\$54,105.90
4	\$4,644.09	\$55,729.08
5	\$4,783.41	\$57,400.95
6	\$4,926.91	\$59,122.98
7	\$5,074.72	\$60,896.67
8	\$5,226.96	\$62,723.57
9	\$5,383.77	\$64,605.27
10	\$5,545.29	\$66,543.43
11	\$5,711.64	\$68,539.74
12	\$5,882.99	\$70,595.93

ATTACHMENTS:

Reach Air Medical Services, 20A & 240 Suite 102 Mortensen Ave. Facility Lease

Resolution

RESOLUTION NO. _____ (N.C.S.)

A RESOLUTION APPROVING A FACILITY LEASE BETWEEN THE CITY OF SALINAS AND REACH AIR MEDICAL SERVICES, LLC, FOR OFFICE SPACE AT 20A AND 240 SUITE 102 MORTENSEN AVENUE AT THE SALINAS MUNICIPAL AIRPORT

WHEREAS, the City of Salinas is the owner of that real property located at 20A and 240 Suite 102, Mortensen Avenue (the “Premises”), in the City of Salinas, California, County of Monterey; and

WHEREAS, Reach Air Medical Services, LLC (“REACH”) desires to enter into a Facility Lease with the City of Salinas for the Premises at the Salinas Municipal Airport; and

WHEREAS, REACH desires to accept such Facility Lease upon the terms and subject to the conditions contained herein; and

WHEREAS, the City of Salinas and Calstar Air Medical Services, LLC negotiated a lease that will provide a positive impact for airport operations and the Airport Enterprise Fund; and

WHEREAS, on August 24, 2023, the Airport Commission recommended that the City Council approve a resolution authorizing the Mayor or their designee to execute a Facility Lease between the City of Salinas and REACH Air Medical Services, LLC at the Salinas Municipal Airport.; and

WHEREAS, Salinas Municipal Code Section 12-13 allows the City Council to approve the leasing of any City-owned real property if the Council determines that the real property interest leased will not be necessary for municipal purposes during the term of the lease.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF SALINAS, hereby finds and determines that the above recitals and accompanying Staff Report are true and correct and have served as the basis, in part, for the actions of the City Council set forth below; and

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the Mayor of Salinas or their designee is hereby authorized and directed for and on behalf of the City of Salinas to execute the attached Facility Lease by and between the City of Salinas, a municipal corporation, Reach Air Medical Services, LLC.

PASSED AND APPROVED this 12th day of August 2023, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAINED:

APPROVED:

Joe Gunter, Mayor

ATTEST:

Patricia Barajas, City Clerk

**LEASE AGREEMENT
BETWEEN
THE CITY OF SALINAS AND
REACH AIR MEDICAL SERVICES,
LLC**



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LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease") is entered into this October 1, 2023 (the "Effective Date") by and between the **City of Salinas**, a California charter city and municipal corporation of the State of California ("Lessor"), and **Reach Air Medical Services, LLC**, a California Limited Liability Company ("Lessee").

WITNESSETH:

A. Lessor owns and operates the Salinas Municipal Airport in the City of Salinas, State of California; and

B. Lessee desires to lease a portion of Airport for the uses permitted and upon the terms and conditions herein.

NOW, THEREFORE, in consideration of the foregoing, the mutual promises and covenants set forth in this Agreement, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

ARTICLE 1. DEFINITIONS AND EXHIBITS

Section 1.1 Definitions.

The following capitalized terms have the meanings set forth in this Section 1.1 whenever used in this Agreement, unless otherwise provided:

- (a) "Additional Improvements" has the meaning given in Exhibit D.
- (b) "Airport" means the Salinas Municipal Airport in the City of Salinas, State of California.
- (c) "Base Rent" has the meaning given in Section 2.4, and includes the combined rent for the Building.
- (d) "Building" has the meaning given in Section 2.1.
- (e) "Cancellation Date" has the meaning given in Section 2.3(c).
- (f) "Cancellation Fee" has the meaning given in Section 2.3(c).
- (g) "City Code" has the meaning given in Section 3.2(b).
- (h) "Claims" has the meaning given in Section 5.1.
- (i) "Clean and in Good Condition" has the meaning given in Section 6.9.
- (j) "Commercial Property" means property that is offered for rent or lease to persons operating, or intending to operate, a place of public accommodation as defined in Section 202 of Chapter 2 of Part 2 of Title 24 of the California Code of Regulations, or a facility

to which the general public is invited, at those premises and has the meaning given in Section 5.4.

(k) "Event of Default" means any material breach of this Lease.

(l) "Extended Term" or "First Extended" has the meaning given in Section 2.3(b).

(m) "FAA" means the Federal Aviation Administration.

(n) "Land Use Plan" has the meaning given in Section 3.2(a).

(o) "Lease" means this Agreement, as set forth in the opening paragraph.

(p) "Lessee" means Reach Air Medical Services, LLC, as set forth in the opening paragraph.

(q) "Lessor" means the City of Salinas, a California charter city and municipal corporation, as set forth in the opening paragraph.

(r) "Original Term" has the meaning given in Section 2.3(a).

(s) "Part 21" has the meaning given in Section 3.3(c)(1).

(t) "Part 77" has the meaning given in Section 3.3(d) and Title 14 Aeronautics and Space, Chapter I, Subchapter E, Part 77 – Safe Efficient Use, and Preservation of the Navigable Airspace.

(u) "Premises" means the Building and the Ramp Space licensed to Lessee pursuant to Section 2.1 of this Agreement.

(v) "Released and Indemnified Parties" means Lessor and its elected officials, officers, employees, agents, representatives, volunteers, and assigns and as set forth in Section 5.1.

(w) "Renewal Term" has the meaning given in Section 2.3(b).

(x) "Rules" is defined in Section 3.2(a).

Section 1.2 Exhibits.

The following exhibits are attached to this Lease and are incorporated into it by this reference; provided, however, that any conflict between an exhibit and the main body of this Lease will be construed in favor of the latter:

Exhibit A	Legal Description of the Premises
Exhibit B	Depiction of the Premises
Exhibit C	Permitted Uses of Premises

Exhibit D	Description of the Lessee Improvements
Exhibit E	Insurance Requirements
Exhibit F	Rental Schedule

ARTICLE 2. LEASE PROVISIONS

Section 2.1 Premises.

(a) Demise of the Premises. Lessor hereby agrees to lease to Lessee, and Lessee hereby agrees to lease from Lessor the following:

(1) Approximately 2,601 square feet of office space located on the second floor of the Airport Terminal building with the space address of 20A Mortensen Ave; and.

(2) Approximately 150 square feet of office space located on the first floor of Building 240 Mortensen Ave with a Suite address of 102; and

(3) Two aircraft parking spaces generally located by agreement in the airport transient parking area.

(b) The Demised Premise is described more particularly in Exhibit A and Exhibit B.

Section 2.2 Use of the Premises.

The Premises will be used only for the purposes described in Exhibit C. The Premises may not be used for any other purpose without Lessor's written authorization, in Lessor's sole discretion.

Section 2.3 Term.

(a) Term. Except as otherwise specifically set forth in this Section, the term of this Lease shall be for a period of three (3) years commencing on the Effective Date October 1, 2023, and ending September 30, 2026, unless sooner terminated in the manner and under the conditions herein provided (the "Original Term"). Rent due pursuant to Section 2.4 begins upon commencement of the Original Term.

(b) Renewal Options. This Lease may be renewed by mutual agreement for up to three (3) three-year (3) periods (the "Extended Term" or "First Extended Term") by giving City written notice of each such election not less than six (6) months prior to the expiration of the then current term, as may have previously been extended. If Lessee elects to renew, the Extended Terms of the Lease Agreement, except as otherwise specifically set forth herein, shall be on the same terms and conditions as set forth herein, except that there shall be no option to extend beyond the Extended Term and Rent shall be calculated as provided in Section 2 of this Lease Agreement.

(c) Cancellation Option. Lessee shall have the right to cancel this Lease Agreement following the last day of the thirty-sixth (36th) month (the "Cancellation Date")

following the Commencement Date provided; however, Lessee provides City not less than nine (9) months prior written notice and pays a cancellation Fee, as defined herein. The "Cancellation Fee" shall be equal to three (3) months of the then current Base Rent. The Cancellation Fee shall be due and payable thirty (30) days prior to the Cancellation Date.

Section 2.4 Rent.

(a) Time and Place of Payments. In the event that Lessee elects to pay rent annually, the payment will be due and payable in advance for the first year on the Effective Date and each year thereafter on the annual anniversary of the Effective Date. In the event that Lessee elects to pay on a monthly basis, the payment be due and payable in advance for the first month, prorated on the basis of a thirty (30) day month for the number of days until the first (1st) day of the following month, and thereafter on the first (1st) day of each calendar month. Checks will be made payable to the City of Salinas, and will be delivered to:

City of Salinas
Office of the Finance Director, Attn: Airport Fund
200 Lincoln Avenue
Salinas, California 93901

The place and time of payment may be changed at any time by the Lessor upon thirty (30) days' written notice to Lessee. Lessee assumes all risk of loss and responsibility for late payment charges.

(b) Amount of Rent.

(1) Base Rent. During the Original Term, rent shall be payable, at the option of the Lessee, in either annual or equal monthly installments.

(A) The monthly rate for the Building and land on the Demised Premise is equal to four thousand two hundred fifty Dollars and 25/100 (\$4,250) per month or fifty-one thousand Dollars and 00/100 (\$51,000) per annum ("Base Rent").

(2) Utilities. In addition to the Base Rent, Lessee shall pay for all water, gas, heat, light, power, telephone, sewage, garbage, and rubbish disposal, and all other services supplied to the Premises.

(3) Rent Increases. Pursuant to the Rental Schedule in Exhibit F, commencing on the first anniversary of the Effective Date and on each anniversary of the Effective Date thereafter, the annual rent due under this Agreement shall be increased by an amount equal 3 percent (3%) of the annual rent in effect during the immediately preceding year.

(c) Delinquent Rent. Rent will be considered delinquent if it is not paid within ten (10) days of the due date. The parties agree that Lessee's failure to pay rent before it becomes delinquent will cause Lessor to suffer losses or damages, including but not limited to transactions charges, collections costs, and the loss of use of funds, which would be difficult to predict and calculate in advance. To compensate for such losses, Lessee will pay a late fee equal

to ten percent (10%) of the amount of unpaid rent that is due and owing at the time the rent became delinquent, which the parties agree represents a reasonable estimate of Lessor's damages.

Section 2.5 Security Deposit.

There will be no security deposit; however, at the expiration of this Lease, or any earlier termination pursuant to Article 6, Lessee will return the Premises to Lessor in comparable or better condition and repair as it existed as of the Effective Date, normal wear and tear excepted.

Section 2.6 Taxes.

(a) Lessee will pay all taxes (including possessory interest tax), property-related fees, and assessments that may be levied upon the Premises, and any interest of Lessee therein, for the full term of this Lease.

(b) Lessor agrees to waive future tax assessments levied against the Premises by the Lessor for future improvements made by Lessor to Airport Property, that are outside of Lessee's Leased area, and if such improvements do not provide direct benefit to Lessee. The waiver of future assessments shall not be construed or extended to waiving of existing taxes or assessments, the possessory interest tax or future assessments by other government agencies.

ARTICLE 3. AIRPORT USE RESTRICTIONS

Section 3.1 Lessor's Reservations.

(a) Utilities. Lessor reserves the right, upon reasonable prior notice to Lessee, to install, lay, construct, maintain, repair, and operate such sanitary sewers, drains, storm water sewers, pipelines, manholes, and connections; water, oil and gas pipelines; telephone, telegraph and electric power lines; and the appliances and appurtenances necessary or convenient in connection therewith, in, over, upon, through, across, under, and along any and all portions of the Premises. No right reserved by Lessor in this Subsection shall be so exercised as to interfere unreasonably with Lessee's permitted use or operations hereunder or to impair the security or any secured creditor of Lessee. Lessor further agrees that rights granted to third parties by reason of this clause shall contain provisions that the Premises will be restored as nearly as practicable to its original condition upon the completion of any construction. Lessor further agrees that should the exercise of these rights temporarily interfere with the use of any and all of the Premises by Lessee, the rental and other charges due hereunder shall be reduced in proportion to the interference with Lessee's use of the Premises.

(b) Reservations in Gross. The easements and rights herein reserved and excepted by Lessor, and the easements and rights herein granted by Lessee to Lessor, shall be deemed both in gross and also appurtenant to each and every portion of the real property of the Airport (save and except the Premises).

(c) Other Federal Requirements. Lessee agrees that Lessee's use of the Premises, including any initial construction, all future construction, and any maintenance, repair, or modification of the Premises, will comply with all applicable Federal Aviation Regulations or other applicable federal statutes, regulations, or rules affecting airports or aviation as may now

be in force or that may be hereafter adopted by any federal agency or instrumentality. This Subsection will be construed broadly to ensure compliance with applicable federal requirements. the interference with Lessee's use of the Premises.

(d) Based Aircraft Reporting. Lessee agrees to provide Lessor an accounting of Based Aircraft on an annual basis. The accounting shall include: Year, Make, and Model of the Aircraft; name and phone number of registered owner.

Section 3.2 City of Salinas Regulations.

(a) Airport Rules and Land Use Plan Incorporated. The Salinas Municipal Airport Rules and Regulations (the "Rules") and the Salinas Municipal Airport Land Use Plan (the "Land Use Plan"), as those documents may be amended or superseded from time to time, are incorporated into this Lease by this reference. Lessee will comply fully with the Rules, and Lessee's use of the Premises will be consistent with the Land Use Plan.

(b) City of Salinas Municipal Code. Lessee agrees to comply with applicable provisions of the City of Salinas Municipal Code (the "City Code"), including but not limited to Chapter 4 (Public Property) and Chapter 37 (Zoning). Lessor agrees that the Premises are compliant with such provisions as of the date of this Lease.

(c) Other Applicable Laws, Rules, and Regulations. Lessee further agrees to comply with all other applicable laws, rules, and regulations, for the use of the Premises and all other portions of the Airport, including any rules and regulations established by the Salinas City Council, the Salinas Airport Commission, and the Salinas Airport Manager.

Section 3.3 Federal Requirements.

(a) Subordination to Federal Agreements. This Lease is subordinate to the provisions and requirements of any existing or future agreement between the Lessor and the United States of America, relative to the development, operation, or maintenance of the Airport.

(b) Non-Exclusive Right. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of 49 U.S.C. sections 40103 (e) and 47107(a)(4).

(c) Nondiscrimination.

(1) The Lessee for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that: no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities; that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; that the Lessee shall use the premises in compliance with all other requirements imposed by or pursuant to 49 C.F.R. Part 21 - Nondiscrimination in Federally Assisted Programs of the Department of Transportation – Effectuation of Title VI of the Civil Rights Act of 1964; 49 CFR Part 23 -

Participation of Disadvantaged Business Enterprise in Airport Concessions; 49 CFR Part 26 - Participation By Disadvantaged Business Enterprises In Department Of Transportation Financial Assistance Programs and as said Regulations may be amended.

(2) The Lessee will furnish services on a reasonable and not unjustly discriminatory basis to all users, and charge reasonable and not unjustly discriminatory prices for each unit or service, provided that the contractor may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

(3) The Lessee assures that it will comply with pertinent statutes, Executive Orders and such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age or handicap be excluded from participating in any activity conducted with or benefiting from Federal assistance. This Provision obligates the Lessee or its transferee for the period during which Federal assistance is extended to the airport program, except where Federal assistance is to provide, or is in the form of personal property or real property or interest therein or structures or improvements thereon. In these cases, the Provision obligates the party or any transferee for the longer of the following periods: (a) the period during which the property is used by the sponsor or any transferee for a purpose for which Federal assistance is extended, or for another purpose involving the provision of similar services or benefits; or (b) the period during which the airport sponsor or any transferee retains ownership or possession of the property. In the case of contractors, this Provision binds the contractors from the bid solicitation period through the completion of the contract.

(d) Height Restrictions. The Lessee by accepting this Lease agreement expressly agrees for itself, its successors and assigns that it will not erect nor permit the erection of any structure or building nor permit object of natural growth or other obstruction on the land leased hereunder above a height as determined by the application of the requirements of 14 C.F.R. Part 77. In the event the aforesaid covenants are breached, the owner reserves the right to enter upon the land hereunder and to remove the offending structure or object or cut the offending natural growth, all of which shall be at the expense of the Lessee.

(e) FAA Form 7460-1, Notice of Construction or Alteration. The Lessee agrees to comply with the notification and review requirements of 14 C.F.R. Part 77 in the event future construction of a building is planned for the leased premises or in the event of any planned modification or alteration of any present or future building or structure situated on the leased premises. This requires the submission of FAA Form 7460-1, Notice of Construction or Alteration to the FAA.

(f) Interference. The Lessee by accepting this Lease agrees for itself, its successors and assigns that it will not make use of the Leased premises in any manner which might interfere with the landing and taking off of aircraft or otherwise constitute a hazard. In the event the aforesaid covenant is breached, the owner reserves the right to enter upon the premises hereby Leased and cause the abatement of such interference at the expense of the Lessee.

(g) Right of Flight. There is reserved to the Lessor, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Leased Premises. This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation or flight through said airspace or landing at, taking off from, or operating on the airport premises

(h) Development of Landing Area. The Lessor reserves the right to further develop or improve the landing area of the airport as it sees fit, regardless of the desires or views of the Lessee and without interference or hindrance.

(i) Security. The Lessee will conform to airport and Federal Aviation Administration safety and security rules and regulations regarding use of the airport operations area including runways, taxiways, aircraft aprons by vehicles, employees, customers, visitors, etc. in order to prevent security breaches and avoid aircraft incursions and vehicle/pedestrian deviations; will complete and pass airfield safe driving instruction program when offered or required by the airport; and will be subject to penalties as prescribed by the airport for violations of the airport safety and security requirements.

(j) Facility Repairs. The Lessor reserves the right, but shall not be obligated to the Lessee to maintain and keep in repair the landing area of the airport and all publicly owned facilities of the airport, together with the right to direct and control all activities of the (lessee, licensee, permittee, etc.) in this regard.

(k) War or National Emergency. This Lease and all the provisions of it are subject to whatever right the United States of America has affecting the control, operation, regulation, and taking over of the Airport or the exclusive or non-exclusive use of the Airport by the United States of America during the time of war or national emergency.

ARTICLE 4. OTHER COVENANTS

Section 4.1 Maintenance and Repair.

Lessee's Maintenance and Repair Obligations. Except as otherwise specifically provided in this Lease Agreement, Lessee will be solely responsible for keeping the Premises clean and in good condition and repair, reasonable wear and tear excepted. Lessor shall, at its own cost and expense, be responsible to repair and maintain the structural components of the Premise. For the purpose of this Lease, structural components includes the foundation, exterior walls, roof(s), windows, and floor structures. Lessee shall, at its own cost and expense, be responsible to repair and maintain non-structural components of the Premise. For the purpose of this Lease, non-structural components includes but is not limited to heating, air-conditioning and ventilation systems, telephone and communication systems, plumbing and electrical systems, all appliances, lighting and light bulbs, flooring, ceilings, walls, doors, door locks, door frames, stairs, large hangar doors, and electric drive mechanisms for the hangar doors. Lessee shall not be responsible for the top rollers and guides for the large hangar doors, and exterior paint. Lessee shall maintain the Premise in an aesthetically pleasing manner, including without limitation removing weeds and debris on the Premise, replacing components that are broken or worn, refreshing painted surfaces associated with the Premise, ensuring the Premise is pest free, and

preventing the accumulation of stored materials outside. Lessee will also be responsible for all damage or destruction of the Premises caused by any acts of Lessee or by Lessee's employees, agents, licenses, contractors, assignees, sublessees, guests, or invitees.

(a) Lessor's Right to Cure; Additional Rents. If, in the opinion of the Lessor's Airport Manager, the Premises are not being properly maintained, the Airport Manager shall, after giving written notice to Lessee and after a reasonable time to cure, cause such repair and maintenance to be made. The cost of such maintenance or repair will be added to the rent, and will be due immediately upon invoice.

Section 4.2 Signs.

Lessee may post such signs as necessary and usual in the conduct of its business in and upon the Premises. Lessee is required to post professional, high quality (like similar business signs) Business Name sign at/or near entry way of Premise. Location, size, shape, and copy of all signs will be in accordance with the City Code, and will be approved by Lessor's Airport Manager, Community Development Department, and Permit Center prior to installation. Subject to all requirements of the City Code and other applicable laws, approval will not be withheld unreasonably.

Section 4.3 Liens and Claims.

(a) Possessory Interest. Lessee acknowledges that this lease may create a real property possessory interest subject to taxation. Without limiting Lessee's obligation pursuant to this Lease to pay taxes, assessments, property related fees, and other charges and impositions associated with the Premises, payment of real property taxes levied on such possessory interest will be the sole responsibility of Lessee, with no right of offset of rent, charges, or other fees due under this Lease.

(b) No Liens. Lessee will pay all taxes, assessments, property related fees, and other charges and impositions that Lessee is obligated to pay under this Lease before the same become delinquent. Furthermore, Lessee will not permit or suffer any liens or encumbrances to be imposed upon the Premises, the Airport, or any building or structure thereon as a result of nonpayment of any obligation of Lessee. Neither will Lessee permit or suffer any lien, claim, or demand to be imposed upon the Premises, the Airport, or any building or structure thereon, arising from any work of construction, repair, restoration, or maintenance at or on the Premises (except liens, claims, or demands suffered by or arising from the actions of Lessor).

(c) Payment Bonds. To ensure the completion of works of improvement and to protect the Premises from liens, prior to the commencement of any work of construction, repair, restoration, or maintenance at or on the Premises, which exceeds Fifty Thousand and No/100 Dollars (\$50,000.00) in cost, Lessee shall furnish to Lessor's Airport Manager, at no cost to Lessor, payment bonds approved as to form by the Lessor's City Attorney in the full amount of the total cost of the contract or contracts for the work.

(d) Contesting Charges. Notwithstanding anything to the contrary in this Section, with prior notice to Lessor, Lessee may contest any tax, assessment, fee, charge, imposition, claim, or demand for payment that may become a lien on Lessor's property if left unpaid,

provided that nonpayment is permitted only during the pendency of any contest without the foreclosure of the lien or the imposition of any fine or penalty that could become a debt of Lessor. Lessee will prosecute any contest diligently, and will provide such security as may be requested by, and acceptable, to Lessor to hold Lessor and Lessor's property free from liability.

(e) Payment by Lessor. If Lessee fails to pay any amount required by this Section to be paid by Lessee, Lessor will have the right, but not the duty, on five (5) days' prior written notice to Lessee, pay, discharge, or adjust such obligation for Lessee's benefit. On written demand from Lessor, Lessee will, as additional rent, reimburse Lessor within ten (10) days for the full amount expended by Lessor, together with interest from the date of payment at the lesser of ten percent (10%) or the maximum amount allowed by law.

Section 4.4 Right to Assign or Transfer.

(a) Limitation on Assignment, Subleasing, Encumbrance, or Transfer. Lessee will not sublease the Premises or otherwise encumber, assign or transfer this Lease, or any right or interest herein, to any of the buildings and improvements on the Premises, without the prior written consent of the Lessor, which shall not be unreasonably withheld, and no such assignment, sublease or transfer, whether voluntary or involuntary, by operation of law, under legal process or proceedings, or otherwise, shall be valid or effective without such prior written consent.

(1) Lessee shall provide Lessor copy of written agreement between Lessee and Sublessee(s). The written agreement shall include the following provisions:

(A) Each Sublessee shall secure and maintain a Salinas Municipal Airport Use Permit and insurance coverage in types and amounts, and subject to such conditions, as specified in the Permit.

(B) Each Sublessee shall indemnify, hold harmless, and defend (with counsel reasonably acceptable to Lessor) the Released and Indemnified Parties against any and all claims, actions, causes of action, liabilities, costs (including reasonable attorneys' fees), expenses, liens, judgments, damages, or civil or administrative fines (collectively, "Claims") caused by Sublessee's use of the Premises, including, without limitation, Claims for property damage, personal injury, or wrongful death; provided, however, that Lessee's indemnification obligation does not extend to Claims arising out of the Released and Indemnified Parties gross negligence or willful misconduct.

(b) Based Aircraft Reporting. Sublessee shall provide Lessee an accounting of Based Aircraft on an annual basis. The accounting shall include: Year, Make, and Model of the Aircraft; name and phone number of registered owner.

(c) Change in Control. If Lessee is a corporation, unincorporated association, partnership, or other business entity, the transfer, assignment, or hypothecation of any stock or interest in said entity, in the aggregate in excess of twenty-five percent (25%), transfer of the general partner or managing general partnership interest in a limited partnership, or transfer of the manager of a limited liability company, will be deemed an assignment within the meaning of this Lease. The following transfers are excepted from the provisions of this Subsection:

(1) Transfer or assignment of stock or interest to a shareholder or member of Lessee or an entity controlled by, under common control with, or controlling Lessee, or pursuant to a merger or sale of all or substantially all of the assets of Lessee.

(2) Transfer or assignment of stock or interest to a spouse, child, or grandchild of a shareholder, member, or partner, or to a trust for the benefit of the same.

(d) Lessor's Option to Terminate. Notwithstanding any other provision in this Lease regarding default or termination, should Lessee attempt to make or suffer to be made any such encumbrance, assignment, sublease, or transfer in violation of this Section, or should any right or interest of Lessee hereunder or in or to the Premises be transferred or sold by or under court order or legal process, or otherwise, then any of the foregoing events will be deemed a breach of this Lease and thereupon Lessor may, at its option, terminate this Lease immediately by written notice to Lessee, or exercise other rights provided by law or in this Lease to be exercisable by Lessor in the event of any default or breach under this Lease. Should Lessor consent to any such encumbrance, assignment, sublease, or transfer, such consent will not constitute a waiver of any of the restrictions of this Section, and the same will apply to each and every encumbrance, assignment, sublease, or transfer hereunder and shall be severally binding upon each and every encumbrancer, assignee, sublessee, transferee, and other successor in interest of Lessee.

(e) Grounds for Withholding Consent. It is agreed and understood that Lessor may withhold Lessor's consent to any assignment, transfer, sublease, or encumbrance under the following circumstances:

(1) If a proposed assignee or sublessee will not covenant in writing to keep, perform, and be bound by each and all the covenants and conditions of this Lease, and to assume any previously accrued obligations hereunder.

(2) If Lessee is in default under this Lease at such time in any respect.

(3) If construction, repair, or demolition of improvements on the Premises is in progress, or if said construction, repair, or demolishment is incomplete.

(4) Until a determination has been made by Lessor that the assignee, transferee, or other successor in interest of Lessee can pay rent and operate in accordance with the standards required by Lessor.

(5) Lessor is not satisfied, in its sole and absolute discretion, that Lessee is willing and able to discharge any proposed encumbrance.

(6) Any other reasonable basis.

(f) Incorporation of Lease; Effect of Assignment. Any document that purports to assign, sublease, transfer, or encumber the Premises or any part thereof, will incorporate directly or by reference all provisions of this Lease unless otherwise amended in writing. Upon any assignment or transfer approved by Lessor, Lessee will be relieved of any further obligations arising under this Lease after the effective date thereof.

Section 4.5 Encumbrances of Leasehold Interests.

(a) Subject to Section 4.6, Lessee may encumber Lessee's interest in the Premises to secure a loan from a federally insured institutional lender to construct the Tenant Improvements and any Additional Improvements, provided the unpaid balance of any such loan will not at any time exceed Seven Hundred Fifty Thousand and No/100 Dollars (\$750,000.00) without the prior written consent of Lessor's City Council. Such encumbrance will be subject, however, to the following covenants and conditions:

(1) Any document evidencing the loan or any security given for it must be filed with Lessor's City Clerk within ten (10) days after its execution.

(2) Except as otherwise provided in this Section, any instrument securing the loan will be subordinate to this Lease and Lessor's interests in the Premises, the Airport, and all improvements thereon. In the event of any conflict between the provisions of this Lease and the provisions of such security instrument, the provisions of this Lease will control, and any person acquiring any interest in the Premises by foreclosure, trustee's sale, or any similar remedy, will acquire that interest subject to Lessee's obligations under this Lease.

(3) If Lessee elects to terminate this Lease pursuant to Section 6.6 in the case of any casualty, Lessee will be obligated disburse the proceeds of any insurance first to repay an loan secured by Lessee's interest in the Premises. The remaining proceeds, if any, will be paid to Lessor for such amounts, if any, due and owing to Lessor by Lessee under this Lease. Thereafter, any proceeds remaining may be disbursed to Lessee.

(b) To the extent that a loan secured by Lessee's interest in the Premises is reasonably necessary for Lessee to finance the Tenant Improvements and any Additional Improvements authorized by Lessor, and provided that the Lessor has approved such encumbrance pursuant to Section 4 and this Section, Lessor will not unreasonably withhold agreement to customary creditor protections, including by providing the lender notice and an opportunity to cure any breach of this Lease on Lessee's behalf prior to exercising any remedy hereunder that would threaten the lender's security.

Section 4.6 Right to Enter.

Lessor reserves the right by its officers, employees, agents, and contractors, to enter the Premises upon prior notice at reasonable times (except in cases of emergency), (i) for any reason otherwise authorized under this Lease, including as allowed in Section 3.1; (ii) to inspect the Premises and to ensure compliance with this Lease; (iii) in furtherance of any maintenance obligation of Lessor; (iv) to post notices, including notices of non-responsibility for improvements, alterations, or repairs if an when Lessor desires to do so; and (v) whenever reasonably necessary in the interest of public health or safety.

Section 4.7 Abandonment.

Lessee may not abandon, vacate, or surrender the Premises during the Original Term or Rental Term, except as otherwise provided in this Lease. In the case of any unauthorized abandonment, Lessor may reenter and relet the Premises. Mere failure to operate the Premises

will not constitute abandonment provided the Lessee continues to maintain the Premises and pay all rent and other obligations hereunder. Any belongings or other property left on the Premises following termination of this Lease or abandonment of the Premises will, at the option of Lessor, be deemed abandoned.

Section 4.8 Recording of Lease Forbidden.

Lessee will not record this Lease, or a memorandum or abstract of it, and will not cause or permit any other person to do the same on its behalf, without express written permission from Lessor's Airport Manager.

Section 4.9 Licenses and Permits.

Lessee has obtained or, will obtain at such time as may be necessary, each and every approval, license or permit as may be necessary to operate the Premises as contemplated hereunder.

ARTICLE 5. RISK MANAGEMENT

Section 5.1 Indemnification.

Lessee will indemnify, hold harmless, and defend (with counsel reasonably acceptable to Lessor) the City of Salinas, its elected and appointed officials, officers, employees, representatives, volunteers, and agents (hereinafter collectively the "Released and Indemnified Parties") Parties against any and all claims, actions, causes of action, liabilities, costs (including reasonable attorneys' fees), expenses, liens, judgments, damages, or civil or administrative fines (collectively, "Claims") caused by Lessee's use of the Premises, including, without limitation, Claims for property damage, personal injury, or wrongful death; provided, however, that Lessee's indemnification obligation does not extend to Claims arising out of the gross negligence or willful misconduct of the Released and Indemnified Parties.

Section 5.2 Insurance.

Lessee will provide insurance coverage in types and amounts, and subject to such conditions, as specified in Exhibit E.

Section 5.3 Reporting Damage.

Lessee will report any transaction or occurrence at or relating to the Premises for which Lessor may have significant exposure to liability. Such report will be made immediately by phone, and within one (1) business day in writing, to Lessor's Airport Manager or such other person as Lessor may designate in writing. The written report will describe the incident in reasonable detail, including a description of the nature of the damages and the identity and contact information (if available) of any witnesses. The report will also identify any insurance policy that may be available to cover the damage.

Section 5.4 Disclaimer and Release; ADA Notice.

(a) General Release.

(1) Lessee agrees that this is a commercial lease negotiated in good faith and that it was provided a reasonable opportunity prior to entering into this Agreement to inspect the Premises and to conduct such due diligence as it, in its discretion, has deemed appropriate. **Lessee accepts the Premises subject to and as provided in this Lease in its current "as-is" condition, including all faults or defects, zoning conditions, or hazardous conditions known or unknown (if any).** Lessor will not be liable to Lessee for, and Lessee hereby releases the Released and Indemnified Parties from any and all liability, whether in tort or in contract, for any injury, damage, or loss resulting from or attributable to the condition or status of the Premises. Lessee hereby waives and agrees not to commence any action, legal or administrative proceeding, cause of action, or suit in law or equity, of whatever kind or nature, directly or indirectly against the Released Parties in connection with the Premises, this Lease or Lessee's use of the Premises pursuant to this Lease.

(2) Lessee, on its own behalf and of any other party claiming by or through Lessee, expressly waives the provisions of Civil Code Section 1542, which states:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

Lessee's Initials: _____

(3) Lessee acknowledges that the release set forth above is an integral part of this Lease, and that Lessor would not have agreed to enter into this Lease without it. The release shall survive the expiration and termination of this Lease.

(4) Notwithstanding anything to the contrary herein, this Subsection shall not be construed to hold Released and Indemnified Parties harmless for liability for the breach of this Lease or for intentional and active fraud, willful misconduct, or gross negligence.

(b) Bailee Release. It is hereby agreed and understood that Lessor in no way purports to be a bailee, and is therefore not responsible in any way for any damage to the property of Lessee or Lessee's contractors, agents, employees, guests, or invitees.

(c) CASp Notice. Pursuant to Civil Code Section 1938, Lessor is required to advise Lessee of the following:

A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential

occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.

(d) CASp Inspection. Lessee and Lessor mutually agree if either party obtains a CASp inspection, the cost of the CASp Inspection will be the responsibility of the Party who contracts the CASp inspector, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises will be shared or divided based on the context or reason of the violation. In general, the Lessee is responsible for all costs and expenses of complying with federal, state and local statutes, regulations and guidelines imposing standards for accessibility applicable to the Premises with respect to the following:

(1) Violations arising from Lessee's or Sublessee's tenancy, occupancy; business operations, or change in existing use;

(2) Violations arising from Lessee's or Sublessee's improvements, maintenance, or modification to the Premise.

Lessee's failure to comply with such laws shall be subject to Lessee's obligations stated within this Lease, including, without limitation, in Section 5.1.

Lessor is responsible for all costs and expenses of complying with federal, state and local statutes, regulations and guidelines imposing standards for accessibility applicable to the Premises with respect to the following:

(3) Violations of access corridors up to but not including the Premise;

(4) Violations within, about, on the Premise outside the responsibility of the Lessee.

(e) Assumption of Risks and Waiver. Lessee assumes all risks associated with the use of the Airport and Premises for aviation purposes, including, without limitation, risks (including without limitation any psychological risks) associated with noise, vibration, currents and other effects of air, illumination, and fuel consumption. Lessee expressly waives any and all claims whatsoever against the Released and Indemnified Parties arising in any manner out of the normal operation of the Airport as an airport, and waives any nuisance claim Lessee may have against another lessee or licensee of Airport property so long as the lessee or licensee is in full compliance with all applicable laws, as well as with its lease or license. Lessees within the scope of the foregoing waiver are intended beneficiaries of the waiver.

Section 5.5 Hazardous Substances.

(a) Notice of Releases. Pursuant to Health and Safety Code Section 25359.7, Lessee will notify Lessor in writing within a reasonable time after Lessee obtains knowledge of any material release of hazardous substances and of any hazardous substances that have come to be located beneath the Airport.

(b) Removal of Hazards. Prior to the expiration of this Lease, Lessee will, at its sole expense, remove all items of personal property from the Premises, including but not limited to all flammable substances and hazardous materials and wastes (as defined by state and federal law) at the time of expiration of this Lease to the extent released or deposited by Lessee and to the extent the presence of which violates applicable Law. Lessee will have no liability or responsibility for removal of flammable substances or hazardous materials and wastes migrating to beneath the Leased Premises or existing prior to the Effective Date.

(c) Availability of Records. Lessee shall make available for inspection to the Lessor, all records relating to the maintenance, release, mitigation, cleanup and disposal of any hazardous substances on the Premises.

(d) Compliance with Applicable Laws. Lessee shall comply with all federal, state and local laws and regulations relating to hazardous materials and wastes it uses, stores, releases or discharges on the Premises during the term of this Lease, and shall timely comply with the orders of any governmental agencies relating thereto. Lessee will be responsible for meeting current storm water pollution prevention best management practices, as identified by Lessor in Lessor's Storm Water Pollution Prevention Plan, as it may be amended from time to time. Such practices include, without limitation:

- (1) Providing a labeled and stocked spill kit on site;
- (2) Proper storage and labeling of hazardous substances or components of potentially hazardous substances;
- (3) Providing personnel with appropriate routine spill response training;
- (4) Keeping repair, construction, and maintained appropriately covered from wet weather;
- (5) Making appropriate use of drip pans, dry cleanup models, and spill and overflow protection; and
- (6) Removing pollutants offsite as necessary or appropriate.

Lessee understands and agrees that failure to comply with such best practices may result in Lessee no longer being included by Lessor in Lessor's participation in the general permit of the California State Water Resources Control Board concerning storm water discharges.

(e) Indemnification. Without limiting Lessee's indemnification obligations in any manner under this Lease, Lessee agrees to hold harmless, indemnify, and defend the Released and Indemnified Parties for any liability to the extent caused by Lessee's breach of this Section.

Section 5.6 Survival.

Lessee's duties under this Article survive the termination of this Lease.

ARTICLE 6. DEFAULT AND TERMINATION

Section 6.1 Termination for Nonpayment of Rent or Other Charges.

Lessee's failure to pay rent or any other charge due to Lessor under this Agreement within ten (10) days of the due date for such payment will constitute an Event of Default. Upon the occurrence of such Event of Default, Lessor will provide Lessee with written notice of the default. Unless the default is cured or waived within thirty (30) days of such notice, or unless the parties reach some other agreement in writing regarding payment of the amount due, the Lessor may take whatever action at law or in equity as may appear reasonably necessary to enforce performance or observance of any obligations, agreements, or covenants of the Lessee under this Lease, including without limitation, termination of this Lease. In the event of such default, the Lessor's remedies shall be cumulative, and no remedy expressly provided for in this Lease, Article, or Section shall be deemed to exclude any other remedy allowed by law.

Section 6.2 Other Events of Default.

In the case of any Event of Default under this Lease other than as described in Section 6.1, Lessee will cure the default on thirty (30) days' written notice from Lessor; provided that if a cure cannot reasonably be accomplished within such time, Lessee will commence a cure within thirty (30) days, and will diligently pursue a cure as quickly as reasonably possible. If the default is not timely cured, the Lessor may take whatever action at law or in equity as may appear reasonably necessary to enforce performance or observance of any obligations, agreements, or covenants of the Lessee under this Lease, including without limitation, termination of this Lease. In the event of such default, the Lessor's remedies shall be cumulative, and no remedy expressly provided for in this Section shall be deemed to exclude any other remedy allowed by law.

Section 6.3 Future Expansion.

Lessor may, upon nine (9) months' prior written notice, terminate this Lease in the event that it requires the Premises in connection with the future expansion or operation of the Airport. Lessor will abate any rent due from Lessee accordingly, and will pay Lessee the fair market value of the Tenant Improvements and any Additional Improvements constructed with Lessor's permission, less the amount of the Tenant Improvements Allowance (if any).

Section 6.4 Force Majeure.

(a) Termination by Lessor. Lessor may terminate this Lease, on such notice as is reasonable under the circumstances, due to an act of God, war, civil unrest, terrorism, the action of another government agency, or for otherwise for good cause not reasonably within Lessor's control, that would prevent Lessee's use of the Premises as contemplated under this Lease, and that gives rise to a need to regain possession of the Premises. Lessor will abate any rent due from Lessee accordingly, and will pay Lessee the fair market value of the Tenant Improvements and any Additional Improvements constructed with Lessor's permission, less the amount of the Tenant Improvements Allowance (if any).

(b) Termination by Lessee. If, due to an act of God, war, civil unrest, terrorism, the action of another government agency, or for otherwise for good cause not reasonably within Lessor's control, Lessee can no longer use the Premises as contemplated under this Lease, Lessee may, upon three (3) months' written notice, terminate this Lease. Lessor will abate Lessee's rent during such period of notice, and will refund any prepaid rent for the period following termination, but will otherwise have no liability for any damages to Lessee.

Section 6.5 Insolvency.

Insolvency by Lessee will constitute an Event of Default under this Lease. Insolvency includes any circumstance in which Lessee has, (i) made a general assignment for the benefit of creditors; (ii) filed any voluntary petition in bankruptcy or suffered the filing of an involuntary petition by its creditors (provided that the filing of any involuntary petition in bankruptcy against Lessee will not constitute a breach of this lease unless and until there is an adjudication that Lessee is bankrupt); (iii) suffered the appointment of a receiver to take possession of all or substantially all of its assets; (iv) suffered the attachment or other judicial seizure of all or substantially all of its assets; (v) admitted in writing its inability to pay its debts as they come due; or (vi) made an offer of settlement, extension or composition to its creditors generally.

Section 6.6 Casualty.

(a) Lessor's Right to Restore. If the Premises are totally or partially damaged or destroyed by fire, earthquake or other casualty, Lessor will have the right but not the obligation, to restore the Premises by repair or rebuilding. Lessor will provide Lessee a written notice within thirty (30) days following the date of such damage stating whether Lessor has elected to terminate this Lease or to repair the Premises. If Lessor fails to provide such timely notice, Lessee may, upon ten (10) days' prior written notice, terminate this Lease. If Lessor provides such timely notice and elects to repair or rebuild, and thereafter is able to commence such restoration within ninety (90) days from the date of damage, and can demonstrate that the Premises can be restored within 180 days, this Lease shall remain in full force and effect. If Lessor is unable to restore the Leased Premises within this time, or if Lessor elects not to restore, then either party may terminate this Lease by giving the other written notice. Upon such election to terminate, the rent under this Lease will be due and payable only through the date of damage. If this Lease is not terminated, the rent due and payable under this Lease will be abated or reduced to the extent that the damage interferes with Lessee's reasonable use of the Premises until such portion of the Premises is restored.

(b) Lessee's Right to Terminate. Notwithstanding the provisions of Subsection (a), if the Premises are so damaged as to materially and adversely affect Lessee's ability to conduct its normal business operations, as reasonably determined by Lessee, Lessee will have the right at its option to terminate the Lease upon written notice to Lessor given within thirty (30) days following the date of such damage, and rent under this Lease will be due and payable only through the date that such notice is given.

(c) No Obligation to Restore. If Lessor elects to repair and restore, Lessor will restore the Premises to substantially its condition to that prior to the occurrence or damage, provided that Lessor will not be obligated to repair or restore any alterations, additions, fixtures,

equipment or improvements which have been installed by Lessee, whether or not Lessee has the right or obligation to remove the same or is required to leave the same on the Premises as of the expiration or earlier termination of this Lease, unless Lessee, in a manner satisfactory to Lessor, assures payment in full of all costs as may be incurred by Lessor in connection therewith. If there be any such alterations, fixtures, additions equipment or improvements installed by Lessee and Lessee does not assure or agree to assure payment of all cost of restoration or repair as aforesaid, Lessor will have the right to determine the manner in which the Premises will be restored so as to be substantially as the Premises existed prior to the damage occurring of this Lease, as if such alterations, additions, fixtures, equipment or improvements installed by Lessee had not then been made or installed.

(d) No Liability for Loss or Interruption of Business. In no event will Lessor be responsible for any loss or interruption to Lessee's business caused by damage or destruction to the Premises or during the repair or reconstruction thereof regardless of the cause of damage or destruction or the extent of insurance coverage. The parties agree that the rights and obligation of the parties in the event of damage or destruction of the Premises will be governed by this Lease.

Section 6.7 Eminent Domain.

This Lease will terminate automatically if the entire Premises are acquired by eminent domain or sale in lieu of eminent domain. All compensation for the Premises will be payable to Lessor, except that Lessee will have the right to make a claim to the public agency acquiring the property for compensation for its Tenant Improvements and Additional Improvements, relocation expenses, and business losses, as allowed by law. If only a portion of the Premises is acquired by eminent domain or sale in lieu of eminent domain, Lessee may terminate this Lease on thirty (30) days prior written notice; provided that termination will be effective only after Lessee pays any rent, taxes, assessments, property related fees, or other charges due and owing to the date of the termination. Any compensation which would otherwise be payable to Lessee may be paid directly to any encumbrancer of Lessee's leasehold interest to the extent of such encumbrance.

Section 6.8 Remedies Cumulative.

Remedies provided under this Article for any Event of Default are cumulative with any other remedy that may be available to either party at law or in equity. For greater clarity, a termination resulting from future expansion (in compliance with Section 6.3), Force Majeure, casualty, or eminent domain will be deemed a no-fault termination, and not an Event of Default, and remedies therefor will be limited as provided in this Article.

Section 6.9 Lease Termination

At the expiration or early termination of this Lease, Lessee shall surrender the Premises to Lessor in the condition required by this Lease. Prior to surrender: (a) Lessee shall remove all Alterations and Tenant Improvements designated by Landlord to be removed and shall restore the Premises and the Building to the condition existing immediately prior to the installation of such Alterations and Tenant Improvements; (b) Lessee shall remove all personal property and trade fixtures from the Premises and all of its signs from the Building; and (c) Lessee shall repair

all damage caused by the installation or removal of any such Alterations, Tenant Improvements, personal property, signage or trade fixtures. Lessee shall deliver the Premises to Lessor in “clean and in good condition,” subject to reasonable wear and tear (consistent with Lessee’s repair and maintenance obligations under this Lease) and damage by casualty that is not required to be repaired by Lessee pursuant to this Lease. Clean and good condition, for the purposes of this Lease shall include the following: the floor to be mop clean, windows cleaned inside and out, broken, cracked, or missing windows repaired or replaced; all light fixtures and bulbs in operating conditions; walls are clean and free of stains, holes or other markings on wall and floors as a result of business operations are repaired; all doors are in good mechanical operating condition, carpets are cleaned, roof leaks are repaired; fencing is in good condition; building shall be fumigated for pests or Lessee in-lieu of fumigating the building Lessee can demonstrate through receipts participation in regular pest control; and water fixtures and valves are leak free and operable. Electrical outlets and breaker boxes shall have appropriate covers/lids. Lessee shall be responsible for ensuring the building is surrendered to the City in a state of condition that does not present a safety hazard.

ARTICLE 7. MISCELLANEOUS PROVISIONS

Section 7.1 Notice.

Unless otherwise provided in this Lease, all notices required to be given under this Lease will be in writing and will be sent by (i) certified mail, postage prepaid, return receipt requested, (ii) express delivery or overnight courier service with a delivery receipt, (iii) personal delivery with a delivery receipt, or (iv) electronic mail with a copy delivered by one of the previous three methods, to the address of the parties shown as follows (or as either party may designate in writing):

If to Lessor:	Airport Manager Salinas Municipal Airport 30 Mortensen Avenue Salinas, CA 93905
	With a copy to: City Attorney City of Salinas 200 Lincoln Avenue Salinas, CA 93901
If to Lessee:	Michael Esslinger Reach Air Medical Services 20A Mortensen Avenue Salinas, CA 93905
	With a copy to: Global Medical Response Attn: Legal

1001 Boardwalk Springs Place, Ste. 250
O'Fallon, MO 63368

Notice will be deemed given upon delivery if personally delivered or five (5) days following deposit in the mail, if so deposited. Other methods of notice, including electronic mail, may be used to give notice if consented to in writing by the parties.

Section 7.2 Venue and Applicable Law.

This Lease will be governed, construed, and interpreted according to the laws of the State of California, and in any legal proceeding necessary to interpret or enforce this Lease or any part of it, the parties agree to submit to the jurisdiction of, and venue in, the courts of the State of California in the County of Monterey.

Section 7.3 Time.

Time is of the essence with respect to all obligations of the parties under this Lease.

Section 7.4 Third Party Beneficiaries.

This Lease is not intended to create, nor will it be in any way interpreted to create, any third party beneficiary rights, except as expressly and unequivocally provided herein. For greater clarity, the Released and Indemnified Parties are intended beneficiaries of those provisions making reference to the same.

Section 7.5 Integration; Amendment.

This Lease contains the entire understanding of the parties relating to the subject matter hereof, and supersedes other prior and contemporaneous oral and written agreements, understandings, and representations between the parties. No amendment to this Lease will be binding unless agreed to in a writing executed by both parties.

Section 7.6 Waiver.

No waiver of any provision of this Lease will constitute a continuing waiver of that provision or a waiver of any other provision. No waiver will be binding unless executed in writing by the party making the waiver.

Section 7.7 Interpretation.

(a) Neutral Interpretation. This Lease includes the contributions of both parties, each of which has had the opportunity to consult competent counsel, and the rule stated in Civil Code Section 1654 that an agreement be construed against its drafter will not apply to this Lease.

(b) Severability. If any term or provision of this Lease is held by a court of jurisdiction to be invalid or unenforceable, the remaining terms of the Lease will be valid and enforceable except to the extent that the original intent of the parties would be frustrated thereby.

(c) Headings. Headings contained in this Lease are for ease of reference only, and will not alter the meaning of any provision hereof.

(d) Gender and Number. In this Lease, the masculine includes the feminine and neuter, and vice versa, and the singular includes the plural, and vice versa, as the context admits or requires.

(e) Parties' Intent. Any rule of construction notwithstanding, this Lease will be construed in the manner that best effectuates its purposes, to the fullest extent permitted under law.

Section 7.8 Attorneys' Fees and Costs.

Attorneys' fees and costs will be available pursuant to Civil Code Section 1717 in any action between the parties arising out of this Lease. Attorney's fees for in-house City Attorney staff, if awarded, shall be calculated at the market rate for civil litigation attorneys in the County of Monterey.

Section 7.9 Heirs, Successors, and Assigns.

This Lease, subject to the provisions as to assignment, transfer, and subleases, applies to bind the permitted representatives, heirs, executors, administrators, executors, and assigns of both parties.

Section 7.10 Conflicts of Interest.

To Lessee's knowledge, no one affiliated with it having a prohibited conflict of interest pursuant to Government Code Section 1090 or the Political Reform Act (Government Code Section 87100, et seq.) has participated in the making of this Lease, and Lessee shall advise Lessor should it obtain knowledge of facts giving rise to such a conflict.

Section 7.11 Relationship Between the Parties.

Section 7.12 The parties to this Lease are independent contractors and no agency, joint venture, partnership, employee, co-employer, or similar relationship exists between them; accordingly, no party has the authority to bind the other. Brokers.

Each party represents that it has not dealt with any broker, agent, or other intermediary who is or may be entitled to be paid a commission or finder's fee in connection with this Lease.

Section 7.13 Multiple Originals.

This Lease may be executed in counterparts, each of which will be deemed an original.

Section 7.14 Signatures.

Each person executing this Lease represents and warrants that he or she is fully authorized to bind his or her respective party hereto.

.[Signatures on Following Page]

IN WITNESS WHEREOF, the parties have executed this Lease effective as of the Effective Date.

CITY OF SALINAS,
a California charter city and municipal
corporation

REACH AIR MEDICAL SERVICES, LLC,
a California Limited Liability Company

By: _____

By: _____

Name: Kimbley Craig
Title: Mayor

Name:
Title:

RECOMMENDED FOR APPROVAL

By: _____

Name: Brett J. Godown, C.M., C.A.E.
Title: Airport Manager

APPROVED AS TO FORM

By: _____

Name: Christopher A. Callihan or Rhonda
Combs
Title: City Attorney or Assistant City
Attorney

ATTEST

By: _____

Name: Patricia M. Barajas
Title: City Clerk

EXHIBIT A

Legal Description of the Premises

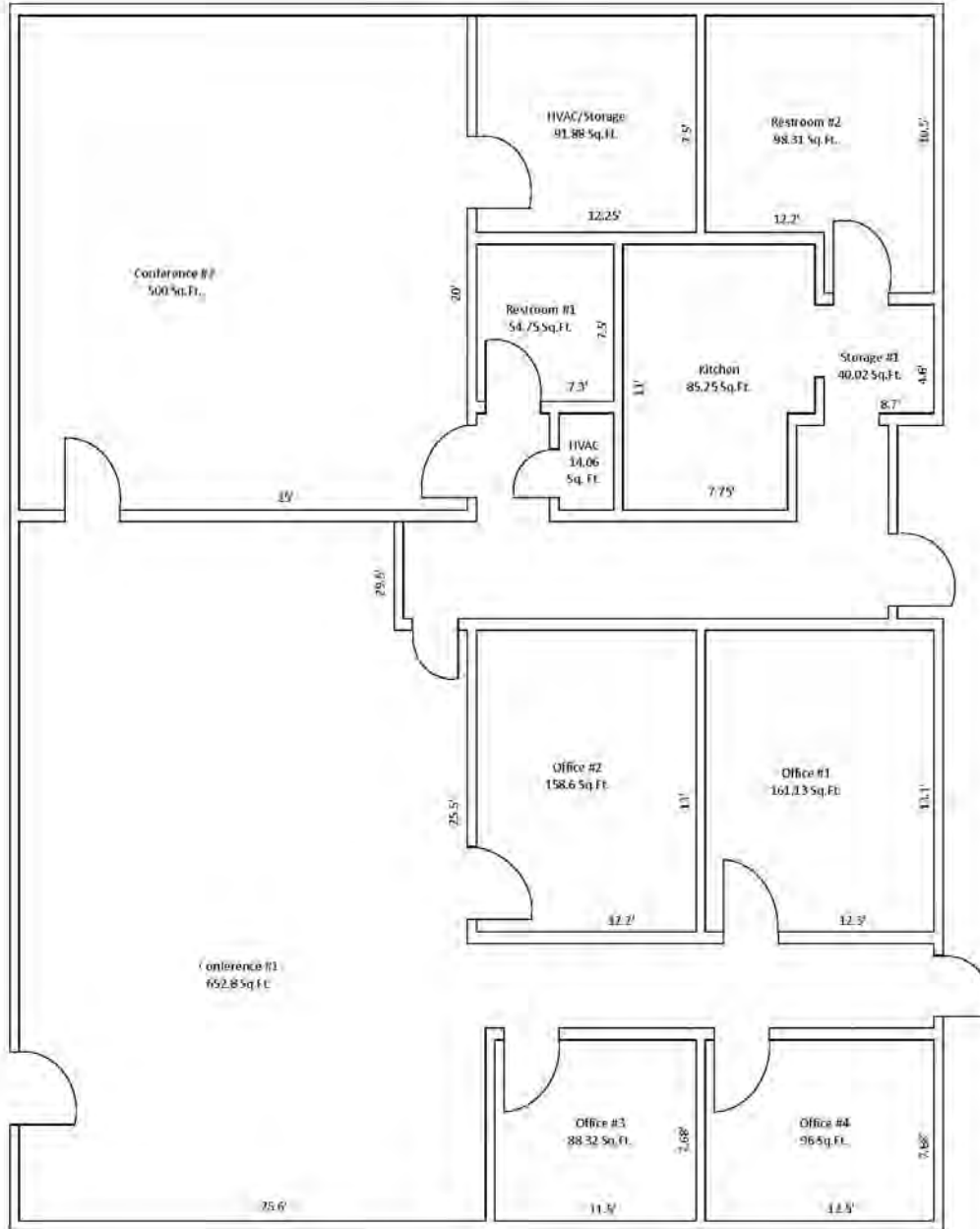
Reserved

EXHIBIT B

Depiction of the Premises

Terminal 2nd Floor Plan

Approximately: 51' X 51'
2,601 Sq. Ft.



240 Mortensen Ave Building Exhibit

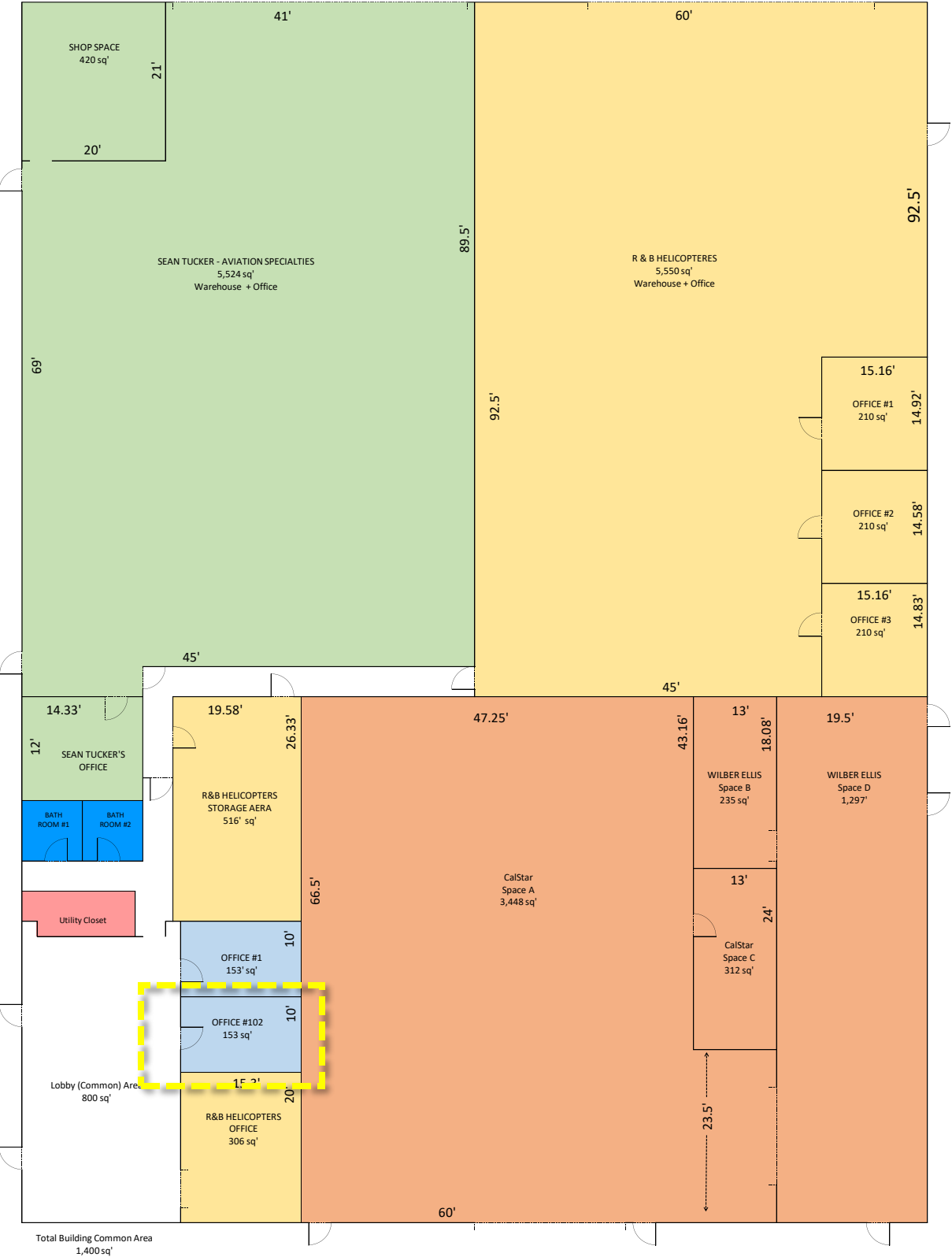


EXHIBIT C

Permitted Uses of the Premises

1. Operation of aerial medical transport service.
2. Crew Quarters for medical transport services.
3. Operation of offices for associates business purposes.
4. Short and long term parking of aerial transport service aircraft.

EXHIBIT D

Description of the Lessee Improvements

Reserved

EXHIBIT E

Insurance Requirements

A. Coverage shall be at least as broad as:

1. Commercial General Liability (“CGL”): Insurance Services Office (“ISO”) Form CG 00 01 covering CGL on an occurrence basis, including products and completed operations, property damage, bodily injury, and personal & advertising injury with limits no less than \$1,000,000.00 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit. Lessee shall maintain fire legal liability insurance on the leased property with extended coverage and debris-cleanup provisions in an amount not less than \$1,000,000.00, and in any event that covers at least ninety percent (90%) of the actual cash value of all Improvements, Additional Improvements, and betterments in or on the Premises. Products and completed operations coverage is not required provided that Lessee remains a holding company and does not engage in manufacturing or providing other services. Lessee is required to maintain employment practices coverage if it has or acquires any employees.

2. Workers’ Compensation: Workers’ Compensation insurance, if applicable due to Lessee having or acquiring employees, as required by the State of California, with Statutory Limits, and Employer’s Liability Insurance with limits of no less than \$1,000,000.00 per incident for bodily injury or disease.

3. Personal Property: Property insurance against all risk of loss to any Lessee-owned or controlled property, including, without limitation, personal property at full replacement cost with no coinsurance penalty provision and naming City of Salinas as a loss payee for the Improvements, Additional Improvements, and betterments. Any fire legal liability coverage maintained shall also name the City of Salinas as additional insured or as loss payee.

4. Automobile Liability: Insurance for any Lessee-owned or hired automobiles, and non-owned automobiles, with \$1,000,000.00 each occurrence for bodily injury and property damage. (This is required if Lessee is permitted to drive vehicles on any airport airside locations.)

5. Hangar-Keepers Liability: This is required, if the owner has any aircraft of others in their care, custody, and/or control (such as storing a friend’s aircraft, managing a client’s aircraft, or etc.) \$1,000,000.00 each occurrence.

B. Other Insurance Provisions:

The insurance policies are to contain, or be endorsed to contain, the following provisions:

(1) Additional Insured Endorsement - The liability policies shall include the City of Salinas, its elected and appointed officials, officers, employees, representatives, volunteers, and agents (hereinafter collectively the “City”) as Additionally Insured via endorsement.

(2) Waiver of Subrogation Endorsement - Lessee hereby grants to City of Salinas a waiver of subrogation which any insurer may acquire against City of Salinas, its officers, officials, employees, and volunteers, from Lessee by virtue of the payment of any loss. Lessee agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation but this provision applies regardless of whether or not the City of Salinas has received a waiver of subrogation endorsement from the insurer. The Workers’ Compensation policy shall be endorsed with a waiver of subrogation in favor of the City of Salinas for all work performed by the Lessee, its employees, agents, and subcontractors

(3) Primary and Non-contributing Coverage - All required insurance policies and all renewals thereof shall be primary and non-contributing; the required insurance policy shall be primary over any other insurance, deductible, or self-insurance maintained by the City and non-contributory with respect to the City.

(4) Cancellation - Required insurance policies shall not be cancelled or the coverage reduced until a thirty (30) day written notice of cancellation has been served upon the City except ten (10) days shall be allowed for non-payment of premium.

(5) Broader Coverage/Higher Limits - If the Lessee or Permit Holder maintains broader coverage and/or higher limits than the minimums shown above, the Lessee or Permit Holder requires and shall be entitled to the broader coverage and/or higher limits maintained by the Lessee or Permit Holder. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

(6) Acceptability of Insurers - Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best rating of no less than A: VII, unless otherwise acceptable to the City.

(7) Verification of Coverage – Lessee or Permit Holder shall furnish the City with original Certificates of Insurance including an additional insured endorsement and all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause) and a copy of the Declarations and Endorsement Pages of the liability policies listing all policy endorsements to City before work begins. However, failure to obtain the required documents prior to the work beginning shall not waive the Permit Holder’s obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements, required by these specifications, at any time.

(8) Special Risk or Circumstances - City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

(9) Self-Insured Retentions - Self-insured retentions must be declared to and approved by the City of Salinas. At the option of the City, the Lessee shall provide coverage to reduce or eliminate such self-insured retentions as respects the City, its officers, officials, employees, and volunteers; or the Lessee shall provide evidence satisfactory to the City guaranteeing payment of losses and related investigations, claim administration, and defense expenses. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City of Salinas.

(10) Sublessees, Contractors, and Subcontractors - Lessee shall require all sublessees, contractors, and subcontractors who perform work on the Premises to maintain general liability insurance in an amount of no less than \$1 million combined single limit per occurrence which complies with all of the provisions in this Insurance section above, including providing an additional insured endorsement in favor of the City, and Lessee shall provide City with copies of such insurance certificates and endorsements at the initiation of any sublease between Lessee and a sublessee as well as upon request by the City.

Furthermore, before commencing or allowing commencement of any work of improvement, Lessee shall ensure that all of its employees and/or all employees of any sublessees, contractors and subcontractors, are covered by workers' compensation insurance.

EXHIBIT F**Rental Schedule**

Year	Monthly Rent	Annual Rent
1	\$4,250.00	\$51,000.00
2	\$4,377.50	\$52,530.00
3	\$4,508.83	\$54,105.90
4	\$4,644.09	\$55,729.08
5	\$4,783.41	\$57,400.95
6	\$4,926.91	\$59,122.98
7	\$5,074.72	\$60,896.67
8	\$5,226.96	\$62,723.57
9	\$5,383.77	\$64,605.27
10	\$5,545.29	\$66,543.43
11	\$5,711.64	\$68,539.74
12	\$5,882.99	\$70,595.93



Legislation Text

File #: ID#23-543, Version: 1

The David and Lucile Packard Foundation Fund of the Community Foundation for Monterey County Thriving Youth Strategy

Approve a Resolution accepting the David and Lucile Packard Foundation Fund of the Community Foundation of Monterey County grant award in the amount of \$38,000 and authorize execution of all related grant acceptance documents; and the establishment of an increase of the Learning Center fund appropriation of \$38,000.



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: SEPTEMBER 12, 2023

DEPARTMENT: LIBRARY & COMMUNITY SERVICES DEPARTMENT

FROM: KRISTAN LUNDQUIST, LCS DIRECTOR

BY: FRANCIS HEBERT, INTERIM DEPUTY LIBRARIAN

TITLE: THE DAVID AND LUCILE PACKARD FOUNDATION FUND OF
THE COMMUNITY FOUNDATION FOR MONTEREY COUNTY
THRIVING YOUTH STRATEGY

RECOMMENDED MOTION:

A motion to approve a resolution to accept the David and Lucile Packard Foundation Fund of the Community Foundation of Monterey County grant award in the amount of \$38,000 and authorize execution of all related grant acceptance documents; and the establishment of an increase of the Learning Center fund (3453.70.7330) appropriation of \$38,000 and corresponding revenue budget with no matching funds required.

RECOMMENDATION:

It is recommended that the City Council accept the David and Lucile Packard Foundation Fund of the Community Foundation of Monterey County grant award of \$38,000 in support of the Thriving Youth Strategy; and establish an increase of the Learning Center fund appropriation of \$38,000 and corresponding revenue budget with no matching funds required.

BACKGROUND:

In 2013, the Salinas Public Library was invited by the David and Lucile Packard Foundation to participate in the Packard Salinas Youth Initiative. The goal of the Salinas Youth Initiative, now called the Thriving Youth Strategy, is to increase collaborative community investment in the education of Salinas students. The Salinas Public Library applied for and received funding in the amount of \$155,300 over a three-year period from 2013 – 2016 to implement an afterschool homework center at Los Padres Elementary School.

The David and Lucile Packard Foundation subsequently decided to provide additional funding to its participating agencies, including the Salinas Public Library, in the amount of \$61,000 per year for an additional 3-years of funding starting in FY 2016-17 and ending in FY 2018-19. With these funds, the Library expanded its services and provided afterschool academic support at four sites including Sherwood Elementary, Los Padres Elementary, Roosevelt Elementary and Cesar Chavez

Library. Last year, the Salinas Public Library received an award of \$38,000 for fiscal year 2022-2023 which was used for program implementation and support.

On June 2, 2023, the Salinas Public Library received an award of \$38,000 from the David and Lucile Packard Foundation Fund of the Community Foundation for Monterey County, representing the ninth year of consecutive funding and support from this Foundation. This grant will allow the Library to continue to staff after school learning centers at three Salinas City Elementary Schools with part-time non-benefitted positions, as well help augment staffing for homework help at the library.

For the upcoming school year, we anticipate opening all four sites while serving up to 120 students. The majority of the students impacted by this program are school-based referrals by teachers and administrators.

CEQA CONSIDERATION:

The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378).

STRATEGIC PLAN INITIATIVE:

The grant will support the City Council 2022-2025 Strategic Plan:

- Youth and Seniors

DEPARTMENTAL COORDINATION:

The Library & Community Services Department will work with the Finance Department to receive funds, establish expenditure accounts, and prepare final budget reports required at the end of the grant period.

FISCAL AND SUSTAINABILITY IMPACT:

There is no impact to the City's General Fund Budget. No additional Measure E funding will be required beyond that already allocated to the Library's annual budget. No matching funds are required.

ATTACHMENTS:

- David and Lucile Packard Foundation Fund of the Community Foundation for Monterey County grant award letter dated June 2, 2023
- Council Resolution



Here for Good

Community Foundation
for Monterey County

BOARD OF DIRECTORS

June 2, 2023

Kirk Gafill
Chair
Elsa Mendoza Jimenez
Vice Chair
Jesse Lopez, CPA
Treasurer
Loren Steck
Secretary

Ms. Cary A. Siegfried
Library & Community Service Director
Salinas Public Library
110 West San Luis Street
Salinas, CA 93901

Dear Ms. Siegfried:

Upon the recommendation of The David and Lucile Packard Foundation, the Board of Directors has approved a grant from **The David and Lucile Packard Foundation Fund of the Community Foundation for Monterey County** to your organization. We ask that the grant be listed in this way in all communications.

We are pleased to enclose a check for **\$38,000**, which is for **SYI 2023-2024, general operating support**. These funds are to be expended within one year. Your grant reports should be provided directly to the David and Lucile Packard Foundation in accordance with their reporting requirements. Please contact Irene Wong (650-917-7179), Director of Local Grantmaking at the Packard Foundation for more information about these requirements.

Donor advisors receive their charitable deduction receipts at the time of their gift to the Community Foundation for Monterey County, so no additional tax receipt is required. You may thank The Packard Foundation directly for recommending this grant at 343 Second Street, Los Altos, CA 94022.

By depositing the enclosed grant check, you confirm that all funds will be spent for the charitable purposes described above and that neither the Foundation nor any donor advisor will receive any tangible goods or services in connection with this grant.

If you have any questions, please feel free to call me at 831-375-9712, extension 144.

The Community Foundation inspires philanthropy and is a catalyst for strengthening communities throughout Monterey County. We are pleased to be able to help your organization fulfill its mission as well as ours with this gift.

Sincerely,

Brian Thayer, Senior Philanthropic Services Officer

cc: The David and Lucile Packard Foundation
Enclosures: Check for Grant #20231114



Confirmed in Compliance
with National Standards for
U.S. Community Foundations

Member
Council on Foundations
League of California
Community Foundations

RESOLUTION NO. _____ (N.C.S.)

**A RESOLUTION TO ACCEPT THE DAVID AND LUCILLE PACKARD FOUNDATION FUND
OF THE COMMUNITY FOUNDATION OF MONTEREY COUNTY GRANT IN THE AMOUNT
OF \$38,000 IN SUPPORT OF THE THRIVING YOUTH STRATEGY AND AUTHORIZE
RECEIPT OF FUNDS**

WHEREAS, the David and Lucile Packard Foundation Fund of the Community Foundation of Monterey County granted funding in support of the Thriving Youth Strategy in the amount of \$38,000, in support of the Learning Center program for Salinas Public Library; and

WHEREAS, this grant will continue the establishment of the learning center and homework center program at the library and select schools to provide student supports; and

WHEREAS, the Library and Community Services Director or their designee is hereby authorized to take whatever additional action may be necessary to effectuate the intent of this Resolution

NOW, THEREFORE, BE IT RESOLVED that the Salinas City Council authorizes this funding in the amount of \$38,000 from the David and Lucile Packard Foundation Fund of the Community Foundation of Monterey County in support of the Thriving Youth Strategy; and establish an increase of the Learning Center fund appropriation of \$38,000 and corresponding revenue budget with no matching funds required.

PASSED AND APPROVED this 12th day of September, 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Kimbley Craig, Mayor

ATTEST:

Patricia M. Barajas, City Clerk



Legislation Text

File #: ID#23-544, Version: 1

California Library Literacy Services ESL Literacy Grant Award

Approve a Resolution accepting the California Library Literacy Services (CLLS) grant award in the amount of \$47,385 in support of ESL Adult Literacy and authorize execution of all grant acceptance documents with the California State Library.



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: SEPTEMBER 12, 2023
DEPARTMENT: LIBRARY & COMMUNITY SERVICES DEPARTMENT
FROM: KRISTAN LUNDQUIST, LCS DIRECTOR
BY: FRANCIS HEBERT, INTERIM DEPUTY LIBRARIAN
TITLE: CALIFORNIA LIBRARY LITERACY SERVICES ESL
LITERACY GRANT AWARD

RECOMMENDED MOTION:

A motion to approve a Resolution accepting the California Library Literacy Services (CLLS) grant awards in the amount of \$47,385 in support of ESL Adult Literacy and authorize execution of all grant acceptance documents with the California State Library.

RECOMMENDATION:

It is recommended that the City Council approve a Resolution accepting the California Library Literacy Services grant award of \$47,385 for the continuation of the library's adult and family literacy programs.

BACKGROUND:

On August 28, 2023, the Salinas Public Library's Literacy Services was notified by the California State Library Literacy Services (CLLS) of approval for an award of \$47,385 to establish an ESL adult literacy program. These funds will support programming for adults with limited-English-speaking literacy skills and will be provided primarily to adults enrolled in the library's Adult and Family Literacy programs.

The grant will enable the library to establish an ESL adult literacy program, to employ temporary part-time staff to work in adult ESL literacy program, acquire books, supplies and learning materials that enhance our adult education program, and increase our capacity to provide high-quality adult ESL services, including but not limited to expanding the Citizenship language-support group, establishing introductory ESL instruction and support, and assisting ESL learners to transition to the English language-based adult literacy programs and services. Library staff are prepared to offer both in-person and/or virtual instruction.

The California Library Literacy Services is providing funding as part of a five-year ESL initiative, of which this funding is for the third year of the initiative. Funding is based on projected need and programming plans, and anticipated local funds raised and expended for adult literacy services, reflecting a commitment to state/local partnerships in support of literacy services. Participation in this year makes the Salinas Public Library's Literacy Services eligible to receive funding for the two remaining years of the initiative.

CEQA CONSIDERATION:

The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378).

STRATEGIC PLAN INITIATIVE:

The grant will support the City Council 2022-2025 Goals:

- Effective and Culturally Responsive Government
- Youth and Seniors

DEPARTMENTAL COORDINATION:

The Library & Community Services Department will work with the Finance Department to receive funds, establish expenditure accounts, and prepare final budget reports required at the end of the grant period.

FISCAL AND SUSTAINABILITY IMPACT:

There is no impact to the City's General Fund Budget. No additional Measure E funding will be required beyond that already allocated to the Library's annual budget. No matching funds are required.

ATTACHMENTS:

- Award Letter, California Library Literacy Services dated August 28, 2023
- Council Resolution



12 July 2023

Kristan Lundquist
Salinas Public Library
350 Lincoln Avenue
Salinas, CA 93901

Dear Ms. Kristan Lundquist,

We're pleased to provide funds to support your English as a Second Language program and the important work that you, your staff, and your volunteers do for your community through the California Library Literacy Services program.

In 2021-2022, the state budget included one-time California Library Literacy Services funding at \$15 million for English as Second Language Services. These funds will be allocated over a five-year period. This award letter covers Year 3 of funding between July 1, 2023, and June 30, 2024.

Your total award for the 2023-2024 fiscal year beginning July 1, 2023, is:

- **Total Award: \$47,385**

Your funds must be fully expended by June 30, 2024, in accordance with your approved budget on file with the State Library. The budget listed in your award packet indicates your original grant request. Your library may have to submit a new budget for review and approval to reflect your 2023-2024 English as a Second Language Services award.

To ensure that program expenditures are consistent with the California Library Literacy Services allowable expenses, please review the [California Library Literacy Services Allowable and Unallowable Expenses](#) guidelines. If you have any questions about expenses or expending your award funds, please contact Allyson Jeffredo at Allyson.Jeffredo@library.ca.gov.

We strongly encourage your program staff to develop and maintain community partners to strengthen your program, attend regular regional library literacy network meetings, participate in your local Adult Education Consortium, and participate in library literacy training opportunities offered by the regional networks and the State Library to meet the [CLLS Mission, Values, and Program](#)



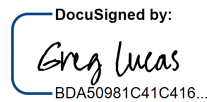
[Essentials](#). Additional California Library Literacy Services resources can also be found on the [California Library Literacy Services webpage](#).

The payment process begins when we receive your completed and signed budget modification form (if needed), claim form, certification form, and State Funded Grants Award Agreement and Certificate of Compliance (attached). All forms should be completed and signed through DocuSign to be processed for payment.

Our library literacy staff is available to assist you throughout the year. Please contact your Advisor Beverly Schwartzberg, beverly.schwartzberg@library.ca.gov, and your Grant Monitor Allyson Jeffredo, Allyson.Jeffredo@library.ca.gov, with any questions.

Thank you for your willingness to do so much for those in your community. Best wishes for a successful year.

Respectfully yours,

DocuSigned by:

BDA50981C41C416...

7/13/2023

Greg Lucas
California State Librarian

Cc: Beverly Schwartzberg, beverly.schwartzberg@library.ca.gov
Allyson Jeffredo, allyson.jeffredo@library.ca.gov
Fiscal Office, stategrants.fiscal@library.ca.gov
Cathy Andrews, cathleena@ci.salinas.ca.us

Enc: Re: ESL21-3-59: Claim form, certification form, and State Funded Grants Award Agreement and Certificate of Compliance

*Salinas Public Library***THE BASICS – YOUR GRANT AWARD**

The following provides basic information about your grant and managing your grant.

Award #:	ESL21-3-59
Library:	Salinas Public Library
Total Award Amount:	\$47,385

ESL GRANT REQUEST

Salary and Benefits	\$32,000
Contract Staff	\$0
Operations	\$7,000
Library Literacy Materials	\$10,000
Small Equipment	\$12,000
Equipment (\$5,000 or more per unit)	\$0
Subtotal	\$61,000
Indirect	\$0
Award Difference to be Adjusted (included in grant total below)	-\$13,615
Grant Total	\$47,385

Start Date:	Upon execution
End Date:	June 30, 2024
Please understand that it can take between eight to ten weeks following the receipt of an error free claim form before grant funds are delivered. If you have not received your payment after eight weeks, please contact your grant monitor.	

CONTACT

We want your project to be successful. Please work with the program staff listed below to implement your project:

Literacy Analyst:	Allyson Jeffredo
Phone Number:	(916) 603-6709
Email Address:	allyson.jeffredo@library.ca.gov
Library Programs Consultant:	Beverly Schwartzberg
Phone Number:	(916) 701-6880
Email Address:	beverly.schwartzberg@library.ca.gov

Salinas Public Library

CERTIFICATION

I hereby certify under penalty of perjury: that I am the duly authorized representative of the claimant herein; that the claim is in all respects true, correct and in accordance with law and the terms of the agreement; and that payment has not previously been received for the amount claimed herein.

The claims the indicated allowance for the purposes of carrying out the functions stated in its CLLS application and in Sections 18880-18883 of the California Education Code.

350 Lincoln Avenue, Salinas, CA 93901

In Process

SIGNED

DATE

Signature - Authorized representative

Kristan Lundquist

Typed/Printed Name and Title of Authorized Representative

kristanl@ci.salinas.ca.us

Email address of authorized representative

Salinas Public Library

PROJECT INFORMATION:

Invoice #: ESL21-3-59

Project Title: English as a Second Language Services

Grantee: Salinas Public Library

Funding Start Date: Upon execution

Term Completion: June 30, 2024

In Process

Salinas Public Library

Total Award: \$47,385

PAYMENT SCHEDULE:

Libraries receive 100% of their 2023-2024 English as a Second Language Services award upon receipt of the award letter.

Note: Libraries have 18 months to spend their 2023-2024 English as a Second Language Services award funds, from July 1, 2023, in which the funds are awarded until December 31, 2024.

	English as a Second Language Service Award
Final Payment	\$47,385
Total	\$47,385

In Process

REPORTING:

For the 2023-2024 program period, libraries will be required to submit a mid-year report and final report. Reminder emails will be sent out beginning six weeks before the required reports are due.

All required reporting materials will be located on the California State Library's website. The reporting schedule is detailed below.

Mid-Year Report	Due January 31, 2024
Final Report	Due September 30, 2024

Note: A budget modification form will be required for all budget changes regardless of amount. Modification forms may be submitted throughout the year but no later than May 31st.



STATE FUNDED GRANTS
**AWARD AGREEMENT AND
CERTIFICATE OF COMPLIANCE**



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PROJECT SUMMARY

AWARD AGREEMENT BETWEEN THE STATE LIBRARY and Salinas Public Library for the English as a Second Language Services project.

AWARD AGREEMENT NUMBER ESL21-3-59

This Award Agreement ("Agreement") is entered into on July 1, 2023 by and between the California State Library ("State Library") and Salinas Public Library, ("Grantee").

This Award Agreement pertains to Grantee's State-funded English as a Second Language Services project.

The Library Development Services Bureau ("LDS") of the State Library administers state and federal funds in the form of awards.

The Grantee was selected by the State Library to receive state grant funds in the amount of \$47,385 through the process adopted by the State Library in administering such grants.

The State Library and the Grantee, for the consideration and under the conditions hereinafter set forth in the Grant Agreement, agree as follows:



PROCEDURES and REQUIREMENTS

A. Term of the Agreement

The Grant term begins July 1, 2023, and ends June 30, 2024. The project's final expenditure date is December 31, 2024. If completion of the project occurs prior to the end of the grant period, this will be the end date of the term of this agreement. Grant eligible program expenditures may begin no earlier than the start date. The project's final encumbrance period ends on June 30, 2024, and all eligible program costs must be expended by December 31, 2024.

B. Scope of Work

1. Grantee agrees to perform all activities specifically identified in the Grantee's application and submitted to the State Library in response to the English as a Second Language Services project.
2. The following activities and deliverables to be performed by the Grantee include, but are not limited to the following:
 - Maintain and keep records of expenditures related to the grant that are consistent with Generally Acceptable Accounting Practices (GAAP).
 - Make financial records available to the State Library upon request.
 - Work with the State Library staff to assure that funds are disbursed in compliance with the purpose of the grant.
 - Prepare and submit required narrative and financial reports.
 - Procure equipment, and other supplies as needed for the project.
 - Issue contracts for services, personnel, and consultants as needed for the project.
 - If applicable, make payments for services, including for hours worked and travel reimbursements, to consultants and contractors.
 - Oversee the implementation of project activities.

C. Budget Detail

The State Library shall provide the Grantee funding for the expenses incurred in performing the Scope of Work and activities specified in the Grantee's application. The Grantee shall request the distribution of grant funding consistent with its proposal and

the budget worksheet that was included with the application. Under no circumstances shall payments exceed the total grant amount identified in this Agreement.

D. Narrative and Financial Reports

1. The Grantee shall be responsible for submission of interim and final **narrative and financial** reports on the progress and activities of the project, to the California State Library, using the sample report documents provided by the California State Library.
2. All the reports must be current, include all required sections and documents, and must be approved by the Grant Monitor before any payment request can be processed. Failure to comply with the specified reporting requirements may be considered a breach of this Agreement and result in the termination of the Agreement or rejection of the payment request and/or forfeiture by the Grantee of claims for costs incurred that might otherwise have been eligible for grant funding. Any problems or delays must be reported immediately to the Grant Monitor. The financial reports shall reflect the expenditures made by the Grantee under the Agreement and may be incorporated into the same reporting structure as the narrative reports.
3. The reports shall be submitted by the following dates:

Reporting Period	Report	Due Date
July – December	2023-2024 Mid-Year Report Due	January 31, 2024
January – Project End Date	2023-2024 Final Report Due	September 30, 2024

4. Failure to submit timely reports with the appropriate documentation by the due date may result in rejection of the payment request and/or forfeiture by the Grantee of claims for costs incurred that might otherwise have been eligible for grant funding.
5. The Grantee agrees to maintain records and supporting documentation pertaining to the performance of this grant, subject to possible audit for a minimum of five (5) years after final payment date or grant term end date, whichever is later. Please refer to Exhibit A, Terms and Conditions, for more information.

E. Claim Form and Payment

1. The California State Library shall provide the Grantee payment as outlined in the payment schedule only if all requirements for claiming the funds as outline in this document have been met, and only for those activities and costs specified in the approved award application.

2. The Grantee shall complete, sign, and submit Certification of Compliance form (Exhibit B) and the Financial Claim form (included in your award packet), to the California State Library within 14 days of receiving this award packet. These forms will be issued, signed, and submitted using the online signature and agreement platform, DocuSign, unless DocuSign is unallowable or inconsistent with practices and policies of the local jurisdiction. If the use of DocuSign is not acceptable to your organization, please contact your grant monitor regarding alternate options.
3. Any of the sums appearing under the categories in the approved budget may be adjusted with prior authorization from the California State Library Grant Monitor. This would be to increase the allotment with the understanding that there will be corresponding decreases in the other allotments so that the total amount paid by the California State Library to the Grantee under this Agreement shall not exceed the awarded amount, which shall be expended/encumbered during the grant period.
4. If the payment amount made by the California State Library exceeds the actual expenses incurred during the term of this Agreement, as reflected in the financial reports to be filed by the Grantee, the Grantee shall immediately refund the excess payment amount to the California State Library.
5. The Award payments will only be made to the Grantee. It is the Grantee's responsibility to pay all contractors and subcontractors for purchased goods and services.
6. The Final Payment of 10% will be withheld and retained by the California State Library until all conditions agreed upon in this Agreement, including submission and grant monitor approval of the interim and final narrative and financial reports, have been satisfied.
7. **Prompt Payment Clause**
The California State Library will make payments to the Grantee in accordance with the Prompt Payment Clause under Government Code, section 927, *et. seq.* The Grantee may typically expect payment within 45 days from the date a grant payment request is properly submitted and approved by the Grant Monitor.
8. **Budget Contingency Clause**
 - a. It is mutually agreed that if the Budget Act of the current fiscal year or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall no longer be in full force and effect. In this event, the California State Library shall have no liability to pay any funds whatsoever to the Grantee or to furnish any other considerations under this Agreement and the Grantee shall not be obligated to perform any provisions of this Agreement.

- b. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this Program, the California State Library shall have the option to either cancel this Agreement with no liability occurring to itself or offer an Agreement amendment to the Grantee to reflect the reduced amount.

In Process



EXHIBIT A: TERMS and CONDITIONS

1. Accessibility: The State is responsible for ensuring that public websites are accessible to both the general public and state employees, including persons with disabilities. Grantee shall assist the State in meeting its responsibility. Therefore, all project materials generated by state funded programs must meet the [California Accessibility Standards](#). Additionally all project materials designed, developed, and maintained shall be in compliance with the California Government Code, sections 7405 and 11135, and the Web Content Accessibility Guidelines 2.0, or a subsequent version, as published by the Web Accessibility Initiative of the World Wide Web Consortium at a minimum Level AA success criteria.

However, if for some reason project material is not generated to be in compliance to meet these standards, please still submit it to the State Library. When submitting the material make sure to note that the material is not accessible by including "NOT ACCESSIBLE" in the file name.

The California State Library reserves the right to post project materials to its website that are in compliance with these standards.

2. Acknowledgment: The State of California and the California State Library shall be acknowledged in all promotional materials and publications related to the English as a Second Language Services project.
 - a. Grant award recipients must ensure that the State of California receives full credit as the source of funds and that the California State Library, likewise, is acknowledged as the administrator.
 - b. Publications and information releases about the project must credit the State of California. An appropriate statement for a publication or project press release is:

"This [publication/project] was supported in whole or in part by funding provided by the State of California, administered by the California State Library."

Grantees must include the above statement in any publications, vehicle wraps, and promotional materials, including websites. If space is limited the State Library logo and the following shortened acknowledgement statement is acceptable:

"Funding provided by the State of California."

- c. This credit line on products of a project, such as materials, is important to foster support from the public, and state funding sources.
 - d. California State Library Logo: Use of the California State Library logo, which can be downloaded on the [California State Library website](#), is required on any publication, vehicle wrap, or promotional material along with the above statement(s).
 - e. Photo Documentation: Digital photos are a great way to document the happenings of your project. It is recommended that you use a photo release form when taking photos of the public. You may use your library's photo release form, or contact your grant monitor for the State Library's form.
3. Agency: In the performance of this Agreement the Grantee and its agents and employees shall act in an independent capacity and not as officers, employees or agents of the California State Library. The Grantee is solely responsible for all activities supported by the grant. Nothing in this Agreement creates a partnership, agency, joint venture, employment, or any other type of relationship between the parties. The Grantee shall not represent itself as an agent of the California State Library for any purpose, and has no authority to bind the State Library in any manner whatsoever.
4. Amendment: No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties, and approved as required. No oral understanding or agreement not incorporated into this Agreement is binding on any of the parties. This Agreement may be amended, modified or augmented by mutual consent of the parties, subject to the requirements and restrictions of this paragraph.
5. Applicable law: The laws of the State of California shall govern all proceedings concerning the validity and operation of this Agreement and the performance of the obligations imposed upon the parties hereunder. The parties hereby waive any right to any other venue. The place where the Agreement is entered into and place where the obligation is incurred is Sacramento County, California.
6. Assignment, Successors, and Assigns: The Grantee may not assign this Agreement or delegate its performance to any third-party person or entity, either in whole or in part, without the California State Library's prior written consent. The provisions of this Agreement shall be binding upon and inure to the benefit of the California State Library, the Grantee, and their respective successors and assigns.
7. Audit and Records Access: The Grantee agrees that the California State Library, the Department of General Services, the State Auditor, or their designated representatives shall have the right to review, audit, inspect and copy any records and supporting documentation pertaining to the performance of this Agreement. The Grantee agrees to maintain such records for possible audit for a minimum of five (5) years after the final payment, or grant term end date,

whichever is later, unless a longer period of records retention is stipulated, or until completion of any action and resolution of all issues which may arise as a result of any litigation, dispute, or audit, whichever is later. The Grantee agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, the Grantee agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement.

Examples of audit documentation may include, but not limited to, competitive bids, grant amendments, if any, relating to the budget or work plan, copies of any agreements with contractors or subcontractors if utilized, expenditure ledger, payroll register entries, time sheets, personnel expenditure summary form, travel expense log, paid warrants, contracts and change orders, samples of items and materials developed with grant funds, invoices and/or cancelled checks.

8. Authorized Representative: Grantee and the California State Library mutually represent that their authorized representatives have the requisite legal authority to sign on their organization's behalf.
9. Communication: All communications from either party, including an interim check-in at any time during the grant term, shall be directed to the respective grant manager or representative of the California State Library or Grantee. For this purpose, the following contact information is provided below

Salinas Public Library
Kristan Lundquist
350 Lincoln Avenue
Salinas, CA 93901
KristanL@ci.salinas.ca.us
(831) 758-7222

California State Library
Allyson Jeffredo
900 N Street
Sacramento, CA 95814
allyson.jeffredo@library.ca.gov
916-603-6709

10. Confidentiality: Grantee will maintain as confidential any material it receives or produces that is marked **Confidential** or is inherently confidential or is protected by privilege. Grantee agrees to alert the State Library to this status in advance, and State Library agrees to maintain this status in conformity with the Public Records Act.
11. Contractor and Subcontractors: Nothing contained in this Grant Agreement or otherwise shall create any contractual relation between the State and any contractor or subcontractors, and no contract or subcontract shall relieve the Grantee of his or her responsibilities and obligations hereunder. The Grantee agrees to be as fully responsible to the State for the acts and omissions of its

contractors, subcontractors, volunteers, student interns and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Grantee. The Grantee's obligation to pay its contractors and subcontractors is an independent obligation from the State's obligation to make payments to the Grantee. As a result, the State shall have no obligation to pay or to enforce the payment of any monies to any contractor or subcontractor.

12. Copyright: Grantee owns and retains titles to any copyrights or copyrightable material from any original works that it creates within the scope of this Agreement in accordance with the federal Copyright Act. (17 U.S.C. 101, *et seq.*) Grantee is responsible for obtaining any necessary licenses, permissions, releases or authorizations to use text, images, or other materials owned, copyrighted, or trademarked by third parties and for extending such licenses, permissions, releases, or authorizations to the California State Library pursuant to this section. Also, the California State Library may upload, post or transmit copyrighted material produced or purchased with grant funds on a California State Library website for public access and viewing.
13. Discharge of Grant Obligations: The Grantee's obligations under this Agreement shall be deemed discharged only upon acceptance of the final report by California State Library. If the Grantee is a non-profit entity, the Grantee's Board of Directors shall accept and certify as accurate the final report prior to its submission to California State Library.
14. Dispute Resolution: In the event of a dispute, Grantee will discuss the problem informally with the Grant Monitor. If unresolved, the Grantee shall file a written "Notice of Dispute" with the State Library Grant Monitor within ten (10) days of discovery of the problem. Within ten (10) days of receipt, the Grant Monitor shall meet with the Grantee for purposes of resolving the dispute. Any dispute arising under the terms of this Agreement which is not disposed of within a reasonable period of time, the Grantee may bring it to the attention of the State Librarian or the designated representative. The decision of the State Librarian or designated representative shall be final. Unless otherwise instructed by the Grant Monitor, the Grantee shall continue with its responsibilities under this Agreement during any dispute.
15. Drug-free Workplace: The Grantee certifies under penalty of perjury under the laws of California, that the Grantee will comply with the requirements of the Drug-Free Workplace Act of 1990 (Gov. Code, § 8350 *et. seq.*) and will provide a drug-free workplace by taking the following actions:
 - a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.

b. Establish a Drug-Free Awareness Program to inform employees about all of the following:

- 1) The dangers of drug abuse in the workplace.
- 2) The Grantee's policy of maintaining a drug-free workplace;
- 3) Any available counseling, rehabilitation and employee assistance programs.
- 4) Penalties that may be imposed upon employees for drug abuse violations.

c. Require that every employee who works on the Agreement will:

- 1) Receive a copy of the Grantee's drug-free workplace policy statement.
- 2) Agrees to abide by the terms of the Grantee's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and grantee may be ineligible for award of any future state agreements if the California State Library determines that the grantee has made a false certification or violated the certification by failing to carry out the requirements as noted above.

16. Effectiveness of Agreement: This Agreement is of no force or effect until signed by both parties.

17. Entire Agreement: This Agreement supersedes all prior agreements, oral or written, made with respect to the subject hereof and, together with all attachments hereto, contains the entire agreement of the parties.

18. Exclusive Agreement: This is the entire Agreement between the California State Library and Grantee.

19. Executive Order N-6-22-Russia Sanctions: The Grantee shall comply with Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. "Economic Sanctions" refers to sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under state law. The EO directs state agencies to terminate grant agreements with, and to refrain from entering any new grant agreements with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State determine Grantee is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this agreement. The State shall provide Grantee advance written notice of such termination, allowing Grantee at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the State.

20. Extension: The State Librarian or designee may extend the final deadline for good cause. The Grantee's request for an extension of the grant period must be

made in writing and received by the California State Library at least 30 days prior to the final deadline.

21. Failure to Perform: The grant being utilized by the Grantee is to benefit the English as a Second Language Services project. If the Grant Monitor determines the Grantee has not complied with this Agreement, the Grantee may forfeit the right to reimbursement of any grant funds not already paid by the California State Library, including, but not limited to, the ten percent (10%) withhold.

22. Federal and State Taxes: The State Library shall not:

- a. Withhold Federal Insurance Contributions Act (FICA) payments from Grantee's payments or make FICA payments on the Grantee's behalf; or
- b. Make Federal or State unemployment insurance contributions on Grantee's behalf; or
- c. Withhold Federal or State income taxes from Grantee's payments

Grantee shall pay all taxes required on payments made under this Agreement including applicable income taxes and FICA.

23. Force Majeure: Neither the California State Library nor the Grantee, its contractors, vendors, or subcontractors, if any, shall be responsible hereunder for any delay, default, or nonperformance of this Agreement, to the extent that such delay, default, or nonperformance is caused by an act of God, weather, accident, labor strike, fire, explosion, riot, war, rebellion, sabotage, flood, or other contingencies unforeseen by the California State Library or the Grantee, its contractors, vendors, or subcontractors, and beyond the reasonable control of such party.

24. Forfeit of Grant Funds and Repayment of Funds Improperly Expended: If grant funds are not expended, or have not been expended, in accordance with this Agreement, the State Librarian or designee, at his or her sole discretion, may take appropriate action under this Agreement, at law or in equity, including requiring the Grantee to forfeit the unexpended portion of the grant funds, including, but not limited to, the ten percent (10%) withhold, and/or to repay to the California State Library any funds improperly expended.

25. Fringe Benefit Ineligibility: Grantee agrees that neither the Grantee nor its employees and contract personnel are eligible to participate in any employee pension, health benefit, vacation pay, sick pay or other fringe benefit plan of the State of California or the State Library.

26. Generally Accepted Accounting Principles: The Grantee is required to use Generally Accepted Accounting Principles in documenting all grant expenditures.

27. Grant Monitor: The Grant Monitor's responsibilities include monitoring grant progress, and reviewing and approving Grant Payment Requests and other documents delivered to the California State Library pursuant to this Agreement. The Grant Monitor may monitor Grantee performance to ensure Grantee expends grant funds appropriately and in a manner consistent with the terms and conditions contained herein. The Grant Monitor does not have the authority to approve any deviation from or revision to the Terms and Conditions (Exhibit A) or the Procedures and Requirements unless such authority is expressly stated in the Procedures and Requirements.
28. Grantee: the government or legal entity to which a grant is awarded and which is accountable to the California State Library for the use of the funds provided.
- a. The grantee will make reports to the State Librarian in such form and containing such information as may be required to ensure the proper used of funds consistent with the grantee's application and award agreement. The grantee will keep such records and afford such access as the California State Library may find necessary to assure the correctness and verification of such reports.
29. Grantee Accountability: The Grantee is ultimately responsible and accountable for the manner in which the grant funds are utilized and accounted for and the way the grant is administered, even if the Grantee has contracted with another organization, public or private, to administer or operate its grant program. In the event an audit should determine that grant funds are owed to the California State Library, the Grantee is responsible for repayment of the funds to the California State Library.
30. Grantee Funds: It is mutually agreed that the Grantee is responsible for furnishing funds beyond the grant award that may be necessary to complete the project.
31. Independent Action: Grantee reserves the right to fulfill its obligations under this Agreement in an independent manner, at any location and at any time within the agreed-upon timeline. Grantee's employees or contract personnel shall perform all services required by this Agreement, but their time need not be devoted solely to fulfilling obligations under this Agreement. Grantee shall furnish all equipment and materials used to meet its obligations, and complete the Project. The State Library shall not provide any personnel or other resources beyond the grant award, and is not required to provide training in connection with this Agreement.
32. Indemnification: Grantee agrees to indemnify, defend and save harmless the State of California, the California State Library and its officers, employees, and agents, from any and all claims, losses, and liabilities accruing or resulting to any and all contractors, subcontractors, suppliers, laborers and any other person, firm

or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by Grantee in the performance of this Agreement.

33. License to Use: The California State Library reserves a fully paid-up, royalty-free, nonexclusive, sub-licensable and irrevocable license to reproduce, publish, prepare derivative works, distribute or otherwise use, and to authorize third parties to use, any material received or maintained by Grantee in connection with this Agreement. This includes intellectual property, with or without third-party rights. All such usages will be for public library and State governmental purposes:

- a. The copyright in any work developed under this grant, sub-grant, or contract under this grant or sub-grant; and
- b. Any rights of copyright to which a Grantee, sub-grantee, or a contractor purchases ownership with grant support.

34. Limitation of Expenditure: Expenditure for all projects must conform to the grantee's approved budget and with applicable State laws and regulations. The total amount paid by the California State Library to the Grantee under this agreement shall not exceed \$47,385 and shall be expended/encumbered in the designated award period.

During the award period, the grantee may find that the awarded budget may need to be modified. Budget changes, requests for additional funds, or requests for reductions in award funding must be discussed with the assigned State Library Grant Monitor and a Grant Award Modification may be required to be submitted according to the instructions. Approval is by the State Librarian or their designee. Adjustments should be reported on the next financial report. Any adjustments in approved budgets must be documented and documentation retained in project accounts.

35. Lobbying: Grantee confirms that the grant funds will not be used for the purposes of lobbying or otherwise attempting to influence legislation, as those purposes are defined by the U.S. Internal Revenue Code of 1986.

36. Non-Discrimination Clause: During this grant period, the Grantee and the Grantee's contractors, and subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status,

sex, age, sexual orientation, or military and veteran status. Grantee shall insure that the evaluation and treatment of contractors, employees and applicants for employment are free from such discrimination and harassment.

Additionally, Grantee, contractors, and subcontractors, if applicable, shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12900 *et seq.*), the regulations promulgated thereunder (Cal. Code Regs., tit. 2, §11000 *et seq.*), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Gov. Code §§ 11135-11139.5), and the regulations or standards adopted by the California State Library to implement such article.

Grantee shall permit access by representatives of the Department of Fair Employment and Housing and the California State Library upon reasonable notice at any time during the normal business hours, but in no case less than 24 hours' notice, to such of its books, records, accounts, and all other sources of information and its facilities as said Department or the California State Library shall require ascertaining compliance with this clause. Grantee, and its contractors, and subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. (See Cal. Code Regs., tit. 2, §11105.) Grantee shall include the non-discrimination and compliance provisions of this clause in all contracts and subcontracts to perform work under the Agreement.

37. Notices: All notices and other communications in connection with this Agreement shall be in writing, and shall be considered delivered as follows:

- a. **Electronic Mail (E-mail):** When sent by e-mail to the last e-mail address of the recipient known to the party giving notice. Notice is effective upon transmission.
- b. **DocuSign (e-signature platform):** When sent via DocuSign a notification will be sent to the last e-mail address of the recipient known to the party giving notice. Notice is effective upon transmission.
- c. **Grants Management System:** When sent via / uploaded to the California State Library's Grants Management System a notification will be sent to the last e-mail address of the recipient known to the party giving notice. Notice is effective upon transmission.
- d. **Personally:** When delivered personally to the recipient's physical address as stated in this Agreement.
- e. **U.S. Mail:** Five days after being deposited in the U.S. Mail, postage prepaid, and addressed to recipient's address as stated in this Agreement.

38. Order of Precedence: The performance of this Agreement shall be conducted in accordance with the Terms and Conditions, Procedures and Requirements,

Certificate of Compliance, Project Summary, Activities Timeline, and Budget, of this Agreement, or other combination of exhibits specified on the Grant Agreement Coversheet attached hereto (collectively referred to as "Terms"). Grantee's California State Library-approved Application (Grantee's Application) is hereby incorporated herein by this reference. In the event of conflict or inconsistency between the articles, exhibits, attachments, specifications or provisions that constitute this Agreement, the following order of precedence shall apply:

- a. Grant Agreement Coversheet and any Amendments thereto
- b. Terms and Conditions
- c. Procedures and Requirements
- d. Certificate of Compliance
- e. Project Summary
- f. Grantee's Application (including Budget and Activities Timeline)
- g. All other attachments hereto, including any that are incorporated by reference.

39. Payment:

- a. The approved Budget, if applicable, is attached hereto and incorporated herein by this reference and states the maximum amount of allowable costs for each of the tasks identified in the Project Summary and Activity Timeline included in the project application. California State Library shall provide funding to the Grantee for only the work and tasks specified in the Grantee's Application at only those costs specified in the Budget and incurred in the term of the Agreement.
- b. The Grantee shall carry out the work described in the Work Plan or in the Grantee's Application in accordance with the approved Budget and shall obtain the Grant Monitor's written approval of any changes or modifications to the Work Plan, approved project as described in the Grantee's Application, or the approved Budget prior to performing the changed work or incurring the changed cost. If the Grantee fails to obtain such prior written approval, the State Librarian or designee, at his or her sole discretion, may refuse to provide funds to pay for such work or costs.
- c. The Grantee shall request funds in accordance with the funding schedule included in this agreement.
- d. Ten percent (10%) will be withheld from the Payment Request (if applicable) and paid at the end of the grant term, when all reports and conditions stipulated in this Agreement have been satisfactorily

completed. Failure by the grantee to satisfactorily complete all reports and conditions stipulated in this Agreement may result in forfeiture of any such funds withheld.

- e. Lodgings, Meals and Incidentals: Grantee's eligible costs are limited to the amounts authorized in the [California State Administrative Manual](#) (see Exhibit C or contact the Grant Monitor for more information).
- f. Payment will be made only to the Grantee.
- g. Reimbursable expenses shall not be incurred unless and until the grantee receives a Notice to Proceed as described in the Procedures and Requirements.

40. Personal Jurisdiction: The Grantee consents to personal jurisdiction in the State of California for all proceedings concerning the validity and operation of this Agreement and the performance of the obligations imposed upon the parties. Native American Tribal grantees expressly waive tribal sovereign immunity as a defense to any and all proceedings concerning the validity and operation of this Agreement and the performance of the obligations imposed upon the parties.

41. Personnel Costs: Any personnel expenditures to be paid for with grant funds must be computed based on actual time spent on grant-related activities and on the actual salary or equivalent hourly wage the employee is paid for their regular job duties, including a proportionate share of any benefits to which the employee is entitled.

42. Pledge: This Agreement shall not be interpreted to create any pledge or any commitment by the State Library to make any other or further grants or contributions to Grantee, or any other person or entity in connection with the Project. It is mutually agreed that Grantee is responsible for furnishing funds beyond the grant award that may be necessary to complete outcomes or deliverables.

43. Privacy Protection: Both parties agree to protect the confidentiality of any non-public, personal information that may be contained in materials received or produced in connection with this Agreement, as required by Civil Code, section 1798, *et. seq.*

44. Prohibited Use: The expenditure under this program shall not be used to supplant Grantee efforts in other grant programs provided by the California State Library.

45. Public Records Act: Material maintained or used by the California State Library is considered "public record" under the Public Records Act (PRA) at Government Code, sections 6250, *et. seq.* This includes the Interim and Final reports, and any other written communications between the parties. Grantee agrees to ensure that all content contained in its written reports are appropriate for publication.

Said material, along with all other reports, documentation and data collected during the term of the Agreement, will be subject to disclosure unless it qualifies for exemption under the PRA in whole or in part. Grantee agrees to alert the State Library as to a basis for exemption, if any exists.

46. Publicity Obligations: Grantee will notify the State Library of any promotional materials or publications resulting from the grant no later than five (5) days in advance of distribution, whether they are print, film, electronic, or in any other format or medium. Copies of all promotional materials will be provided to the State Library. Grantee will acknowledge the State Library's support as noted above. Grantee agrees that the State Library may include information about this grant and its outcomes in its own annual reports, with specific reference to Grantee, and may distribute such information to third parties.
47. Records: Communications, grant related documents, data, original receipts, and invoices must be maintained by Grantee and shall be made available to the State Library upon request. Grantee agrees to maintain adequate grant program records and adequate financial records consistent with generally accepted accounting practices, and to retain all records for at least five (5) years after the end-of-term. The State Library may monitor or conduct an onsite evaluation of Grantee's operation to ensure compliance with this Agreement, with reasonable advance notice.
48. Reduction of Waste: In the performance of this Agreement, Grantee shall take all reasonable steps to ensure that materials purchased or utilized in the course of the project are not wasted. Steps should include, but not be limited to: the use of used, reusable, or recyclable products; discretion in the amount of materials used; alternatives to disposal of materials consumed; and the practice of other waste reduction measures where feasible and appropriate.
49. Reimbursement Limitations: Under no circumstances shall the Grantee seek reimbursement pursuant to this Agreement for a cost or activity that has been or will be paid for through another funding source. The Grantee shall not seek reimbursement for any costs used to meet cost sharing or matching requirements of any other California State Library funded program.
50. Reports and Claims: It is the responsibility of the grantee make the required reports and claims to the California State Library.
- a. The grantee shall be responsible for submitting to the State Library Narrative Reports detailing progress and activities. The reports are due on the dates specified in the reporting schedule detailed in the Procedures and Requirements section.

- b. The grantee shall be responsible for submitting to the State Library Financial Reports reflecting grantee expenditure activity. The reports are due on the dates specified in the reporting schedule detailed in the Procedures and Requirements section.
- c. To obtain payment hereunder the grantee shall submit authorized claims provided by the State Library for that purpose, on each of the following mentioned dates for payment, and the California State Library agrees to reimburse the Library as soon thereafter as State fiscal procedures will permit.
- d. The final 10% of the grant award (if applicable) is payable only upon approval of all final reports and receipt of claim form. Failure to provide timely reports is a serious breach of an award recipient's administrative duty under the award.
- e. Payment will be provided to cover the expenditures incurred by the grantee for the project in the following manner:
 - o \$47,385 upon execution of the agreement and submission of claim by the grantee organization.

51. Self-Dealing and Arm's Length Transactions: All expenditures for which reimbursement pursuant to this Agreement is sought shall be the result of arm's-length transactions and not the result of, or motivated by, self-dealing on the part of the Grantee or any employee or agent of the Grantee. For purposes of this provision, "arm's-length transactions" are those in which both parties are on equal footing and fair market forces are at play, such as when multiple vendors are invited to compete for an entity's business and the entity chooses the lowest of the resulting bids. "Self-dealing" is involved where an individual or entity is obligated to act as a trustee or fiduciary, as when handling public funds, and chooses to act in a manner that will benefit the individual or entity, directly or indirectly, to the detriment of, and in conflict with, the public purpose for which all grant monies are to be expended.

52. Severability: If any part of this Agreement is found to be unlawful or unenforceable, such provisions will be voided and severed from this Agreement, but the remainder of the provisions in the Agreement will remain in full force and effect.

53. Site Visits: The Grantee shall allow the California State Library to access and conduct site visits, with reasonable notice, at which grant funds are expended and related work being performed at any time during the performance of the work and for up to ninety (90) days after completion of the work, or until all issues related to the grant project have been resolved. A site visit may include, but not

be limited to, monitoring the use of grant funds, provide technical assistance when needed, and to visit the State funded project.

54. Termination: The Agreement shall be subject to termination by the State Librarian or designee upon notice to the Grantee at least thirty (30) days prior to the effective date of termination. In the event this agreement is terminated, the Grantee shall deliver to the State Librarian copies of all reports, accounting, data, and materials prepared up to the date of termination. The State Librarian shall determine and pay the Grantee for necessary and appropriate expenditures and obligations up to the date of termination which have not been covered by prior installments previously paid to the Grantee. Upon such termination, the unused portion of the grant award must be returned to the California State Library within 45 days. If funding has been advanced to the Grantee, any unobligated balances, as determined by the State Librarian, shall be returned to the State Library within 45 days of the notice of termination.

55. Timeline: Time is of the essence to this Agreement. It is mutually agreed between the parties that the grant application and the timeline included therein are part of the Agreement.

56. Unused Funds: At the end-of-term Grantee agrees to return any unexpended or unaccounted for funds to the State Library, or to submit a written request for an extension of the grant period. Funds will be considered unexpended or unaccounted if they were: (1) not used for their intended purpose, or (2) used inconsistent with the terms of this Agreement.

Funds will also be considered unaccounted for, and must be returned, if the proposal outcomes or deliverables are materially incomplete by the end-of-term or earlier termination, as determined by the State Library in its sole discretion.

57. Waiver of Rights: California State Library shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by California State Library. No delay or omission on the part of California State Library in exercising any rights shall operate as a waiver of such right or any other right. A waiver by California State Library of a provision of this Agreement shall not prejudice or constitute a waiver of California State Library's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by California State Library, nor any course of dealing between California State Library and Grantee, shall constitute a waiver of any of California State Library's rights or of any of grantee's obligations as to any future transactions. Whenever the consent of California State Library is required under this Agreement, the granting of such consent by California State

Library in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of California State Library.

58. Work Products: Grantee shall provide California State Library with copies of all final products identified in the Work Plan and Application. Grantee shall also provide the State Library with copies of all public education and advertising material produced pursuant to this Agreement.

59. Worker's Compensation: The State of California will not provide Workers' Compensation insurance for Grantee or Grantee's employees or contract personnel. If Grantee hires employees to perform services required by this Agreement, Grantee shall provide Workers' Compensation insurance for them. The Grantee is aware of Labor Code Section 3700, which requires every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the Labor Code, and the Grantee agrees to comply with such provisions before commencing the performance of the work of this Agreement.



EXHIBIT B: CERTIFICATION of COMPLIANCE FORM

1. **AUTHORIZED REPRESENTATIVE:** I certify that the authorized representative named below is the legally designated representative of the Grantee for this Grant Agreement and project and is authorized to receive and expend funds in order to administer this grant program.
2. I certify that all information provided to the California State Library for review in association with this award is correct and complete to the best of my knowledge, and as the authorized representative of the Grantee, I commit to the conditions of this award, and I have the legal authority to do so.
3. I certify that any or all other participants or contractors in the grant program have agreed to the terms of the application/grant award and have entered into an agreement(s) concerning the final disposition of equipment, facilities, and materials purchased for this program from the funds awarded for the activities and services described in the attached, as approved and/or as amended in the application by the California State Librarian.
4. The authorized representative, on behalf of the Grantee, certifies that the Grantee will comply with all applicable requirements of State and Federal laws, regulations, and policies governing this program, to include the requirements listed below in this Certification of Compliance Form.
5. The authorized representative, on behalf of the Grantee, hereby certifies to the California State Library, for an award of funds in the amount \$47,385. This award will provide library services as set forth in the Project Application as approved and/or as amended by the California State Librarian.
6. **STATEMENT OF COMPLIANCE:** Grantee has, unless exempted, complied with the non-discrimination program requirements. (Gov. Code §12990 (a-f) and CCR, Title 2, Section 11102).
7. **DRUG-FREE WORKPLACE REQUIREMENTS:** Grantee will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:
 - a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.
 - b. Establish a Drug-Free Awareness Program to inform employees about:
 - 1) the dangers of drug abuse in the workplace;

- 2) the person's or organization's policy of maintaining a drug-free workplace;
- 3) any available counseling, rehabilitation and employee assistance programs; and,
- 4) penalties that may be imposed upon employees for drug abuse violations.

c. Every employee who works on the proposed Agreement will:

- 1) receive a copy of the company's drug-free workplace policy statement; and,
- 2) agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Grantee may be ineligible for award of any future State agreements if the department determines that any of the following has occurred: the Grantee has made false certification or violated the certification by failing to carry out the requirements as noted above. (Gov. Code § 8350 *et. seq.*)

8. **CONFLICT OF INTEREST:** Grantee needs to be aware of the following provisions regarding current or former state employees. If Grantee has any questions on the status of any person rendering services or involved with the Agreement, the California State Library must be contacted immediately for clarification.

Current State Employees (Pub. Contract Code § 10410):

- a. No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest, and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.
- b. No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

Former State Employees (Pub. Contract Code § 10411):

- a. For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.
- b. For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

If Grantee violates any provisions of above paragraphs, such action by Grantee shall render this Agreement void. (Pub. Contract Code § 10420).

Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (Pub. Contract Code § 10430 (e)).

9. **LABOR CODE/WORKERS' COMPENSATION:** Grantee needs to be aware of the provisions which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and Grantee affirms to comply with such provisions before commencing the performance of the work of this Agreement. (Labor Code § 3700).
10. **AMERICANS WITH DISABILITIES ACT:** Grantee assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 *et. seq.*)
11. **RESOLUTION:** A county, city, district, or other local public body must provide the State with a copy of a resolution, order, motion, or ordinance of the local governing body which by law has authority to enter into an agreement, authorizing execution of the agreement.
12. **PAYEE DATA RECORD FORM STD. 204:** This form must be completed by all Grantees that are not another state agency or other governmental entity.
13. **DRUG FREE WORKPLACE:**
 - a. Continue to provide a drug-free workplace by complying with the requirements in 2 C.F.R. part 3186 (Requirements for Drug-Free Workplace (Financial Assistance)). In particular, the recipient must comply with drug-free workplace requirements in subpart B of 2 C.F.R. part 3186, which adopts the Government-wide implementation (2 C.F.R. part 182) of sections 5152-5158 of the Drug-Free Workplace Act of 1988 (P. L. 100-690, Title V, Subtitle D; 41 U.S.C. §§ 701-707).
 - b. This includes but is not limited to: making a good faith effort, on a continuing basis, to maintain a drug-free workplace; publishing a drug-free workplace statement; establishing a drug-free awareness program for the employees; taking actions concerning employees who are convicted of violating drug statutes in the workplace.
14. **ACCESSIBILITY:** The organization receiving this award, as listed in the certification section below, and all program staff, will ensure all project materials will meet California accessibility standards.
15. **NON-DISCRIMINATION:** The organization receiving this award, as listed in the certification section below, and all program staff, agree to comply with all California non-discrimination laws.

- 16. ACKNOWLEDGEMENT:** The organization receiving this award, as listed in the certification section below, and all program staff, agree to comply with California State Library acknowledgement requirements.

Certification

ORGANIZATION	
Name:	Address (<i>official and complete</i>):
PROJECT COORDINATOR	
Name:	
Email:	Phone:
GRANTTEE AUTHORIZED REPRESENTATIVE	
Name: Kristan Lundquist	Title:
Email: kristanl@ci.salinas.ca.us	Phone:
Signature:	Date:



Authorized Representative Signature

ORGANIZATION	
Name:	Address <i>(official and complete):</i>
AUTHORIZED REPRESENTATIVE	
Signature:	Date:
Printed Name of Person Signing: Kristan Lundquist	Title:
STATE OF CALIFORNIA	
Agency Name: California State Library	Address: 900 N Street, Sacramento, CA 95814
Signature: <small>DocuSigned by:</small> 	Date: 7/13/2023
Printed Name of Person Signing: Greg Lucas	Title: California State Librarian



EXHIBIT B: STATE REIMBURSABLE TRAVEL EXPENSES

Rates are subject to change per State of California, Department of Human Resources
 Please Check State of California, Department of Human Resources Website for
 updated expenses:

<http://www.calhr.ca.gov/employees/pages/travel-reimbursements.aspx>

Mileage: Rate subject to change	\$0.56 per mile – approved business/travel expense
Meals: Receipts are required	\$7.00 – Breakfast \$11.00 – Lunch \$23.00 – Dinner \$5.00 - Incidentals

Meals Note: Lunch can only be claimed if travel is more than 24 hours. Incidental charge may be claimed once for every 24-hour period and should cover incidental expenses, such as but not limited to, tip, baggage handling, etc.

Hotel: Receipts are required and MUST have a zero balance.	\$ 90.00 plus tax for all counties/cities not listed below \$ 95.00 plus tax for Napa, Riverside, and Sacramento Counties \$ 110.00 plus tax for Marin County \$ 120.00 plus tax for Los Angeles, Orange, and Ventura Counties, and Edwards AFB. Excluding the city of Santa Monica \$ 125.00 plus tax for Monterey and San Diego Counties \$ 140.00 plus tax for Alameda, San Mateo and Santa Clara Counties \$ 150.00 plus tax for the City of Santa Monica \$ 250.00 plus tax for San Francisco County Out of State: Prior authorization must be obtained, as well as three print-out hotel quotes. Actual receipt must be included with authorization and additional quotes.
--	---

Hotel Note: If the above approved reimbursable hotel rates cannot be secured, please contact your grant monitor to obtain an excess lodging form. This form must be approved prior to actual travel.

AIRLINE TICKETS: Itinerary and receipts are required	Actual reasonable fees pertaining to airline travel will be reimbursed. Business, First Class, or Early Bird Check-in fee is not an approved reimbursable expense.
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5 June 2023

RE: Contractor and Grantee Compliance with Economic Sanctions Imposed in Response to Russia's Actions in Ukraine

Dear Grantee,

You are receiving this notification because you currently have an active grant through the California State Library.

On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (EO) regarding sanctions in response to Russian aggression in Ukraine. The EO is located at <https://www.gov.ca.gov/wp-content/uploads/2022/03/3.4.22-Russia-Ukraine-Executive-Order.pdf>.

The EO directs all agencies and departments that are subject to the Governor's authority to take certain immediate steps, including notifying all contractors and grantees of their obligations to comply with existing economic sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under state law.

This correspondence serves as a notice under the EO that as a contractor or grantee, compliance with the economic sanctions imposed in response to Russia's actions in Ukraine is required, including with respect to, but not limited to, the federal executive orders identified in the EO and the sanctions identified on the U.S. Department of the Treasury website (<https://home.treasury.gov/policy-issues/financial-sanctions/sanctions-programs-and-country-information/ukraine-russia-related-sanctions>). Failure to comply may result in the termination of contracts or grants, as applicable.

Please note that for any agreements or grants valued at \$5 million or more, a separate notification will be sent outlining additional requirements specified under the EO.

Annly Roman
California State Library
900 N Street
Sacramento, CA 95814



California Library Literacy and English Acquisition Services
FINANCIAL CLAIM
PAYMENT IN FULL

Grant Award #: ESL21-3-59 **Date:**
Invoice #: ESL21-3-59-01 **PO #:**
Payee Name: Salinas Public Library
(Legal name of authorized agency to receive, disburse and account for funds*)

Complete Address:

Street Address, City, State, Zip Code (Warrant will be mailed to this address)

Amount Claimed: \$47,385 **Type of Payment:**
(Payable Upon Execution of Agreement) ☐ PROGRESS
Grantee Name: Salinas Public Library ☐ FINAL
(Name on Award Letter and Agreement) ☒ IN FULL
Project Title: English as a Second Language ☐ AUGMENT

For Period From: upon execution to end of grant period

CERTIFICATION

I hereby certify under penalty of perjury: that I am the duly authorized representative of the claimant herein; that this claim is in all respects true, correct and in accordance with law and the terms of the agreement; and that payment has not previously been received for the amount claimed herein.

By

(Signature of the Authorized Representative)

(Print Name)

(Title)

*Legal payee name must match the payee's federal tax return. Warrant will be made payable to payee name. Payee discrepancies in name and/or address may cause delay in payment. If you need to change payee name and/or address, please contact Fiscal Services at stategrants.fiscal@library.ca.gov.

State of California, State Library Fiscal Office

ENY: 2021
PURCHASING AUTHORITY NUMBER: CSL-6120
COA: 5432000

ITEM NO: 6120-2131-0001, Chapter 240, Statutes of 2021
REPORTING STRUCTURE: 61202000
PROGRAM #: 5312

By

Date

(State Library Representative)

PAYEE DATA RECORD

(Required when receiving payment from the State of California in lieu of IRS W-9 or W-7)
STD 204 (Rev. 03/2021)

Section 1 – Payee Information

NAME (This is required. Do not leave this line blank. Must match the payee's federal tax return)

BUSINESS NAME, DBA NAME or DISREGARDED SINGLE MEMBER LLC NAME (If different from above)

MAILING ADDRESS (number, street, apt. or suite no.) (See instructions on Page 2)

CITY, STATE, ZIP CODE

E-MAIL ADDRESS

Section 2 – Entity Type

Check one (1) box only that matches the entity type of the Payee listed in Section 1 above. (See instructions on page 2)

☐ **SOLE PROPRIETOR / INDIVIDUAL**

☐ **SINGLE MEMBER LLC** *Disregarded Entity owned by an individual*

☐ **PARTNERSHIP**

☐ **ESTATE OR TRUST**

CORPORATION (see instructions on page 2)

☐ **MEDICAL** (e.g., dentistry, chiropractic, etc.)

☐ **LEGAL** (e.g., attorney services)

☐ **EXEMPT** (e.g., nonprofit)

☐ **ALL OTHERS**

Section 3 – Tax Identification Number

Enter your Tax Identification Number (TIN) in the appropriate box. The TIN must **match** the name given in Section 1 of this form. Do not provide more than one (1) TIN. The TIN is a 9-digit number. **Note:** Payment will not be processed without a TIN.

- For **Individuals**, enter SSN.
- If you are a **Resident Alien**, and you do not have and are not eligible to get an SSN, enter your ITIN.
- Grantor Trusts (such as a Revocable Living Trust while the grantors are alive) may not have a separate FEIN. Those trusts must enter the individual grantor's SSN.
- For **Sole Proprietor or Single Member LLC (disregarded entity)**, in which the **sole member is an individual**, enter SSN (ITIN if applicable) or FEIN (FTB prefers SSN).
- For **Single Member LLC (disregarded entity)**, in which the **sole member is a business entity**, enter the owner entity's FEIN. Do not use the disregarded entity's FEIN.
- For all other entities including LLC that is taxed as a corporation or partnership, estates/trusts (with FEINs), enter the entity's FEIN.

Social Security Number (SSN) or Individual Tax Identification Number (ITIN)

_____ - _____ - _____

OR

Federal Employer Identification Number (FEIN)

_____ - _____

Section 4 – Payee Residency Status (See instructions)

☐ **CALIFORNIA RESIDENT** – Qualified to do business in California or maintains a permanent place of business in California.

☐ **CALIFORNIA NONRESIDENT** – Payments to nonresidents for services may be subject to state income tax withholding.

☐ No services performed in California

☐ Copy of Franchise Tax Board waiver of state withholding is attached.

Section 5 – Certification

I hereby certify under penalty of perjury that the information provided on this document is true and correct. Should my residency status change, I will promptly notify the state agency below.

NAME OF AUTHORIZED PAYEE REPRESENTATIVE

TITLE

E-MAIL ADDRESS

SIGNATURE

DATE

TELEPHONE (include area code)

Section 6 – Paying State Agency

Please return completed form to:

STATE AGENCY/DEPARTMENT OFFICE

Ca. State Library

UNIT/SECTION

Admin/Accounting

MAILING ADDRESS

900 N Street

FAX

TELEPHONE (include area code)

916-603-7157

CITY

Sacramento

STATE

CA

ZIP CODE

95814

E-MAIL ADDRESS

accounting@library.ca.gov

PAYEE DATA RECORD

(Required when receiving payment from the State of California in lieu of IRS W-9 or W-7)
STD 204 (Rev. 03/2021)

GENERAL INSTRUCTIONS

Type or print the information on the Payee Data Record, STD 204 form. Sign, date, and return to the state agency/department office address shown in Section 6. Prompt return of this fully completed form will prevent delays when processing payments.

Information provided in this form will be used by California state agencies/departments to prepare Information Returns (Form 1099).

NOTE: Completion of this form is optional for Government entities, i.e. federal, state, local, and special districts.

A completed Payee Data Record, STD 204 form, is required for all payees (non-governmental entities or individuals) entering into a transaction that may lead to a payment from the state. Each state agency requires a completed, signed, and dated STD 204 on file; therefore, it is possible for you to receive this form from multiple state agencies with which you do business.

Payees who do not wish to complete the STD 204 may elect not to do business with the state. If the payee does not complete the STD 204 and the required payee data is not otherwise provided, payment may be reduced for federal and state backup withholding. Amounts reported on Information Returns (Form 1099) are in accordance with the Internal Revenue Code (IRC) and the California Revenue and Taxation Code (R&TC).

Section 1 – Payee Information

Name – Enter the name that appears on the payee's federal tax return. The name provided shall be the tax liable party and is subject to IRS TIN matching (when applicable).

- Sole Proprietor/Individual/Revocable Trusts – enter the name shown on your federal tax return.
- Single Member Limited Liability Companies (LLCs) that is disregarded as an entity separate from its owner for federal tax purposes - enter the name of the individual or business entity that is tax liable for the business in section 1. Enter the DBA, LLC name, trade, or fictitious name under Business Name.
- Note: for the State of California tax purposes, a Single Member LLC is not disregarded from its owner, even if they may be disregarded at the Federal level.
- Partnerships, Estates/Trusts, or Corporations – enter the entity name as shown on the entity's federal tax return. The name provided in Section 1 must match to the TIN provided in section 3. Enter any DBA, trade, or fictitious business names under Business Name.

Business Name – Enter the business name, DBA name, trade or fictitious name, or disregarded LLC name.

Mailing Address – The mailing address is the address where the payee will receive information returns. Use form STD 205, Payee Data Record Supplement to provide a remittance address if different from the mailing address for information returns, or make subsequent changes to the remittance address.

Section 2 – Entity Type

If the Payee in Section 1 is a(n)...	THEN Select the Box for...
Individual • Sole Proprietorship • Grantor (Revocable Living) Trust disregarded for federal tax purposes	Sole Proprietor/Individual
Limited Liability Company (LLC) owned by an individual and is disregarded for federal tax purposes	Single Member LLC-owned by an individual
Partnerships • Limited Liability Partnerships (LLP) • and, LLC treated as a Partnership	Partnerships
Estate • Trust (other than disregarded Grantor Trust)	Estate or Trust
Corporation that is medical in nature (e.g., medical and healthcare services, physician care, nursery care, dentistry, etc.) • LLC that is to be taxed like a Corporation and is medical in nature	Corporation-Medical
Corporation that is legal in nature (e.g., services of attorneys, arbitrators, notary publics involving legal or law related matters, etc.) • LLC that is to be taxed like a Corporation and is legal in nature	Corporation-Legal
Corporation that qualifies for an Exempt status, including 501(c) 3 and domestic non-profit corporations.	Corporation-Exempt
Corporation that does not meet the qualifications of any of the other corporation types listed above • LLC that is to be taxed as a Corporation and does not meet any of the other corporation types listed above	Corporation-All Other

Section 3 – Tax Identification Number

The State of California requires that all parties entering into business transactions that may lead to payment(s) from the state provide their Taxpayer Identification Number (TIN). The TIN is required by R&TC sections 18646 and 18661 to facilitate tax compliance enforcement activities and preparation of Form 1099 and other information returns as required by the IRC section 6109(a) and R&TC section 18662 and its regulations.

Section 4 – Payee Residency Status

Are you a California resident or nonresident?

- A corporation will be defined as a "resident" if it has a permanent place of business in California or is qualified through the Secretary of State to do business in California.
- A partnership is considered a resident partnership if it has a permanent place of business in California.
- An estate is a resident if the decedent was a California resident at time of death.
- A trust is a resident if at least one trustee is a California resident.
 - For individuals and sole proprietors, the term "resident" includes every individual who is in California for other than a temporary or transitory purpose and any individual domiciled in California who is absent for a temporary or transitory purpose. Generally, an individual who comes to California for a purpose that will extend over a long or indefinite period will be considered a resident. However, an individual who comes to perform a particular contract of short duration will be considered a nonresident.

For information on Nonresident Withholding, contact the Franchise Tax Board at the numbers listed below:

Withholding Services and Compliance Section: 1-888-792-4900
For hearing impaired with TDD, call: 1-800-822-6268

E-mail address: wscs.gen@ftb.ca.gov
Website: www.ftb.ca.gov

Section 5 – Certification

Provide the name, title, email address, signature, and telephone number of individual completing this form and date completed. In the event that a SSN or ITIN is provided, the individual identified as the tax liable party must certify the form. Note: the signee may differ from the tax liable party in this situation if the signee can provide a power of attorney documented for the individual.

Section 6 – Paying State Agency

This section must be completed by the state agency/department requesting the STD 204.

Privacy Statement

Section 7(b) of the Privacy Act of 1974 (Public Law 93-579) requires that any federal, state, or local governmental agency, which requests an individual to disclose their social security account number, shall inform that individual whether that disclosure is mandatory or voluntary, by which statutory or other authority such number is solicited, and what uses will be made of it. It is mandatory to furnish the information requested. Federal law requires that payment for which the requested information is not provided is subject to federal backup withholding and state law imposes noncompliance penalties of up to \$20,000. You have the right to access records containing your personal information, such as your SSN. To exercise that right, please contact the business services unit or the accounts payable unit of the state agency(ies) with which you transact that business.

All questions should be referred to the requesting state agency listed on the bottom front of this form.

RESOLUTION NO. _____ (N.C.S.)

**A RESOLUTION TO ACCEPT THE CALIFORNIA LIBRARY LITERACY SERVICES GRANT
AWARD IN THE AMOUNT OF \$47,385 IN SUPPORT OF ADULT ESL LITERACY, AND
AUTHORIZE RECEIPT OF FUNDS**

WHEREAS, the California Library Literacy Services granted funding in the amount of \$47,385 in support of Adult ESL literacy programs for Salinas Public Library; and

WHEREAS, this grant will establish the Library's ESL literacy programs and provide greater learning opportunity that matches the needs of our community; and

WHEREAS, the Library and Community Services Director or their designee is hereby authorized to take whatever additional action may be necessary to effectuate the intent of this resolution.

NOW, THEREFORE, BE IT RESOLVED that the Salinas City Council authorize the receipt of Adult ESL Literacy funds for this grant in the amount of \$47,385 and authorizes the establishment of the CLLS – Adult ESL Literacy fund appropriation totaling \$47,385 and corresponding revenue budget with no matching funds required.

PASSED AND APPROVED this 12th day of September, 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Kimbley Craig, Mayor

ATTEST:

Patricia M. Barajas, City Clerk



Legislation Text

File #: ID#23-550, Version: 1

Amendment to Professional Services Agreement with MV Cheng & Associates, Inc.

Approve a Resolution authorizing the City Manager to execute an amendment to a professional services agreement with MV Cheng & Associates, Inc. ("MV Cheng") for accounting, financial reporting, and other finance-related services for an additional amount of \$50,000; and approving payment of \$19,681.25 to MV Cheng for the cost of services previously provided to the City during Fiscal Year 2022-23.



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: SEPTEMBER 12, 2023

DEPARTMENT: FINANCE

FROM: JIM PIA, ACTING FINANCE DIRECTOR

BY: NICK LUCIANO, CONFIDENTIAL OFFICE TECHNICIAN

TITLE: AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT
WITH MV CHENG & ASSOCIATES, INC.

RECOMMENDED MOTION:

Staff recommends the City Council approve a resolution:

- 1) Authorizing the City Manager to execute an amendment to a professional services agreement with MV Cheng & Associates, Inc. ("MV Cheng") for accounting, financial reporting, and other finance-related services for an additional amount of fifty thousand dollars (\$50,000); and
- 2) approving payment of \$19,681.25 to MV Cheng for the cost of services previously provided to the City during Fiscal Year 22-23.

BACKGROUND:

Several positions have been vacant in the Department of Finance over the past two years, and, currently, one-half of the department's senior staff positions, i.e., the professionals and supervisors/managers primarily responsible for the City's accounting, financial reporting, and budget functions, are vacant. It is imperative that the Department of Finance have sufficient resources to perform these functions, to ensure timely and accurate completion of accounting entries and adjustments, to avoid errors and unnecessary delays in the completion of the City's annual audit and preparation of its financial statements, and to assist in training staff. To acquire the resources needed, the City entered into an agreement with MV Cheng on April 12, 2023. The not-to-exceed amount of the agreement was one hundred thousand dollars (\$100,000) and was signed by the City Manager, as the amount is within his approval authority. However, the cost of services received totaled one hundred nineteen thousand six hundred eighty-one dollars and twenty-five cents (\$119,681.25). Since the total cost exceeds the contract limit and the City Manager's authority by nineteen thousand six hundred eighty-one dollars and twenty-five cents (\$19,681.25), Council approval of the additional amount is required. In addition, approval of an

amendment adding fifty-thousand dollars (\$50,000) to the existing two-hundred thousand dollar (\$200,000) agreement that commenced on July 1, 2023 is requested, so the services may continue to be received until Finance’s senior staff positions have been filled.

CEQA CONSIDERATION:

Not a project. The City of Salinas has determined the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378).

STRATEGIC PLAN INITIATIVE:

Adoption of the recommended resolution achieves the Council 2022-2025 Strategic Goal of Effective Government.

FISCAL AND SUSTAINABILILTY IMPACT:

MV Cheng & Associates’ consulting fees will be based upon hourly rates for actual work performed, in accordance with the following schedule:

<u>Staff Allocation</u>	<u>Hourly Rate</u>
Level 1 Consultant	\$150
Level 2 Consultant	\$125

ATTACHMENTS:

Resolution

RESOLUTION NO. _____ (N.C.S.)

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SALINAS
AUTHORIZING THE CITY MANAGER TO EXECUTE AN AMENDMENT TO AN
AGREEMENT WITH
MV CHENG & ASSOCIATES, INC. FOR ACCOUNTING, FINANCIAL REPORTING,
AND OTHER FINANCE-RELATED SERVICES**

WHEREAS, accounting, financial reporting, and budgeting are essential functions of the City of Salinas; and

WHEREAS, due to several staff vacancies, the City's Department of Finance, which is responsible for these functions, requires assistance in completing these tasks; and

WHEREAS, MV Cheng & Associates, Inc. ("MV Cheng") is qualified by experience and ability to perform accounting, financial reporting, and other finance-related services; and

WHEREAS, on April 12, 2023, the City entered into a professional services agreement to receive such services from MV Cheng; and

WHEREAS, the total cost of services provided by MV Cheng exceeded the agreement's contract limit by nineteen thousand six hundred eighty-one dollars and twenty-five cents (\$19,681.25); and

WHEREAS, MV Cheng & Associates, Inc. is willing to perform accounting, financial reporting, and other finance-related services for the period July 1, 2023 through December 31, 2023, with an additional one-year option.

NOW, THEREFORE, BE IT RESOLVED that the Salinas City Council approves payment of nineteen thousand six hundred eighty-one dollars and twenty-five cents (\$19,681.25) to MV Cheng & Associates, Inc. for the cost of services previously provided to the City during Fiscal Year 22-23; and

BE IT FURTHER RESOLVED that the Salinas City Council authorizes the City Manager to execute an amendment to a professional services agreement with MV Cheng & Associates, Inc. for accounting, financial reporting, and other finance-related services for the period of July 1, 2023 through December 31, 2023, with an additional one-year option, for an amount of fifty thousand dollars (\$50,000).

PASSED AND APPROVED this 12th day of September 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Kimbley Craig, Mayor

ATTEST:

Patricia M. Barajas, City Clerk



City of Salinas

200 Lincoln Ave., Salinas,
CA 93901
www.cityofsalinas.org

Legislation Text

File #: ID#23-551, Version: 1

2024 City Council Meeting Calendar

Approve the 2024 City Council Meeting Calendar.



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: SEPTEMBER 12, 2023
DEPARTMENT: ADMINISTRATION
FROM: STEVEN S. CARRIGAN, CITY MANAGER
BY: ALEXIS MEJIA, ASSISTANT CITY CLERK
TITLE: 2024 CITY COUNCIL MEETING CALENDAR

RECOMMENDED MOTION:

A motion to approve the City Council meeting calendar for 2024.

RECOMMENDATION:

Staff recommends that the City Council approve the 2024 City Council meeting calendar to assist with the scheduling of City Council meetings.

BACKGROUND:

The Municipal Code states that City Council meetings will be held on Tuesdays [City Code section 2-01.01]. The proposed schedule for 2024 staggers meetings to allow adequate time for report preparation and review. As in past years, the calendar includes breaks for holidays, vacations, and conferences. Meetings would not be held on the Tuesdays that have been outlined on the attached draft calendar. This year, we added a special City Council meeting to take place on a Wednesday in December to Administer the Oath of Office following the approval of the 2024 Canvass of Election.

CEQA CONSIDERATION:

Not a Project. The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378).

STRATEGIC PLAN INITIATIVE:

The City Council calendar supports the Council Goal of “Operational Efficiencies”.

DEPARTMENTAL COORDINATION:

The City Clerk's Office is responsible for recommending a meeting calendar that supports all departments with direction from the City Manager.

FISCAL AND SUSTAINABILITY IMPACT:

No fiscal and sustainability impact.

ATTACHMENTS:

Salinas City Council 2024 Meeting Calendar
2024 Conference Schedule

2024 COUNCIL MEETING CALENDAR

January							February							March							April						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
	1	2	3	4	5	6					1	2	3						1	2		1	2	3	4	5	6
7	8	9	10	11	12	13	4	5	6	7	8	9	10	3	4	5	6	7	8	9	7	8	9	10	11	12	13
14	15	16	17	18	19	20	11	12	13	14	15	16	17	10	11	12	13	14	15	16	14	15	16	17	18	19	20
21	22	23	24	25	26	27	18	19	20	21	22	23	24	17	18	19	20	21	22	23	21	22	23	24	25	26	27
28	29	30	31				25	26	27	28	29			24	25	26	27	28	29	30	28	29	30				
														31													

May							June							July							August						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
			1	2	3	4							1		1	2	3	4	5	6					1	2	3
5	6	7	8	9	10	11	2	3	4	5	6	7	8	7	8	9	10	11	12	13	4	5	6	7	8	9	10
12	13	14	15	16	17	18	9	10	11	12	13	14	15	14	15	16	17	18	19	20	11	12	13	14	15	16	17
19	20	21	22	23	24	25	16	17	18	19	20	21	22	21	22	23	24	25	26	27	18	19	20	21	22	23	24
26	27	28	29	30	31		23	24	25	26	27	28	29	28	29	30	31				25	26	27	28	29	30	31
							30																				

September							October							November							December						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
1	2	3	4	5	6	7			1	2	3	4	5						1	2	1	2	3	4	5	6	7
8	9	10	11	12	13	14	6	7	8	9	10	11	12	3	4	5	6	7	8	9	8	9	10	11	12	13	14
15	16	17	18	19	20	21	13	14	15	16	17	18	19	10	11	12	13	14	15	16	15	16	17	18	19	20	21
22	23	24	25	26	27	28	20	21	22	23	24	25	26	17	18	19	20	21	22	23	22	23	24	25	26	27	28
29	30						27	28	29	30	31			24	25	26	27	28	29	30	29	30	31				

The City of Salinas will not meet on:

January 2, 16, 30

February 13, 27

March 26

April 2, 16, 30

May 28

June 4, 25

July 2, 9, 16, 23, 30 – SUMMER RECESS

August 13, 27

September 3, 17

October 1, 15, 29

November 5, 26

December 10, 17, 24, 31 – HOLIDAY RECESS

Study Session:

May 21 - BUDGET

Special Council Meeting:

December 4 – ADMINISTRATION OF OATH OF OFFICE

2024 Conference Schedule

LEAGUE OF CAL CITIES

New Mayor and Council Members: January 24-26

City Managers Conference: February 7-9

City Attorneys Spring Conference: May 8-10

City Clerks New Law and Elections Seminar: December

CITY CLERKS ASSOCIATION OF CALIFORNIA

City Clerks Annual Conference: April 3-5

INTERNATIONAL CITY/COUNTY MANAGEMENT ASSOCIATION

Annual Conference: September 21-25

NATIONAL LEAGUE OF CITIES

Congressional City Conference: March 11-13



City of Salinas

200 Lincoln Ave., Salinas,
CA 93901
www.cityofsalinas.org

Legislation Text

File #: ID#23-561, Version: 1

United States Postal Service Building (USPS) - Office Space Lease

Approve a Resolution approving an Office Space Lease Agreement between the City of Salinas and the USPS, for office space on the first floor of the Post Office building located at 100 W. Alisal Street, Salinas, California.



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: SEPTEMBER 12, 2023

DEPARTMENT: ADMINISTRATION

FROM: STEVEN S. CARRIGAN, CITY MANAGER

BY: JIM PIA, ACTING FINANCE DIRECTOR

TITLE: UNITED STATES POSTAL SERVICE (USPS) BUILDING – LEASE

RECOMMENDED MOTION:

A motion to approve a Resolution approving the City of Salinas lease agreement with the USPS for office space on the first floor Post Office Building located at 100 W. Alisal Street, Salinas, California.

RECOMMENDATION:

Staff recommends that City Council approve the attached Lease Agreement between the City of Salinas, as Lessee, and the U.S. Postal Service, as Lessor, for office space within the Post Office Building located at 100 W. Alisal Street, for use as administrative office space for various City of Salinas Department functions.

DISCUSSION:

Under the Salinas Recovery Plan of the American Rescue Plan Act (ARPA), the City Council allocated approximately \$11.5 million for Public Facilities, including just over \$5 million to necessary adaptations to City Hall. Council then approved a Roof repair to the City Hall building on April 4, 2023. The significant work on the project began in mid-August, following the move of nearly 30 staff members and all of the furnishings of the Lincoln Street first floor side of the building. The displacement of staff and Council offices is affecting multiple city departments who require additional space.

The City Manager's Office, including the City Clerk, reviewed possible options, and worked with the USPS to identify space that could work for the City. The City negotiated the attached Lease and terms that would work for our needs.

CEQA CONSIDERATION:

Not a Project. The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378).

DEPARTMENTAL COORDINATION:

Finance, Public Works, Legal, Human Resources and Administration have worked together to find workable workstations for employees. This additional space was discussed by the affected Departments.

FISCAL AND SUSTAINABILITY IMPACT:

Costs associated with the minimum two-year period include total rent of \$60,887.64 with renewal options as necessary. These costs will be assigned to the ARPA City Hall Project. (3911.50.8170)

Attachments

Lease attachments

RESOLUTION NO. _____ (N.C.S.)

**A RESOLUTION APPROVING FACILITY LEASE AGREEMENT BETWEEN CITY
OF SALINAS AND THE UNITED STATES POSTAL SERVICE, FOR OFFICE SPACE
LOCATED AT 100 WEST ALISAL ST.**

BE IT RESOLVED BY THE CITY COUNCIL OF SALINAS that the lease agreement between the City of Salinas and the United States Postal Service is approved and the Council hereby appoints the City Manager or designee as our authorized representative to execute the lease and documents for office space located at 100 West Alisal Street.

PASSED AND APPROVED this 12th day of September 2023 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Kimbley Craig, Mayor


ATTEST:

Patricia M. Barajas, City Clerk

CERTIFICATE OF COVERAGE		DATE (MM/DD/YYYY) 9/1/2023
PRODUCER Alliant Insurance Services, Inc. 560 Mission Street, 6th Floor San Francisco CA 94105	THIS CERTIFICATE IS ISSUED AS A MATTER OF EVIDENCE ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE MEMORANDUM(S) OF COVERAGE BELOW. THIS CERTIFICATE OF COVERAGE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING COVERAGE PROVIDER, AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER. IMPORTANT: IF THE CERTIFICATE HOLDER IS AN ADDITIONAL COVERED PARTY, THE MEMORANDUM OF COVERAGE MUST BE ENDORSED. A STATEMENT ON THIS CERTIFICATE DOES NOT CONFER RIGHTS TO THE CERTIFICATE HOLDER IN LIEU OF SUCH ENDORSEMENT(S). IMPORTANT: IF SUBROGATION IS WAIVED, SUBJECT TO THE TERMS AND CONDITIONS OF THE MEMORANDUM(S) OF COVERAGE AN ENDORSEMENT MAY BE REQUIRED. A STATEMENT ON THE CERTIFICATE DOES NOT CONFER RIGHTS TO THE CERTIFICATE HOLDER IN LIEU OF SUCH ENDORSEMENT(S).	
NAMED COVERED PARTY City of Salinas 200 Lincoln Avenue Salinas CA 93901	PROGRAM AFFORDING COVERAGE A: ACCEL B: C:	

COVERAGES						
THIS IS TO CERTIFY THAT THE COVERAGE IS AFFORDED TO THE ABOVE NAMED MEMBER, AS PROVIDED BY THE MEMORANDUM(S) OF COVERAGE, FOR THE PERIOD SHOWN BELOW, NOT WITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE COVERAGE AFFORDED BY THE PROGRAM DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS, AND CONDITIONS OF SUCH MEMORANDUM(S) OF COVERAGE. THE FOLLOWING COVERAGE IS IN EFFECT.						
JPA LTR	TYPE OF COVERAGE	MEMORANDUM NUMBER	COVERAGE EFFECTIVE DATE (MM/DD/YY)	COVERAGE EXPIRATION DATE (MM/DD/YY)	LIMITS	
	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR <input type="checkbox"/> <input type="checkbox"/> GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> MEMOR-ANDUM <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC				EACH OCCURRENCE	\$
					FIRE DAMAGE (Any one fire)	\$
					MED EXPENSE (Any one person)	\$
					PERSONAL & ADV INJURY	\$
					GENERAL AGGREGATE	\$
					PRODUCTS-COMP/OP AGG	\$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident)	\$
						\$
	WORKERS' COMPENSATION AND EMPLOYERS LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE/OFFICER/MEMBER EXCLUDED? IF YES, DESCRIBED UNDER SPECIAL PROVISION BELOW				<input type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER	
					E.L. EACH ACCIDENT	\$
					E.L. DISEASE - EA EMPLOYEE	\$
					E.L. DISEASE - POLICY LIMIT	\$
A	OTHER Public Entity Liability	ACC2324SAL119	7/1/2023	7/1/2024	\$1,000,000 \$2,000,000 \$1,000,000	Per Occ Aggregate S.I.R.
	OTHER					

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL/PROVISIONS If required by written contract with the Named Covered Party, United States Postal Service is covered as Additional Covered Party as respects the Outlease Agreement No. RMH 6.7.19 for lease of premises, located at Salinas Steinbeck Station, 100 W Alisal St, Salinas CA 93901-9998. Term of Agreement: October 1, 2023 - September 30, 2025. Written notice must be provided to the United States Postal Service within thirty (30) days of the effective date of any reduction in coverage under, or termination or cancellation of, any of the policies described herein. Subject to policy terms, conditions and exclusions.
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CERTIFICATE HOLDER United States Postal Service 475 L'Enfant Plaza, SW, Room 6670 Washington DC 20260-1862	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED MEMORANDUM(S) OF COVERAGE BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE MEMORANDUM(S) OF COVERAGE PROVISIONS. AUTHORIZED REPRESENTATIVE 
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AUTHORITY FOR CALIFORNIA CITIES EXCESS LIABILITY (ACCEL) A JOINT POWERS AUTHORITY EXCESS LIABILITY COVERAGE

ADDITIONAL COVERED PARTY ENDORSEMENT

It is understood and agreed that in accordance with Section III. WHO IS A COVERED PARTY paragraph D. that the following person or organization named below is included as an additional covered party for Bodily Injury and Property Damage, but only with respect to facilities or personal property owned by such person or organization and used by the Member Agency or for liability arising out of operations performed by or on behalf of the Member Agency for such person or organization so designated.

<i>Additional Covered Party</i>	<i>Limit of Liability</i>	<i>Description of Activity or Location of Facilities Used</i>
United States Postal Service	\$1,000,000 occ \$2,000,000 aggregate	If required by written contract with the Named Covered Party, United States Postal Service is covered as Additional Covered Party as respects the Outlease Agreement No. RMH 6.7.19 for lease of premises, located at Salinas Steinbeck Station, 100 W Alisal St, Salinas CA 93901-9998. Term of Agreement: October 1, 2023 - September 30, 2025. Written notice must be provided to the United States Postal Service within thirty (30) days of the effective date of any reduction in coverage under, or termination or cancellation of, any of the policies described herein. Subject to policy terms, conditions and exclusions.

Notwithstanding any requirement, term or condition of any contract or agreement to which this coverage may apply, the coverage afforded an additional covered party shall be subject to all the terms, exclusions and conditions of this Memorandum of Excess Liability Coverage (07/23) as otherwise applicable.

This endorsement is part of the Memorandum of Excess Liability Coverage (07/23) and is effective on the date shown below.

All other terms and conditions remain unchanged.

Policy Period: July 1, 2023 to July 1, 2024

Member Agency: City of Salinas

Endorsement No.: 2324-SAL-046

Issued to: United States Postal Service
475 L'Enfant Plaza, SW, Room 6670
Washington DC 20260-1862

Date Issued: 9/1/2023

Authorized Representative for ACCEL
Alliant Insurance Services, Inc.

<u>Facility Name/Location</u>	<u>Finance/Sublocation No.</u>	<u>Project Number:</u>
Salinas Steinbeck Station	056702-G01	
100 W Alisal St Frnt		
Salinas, CA 93901-9998		

THIS OUTLEASE AGREEMENT ("Outlease"), is entered into by and between the **UNITED STATES POSTAL SERVICE**, hereinafter called Lessor, and **City of Salinas**, hereinafter called the Lessee, whose address is **200 Lincoln Avenue, Salinas, CA 93901**, to use and occupy the property hereinafter described under the terms and subject to the conditions contained herein.

- 1. Premises:** In consideration of the rents, covenants and agreements hereinafter on the part of Lessee to pay, keep, and perform, the Lessor does demise and lease to the Lessee and Lessee hereby leases from Lessor, the following described premises (the "Premises"): The Premises are located in a building (the "Building") having a municipal address of **100 W Alisal St, Salinas CA 93901-9998**. The Premises are located on the first floor, and the approximate location as described in Exhibit "A" attached hereto and incorporated herein. The parties agree that the rentable area of the Premises is approximately **1,428** square feet.
- 2. Outlease Term:** The fixed term of this Outlease shall begin on October 1, 2023 ("Outlease Commencement Date"), and end on September 30, 2025, unless terminated prior thereto pursuant to the terms hereof (hereinafter referred to as the "Outlease Term").
- 3. Rental Rate:** Beginning on the Outlease Commencement Date and for each calendar month, Lessee shall pay the Lessor rent ("Rent"), as set out in the schedule below, which shall be due and payable on a monthly basis in advance, without demand or set-off, in the amount of:

3a.

<u>Months</u>	<u>Monthly Rent</u>	<u>Annual Rent</u>
10/01/2023 – 09/30/2024	\$2,500.00	\$30,000.00
10/01/2024 – 09/30/2025	\$2,573.97	\$30,887.64

3b.

<u>Renewal</u>	<u>Monthly Rent</u>	<u>Annual Rent</u>
10/01/2025 – 09/30/2026	\$2,651.19	\$31,814.28
10/01/2026 – 09/30/2027	\$2,730.72	\$32,768.64
10/01/2027 – 09/30/2028	\$2,812.65	\$33,751.80

A security deposit of **\$5,000.00** is due in advance of the Outlease Commencement Date ("Security Deposit") and must be made payable to the "Disbursing Officer, USPS" and submitted to the Contracting Officer along with signed copies of this Outlease. The Lessor shall hold the Security Deposit until the end of the Outlease Term and shall release the same after the Contracting Officer is satisfied in its reasonable discretion that the Lessee is not in default under this Outlease and has restored the Premises in accordance with Sections 9 and 11.

All payments shall be made payable to the “Disbursing Officer, USPS”, and shall contain the following identification number: **056702-G01**.

All Rent payments are due and payable on the 1st of each month (“Rent Due Date”) in accordance with the above schedule and should be delivered to the Accounting Service Center, US Postal Service, Disbursing Office, P.O. Box 21888, Eagan MN 55121-0888. **If Lessee fails to pay the Rent or any other payment due to Lessor within 10 calendar days after the Rent Due Date, then (without limiting Lessor’s rights and remedies including without limitation Section 20 below) Lessee shall pay Lessor a late fee of ten percent (10%) of the amount of such payment for each and every instance during the Outlease Term and any Renewal Term, if any, that Rent is not paid on the Rent Due Date.**

4. **Renewal Option(s):** The Outlease shall automatically renew for three (3) – one (1) year renewal term(s) (“Renewal Terms”), subject to the underlying Outlease Agreement, unless Lessee provides Lessor written notice, no later than sixty (60) days prior to the end of the then-current term, of Lessee’s intent not to renew the next term. The Annual rental rates for the Renewal Term(s) are as stated above in 3b.
5. **Termination:** Lessor has the right to terminate and reclaim the Premises at no cost or liability to Lessor by providing Lessee 30 days’ written notice. Such termination shall become effective on the date set forth in such notice.
6. **Use:** Lessee shall use the Premises exclusively for: *Administrative Office Use for City of Salinas*. Lessee shall use reasonable care in the occupation and use of the Premises and shall not interfere with Lessor’s operations. Lessee, Lessee’s agents, employees, invitees and visitors may use the Premises only for lawful purposes consistent with the requirements of applicable laws, codes and regulations, and shall comply fully with the Rules and Regulations Governing Conduct on Postal Property, 39 C.F.R., Part 232, promulgated by Lessor, attached hereto and incorporated herein as Exhibit C (“Lessor Rules”) which may be revised from time to time. Lessee agrees not to use the Premises in any way which, in the reasonable judgment of the Lessor, poses a hazard to the Lessor, or other tenants or occupants in the Building, the general public, the Premises or the Building in part or whole. Lessee will not use or occupy the Premises for any disorderly, unlawful or extra-hazardous purposes, or for any purpose that will constitute waste, nuisance or unreasonable annoyance to Lessor or other tenants or occupants of the Building or the general public, or for any purpose prohibited by Lessor’s Rules.
7. **Inspection:** Lessee has inspected and knows the condition of the Premises and agrees to accept same in its ‘as is’ condition including wear and tear thereafter, with all faults, including defects seen and unseen and all conditions natural and artificial and including environmental conditions, without any representation of any kind, express or implied. Lessee accepts all responsibility to inspect the Premises for patent and latent defects and in entering into this Outlease, Lessee has not been induced by, and has not relied upon, any representations, warranties, or statements, whether express or implied by Lessor, or any agent, employee, or representative of Lessor that are not expressly set forth herein. Lessee’s decision to lease the Premises is based solely upon lessee’s own inspection, examination and analysis of the Premises. It is further understood that Lessor shall have no liability to Lessee for the condition of the Premises and Lessor leases the Premises to Lessee without any obligation on the part of Lessor to make any additions, improvements or alterations thereto.
8. **Indemnification:** Lessor shall not be responsible for damages to property or injuries to persons which may arise from or be incident to the use and occupation of the leased Premises, nor for damages to the property or injuries to the person of Lessee or of others who may be on said Premises at Lessee’s invitation. Lessee shall indemnify, release and hold Lessor harmless from liability for any and all claims for such damages or injuries to the property, the Premises, or to any persons.
9. **Repairs, Alterations and Improvements:** Lessee shall not make any additions, improvements, repairs, or alterations to the Premises without the prior written consent of Lessor in each and every instance. If this provision is violated, Lessee is liable for the cost of removal and restoration, plus applicable administrative cost. In the event the Lessor consents to the Lessee making any additions, improvements, repairs, or alterations to the Premises, Lessee shall remain liable for the cost of removal and restoration in accordance with Section 11 below, plus applicable administrative cost.

Lessee acknowledges that the building is historic and that Lessor is thus subject to certain requirements under the **National Historical Preservation Act** ("NHPA") and approval of the **State Historic Preservation Office** ("SHPO"). Lessor's consent, if granted, for any repairs, alterations or improvements under this Section 9 will be conditioned upon Lessor's ability to satisfactorily comply with various requirements of the NHPA and its implementing regulations, including, without limitation, completion of the process under Section 106 of the regulations implementing the NHPA, which compliance shall be at the sole cost and expense of the Lessee. Such compliance and resulting restrictions, if any, on repairs and/or alterations or improvements, shall not be deemed to be unreasonable withholding, conditioning or delay of consent.

- 10. Maintenance:** Lessee shall at its sole cost and expense, maintain in good repair and tenantable condition the Premises which shall include but is not limited to: 1) interior window coverings; 2) walls; 3) floors, floor tiles, and coverings; 4) lights, bulbs, lighting, fixtures; 5) telecommunication services and data services; and 6) Lessee's alterations and Improvements, if any. Lessee shall also be responsible for cosmetic repairs including but not limited to repair and replacement of the carpet, wall and window coverings and painting in the Premises. In the event Lessee fails to maintain the Premises, the Lessor may engage in maintenance and repair of the Premises at Lessee's expense. Lessee shall reimburse the Postal Service for all such costs of maintenance and repair plus applicable administrative costs within ten (10) business days of a request therefor from the Lessor.

Lessor shall, except as otherwise specified herein and except for damages resulting from the act or omissions or the negligence of the Lessee, its employees, agents, contractors, licensees, or invitees, maintain in good repair and tenantable condition the Building shell elements which include: the foundation, roof, structure, and base building systems that service the Premises which include the heating, cooling and ventilation for the building ("HVAC"), electrical, plumbing and life safety systems for the Building, and any and all equipment, fixtures, and appurtenances, whether severable or nonseverable, furnished by the Lessor under this Outlease.

Janitorial: Lessee is responsible for janitorial services which includes trash removal within the Premises at Lessee's sole cost and expense.

Snow removal: Lessor is responsible for snow and ice removal from sidewalks and entranceways and if parking is part of the Premises, from parking lots, driveways and drive aisles.

11. Surrender and Restoration:

- a. Lessee assumes all responsibility and liability to restore the Premises. Upon the expiration, or early termination of this Outlease, Lessee shall at its sole costs and expense (i) vacate the Premises, (ii) remove its personal property therefrom, (iii) yield and place Lessor in peaceful possession of the Premises, free and clear of any liens, claims or encumbrances caused by Lessee and (iv) restore the Premises to "broom clean" condition and to as good as a condition that the Premises existed at the commencement of this Outlease, including, without limitation, removal of any alterations, Improvements or additions Lessee made to the Premises which the Lessor requests Lessee to remove, ordinary wear and tear and damage by the elements excepted.
- b. In the event Lessee fails to remove its personal property and such alterations, Improvements or additions as may be required to be removed, and restore the Premises to the aforesaid condition stated in this Section 11a. by the expiration or earlier termination of the Term or Renewal Term, (i) then upon Lessor notice to Lessee, such failure shall constitute Lessee's abandonment of all property (personal or otherwise) and items in the Premises, and Lessor may restore the Premises which may include removal of such items and disposal of the same in any manner Lessor deems appropriate, include through sale by such means and on such terms as Lessor determines appropriate, and without further notice and without any liability or obligation to Lessor; and (ii) Lessee shall reimburse Lessor for all costs of such removal, storage, disposal and restoration of the Premises plus applicable administrative costs, upon demand. If Lessee shall fail to so vacate and surrender the Premises to Lessor as aforesaid on or before the expiration of the Outlease Term or any earlier termination date, in addition to any and all remedies that Lessor may have at law or at equity, Lessee shall be deemed to be a holdover tenant.

12. Sublease and Assignment:

Lessee shall have no right to assign or sublease this Outlease. Lessee shall neither transfer, or assign this Outlease or any of its rights hereunder, nor sublet the Premises or any part thereof or any property thereon nor grant any interest, privilege or license whatsoever in connection with this Outlease. Any transfer, assignment, or sublease in violation of this clause shall constitute an Event of Default under Section 20.

13. Taxes and Other Reimbursable Charges: In the event that any tax which shall include but is not limited to a state or local tax or sales tax, is imposed upon the occupancy, use, possession, or leasehold interest of or in the real property herein leased, the obligation for the payment of the tax will be wholly that of the Lessee. Lessee shall pay the same when due without offset or deduction to payments due to the Lessor. In addition, the taxing authority shall provide evidence of such payment to Lessor.

14. Insurance:

- a. If the Premises or any part of the Premises is damaged by fire or other casualty resulting from any act or negligence of Lessee or any of Lessee's agents, contractors, invitees, licensees, or employees, rent shall not be diminished or abated while such damages are under repair, and Lessee shall be responsible for the costs of repair not covered by insurance.
- b. Lessee shall obtain and furnish to Lessor, at no cost to the Lessor, not later than the Outlease Commencement Date, a commercial general liability insurance policy naming Lessor as an additional named insured. Lessee's insurance coverage must meet the following minimum requirements:

1) Commercial General Liability Limits

- a. Each Occurrence: \$1,000,000
- b. Damage to Rented Premises: \$250,000 (each occurrence)
- c. Medical Expense: N/A
- d. Personal & Advertising Injury: N/A
- e. General Aggregate: \$2,000,000

The certificate must include the following language under the "Description of Operations" section at the bottom of the certificate: "Written notice must be provided to the United States Postal Service within thirty (30) days of the effective date of any reduction in coverage under, or termination or cancellation of, any of the policies described herein."

- c. Lessee shall maintain insurance throughout the Outlease Term and any renewal thereof and furnish a copy of the Certificate to the Lessor upon request and on no less than an annual basis to the Real Estate Specialist at the following address: USPS, Attn: Sean M. Ford, 475 L'Enfant Plaza, SW, Room 6670, Washington, DC 20260-1862. Failure to provide and maintain the aforementioned insurance policy, with the required endorsement, in accordance with this section may result in termination of this Outlease at the option of the Lessor.
- d. In all cases wherein Federal, state or local governmental bodies are asserting they are self-insured, Lessor at its option may approve in writing a waiver of the Insurance requirements in this Section 14. Lessee shall provide Lessor with documentation that is acceptable to Lessor in its sole and absolute discretion of evidence of such self-insurance prior to Lessee's occupancy to satisfy the obligations of this section 14.

15. Utilities: Except for telephone and/or other telecommunication services which includes, but is not limited to, internet and cable services which are Lessee's responsibility, Lessor shall furnish Lessee with all utilities as presently installed in its as-is condition that serve the Premises. Lessor's responsibility includes payment of the utility bills from the service providers. Utilities will include electricity, gas, water and sewer for the Premises.

16. Signs: Lessee is prohibited from placing or installing signage which includes but is not limited to Lessee's name and location on the exterior of the Building.

- 17. Entry:** The Lessor reserves the right to enter the Premises at all reasonable hours to inspect it, show same or to make such repairs, additions or alterations as Lessor considers necessary. Exercise of any such right in accordance with the terms of this Section 17 shall not be considered a constructive eviction or a disturbance of Lessee's business or occupancy. Lessor shall provide Lessee with at least 24 hours prior notice of such entry, provided, however, that Lessor shall have the right to enter the Premises without prior notice in the event of an emergency.
- 18. Parking:** Lessee shall have access to 0 reserved parking spaces.
- 19. Building Hours & Access:** The Building's normal hours of operation are from 7:30 AM to 5:00 PM, local time, Monday through Friday, with the exception of Federal holidays ("Building's Normal Operating Hours"). **See Addendum.**
- The parties understand that from time to time and in emergency situations, the Lessor, at its own discretion, may be unable to allow or provide access to the Premises on a 24 hour a day, 7 day a week, 365 days per year basis, and may be unable to provide advance notice of such. In no event shall Lessor be liable to Lessee, its invitees, or other third parties for any damages or losses based on its failure to provide access to the Premises in the case of such emergency. However, to the extent that Lessor is unable to provide uninterrupted access to the Lessee during its Building Normal Operating Hours, the Lessee may be entitled to a rent abatement that is proportionate to the amount of time during which its access is so interrupted, unless such interruption is due to fire or other casualty, Acts of God, acts of a public enemy, riot or insurrection, vandalism, or other similar events or due to the negligent act or omission of Lessee, its agents, contractors, invitees, licensees, or employees.
- 20. Default by Lessee:** The occurrence of any one or more of the following events shall constitute a default and breach of this Outlease by Lessee (hereinafter "Event of "Default"): (i) Lessee fails to make any payment of Rent on the Rent Due Date or any other payment required to be made by the Lessee under this Outlease, when due, and such failure shall continue for a period of ten (10) days after Lessor has given Lessee written notice of such failure; or (ii) Lessee abandons the Premises for thirty days or more, or fails to observe or perform any term, covenant, condition or the provisions of this Outlease required to be observed or performed by Lessee, where such failure is not cured to the full satisfaction of the Lessor within 30 days after written notice by the Lessor to Lessee of said failure. Upon such Event of Default by Lessee, the Lessor, at its option, without further notice or demand, shall have the right to any one or more of the following remedies in addition to all other rights and remedies provided at law or in equity or elsewhere herein: (a) declare this Outlease ended and terminated and may re-enter the Premises and remove all persons or things therefrom, and the Lessee hereby expressly waives all service of any demand or notice prescribed by any law or statute whatsoever; and (b) Lessor may enter the Premises and eject Lessee, forcibly or otherwise, without regard to any law or statute to the contrary, dispose of Lessee's personal property in the Premises as deemed in the best interest of the Lessor, and Lessee shall be liable for such damages as Lessor may incur.
- 21. Quiet Possession:** Lessor covenants and warrants that upon performance by Lessee of its obligations hereunder, Lessor will keep Lessee in exclusive, quiet, peaceable and undisturbed and uninterrupted possession of the Premises during the term of this Outlease.
- 22. Recording:** This Outlease shall not be recorded.
- 23. Notice:** Any notice, or advice to or demand given hereunder shall be in writing, and shall be sent by certified mail with return receipt or express mail with tracking, provided, however, that electronic notice shall be permitted provided that such electronic notice is confirmed by return electronic mail acknowledgement from the recipient and is followed by notice given by one of the other methods listed above. Notice shall be deemed to have been given or made on the day when the notice is deposited in the mail by certified mail/return receipt requested or express mail with tracking or the date of the electronic submission to the following addresses or to such other address as either party may hereafter from time to time specify in writing for such purpose.

If to Lessee: City of Salinas
Attn: Jim Pia
200 Lincoln Avenue
Salinas, CA 93901

If to Lessor: Sean Ford, Real Estate Specialist
475 L'Enfant Plaza, SW, Room 6670
Washington, DC 20260-1862

24. Compliance with Environmental Laws:

a. Definitions.

"Environmental Laws" mean all federal, state or local statutes, laws, ordinances, rules or regulations, relating to protection of human health or the environment, including but not limited to (i) all laws relating to the release of Hazardous Materials into the air, surface water, groundwater or land, or relating to the reporting, investigation or remediation of, licensing, manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials; (ii) all laws pertaining to the protection of the health and safety of employees; and (iii) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §9601 *et seq.*; the Hazardous Materials Transportation Act as amended 49 U.S.C. §1801 *et seq.*; the Resource Conservation and Recovery Act, as amended 42 U.S.C. §6901 *et seq.*; and the Federal Water Pollution Control Act, as amended, 33 U.S.C. §1251 *et seq.*

"Hazardous Materials" mean (i) any toxic substance or hazardous waste, substance or related material, or any pollutant or contaminant that is or may hereafter be defined as or included in the definition of "hazardous substances," "toxic substances," "hazardous materials," "hazardous waste" or words of similar import under any and all Environmental Laws; (ii) petroleum, radon gas, asbestos in any form that is or could become friable, urea formaldehyde foam insulation, transformers or other equipment that contain dielectric fluid containing levels of polychlorinated biphenyls in excess of federal, state or local safety guidelines, whichever are more stringent; and (iii) any substance, gas material or chemical that is or may hereafter be defined as or included in the definition of "hazardous substances," "toxic substances," "hazardous materials," "hazardous waste" or words of similar import under any Environmental Laws.

- b. Lessee shall comply with Environmental Laws in the use and occupancy of the Premises. Lessee will not cause or permit the storage, use, generation, or disposition of any Hazardous Materials in, on, or about the Premises and the Building, by Lessee, its agents, employees, or contractors, except in such small amounts as are necessary to conduct Lessee's normal business operations (e.g., cleaning products, inks and toners, and pest control products). Lessee shall not permit the Premises to be used or operated in any manner that may cause the Premises or the Building to be contaminated by any Hazardous Materials in violation of any Environmental Laws. Lessee will immediately advise the Lessor in writing of (i) any and all enforcement, cleanup, remedial, removal, or other governmental or regulatory actions instituted, completed, or threatened pursuant to any Environmental Laws relating to any Hazardous Materials affecting the Premises; and (ii) all claims made or threatened by any third party against Lessee, Lessor, or the Premises relating to damage, contribution, cost recovery, compensation, loss, or injury resulting from any Hazardous Materials on or about the Premises. Notwithstanding the foregoing, in the event any activity of Lessee involves storage on the Premises, shipping to or from the Premises or any use on the Premises of a material, chemical or agent that qualifies as a Hazardous Material under Environmental Laws, Lessee may request Lessor's consent to permit use of such Hazardous Materials on the Premises, which is subject to Lessor's written approval which Lessor may approve or deny in its sole and absolute discretion. If Lessor approves the use of Hazardous Materials, then Lessee shall comply with all Environmental Laws and shall provide the Contracting Officer with copies of all licenses, permits or authorizations for the use, shipment, storage or transport of the Hazardous Materials as well as copies of any citations or listing of infractions and subsequent corrections by the Lessee. Copies of any changes in any and all licenses or permits must be forwarded to the Contracting Officer. Where more than one environmental law applies, the more stringent shall apply. If any Environmental Laws require the filing of periodic reports by the Lessee, it shall be the obligation of Lessee under this Outlease to file a copy of any such periodic report(s) with the Lessor's Contracting Officer at the same time such report(s) is filed with the federal, state or local government or its assignee.
- c. Lessor reserves the right to inspect the Premises at any reasonable time to ascertain if any Outlease violations occur. If any contamination, violation or hazardous condition, as reasonably determined by the Contracting

Officer, occurs due to the handling, use, storage or transfer by Lessee of such Hazardous Materials, whether such contamination, violation or hazardous condition is discovered during the Outlease term or after expiration or termination thereof, Lessee shall be solely responsible for removal or remediation of the hazardous or toxic condition in accordance with Environmental Laws. Notwithstanding any other clause in this Section or in the Outlease, Lessee shall remove all of Lessee's Hazardous Materials from the Premises at the expiration or termination of the Outlease and provide copies of all permits, notices and manifests required for such removal to Lessor. Lessee's failure to comply with the provisions of this section shall be grounds for termination of this Outlease for default. Receipt by Lessor of notices, reports, or any other information or documentation required herein shall not impose any responsibility on Lessor to supervise the affairs of Lessee nor relieve Lessee of its responsibility to comply fully with all applicable laws and regulations. The rights and remedies of Lessor provided in this section are in addition to any other rights and remedies which may be available to Lessor by law or under this Outlease. Lessee hereby indemnifies Lessor and its officers, agents, representatives, and employees from all claims, loss, damage, actions, causes of action, expense and/or liability, including the cost of defense, resulting from, brought for, or on account of any violation of this clause. This indemnity shall survive any termination or expiration of the Outlease Term or any Renewal Term.

25. Asbestos Containing Material (ACM):

For the purposes of this Section 25, "**Asbestos-Containing Material**" (ACM) means any material containing more than 1% asbestos as determined by using the method specified in 40 CFR Part 763, Subpart E, Appendix E. "Friable asbestos material" means any ACM that, when dry, can be crumbled, pulverized, or reduced to powder by hand pressure.

The Premises may, or may not, contain ACM. It is Lessee's responsibility to review the [Asbestos Survey] a copy of which Lessor has provided to Lessee. Lessee acknowledges receipt and review of the complete Asbestos Survey, as evidenced by the cover page and summary of the pages (the entire Asbestos Survey is not included due to its voluminous nature) in Exhibit B attached hereto and incorporated herein. Lessee understands and agrees that the Asbestos Survey is provided for informational purposes only. Should Lessee contract for custodial services or any other services (including construction, repairs, etc.), Lessee shall notify its contractor of the existence of ACM, where applicable, and provide its contractor with a copy of any Asbestos Survey. Neither Lessee nor its contractor or any other party is entitled to rely on the accuracy of the Asbestos Survey.

In the event Lessee performs any alteration, repair or work within the Premises and Lessee subsequently discovers or identifies ACM in the Premises, Lessee shall provide written notice to the USPS Contracting Officer within 48 hours of discovery of the ACM. Lessee agrees at Lessee's sole cost and expense to remove and/or abate any friable ACM and to coordinate all work with Lessor. Lessee further agrees to provide Lessor copies of all documents, including sampling, lab work, tests and test results tests related to the ACM and performance of the work.

Any renovation or alteration performed by Lessee impacting or potentially impacting ACM requires the prior written approval of the USPS Contracting Officer and in the event of such approval Lessee shall coordinate all work with the Lessor. In performance of any work that impacts or potentially impacts ACM, Lessee shall comply with all applicable local, state, and federal laws, as well as all USPS requirements, including USPS asbestos policies, plans, management instructions, and environmental policies ("Lessor Asbestos Requirements"). Lessee must keep complete records of all such activity and transfer them to Lessor at the termination of the Outlease.

Lessee agrees to require its contractor to act only in accordance with Lessor Asbestos Requirements. Should Lessee or any contractor providing services to or at the Premises have any questions or concerns regarding Lessor's Asbestos Requirements, Lessee shall contact Lessor prior to undertaking any action at the Premises.

Lessee hereby indemnifies, releases, and holds harmless Lessor from any and all claims, losses, etc. in any way arising out of any work or activity performed related to this Section 25.

26. Compliance with Laws: Lessee shall, and shall ensure that its employees, agents, affiliates, representatives and contractors, identify and fully comply with all laws, including, but not limited to, (i) federal, state, municipal and local laws, codes and regulations, (ii) the rules, orders, regulations and requirements of governmental departments and

bureaus, and (iii) all codes, laws, ordinances and regulations of any public authority having jurisdiction over the Premises and pertaining to Lessee's use, occupancy and condition of the Premises and all machinery, equipment and furnishings therein (hereinafter "Laws"). Lessee shall use due care in the occupation and use of the Premises. If any permits are required in order to allow Lessee to lawfully improve the Premises and to occupy and conduct its business in the Premises, then Lessee shall obtain and keep current such permits at Lessee's expense and promptly deliver a copy thereof to Lessor.

- 27. Holding Over:** If Lessee occupies the Premises beyond the Outlease Term or any properly exercised Renewal Term, without Lessor's written consent ("Hold Over"), Lessee shall be deemed to occupy the Premises on a month to month basis, terminable by either party on thirty (30) days written notice to the other party and all of the terms and provisions of this Outlease shall be applicable during that period, except that Lessee shall pay Lessor a monthly rental rate equal to one hundred fifty percent (150%) of the monthly rent applicable hereunder at the expiration of the previous Outlease Term or applicable Renewal Term, prorated for the number of days of such holding over. If Lessee refuses to vacate after receiving a notice of termination as provided in this section, Lessee shall be deemed a Lessee at sufferance and Lessor may use self-help, or may institute a forcible detainer or similar action against Lessee or any other party in possession of the Premises, or pursue any other remedy available at law or in equity.
- 28. Governing Law:** This Outlease shall be governed, construed and interpreted by, through and under federal law. In the event there is no applicable federal law, the laws of the State of California shall apply.
- 29. Final Agreement:** This Outlease terminates and supersedes all prior understandings or agreements on the subject matter hereof. This Agreement may be modified only by a further writing that is duly executed by both parties.
- 30. No Waiver:** The failure of Lessor to insist in any one or more instance upon performance of any of the terms, covenants, or conditions of this Outlease shall not be construed as a waiver or relinquishment of the future performance of any such term, covenant, or condition. Lessee's obligation with respect to such future performance shall continue in full force and effect.
- 31. Headings:** The headings used in this Outlease are for convenience of the parties only and shall not be considered in interpreting the meaning of any provision of this Outlease.
- 32. Successors:** The provisions of this Outlease shall extend to and be binding upon Lessor and Lessee and their respective legal representatives, successors and assigns.
- 33. Authority.** Each party represents that it has caused this Outlease to be executed on its behalf as of the date written below by a representative empowered to bind that party with respect to the undertakings and obligations contained herein.
- 34. General Conditions:** This Outlease is subject to the General Conditions, attached hereto and incorporated herein as Exhibit D.
- 35. Counterparts.** This Outlease may be executed in counterparts, which together shall constitute a single instrument. The parties agree that if the signature(s) of either Lessor or the Lessee on this Outlease or any amendments, addendums, or other records associated with this Outlease is not an original but is a digitally encrypted signature, then such digitally encrypted signature shall be as enforceable, valid and binding as, and the legal equivalent to, an authentic original wet signature penned manually by its signatory.

Privacy Act Statement: Your information will be used to process your Outlease Agreement. Collection is authorized by 39 USC 401. Providing the information is voluntary, but if not provided, we may not process your request. We may only disclose your information as follows: in relevant legal proceedings; to law enforcement when the USPS or requesting agency becomes aware of a violation of law; to a congressional office at your request; to entities or individuals under contract with USPS; to entities authorized to perform audits; to labor organizations as required by law; to federal, state, local or foreign government agencies regarding personnel matters; to the Equal Employment Opportunity Commission; to the Merit Systems Protection Board or Office of Special Counsel; to the Department of the Treasury under the Treasury Offset Program computer matching to establish an identity; and to financial institutions or

payees to facilitate or resolve issues with payment services. For more information regarding our privacy policies visit [usps.com/privacy policy](https://usps.com/privacy-policy).

ADDENDUM

Additional clauses for properties with a USPS presence and/or other Lessees:

- Tenant shall have access to the premises outside of Building's Normal Operating Hours, with permission from Postmaster. Tenant will have a key to access premises as needed.



Outlease Agreement
RMH 6.7.19

EXECUTED BY LESSEE this ____ day of _____, _____.

**FEDERAL / STATE / LOCAL
GOVERNMENT ENTITY**

By executing this Outlease, Lessee certifies that Lessee is not a USPS employee or contract employee (or an immediate family member of either), or a business organization substantially owned or controlled by a USPS employee or contract employee (or an immediate family member of either).

Name of Gov't entity: _____; _____ Gov't entity

By: _____
Print Name & Title

Signature

Print Name & Title

Signature

Lessee's Address: _____

City: _____

State: _____

Zip + 4: _____

E-mail: _____

Lessee's Telephone Number(s): _____ FAX: _____

Federal Tax Identification No.: _____

Witness

Witness

- d. Where the Lessee is a local, state, federal or governmental agency or entity ("Government Entity"), the Outlease must be accompanied by documentary evidence affirming the authority of the signatory, officer, agent, or agents, to execute the Outlease so to bind the Government Entity, for which he or she (or they) purports to act. The usual evidence required to establish such authority is in the form of a Contracting Officer warrant, delegation of authority, or the equivalent of a corporate seal or resolution duly attested by a corporate secretary/managing members/managing partners. Such resolutions, when required, must contain the essential stipulations embodied in the Outlease. The names and official titles of the signatories or officers who are authorized to sign the Outlease must appear in the document.

Any notice to Lessee provided under this Outlease or under any law or regulation must be in writing and submitted to Lessee at the address specified above, or at an address that Lessee has otherwise appropriately directed in writing. Any notice to the Postal Service provided under this Outlease or under any law or regulation must be in writing and submitted to "Contracting Officer, U.S. Postal Service" at the address specified below, or at an address that the Postal Service has otherwise directed in writing.



Outlease Agreement
RMH 6.7.19

ACCEPTANCE BY THE UNITED STATES POSTAL SERVICE

Date: _____

Letitia Russell
Contracting Officer

Signature of Contracting Officer

Address of Contracting Officer
PO Box 27497,
Greensboro, NC 27498-1103

Exhibit A

Suite 127, inclusive of Rooms 127A, B, C, D, E and F – Bathroom, consisting of approximately 1,428 square feet, in the
Salinas Steinbeck Station Post Office
100 W Alisal Street, Salinas, CA 93901-9998

Exhibit B

Asbestos

**ASBESTOS INSPECTION REPORT
FOR
SALINAS POST OFFICE,
STEINBECK STATION
100 WEST ALISAL STREET
SALINAS, CALIFORNIA 93901**

Prepared for:

**United States Postal Service
Facilities Service Center
850 Cherry Street
San Bruno, California 94099**

Prepared by:

**Hygienetics Environmental Services, Inc.
7677 Oakport Street, Suite 1150
Oakland, California 94621
(510) 430-2843**

August 1994

I. INTRODUCTION

Hygienetics Environmental Services, Inc. (dba H+GCL, Inc.) was retained by the United States Postal Service to perform an investigative survey for asbestos-containing materials (ACM) in the Salinas Post Office, Steinbeck Branch located at 100 West Alisal Street in Salinas, California.

The purpose of the survey was:

1. To locate, quantify, sample and analyze all visible and accessible suspect asbestos-containing materials (ACM) in the building;
2. To assess the condition and the disturbance potential of these materials and to determine the exposure risk posed to building occupants or maintenance personnel; and
3. To provide material location drawings and abatement cost estimates for all positively identified, friable¹ ACM.

Hygienetics' field inspectors were Raymond Vela and Cynthia P. Avakian. Mr. Vela and Ms. Avakian are AHERA-certified Building Inspectors and are registered Asbestos Site Surveillance Technicians per the California Division of Occupational Safety and Health Code of Regulations, administered under the Business and Professions Code. Project oversight was conducted by a Project Manager who is an AHERA-certified Building Inspector/Management Planner and a registered Asbestos Consultant. The survey was performed on February 9 and March 26, 1994.

The inspector collected representative bulk samples of various types of suspect asbestos-containing materials (ACM) throughout the building. A determination of quantity, location, and friability of these materials was made based on the inspector's observations. The bulk samples were analyzed by Hygienetics Analytical Services (HAS) to determine their asbestos content. HAS is accredited by the National Institute for Standards and Technology (NIST) through the National Voluntary Laboratory Accreditation Program (NVLAP).

II. SUMMARY OF RESULTS

The following materials were reported by HAS to contain asbestos in quantities greater than 0.1% by weight:

- 9"x9" beige vinyl floor tile (VFT) under rug, hallway, library, and office areas
- Black mastic associated with 9"x9" beige vinyl floor tile (VFT) under rug, hallway, library, and office areas
- 9"x9" red vinyl floor tile (VFT) throughout
- 9"x9" grey vinyl floor tile (VFT) lunchroom
- Thermal system insulation on pipe elbow and pipe run in women's restroom
- Black floor sheeting in basement

¹ Friable - Can be crushed, crumbled, pulverized or otherwise reduced to a powder by hand pressure.

- Transite panels on cooling tower
- Roof tar
- Grey roofing sealant

The vinyl floor tiles, black floor sheeting, transite panels, mastic and roofing materials are non-friable asbestos-containing materials in their present state. Wear, damage or impact may cause the materials, or portions thereof, to become friable over time. In accordance with EPA requirements, asbestos-containing materials must be removed prior to renovation or demolition that would impact them.

Thermal system insulation on a pipe elbow and pipe run in women's restroom was found to be a damaged and friable asbestos-containing material discovered during the inspection. This material was found to be in poor condition.

III. BUILDING DESCRIPTION

The Salinas Branch Post Office is a two-story facility with approximately 41,000 square feet in size. The building consists of a box lobby, service lobby, mail sorting area, breakroom, storage areas, and restrooms. The facility is of metal frame construction on a cement slab foundation. Walls are constructed of either plaster or concrete block. Interior floors are covered with vinyl floor tiles, asphalt flooring or bare concrete. Interior ceilings are covered with either ceiling tiles or finished plaster. The exterior walls are finished with stucco. The roof is constructed over a plywood deck which is supported with wood beams and columns. The roofing is composed of tar and rolled asphalt sheeting.

IV. SURVEY METHODOLOGY

The Hygienetics inspector began the survey with a thorough pre-investigation of the building. This included an examination of the available site plans and a walkthrough of the building. This provided the inspector with the opportunity to identify suspect asbestos-containing materials (ACM) and to begin grouping them into homogeneous areas (i.e., materials of similar color, texture and function).

After the pre-investigation, a detailed inspection was conducted. The inspector collected samples of materials including, but not limited to, vinyl floor tiles, floor tile mastic, ceiling tiles, plaster, exterior stucco, and roofing materials.

The survey was performed in accordance with the protocols developed by the U.S. Environmental Protection Agency as outlined in the Asbestos Hazard Emergency Response Act (AHERA). The AHERA survey guidelines are considered the industry standard for performing asbestos investigations.

Samples were placed in plastic sample bags, sealed and labeled with sample identification numbers. Each sample was given a unique number which included the sampling date, the sampler's employee number, and the index number of the sample collected on that specific day. This same sample designation is used in the attached appendices.

Exhibit C**Rules and Regulations****A. APPLICABILITY**

These rules and regulations apply to all real property under the charge and control of the Postal Service, to all Lessees, tenant agencies, and to all persons entering or on such property. These rules and regulations shall be posted and kept posted at a conspicuous place on all such property.

B. RECORDING PRESENCE

Except as otherwise ordered, properties must be closed to the public after normal business hours. Properties also may be closed to the public in emergency situations and at such times as may be necessary for the orderly conduct of business. Admission to properties when such properties are closed to the public may be limited to authorized individuals who may be required to sign the register and display identification documents when requested by security force personnel or other authorized individuals.

C. GENERAL RESTRICTIONS

1. *Preservation of Property.* Improperly disposing of rubbish, spitting, creating any hazard to persons or things, throwing articles of any kind from a building, climbing upon the roof or any part of a building, or willfully destroying, damaging, or removing any property or any part thereof, is prohibited.
2. *Conformity with Signs and Directions.* All persons in and on the property shall comply with official signs of a prohibitory or directory nature, and with the directions of security force personnel or other authorized individuals.
3. *Inspection.* Purses, briefcases, and other containers brought into, while on, or being removed from the property are subject to inspection. However, items brought directly to a postal facility's customer mailing acceptance area and deposited in the mail are not subject to inspection, except as provided by section 274 of the Administrative Support Manual. A person arrested for violation of this section may be searched incident to that arrest.

D. SPECIFIC RESTRICTIONS

1. *Disturbances.* Disorderly conduct, or conduct which creates loud and unusual noise, or which obstructs the usual use of entrances, foyers, corridors, offices, elevators, stairways, and parking lots, or which otherwise tends to impede or disturb the public employees in the performance of their duties, or which otherwise impedes or disturbs the general public in transacting business or obtaining the services provided on property, is prohibited.
2. *Gambling.* Participating in games for money or other personal property, the operating of gambling devices, the conduct of a lottery or pool, or the selling or purchasing of lottery tickets, is prohibited on postal premises. This prohibition does not apply to the vending or exchange of state lottery tickets at vending facilities operated by licensed blind persons where such lotteries are authorized by state law.
3. *Alcoholic Beverages and Drugs.* A person under the influence of an alcoholic beverage or any drug that has been defined as a "controlled substance" may not enter postal property or operate a motor vehicle on postal property. The possession, sale, or use of any "controlled substance" (except when permitted by law) or the sale or use of any alcoholic beverage (except as authorized by the Postmaster General or designee) on postal premises is prohibited. The term "controlled substance" is defined in section 802 of title 21 U.S.C.
4. *Smoking and Sale of Tobacco Products in Vending Machines.*
 - a. Smoking (defined as having a lighted cigar, cigarette, pipe, or other smoking material) is prohibited in all postal buildings and office space, including public lobbies.
 - b. The sale of tobacco products in vending machines located in or around postal property is prohibited. The distribution of free samples of tobacco products in or around postal property is also prohibited. The term "tobacco product" means cigarettes, cigars, little cigars, pipe tobacco, smokeless tobacco, snuff, and chewing tobacco.

5. *Soliciting, Electioneering, Collecting Debts, Vending, and Advertising.* Soliciting alms and contributions, campaigning for election to any public office, collecting private debts, commercial soliciting and vending, (including but not limited to, the vending of newspapers and other publications), the display or distribution of commercial advertising on postal premises, soliciting signatures on petitions, polls, or surveys (except as otherwise authorized by Postal Service regulations), and impeding ingress to or egress from post offices are prohibited. These prohibitions do not apply to:
 - a. Commercial or nonprofit activities performed under contract with the Postal Service or pursuant to the provisions of the Randolph-Sheppard Act;
 - b. Posting notices on bulletin boards as authorized in POSTAL OPERATIONS MANUAL 221.525;
 - c. The solicitation of Postal Service and other federal military and civilian personnel for contributions by recognized agencies as authorized by the Manual on Fund Raising Within the Federal Service issued under Executive Order 10927 of March 13, 1961.
6. *Leafleting, picketing, etc.* Leafleting, distributing literature, picketing, and demonstrating by members of the public are prohibited in lobbies and other interior areas of postal buildings open to the public. Public assembly and public address, except when conducted or sponsored by the Postal Service, are also prohibited in lobbies and other interior areas of postal buildings open to the public
7. *Voter registration.* Voter registration may be conducted on postal premises only in full accordance with the requirements of 39 CFR 232.1(h)(4).
8. *Placement of furniture, etc.* Except as part of postal activities or activities associated with those permitted under section D.7 above, no tables, chairs, freestanding signs or posters, structures, or furniture of any type may be placed in postal lobbies or on postal walkways, steps, plazas, lawns or landscaped areas, driveways, parking lots, or other exterior spaces.
9. *Depositing Literature.* The depositing or posting of handbills, flyers, pamphlets, signs, posters, placards, or other literature except official postal and other governmental notices and announcements on the grounds, walks, driveways, parking and maneuvering area, exteriors of buildings and other structures, or on the floors, walls, stairs, racks, counters, desks, writing tables, window ledges, or furnishings, in interior public areas on postal premises is prohibited. This prohibition does not apply to:
 - a. Posting notices on bulletin boards as authorized in 221.525, POSTAL OPERATIONS MANUAL.
 - b. Interior space assigned to tenancies for their exclusive use.
10. *Photographs for News, Advertising, or Commercial Purposes.*

Except as prohibited by official signs or the directions of security force personnel or other authorized personnel or a federal court order or rule, photographs for news purposes may be taken in entrances, lobbies, foyers, corridors, or auditoriums when used for public meeting. Other photographs may be taken only with the permission of the local postmaster or installation head.
11. *Dogs and Other Animals.* Dogs and other animals, except those used to assist persons with disabilities, must not be brought upon postal property for other than official purposes.
12. *Vehicular and Pedestrian Traffic*
 - a. Drivers of all vehicles in or on postal premises shall drive in a careful and safe manner at all times and shall comply with signals and directions of security force personnel, other authorized individuals, and all posted traffic signs.
 - b. The blocking of entrances, driveways, walks, loading platforms, or fire hydrants is prohibited.
 - c. Parking without authority, parking in unauthorized locations or in locations reserved for other persons, or continuously in excess of 18 hours without permission, or contrary to the direction of posted signs is prohibited. The section may be supplemented by the postmaster or installation head from time to time by the issuance and posting of specific traffic directives as may be required. When so issued and posted, such directives shall have the same force and effect as if made a part thereof.

13. *Weapons and Explosives.* No person while on postal property shall carry firearms, other dangerous or deadly weapons, or explosives, either openly or concealed, or store the same on postal property, except for official purposes.

E. NONDISCRIMINATION

There must be no discrimination by segregation or otherwise against any person or persons because of race, color, religion, national origin, sex, age (persons 40 years of age or older are protected), reprisal (discrimination against a person for having filed or for having participated in the processing of an EEO complaint_29 CFR 1613.261-262), or physical or mental handicap, in furnishing, or by refusing to furnish to such person or persons the use of any facility of a public nature, including all services, privileges, accommodations, and activities provided on postal property.

F. PENALTIES AND OTHER LAW

1. Alleged violations of these rules and regulations are heard and the penalties prescribed herein are imposed, either in a Federal District Court or by a federal magistrate in accordance with applicable court rules. Questions regarding such rules should be directed to the regional counsel for the region involved.
2. To the extent applicable under 39 CFR Part 232, whoever shall be found guilty of violating the rules and regulations in this notice while on property under the charge and control of the Postal Service is subject to fine of not more than \$50 or imprisonment of not more than 30 days or both. Nothing contained in these rules and regulations shall be construed to abrogate any other federal laws or regulations or any state or local laws and regulations applicable to any area in which the property is situated.
3. Members of the U.S. Postal Security Force shall exercise the powers of special policemen provided by 40 U.S.C. 318 and shall be responsible for enforcing the regulations in this notice in a manner that will protect Postal Service property. Postal inspectors, Office of Inspector General Criminal Investigators, and other persons designated by the chief Postal Inspector may likewise enforce regulations in this notice.

Exhibit D**General Conditions****1. Contingent Fees/Brokers**

- a. The Lessee warrants that no person or selling agency has been employed or retained to solicit or obtain this Outlease for a commission, percentage, brokerage, or contingent fee, except bona fide employees or bona fide, established commercial or selling agencies employed by the Lessee for the purpose of obtaining business.
- b. For licensed employees or established commercial brokerage agencies employed by the parties for the purpose of leasing space for a brokerage commission, each party agrees to pay its respective agent a commission in accordance with the respective agreement(s) between the respective party and its agent/broker.
- c. For breach or violation of this warranty, the Postal Service has the right to annul this contract without liability or to deduct from the contract price or otherwise recover the full amount of the commission, percentage, brokerage fee, or contingent fee.

2. Non-Discrimination: The Lessee agrees that they will not discriminate by segregation or otherwise against any person or persons because of race, color, religion, national origin, sex, age (persons 40 years of age or older are protected), reprisal (discrimination against a person for having filed or for having participated in the processing of an EEO complaint 29 CFR 1613.261-262), or physical or mental handicap, in furnishing, or by refusing to furnish to such person or persons the use of any facility of a public nature, including all services, privileges, accommodations, and activities provided herein.

3. Relocation: Lessee acknowledges that it acquires no right by virtue of execution of this Outlease to claim any benefits under Title 39, Code of Federal Regulations, Part 777 (Relocation Assistance and Real Property Acquisition Policies).

4. Gratuities or Gifts (Clause 1-5: March 2006)

- a. The Postal Service may terminate this contract for default if, after notice and a hearing, the Postal Service Board of Contract Appeals determines that the Lessee or the Lessee's agent or other representative:
 - i. Offered or gave a gratuity or gift (as defined in 5 CFR 2635) to an officer or employee of the Postal Service; and
 - ii. Intended by the gratuity or gift to obtain a contract or favorable treatment under a contract.
- b. The rights and remedies of the Postal Service provided in this clause are in addition to any other rights and remedies provided by law or under this contract.

5. Incorporation by Reference: In addition to the foregoing, the following clauses are incorporated in this contract by reference. The text of incorporated terms may be found in the Contract Clauses section of the Postal Service's Supplying Principles and Practices manual, which is accessible on-line or upon request.

Clause 9-7, Equal Opportunity (March 2006)¹

Clause 9-13, Affirmative Action for Handicapped Workers (March 2006)²

Clause 9-14, Affirmative Action for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (February 2010)³

¹For contracts aggregating payments of \$10,000 or more.

²For contracts aggregating payments of \$10,000 or more.

³For contracts aggregating payments of \$25,000 or more.



Asbestos Survey
Signature Page

Outlease Agreement
Revised 3.31. 2017 RMH

EXECUTED BY LESSEE this _____ day of _____,

CORPORATION

By executing this signature page, Lessee affirms and acknowledges receipt of the Asbestos Survey. It is Lessee's responsibility to review the [Asbestos Survey] a copy of which is attached. Lessee understands and agrees that the Asbestos Survey is provided for informational purposes only.

Name of Corporation: _____; _____ Corporation

By: _____

Print Name & Title

Signature

Print Name & Title

Signature

Lessee's Address: _____

City: _____

State: _____

Zip + 4: _____

e-mail: _____

Lessee's Telephone Number(s): _____ FAX: _____

Federal Tax Identification No.: _____

Witness

Witness

Facility Name: _____
Address: _____

Fin/Sub No. _____
City, ST, ZIP: _____

Real Estate Conflict of Interest Certification

To avoid actual or apparent conflicts of interest, the United States Postal Service ("Postal Service") requires the following certification from you as a potential **Tenant**/Landlord/Licensor/Supplier/Contractor to the Postal Service. Please check all that apply in item A below. Further, please understand that the Postal Service will be relying on the accuracy of the statements made by you in this certification in determining whether to proceed with any possible transaction with you.

I, _____ hereby certify to the Postal Service as follows:

[PRINT: name of potential **Tenant**/Landlord/ Licensor/Supplier/Contractor]

- A. (Check all that apply) I am:
- (i) _____ A Postal Service employee;
 - (ii) _____ The spouse of a Postal Service employee;
 - (iii) _____ A family member of a Postal Service employee; (*Relationship*) _____
 - (iv) _____ An individual residing in the same household as a Postal Service employee;
 - (v) _____ I am one of the individuals listed in (i) through (iv) above AND a controlling shareholder or owner of a business organization leasing or licensing space or intending to lease or license space to/from the Postal Service; OR
 - (vi) _____ None of the above.
- B. (Complete as applicable):
- i. I have the following job with the Postal Service (*Title*) _____
(*Location*) _____
 - ii. My Spouse who works for the Postal Service holds the following job:
(*Title*) _____ (*Location*) _____
 - iii. My family member who works for the Postal Service holds the following job:
(*Title*) _____ (*Location*) _____
 - iv. My household member who works for the Postal Service holds the following job: _____
(*Title*) _____ (*Location*) _____
- C. If you have checked "none of the above" and during the lease or license term or any renewal term, you do fall into any of the categories listed in A (i) through (v) above, you shall notify the Postal Service Contracting Officer in writing within 30 days of the date you fall into any of the such categories and shall include an explanation of which of the above categories now applies.
- D. The person signing this certification has full power of authority to bind the potential **Tenant**/Landlord/ Supplier/Contractor named above.

Executed this _____ day of _____, 20____ by

BY: _____
[Insert Signature]

BY: _____
[PRINT: name of entity or person]

Title: _____
[Insert title]

Facility Name: _____
Address: _____

Fin/Sub No. _____
City, ST, ZIP: _____

[INTERNAL USE ONLY: 1) If A(vi) 'none of the above' is selected, stop, file form with the lease/license/~~out-sublease~~. 2) If other items are selected, submit form to Ethics.help@usps.gov. File form and Ethics determination with the lease/license/~~out-sublease~~.]



City of Salinas

200 Lincoln Ave., Salinas,
CA 93901
www.cityofsalinas.org

Legislation Text

File #: ID#23-564, Version: 1

Purchase and Sales Agreement for 1028 Larkin Circle

Approve a Resolution authorizing the Mayor to execute a Purchase and Sales Agreement (PSA) in the amount of \$690,000 for a single-family residence located at 1028 Larkin Circle in the City of Salinas utilizing the American Rescue Plan Act (ARPA) funding for the purchase.



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: SEPTEMBER 12, 2023

DEPARTMENT: COMMUNITY DEVELOPMENT DEPARTMENT

FROM: LISA BRINTON, DIRECTOR

BY: MICHAEL GOMEZ, ECONOMIC DEVELOPMENT ANALYST

TITLE: PURCHASE AND SALES AGREEMENT FOR 1028 LARKIN CIRCLE

RECOMMENDED MOTION:

A motion to approve a Resolution authorizing the Mayor to execute a Purchase and Sales Agreement (PSA) in the amount of six hundred ninety thousand dollars (\$690,000) for a single-family residence located at 1028 Larkin Circle in the City of Salinas utilizing the American Rescue Plan Act (ARPA) funding for the purchase.

EXECUTIVE SUMMARY:

In recognition of the critical need for more affordable housing in Salinas, the City Council appropriated \$7 million from the American Rescue Plan Act ("ARPA") to the Affordable Housing Production Fund. Since then, staff have been working diligently to identify projects that would advance the City's affordable housing goals. On August 23, 2023, during closed session, staff presented the opportunity to City Council to acquire 1028 Larkin Circle, a single-family residence that has potential for construction of an Accessory Dwelling Unit (ADU). After receiving Council direction, City staff reached out to the realtor with a purchase price of six hundred ninety thousand dollars (\$690,000), contingent on the appraised value and pending completion of the City's 5-day due diligence period. Escrow would close within 5 days after execution of the Purchase and Sales Agreement but not before receipt of the appraisal report.

The Community Development Department Economic Development Division will manage the property and with the support of the Housing Division will develop a rental plan consistent with Fair Housing regulations to rent the Property to a family that is extremely low, very low, or low income. Citizenship or residency would not be a requirement to apply.

BACKGROUND:

The 2015-2023 Housing Element identified that a significant portion of Salinas' households are considered "cost burdened". Households are considered cost burdened when they spend more than 30% of their income on rent, mortgage, and other housing needs. Among renters, almost 53 percent

of households paid more than 30 percent of their income towards housing costs. Almost 49 percent of owner-households paid more than 30 percent of income towards housing costs. Over the subsequent years, affordability has gotten even more challenged. As a result, the City Council has made providing affordable housing a strategic plan priority. On November 16, 2021, Council approved Resolution 22250 appropriating \$7 million (\$7,000,000) from the American Rescue Plan Act (“ARPA”) to the Affordable Housing Production Fund authorizing the funds to be used for predevelopment, acquisition, construction, plans, and studies. Staff have been actively soliciting proposals for the use of these funds from developers and has also explored opportunities for the City to acquire both developed and undeveloped properties for housing. In reviewing properties for acquisition, staff discovered 1028 Larkin Circle (Assessor’s Parcel Number [APN] 261-732-019-000), which is unique in that it is comprised of 4 bedrooms 2 baths on a 9,235 sqft lot that has potential for the construction of an ADU.

DISCUSSION:

1028 Larkin Circle (“Property”) is currently owned by a Trust, the Property was offered for sale with an asking price of six hundred and seventy-five thousand dollars (\$675,000). It is a single-story property with approximately 1,232 square feet of living space on a 9,235 square foot lot built in 1978. The Property has been well maintained, both exterior and interior are in good condition. The only immediate anticipated improvements to the Property are the addition of a water softener system, replacement of the stove, and converting the nonpermitted living space in the garage to a standard 2-car garage.

After closed session on August 23rd, staff contacted the agent representing the owners of 1028 Larkin Circle, which has been on the market since August 15, 2023. Staff negotiated a purchase price of six hundred and ninety thousand dollars based upon real estate comps for similar properties. The property did receive two additional offers that fell through for no fault of the property. This purchase price is contingent on an appraisal of the property’s fair market value. The sellers Brokerage firm, Steinbeck Real Estate, will receive 3.0% of the purchase price as compensation for the sale in escrow with the City receiving a 2% credit from the purchase price. Escrow will close following the execution of the PSA, the completion of the City’s 5-day due diligence period, and receipt of an appraisal report. City staff has reviewed the property home inspection report, wood destroying pests and organisms’ inspection report, and Preliminary Title Report and will coordinate an appraisal report. Based on the information from the reports received, staff believes the property to be in good condition with normal wear and tear that is expected for the age of the home.

CEQA CONSIDERATION:

The City of Salinas has determined that the proposed action, acquisition of an existing single-family residence, is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the

environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

STRATEGIC PLAN INITIATIVE:

The proposed acquisition supports the City of Salinas Strategic Plan 2023-2025 goal of Housing/Affordable Housing. This acquisition represents an increase in local affordable housing stock and will provide a stable, long-term housing opportunity for up to one large low-income family and potentially two with the construction of an ADU on the property.

DEPARTMENTAL COORDINATION:

CDD's Economic Development Division continues to coordinate with both the Housing and Permit Services Divisions of the Department in identifying and vetting viable properties. Additional consultation regarding the preparation of the draft PSA has also occurred with the City Attorney.

FISCAL AND SUSTAINABILITY IMPACT:

Council approved Resolution 22250 appropriating \$7 million (\$7,000,000) from the American Rescue Plan Act ("ARPA") to the Affordable Housing Production Fund. The Purchase Price for the Property is six hundred and ninety thousand dollars with the estimated escrow cost of three thousand and sixteen dollars (\$3,016.00). As part of the resolution, City Council would authorize the expenditure of six hundred and ninety dollars for the purchase of the property and use of the Housing Production CIP for escrow expenditures.

Upon taking ownership, the City will assume responsibility for ongoing property maintenance costs, remediation and repair, and property taxes. The annual costs of property maintenance will be minimal as this property has been kept in good condition. Property taxes will initially be approximately \$8,625 per year. These ongoing costs will be covered by the rental income received from the Property.

ATTACHMENTS:

1. Resolution
2. PSA – 1028 Larkin Circle – Draft, including a Legal Description, Grant Deed, and Certificate of Acceptance
3. Aerial Photograph – 1028 Larkin Circle

RESOLUTION NO. _____ (N.C.S.)

**A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A PURCHASE AND
SALES AGREEMENT FOR THE ACQUISITION OF 1028 LARKIN CIRCLE**

WHEREAS, in recognition of the critical need for more affordable housing in Salinas, the City Council approved Resolution 22250 appropriating \$7 million from the American Rescue Plan Act (“ARPA”) to the Affordable Housing Production Fund to be used for predevelopment, acquisition, construction, plans, and studies; and

WHEREAS, staff have been working diligently to develop ARPA projects that would advance the City’s affordable housing goals and identified the potential acquisition of 1028 Larkin Circle (Assessor’s Parcel Number [APN] 261-732-019-000 “the Property”), a single family residence owned by a Trust; and

WHEREAS, the Property is a single-story residence built in 1978 that contains approximately 1,232 square feet of living space, 4 bedrooms and two baths, and two car garage on a 9,235 square feet lot that has potential for the development of an Accessory Dwelling Unit (ADU); and

WHEREAS, on August 23, 2023, during closed session staff received Council direction to pursue acquisition of the Property and subsequently reached out to the real estate agent representing the owners with a purchase price of six hundred and ninety thousand dollars (\$690,000), contingent on the appraised value and pending completion of the City’s 5-day due diligence period; and

WHEREAS, the negotiated price is fifteen thousand dollars over the original sales price based upon real estate comps for similar properties and the potential of construction of an ADU, the City will receive a 2% credit from the purchase price, and

WHEREAS, escrow would close within 5 days after execution of the Purchase and Sales Agreement but not before receipt of the appraisal report; and

WHEREAS, the purchase of the Property will support the City of Salinas Strategic Plan 2022-2025 goal of Housing/Affordable Housing by providing much needed affordable housing to low-income families.

NOW, THEREFORE, BE IT RESOLVED that the Salinas City Council hereby authorizes the Mayor to enter into a Purchase and Sales Agreement for the acquisition of 1028 Larkin Circle and authorizes the expenditure of ARPA funds for this purchase.

PASSED AND APPROVED this 12th day of September 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Kimbley Craig, Mayor

ATTEST:

Patricia M. Barajas, City Clerk

**PURCHASE AND SALES AGREEMENT
(1028 Larkin Circle)**

This Purchase and Sales Agreement ("Agreement") is dated as of September 12, 2023 ("Effective Date") and is being entered into by and the City of Salinas, a California charter city and municipal corporation hereinafter referred to as "Buyer", and Roselyn K. Varma, Successor Trustee of the HJL Trust UTD 6/16/2016, hereinafter referred to as "Seller", for the acquisition by Buyer of certain real property described below.

RECITALS

A. The Seller is the owner in fee of that certain real property consisting of approximately 9,235 square feet of land generally located at 1028 Larkin Circle (Assessor's Parcel Number [APN] 261-732-019-000) in the City of Salinas, County of Monterey, State of California ("Property") as more particularly described in the attached "Exhibit A".

B. The Property is a was built in 1978 that is in good condition and consists of a single-story family residence with approximately 1,232 square feet of living space.

NOW, THEREFORE, Buyer and Seller agree as follows;

1. Agreement to Sell and to Purchase. Buyer agrees to buy the Property from Seller and Seller agrees to sell the Property to City upon the terms and for the consideration set forth in this Agreement.

2. Purchase Price. The purchase price of the Property is six hundred and ninety thousand dollars (\$690,000) to be paid in cash to the Seller by the Buyer at the Close of Escrow.

3. Opening Escrow. Seller has opened Escrow with Chicago Title CO-5212300659 to complete the transaction (the "Escrow Holder"). The Buyer shall deposit the Purchase Price into escrow within five (5) days after execution of the Agreement, said money shall be refundable until such time as buyer has waived all contingencies. The Buyer and Seller shall execute and deliver written instructions to the Escrow Holder to accomplish the terms hereof, which instructions shall be consistent with this Agreement.

4. Close of Escrow. The Close of Escrow shall occur within five (5) business days after execution of the Purchase and Sales Agreement but not before receipt of appraisal report and after all of the following conditions shall be established, prior to or concurrently with, and as conditions of, the Close of Escrow:

4.1. The Seller shall have executed and delivered to the Buyer or the Escrow Holder all documents and instruments required to be executed and delivered, all in form and substance

satisfactory to both Buyer and the Escrow Holder, and Buyer shall have submitted full payment of the Property Purchase Price.

4.2. There shall exist no condition, event or act which would constitute a breach or default under this Agreement which upon the giving of notice or the passage of time, or both, would constitute such a breach or default.

4.3. All representations and warranties of the parties contained herein shall be true and correct as of the Close of Escrow.

4.4. The Sale is contingent on the following items:

- The appraised value at a minimum of purchase price
- Review of Seller Documents 5 days after execution of the Agreement
- Review of Preliminary "Title" Report 5 days after execution of the Agreement
- Review of Common Interest Disclosure
- Review of Leased or Liened items

Any and all expenses incurred relating to inspecting the Property by Buyer shall be borne by Buyer.

4.5. Ad valorem taxes, if any, shall be prorated as of the date of conveyance of the Property from the Seller to the Buyer. Seller and the Buyer shall each pay half of the cost of title insurance, transfer tax, Escrow Holder document preparation, recordation fees, premiums of owners and lenders title insurance and the escrow fees of the Escrow Holder, if any, and any additional costs to close the escrow. The costs borne by Buyer are in addition to the Purchase Price for the Property.

5. Conveyance of Title and Possession. Seller agrees to convey by Grant Deed (in substantially the form shown on the attached (Exhibit B) to Buyer all of Seller's title and interest in and to the Property. Notwithstanding anything to the contrary set forth herein, the Seller makes no representation or warranty regarding title to the Property or the removal of any Exceptions from title to the Property. Further, Seller has no obligation to provide title to the Property clear of encumbrances and shall not incur any liability for title defects unless Seller expressly agrees to remove one or more encumbrances pursuant to this Section; however, Buyer shall not be obligated to accept title to the Property unless it is conveyed free and clear of all recorded and unrecorded liens, encumbrances, assessments, easements, leases, taxes and other title or survey matters ("Exceptions") except such matters which are acceptable to the Buyer, in Buyer's sole discretion, following Buyer's review of a title report to be provided by the Seller or Escrow Company.

6. Title Insurance Policy. Escrow Holder shall, following recording of the Deed, provide Buyer with a standard owner's CLTA (or extended coverage ALTA, at the request of Buyer) policy of title insurance in the amount of the Purchase Price, issued by the Title

Company, together with any endorsements and additional coverage reasonably requested by Buyer, showing fee simple title to the Property vested in Buyer, subject only to the Exceptions set forth in Section 5 approved by Buyer and the printed exceptions and stipulations in the policy. Title charges shall be evenly split by the Buyer and Seller.

7. Condition of Property.

7.1. Seller agrees to maintain the Property in its current condition, subject to ordinary wear and tear from the time this Agreement comes into effect until the Closing. Buyer recognizes that Seller, along with any licensed real estate agent(s) involved in this transaction, make no claims as to the validity of any property disclosure information. Buyer is required to perform their own inspections, tests, and investigations to verify information provided by the Seller.

7.2 All the following items shall be included in the Purchase Price: stove, refrigerator, dishwasher, all existing fixtures (except mirrors in bathrooms) and fittings that are attached to the Property; existing electrical, mechanical, lighting, plumbing and heating fixtures, ceiling fans, fireplace inserts, gas logs and grates, solar power systems, built-in appliances and appliances for which special openings are encasements have been made, window and door screens, awnings, shutters, window coverings (which includes blinds, curtains, drapery, shutters or any other materials that cover any portion of the window) and any associated hardware and rods, attached floor coverings, television antennas, satellite dishes, air coolers/conditioners, garage door openers/remote controls, mailbox, in-ground landscaping, water features and fountains, water softeners, water purifiers, light bulbs (including smart bulbs) and stove, oven, refrigerator, microwave, home control devices. Seller shall remove any personal items which Seller chooses to keep before the close of escrow.

Seller represents that all items included in the purchase price, are owned by the Seller and shall be transferred free and clear of liens and encumbrances and are transferred without Seller warranty regardless of value.

7.3 Buyer specifically acknowledges and agrees that the Seller is selling and the Buyer is buying the Property not relying on any representations or warranties of any kind whatsoever, express or implied, from the Seller as to any matters concerning the Property, including without limitation (1) the quality, nature, adequacy, and physical condition of the Property (including, without limitation, topography, climate, air, water rights, water, gas electricity, utility services, grading, drainage, sewers, access to public roads and related conditions); (2) the quality, nature, adequacy, and physical condition of soils, geology, and groundwater; (3) the existence, quality, nature, adequacy, and physical condition of utilities serving the Property; (4) the development potential of the Property, and its use, habitability, merchantability, or fitness, suitability, value or adequacy of the property for any particular purpose; (5) the zoning or other legal status of the Property or any other public or private restrictions on the use of the Property; (6) the compliance of the Property or its operation with any applicable codes, laws, regulations, statutes, ordinances, covenants, conditions, and restrictions of any governmental or quasi-governmental entity or of

any other person or entity; (7) the presence or absence of hazardous materials on, under or about the Property or the adjoining and neighboring properties; and (8) the condition of title to the Property.

The Buyer affirms that it has not relied on the skill or the judgment of the Seller or any of its respective agents, employees or contractors to select or furnish the Property for any particular purpose, and that the Seller makes no warranty that the Property is fit for any particular purpose. The Buyer acknowledges that it shall use its independent judgment and make its own determination as to the scope and the breadth of its due diligence investigation which investigation of the physical, environmental, economic, and legal condition of the Property (including, without limitation, whether the Property is located in an area which is designated as a special flood hazard area, dam failure inundation area, earthquake fault zone, seismic hazard zone, high fire severity area or wildland fire area, by any federal, state or local entity). The Buyer undertakes and assumes all risks associated with all matters pertaining to the Property location in any area designated as a special flood hazard area, dam inundation area, earthquake fault zone, seismic hazard zone, high fire severity area or wildland fire area, by any federal, state or local entity.

7.4. Survival. The terms and the conditions of this section 7 shall expressly survive the Close of Escrow, shall not merge with the provisions of the Grant Deed, or any other closing documents and shall be deemed to be incorporated by reference into the Grant Deed. The Seller is not liable or bound in any manner by any oral or written statements, representations or information pertaining to the Property furnished by any contractor, agent, employee, servant or other person. The Buyer acknowledges that the Purchase Price reflects the “as is” nature of this sale and any faults, liabilities, defects or other adverse matters that may be associated with the Property. The Buyer has fully reviewed the disclaimers and waivers set forth in this Agreement with the Buyer’s counsel and understands the significance and effect thereof.

7.5. Acknowledgement. The Buyer acknowledges and agrees that (i) to the extent required to be operative, the disclaimers of warranties contained in this section are “conspicuous” disclaimers for purposes of all applicable laws and other legal requirements, and (ii) the disclaimers and other agreements set forth in such sections are an integral part of this Agreement, that the Purchase Price has been adjusted to reflect the same and that the Seller would not have agreed to sell the Property to the Buyer for the Purchase Price without the disclaimers and other agreements set forth in this section.

7.6. Buyer’s Release of the Seller. The Buyer, on behalf of itself and anyone claiming by, through or under the Buyer, hereby waives its right to recover from and fully and irrevocably releases the Seller and its representatives and agents (“Released Parties”) from any and all claims, responsibility and/or liability that the Buyer may have or hereafter acquire against any of the Released Parties for any costs, loss, liability, damage, expenses, demand, action or cause of action arising from or related to (i) the condition (including any construction defects, errors, omissions or other conditions, latent or otherwise), valuation, salability or utility of the Property, or its

suitability for any purpose whatsoever, (ii) any presence of Hazardous Materials (as hereinafter defined), and (iii) any information furnished by the Released Parties under or in connection with this Agreement.

7.7. Scope of Release. The release set forth in section 7.4 hereof includes claims of which the Buyer is presently unaware or which the Buyer does not presently suspect to exist which, if known by the Buyer, would materially affect the Buyer's release of the Released Parties. The Buyer specifically waives the provision of any statute or principle of law that provides otherwise. In this connection and to the extent permitted by law, the Buyer agrees, represents and warrants that the Buyer realizes and acknowledges that factual matters now unknown to the Buyer may have given or may hereafter give rise to causes of action, claims, demands, debts, controversies, damages, costs, losses, and expenses which are presently unknown, unanticipated and unsuspected, and the Buyer further agrees, represents, and warrants that the waivers and releases herein have been negotiated and agreed upon in light of that realization and that the Buyer nevertheless hereby intends to release, discharge, and acquit the Sellers from any such unknown causes of action, claims, demands, debts, controversies, damages, costs, losses, and expenses. Accordingly, the Buyer, on behalf of itself and anyone claiming by, through or under the Buyer, hereby assumes the above-mentioned risks and hereby expressly waives any right the Buyer or anyone claiming by, through or under the Buyer, may have under Section 1542 of the California Civil Code, which reads as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with debtor."

Notwithstanding the foregoing, this release shall not apply to, nor shall the Seller be released from, the Seller's actual fraud or misrepresentation.

8. Hazardous Materials. As used in this Agreement, the term "Hazardous Materials" shall mean any substance, material, or waste which is or becomes, regulated by any local governmental authority, the County of Monterey, the State of California, any regional governmental authority, or the United States Government, including, but not limited to, any material or substance which is (i) defined as a "hazardous waste," "extremely hazardous waste," or "restricted hazardous waste" under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law), (ii) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act), (iii) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory), (iv) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances), (v) petroleum, (vi) friable

asbestos, (vii) polychlorinated biphenyls, (viii) methyl tertiary butyl ether, (ix) designated as “hazardous substances” pursuant to Section 311 of the Clean Water Act (33 U.S.C. §1317), (x) defined as a “hazardous waste” pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. §§6901, *et seq.* (42 U.S.C. §6903) or (xi) defined as “hazardous substances” pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §§9601, *et seq.*

8.1. Compliance with Laws. The Buyer hereby covenants and agrees to comply with all Hazardous Materials laws applicable to it.

8.2. Indemnity. Without limiting the generality of the indemnification set forth elsewhere in this Agreement, the Buyer hereby agrees to indemnify, protect, and hold harmless the Seller from and against any and all claims, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial action requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith (including, but not limited to, reasonable attorney fees and expenses), arising directly or indirectly, in whole or in part, out of the failure of Buyer or any other person or entity to comply with the Hazardous Materials laws. The foregoing indemnity shall further apply to any residual contamination on or under the Property, including but not limited to the presence of lead-based paint or asbestos, or affecting any natural resources, and to any contamination of any property or natural resources arising in connection with the generation, use, handling, treatment, storage, transport or disposal or any such Hazardous Materials, and irrespective of whether any of such activities were or will be undertaken in accordance with Hazardous Materials laws. The provisions of this subsection shall survive expiration or termination of this Agreement, and shall remain in full force and effect.

8.3. No Limitation. The Buyer hereby acknowledges and agrees that the Buyer’s duties, obligations, and liabilities under this Agreement, including, without limitation, under sections 8.1 and 8.2 above, are in no way limited or otherwise affected by any information the Seller may have concerning the Property and/or the presence within the Property of any Hazardous Materials, whether the Seller obtained such information from the Buyer or from its own investigations.

9. Provision Not Merged with Deeds. Unless otherwise specifically set forth herein, none of the provisions of this Agreement are intended to or shall be merged by any grant deed transferring title to any real property which is the subject of this Agreement from Seller to Buyer or any successor in interest, and any such grant deed shall not be deemed to affect or to impair the provisions and the covenants of this Agreement.

10. Brokers. Seller has hired Steinbeck Real Estate, Broker Department of Real Estate License #01934055 to perform representation on their behalf, they shall be entitled to payment for their services as outlined in their separate written agreement. Buyer is representing itself and shall receive credit of 2% of the Purchase Price in escrow. No other brokerage commission, finder’s fee

or other compensation of any kind is due or owing to any person or entity in connection with this Agreement. Each party agrees to and does hereby indemnify and hold the other free and harmless from any against any and all costs, liabilities or causes of action or proceedings which may be instituted by any broker, agent or finder, licensed or otherwise, claiming through, under or by reason of the conduct of the indemnifying party in connection with this Agreement.

11. Waiver, Consent, and Remedies. Each provision of this Agreement to be performed by Buyer and Seller shall be deemed both a covenant and a condition and shall be a material consideration for Seller's and Buyer's performance hereunder, as appropriate, and any breach thereof by Buyer or Seller shall be deemed a material default hereunder by such breaching party. Either party may specifically and expressly waive in writing any portion of this Agreement or any breach thereof, but no such waiver shall constitute a further or continuing waiver of a preceding or succeeding breach of the same or any other provision. A waiving party may at any time thereafter require further compliance by the other party with any breach or provision so waived. The consent by one party to any act by the other for which such consent was required shall not be deemed to imply consent or waiver of the necessity of obtaining such consent for the same or any similar acts in the future. No waiver or consent shall be implied from silence or any failure of a party to act, except as otherwise specified in this Agreement. All rights, remedies, undertakings, obligations, options, covenants, conditions and agreements contained in this Agreement shall be cumulative and no one of them shall be exclusive of any other.

12. Attorney's Fees. In the event any declaratory or other legal or equitable action is instituted between Seller, Buyer and/or Escrow Holder in connection with this Agreement then, as between Buyer and Seller, the prevailing party shall be entitled to recover from the losing party all of its costs and expenses, including court costs, reasonable attorneys' fees, expert witness fees, and all fees, costs and expenses incurred on any appeal or in collection of any judgment.

13. Notices. Any notice, request, demand, consent, approval or other communication required or permitted hereunder or by law shall be validly given or made only if in writing and delivered in person to an officer or duly authorized representative of the other party, or deposited in the United States mail, duly certified or registered (return receipt requested), postage prepaid, or delivered through another reasonably acceptable method, and addressed to the party for whom intended, as follows:

If to Buyer: City of Salinas
 200 Lincoln Avenue
 Salinas, California 93901
 Attn: City Manager

With a Copy to: City of Salinas
 200 Lincoln Avenue
 Salinas, California 93901
 Attn: City Attorney

If to Seller: Roselyn K. Varma
12 West Gabilan St
Salinas, CA 93901

14. Gender and Number. In this Agreement (unless the context requires otherwise), the masculine, feminine and neuter genders and the singular and the plural shall be deemed to include one another, as appropriate.

15. Entire Agreement. This Agreement and its attachments constitute the entire agreement between the parties hereto pertaining to the subject matter hereof, and the final, complete and exclusive expression of the terms and conditions thereof. All prior agreements, representations, negotiations and understanding of the parties hereto, oral or written, express or implied, are hereby superseded and merged herein.

16. Captions. The captions used herein are for convenience only and are not a part of this Agreement and do not in any way limit or amplify the terms and provisions hereof.

17. Governing Law. This Agreement and the exhibits attached hereto have been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California.

18. Counterparts. This Agreement may be executed in counterparts, each of which when executed shall, regardless of the date of its execution and delivery, be deemed an original, and all counterparts together shall constitute one and the same instrument.

19. Invalidity of Provision. If any provision of this Agreement as applied to any party or to any circumstance shall be adjudged by a court of competent jurisdiction to be void or unenforceable for any reason, the same shall in no way affect (to the maximum extent permissible by law) any other provision of this Agreement, the application of any such provision under circumstances different from those adjudicated by the court, or the validity or enforceability of this Agreement as a whole.

20. Amendments. No addition to or modification of any provision contained in this Agreement shall be effective unless fully set forth in writing by Buyer and Seller.

21. Time of Essence. Time is of the essence of each provision of this Agreement.

22. Survival. All agreements, representations and warranties contained herein shall survive the Closing.

23. Binding Upon Successors. The terms and conditions, covenants, and agreements set forth herein shall apply to and bind the heirs, executors, administrators, assigns and successors of the parties hereof.

24. Parties no Co-Venturers. Nothing in this Agreement is intended to or does establish the parties as partners, co-venturers or principal and agent with one another.

25. Action by the City. Except as may be otherwise specifically provided in this Agreement, whenever any approval, notice, direction, finding, consent, request, waiver or other action by the City is required or permitted under this Agreement, such action may be given, made or taken by the City Manager or by any person who shall have been designated in writing to the Buyer by the City Manager without further approval by the City Council. Any such action shall be in writing.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth above.

CITY OF SALINAS

Kimbley Craig, Mayor

APPROVED AS TO FORM:

Christopher A. Callihan, City Attorney

SELLER

Roselyn K. Varma
Successor Trustee

DRAFT

EXHIBIT A

Legal Description

Real property in the City of Salinas, County of Monterey, State of California, described as follows:

APN: 261-732-019-000

Lot 53, in Block 3, as shown on that certain map entitled, "Tract No. 830, Unit No. 3, Laurel West", filed June 14, 1978 in Volume 13, Maps of "Cities and Towns", at Page 79, in the Office of the County Recorder of the County of Monterey, State of California.

EXCEPTING THEREFROM any and all water, but without the right of entry or to make any withdrawal of water which will result in damage to any building or structure, as granted in the Deed to California Water Service Company, a California Corporation, recorded June 19, 1978 in Reel 1252, Page 457, of Official Records

ALSO EXCEPTING THEREFROM all minerals, coals, oils, petroleum, gas and kindred substances under and in said land, but without the right of entry of the surface thereof, but with the right however, to drill in through or under said land or to explore, develop or take all minerals, coals, petroleum, gas and other kindred substances in and from said land, all such operations to be conducted only below a depth of five hundred feet below the surface thereof, also excepting all adjacent dedicated streets, as excepted in the Deed from Muster Corporation, a California Corporation, recorded September 20, 1979 in Reel 1359, Page 1169, of Official Records.

EXHIBIT B

RECORDING REQUESTED BY

City Clerk
City of Salinas
200 Lincoln Avenue
Salinas, California 93901

WHEN RECORDED MAIL TO
AND MAIL TAX STATEMENTS TO:

City of Salinas
65. W Alisal St
Salinas, CA 93901

EXEMPT FROM RECORDER'S FEES
Pursuant to Government Code §6103

(ABOVE SPACE FOR RECORDER'S USE
ONLY)

* This Instrument is exempt from payment of Documentary Transfer Tax pursuant to Section 27383.2 (Transfer to government entity) of the Revenue and Taxation Code, as amended. **Transfer Tax \$0.00**

GRANT DEED

For valuable consideration, **ROSELYN K. VARMA, SUCCESSOR TRUSTEE OF THE HJL TRUST UTD 6/16/2016,**

Hereby GRANT(S) to **City of Salinas, a California charter city and municipal corporation,** does hereby **REMISE, RELEASE AND FOREVER QUITCLAIM,** all of the right, title and interest of Grantor in and to that certain real property situated in the City of Salinas, County of Monterey, State of California, more particularly described on Attachment No. 1 attached hereto and incorporated herein by this reference.

Dated this ____ day of _____, 2023.

Roselyn K. Varma
Successor Trustee

Attachment No. 1

Legal Description

Real property in the City of Salinas, County of Monterey, State of California, described as follows:

Lot 53, in Block 3, as shown on that certain map entitled, "Tract No. 830, Unit No. 3, Laurel West", filed June 14, 1978 in Volume 13, Maps of "Cities and Towns", at Page 79, in the Office of the County Recorder of the County of Monterey, State of California.

EXCEPTING THEREFROM any and all water, but without the right of entry or to make any withdrawal of water which will result in damage to any building or structure, as granted in the Deed to California Water Service Company, a California Corporation, recorded June 19, 1978 in Reel 1252, Page 457, of Official Records

ALSO EXCEPTING THEREFROM all minerals, coals, oils, petroleum, gas and kindred substances under and in said land, but without the right of entry of the surface thereof, but with the right however, to drill in through or under said land or to explore, develop or take all minerals, coals, petroleum, gas and other kindred substances in and from said land, all such operations to be conducted only below a depth of five hundred feet below the surface thereof, also excepting all adjacent dedicated streets, as excepted in the Deed from Muster Corporation, a California Corporation, recorded September 20, 1979 in Reel 1359, Page 1169, of Official Records

APN: 261-732-019-000



CERTIFICATE OF ACCEPTANCE

City Resolution No.: _____

THIS IS TO CERTIFY THAT the interest in real property conveyed by the deed or grant dated _____, 2023 from

ROSELYN K. VARMA, SUCCESSOR TRUSTEE OF THE HJL TRUST UTD 6/16/2016

to

CITY OF SALINAS, A CALIFORNIA CHARTER CITY AND MUNICIPAL CORPORATION

is hereby accepted by order of the Salinas City Council on September 12, 2023, (or by the undersigned officer or agent on behalf of the City of Salinas pursuant to authority conferred by Resolution 5849 of the Salinas City Council adopted on November 22, 1965), and the grantee consents to recordation thereof by its duly authorized officer.

DATE: _____

Kimbley Craig, Mayor

Aerial Photography of Property and Surrounding Area





City of Salinas

200 Lincoln Ave., Salinas,
CA 93901
www.cityofsalinas.org

Legislation Text

File #: ID#23-566, Version: 1

Permit Center Reorganization, Reclassification, and Workforce Allocation Adjustment

Approve a Resolution amending the FY23-24 workforce for the Permit Services Division of the Community Development Department.



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: September 12, 2023

DEPARTMENT: ADMINISTRATION

FROM: STEVE CARRIGAN, CITY MANAGER

BY: JIM PIA, ACTING FINANCE DIRECTOR
LISA BRINTON, COMMUNITY DEVELOPMENT DIRECTOR
DAVID JACOBS, PUBLIC WORKS DIRECTOR
MARINA HORTA-GALLEGOS, HUMAN RESOURCES DIRECTOR

TITLE: REORGANIZATION, RECLASSIFICATION, WORKFORCE
ALLOCATION ADJUSTMENT AND CLASSIFICATION SALARY –
SCHEDULE MODIFICATION

RECOMMENDED MOTION:

It is recommended that the City Council approve a Resolution to reclassify specified positions and amend the FY 23-24 workforce for the Administration, Community Development, Finance, and Public Works Departments and modify the Classification – Salary Schedule. Specifically, staff request to reclassify the vacant Permit Center Manager to Assistant Community Development Director, vacant Senior Plan Check Engineer to Plan Check Engineer, vacant Deferred Compensation Technician to Payroll Technician, vacant Technology and Innovation Officer to Information Systems Manager, one Senior Civil Engineer to Deputy City Engineer, and one vacant Public Service Maintenance Worker (PSMW) III to PSMW IV.

RECOMMENDATION:

Staff recommends that the City Council approve the attached Resolution to approve the recommended reclassifications and amend the FY 23-24 workforce for the Administration, Community Development, Finance, and Public Works Departments to include one additional Assistant Community Development Director by reclassifying the vacant Permit Center Manager and adding one Plan Check Engineer in the place of the vacant Senior Plan Check Engineer. In the Finance Department, the Deferred Compensation Technician to be reclassified to a Payroll Technician and Technology and Innovation Officer to Information Systems Officer. In Public Works, the Senior Civil Engineer overseeing Engineering/Capitol Improvement Projects to be reclassified to Deputy City Engineer. The Deputy City Manager would be added to the Classification – Salary Schedule. Lastly, the vacant PSMW III would be reclassified to PSMW IV.

BACKGROUND:

Community Development Department

The Community Development Department currently has approximately 60 authorized full-time positions and an operating budget of \$8.3M. The department's main functions are planning, planning implementation, permitting, management of federal funding, housing facilitation, homes services, code enforcement, business retention and expansion and small business development.

The current organizational structure divides oversight of the various divisions between the Director and the Assistant Director. Specifically, the Assistant Director provides oversight for Advanced Planning and Implementation (APPI), Housing and Community Development, and Code Enforcement. The Director provides direct oversight over the remaining divisions while planning and directing the goals, functions, and initiatives of the entire Department. The new Community Development Director assumed leadership as the FY 23-24 budget and workforce were being finalized.

The Department retained the services of Municipal Resources Group to assist with an assessment of the Permit Center (Permit Services Division). This process included employee input to review staffing, duties, workflow, customer service, and communication, among other things. Following employee feedback and a review of the current staffing, vacancies, and organizational structure, it is recommended that the vacant Permit Center Manager be reclassified to an Assistant Community Development Director with management and direct oversight of the Permit Center. Under the direction of the Community Development Director, this position will exercise general supervision over inspection services, building plan check, code enforcement and building permit operations. By leading the multi-disciplinary teams, he/she will ensure proper coordination of all applications received, timely service to all customers, collection of fees and coordination with the plan check staff and other City departments.

Separately, plan checking currently has two authorized Senior Plan Check Engineers and with one recent vacancy, the department recommends underfilling the position with a Plan Check Engineer. This will allow for career growth opportunities and anticipate this will be less challenging to fill.

Finance Department

The Finance Department recommends reclassifying the vacant Deferred Compensation Technician to Payroll Technician. A Payroll Technician would be able to assume existing deferred compensation accounting, posting, reconciliation functions and provide additional support to the Payroll Supervisor.

Additionally, the Information Technology (IT) Division was set to shift from the Finance Department to Administration although the IT division has historically been overseen by the Finance Director. Upon further review, it is recommended that the IT division remain in the Finance Department. This shift would have increased the Administration Department workforce by more than fifty percent (50%). Keeping the IT division within Finance provides a status quo in Finance and provides the City Manager with a more manageable span of control over the existing positions in Administration, those recently added and those being studied and recruited. Staff further recommends reclassifying the vacant Technology and Innovation Officer to the previously authorized Information Systems Manager.

IT staff are temporarily overseen by the City Clerk while the City prepares to recruit for the Information Systems Manager and fills the Assistant Finance Director and Finance Director vacancies.

Public Works

The Public Works Engineering division is currently divided into five divisions. Currently, two division head positions are vacant. The Department proposes to reclassify the incumbent Senior Civil Engineer overseeing Engineering (Capital Improvement Projects) to a Deputy City Engineer. This is the first step of several as the Department evaluates the current structure, existing staffing, and vacancies.

Benefit Group	Grade	Position			Step 1 Hourly	Step 1 Monthly	Step 2 Hourly	Step 2 Monthly	Step 3 Hourly	Step 3 Monthly	Step 4 Hourly	Step 4 Monthly	Step 5 Hourly	Step 5 Monthly	Step 6 Hourly	Step 6 Monthly
15		Deputy City Engineer			55.0612	9,544	57.8158	10,021	60.7090	10,523	63.7408	11,048	66.9314	11,601	70.2815	12,182

Additionally, the Maintenance Services division recommends reclassifying one PSMW III vacancy to a level IV position to balance the number of lead staff in the Sewer/NPDES Streets division.

CEQA CONSIDERATION:

Not a Project. The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378).

STRATEGIC PLAN INITIATIVE:

The proposed action meets the Effective and Culturally Responsive Government Council goal.

DEPARTMENTAL COORDINATION:

Human Resources, Administration, Community Development, Finance, and the Public Works Departments collaborated in this effort.

FISCAL AND SUSTAINABILITY IMPACT:

None. The Permit Center is funded by an enterprise fund. The difference in salary between the Permit Center Manager and Assistant Community Development Director will be offset this fiscal year with salary savings from the vacant Permit Center Manager position and the underfilling of the Senior Plan Check Engineer will provide additional salary savings.

The reclassifications of the Deferred Compensation Technician and Technology and Information Officer are cost neutral.

The reclassification of the Senior Civil Engineer and PSWM III will be offset this fiscal year with salary savings.

ATTACHMENTS:

Resolution
Current Organizational Charts
Revised Organizational Charts

RESOLUTION NO. _____ (N.C.S.)

RESOLUTION APPROVING THE FY 23-24 WORKFORCE ALLOCATION ADJUSTMENT,
RECLASSIFICATIONS, AND CLASSIFICATION – SALARY SCHEDULE MODIFICATION

BE IT RESOLVED BY THE CITY COUNCIL OF SALINAS that the approved FY 23-24 workforce for the Administration, Community Development, Finance, and Public Works Departments reflect the recommended reclassifications, workforce adjustments, and Classification – Salary Schedule modification.

Department	Existing	Recommended
Administration	IT Division	Remove IT Division
Community Development	Permit Center Manager	Assistant Community Development Director
Community Development	Senior Plan Check Engineer	Plan Check Engineer
Finance	Deferred Compensation Technician	Payroll Technician
Finance		IT Division
Finance	Technology & Innovation Officer	Information Systems Manager
Public Works	Senior Civil Engineer	Deputy City Engineer
Public Works	PSMW III	PSMW IV

PASSED AND ADOPTED this 12th day of September 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

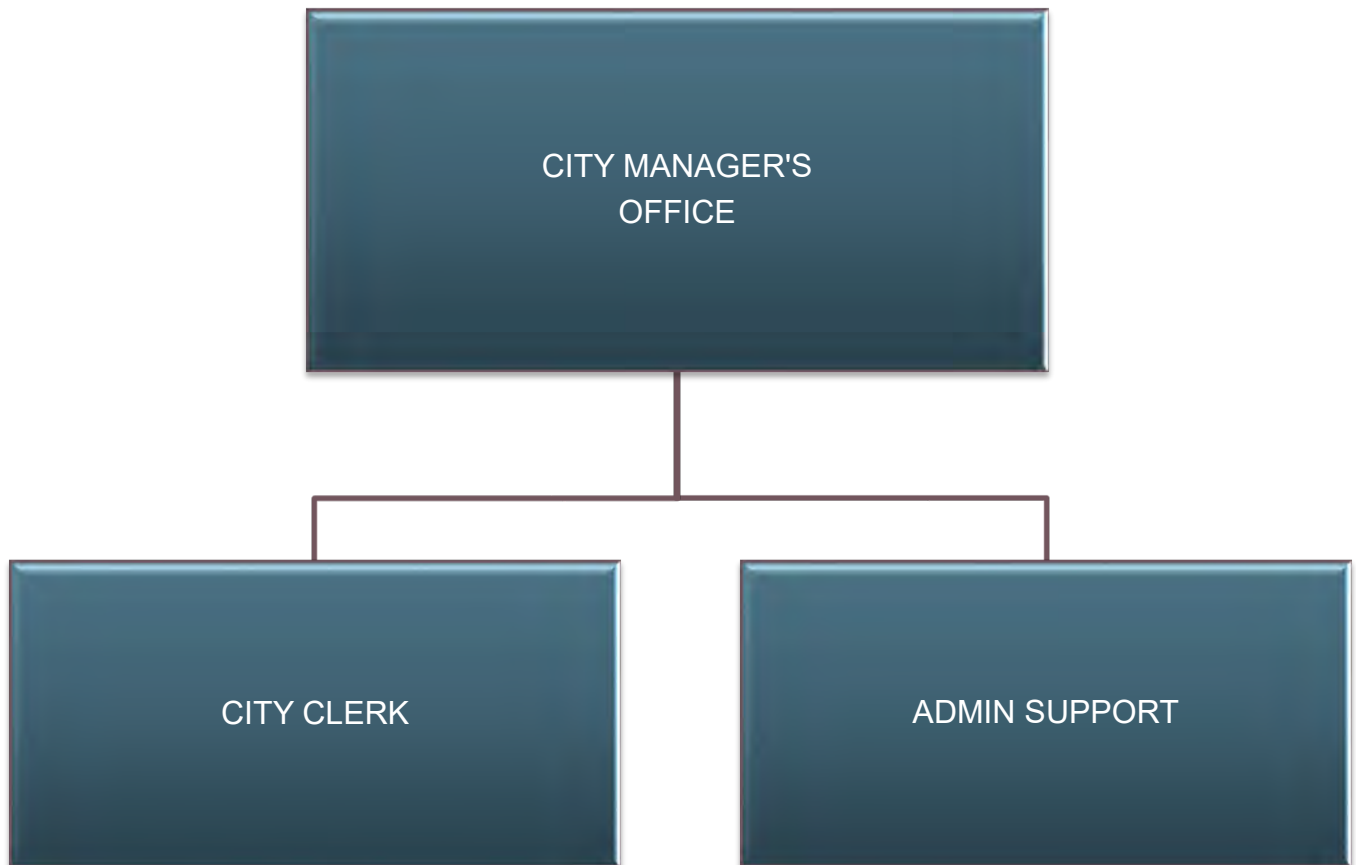
Kimbley Craig, Mayor

ATTEST:

Patricia Barajas, City Clerk

ADMINISTRATION DEPARTMENT

Organizational Chart by Division



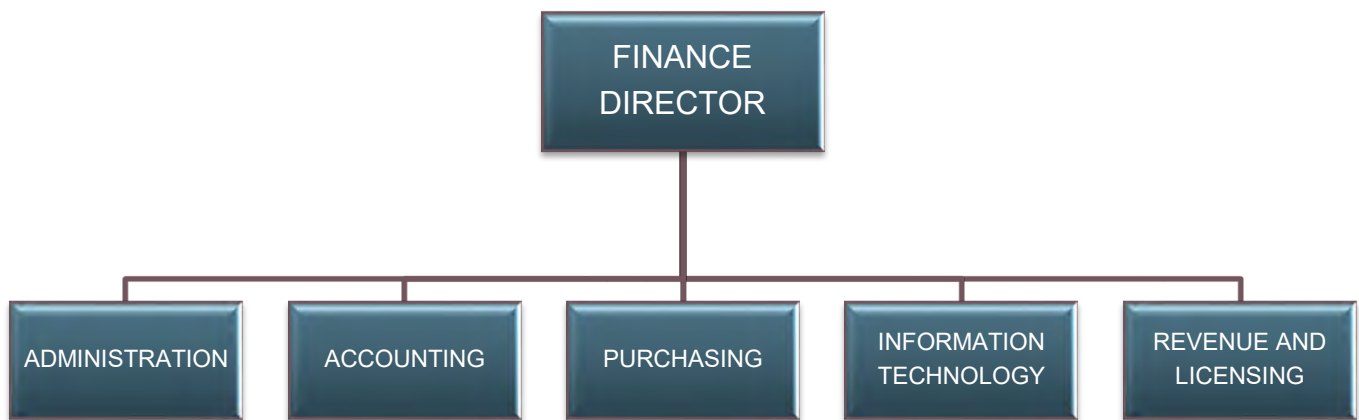
COMMUNITY DEVELOPMENT DEPARTMENT

Organizational Chart by Division

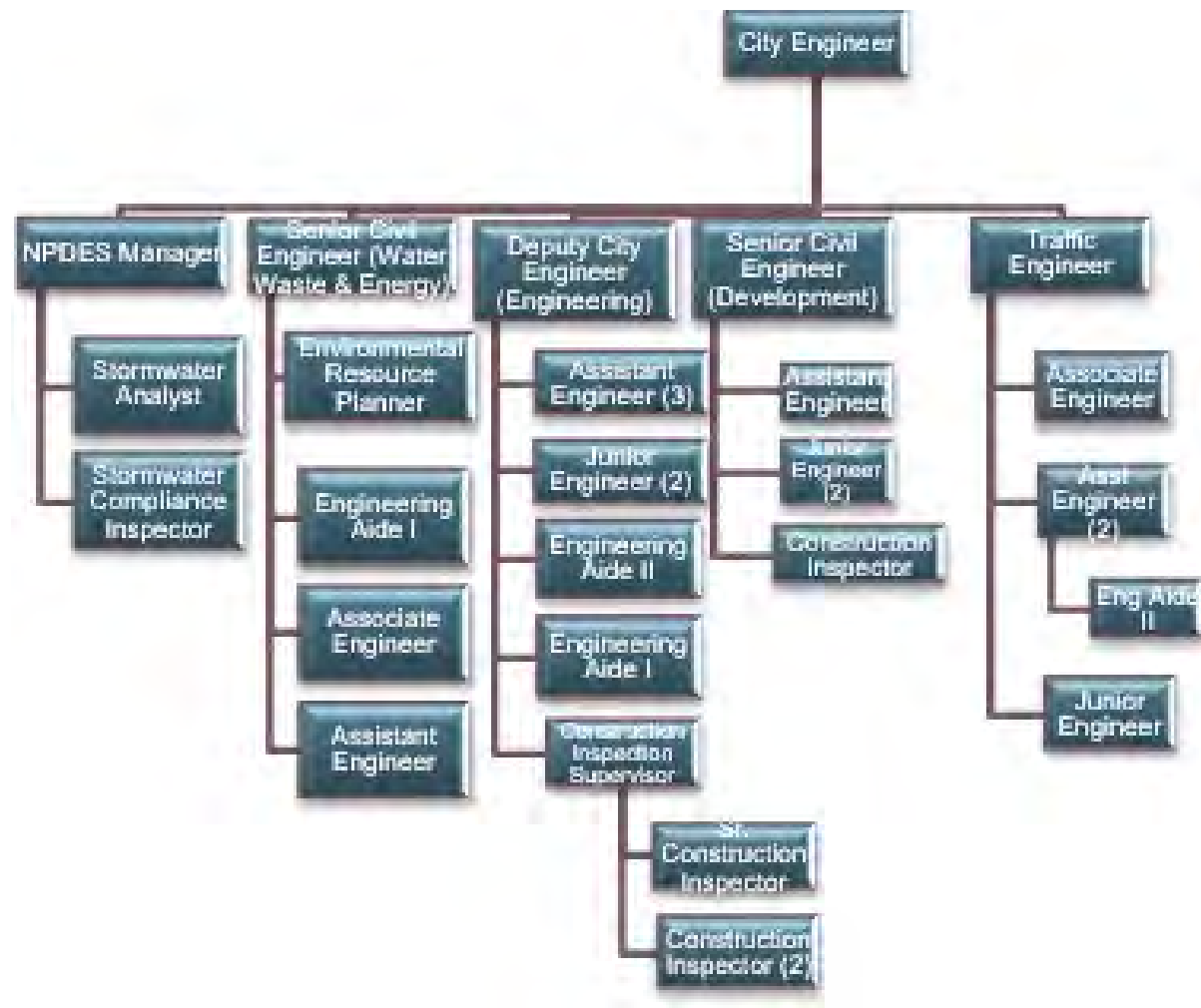


FINANCE DEPARTMENT

Organizational Chart by Division

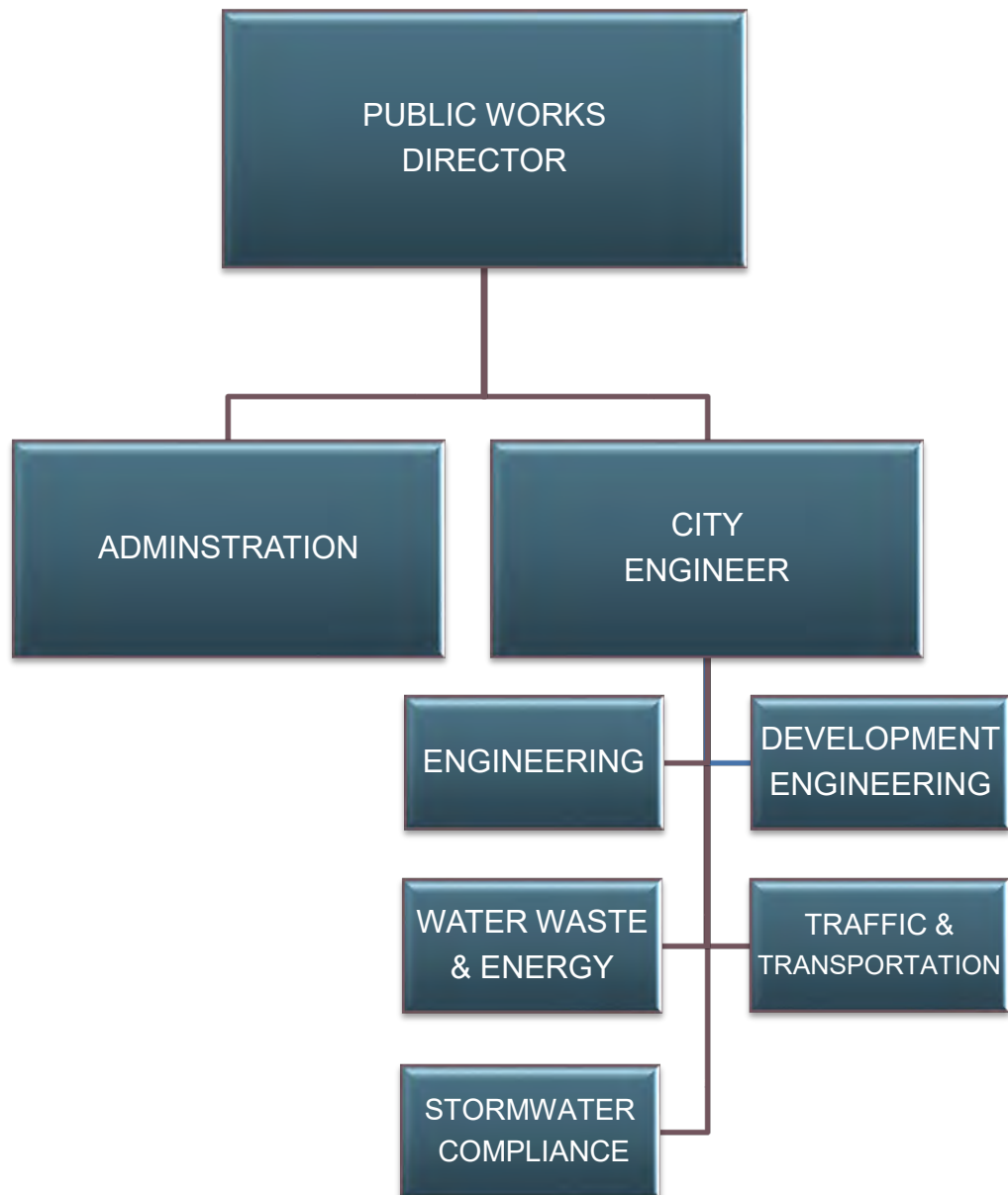


PUBLIC WORKS DEPARTMENT (ENGINEERING & TRANSPORTATION)
Organizational Chart by Position



ENGINEERING AND TRANSPORTATION

Organizational Chart by Division





Legislation Text

File #: ID#23-570, Version: 1

- a. **Labor Negotiations** - California Government Code Section 54957.6, with its designated labor representatives Steven S. Carrigan, City Manager; Jim Pia, Assistant City Manager/Acting Finance Director; Christopher A. Callihan, City Attorney; Katherine Hogan, Assistant City Attorney; Marina Horta-Gallegos, Human Resources Director; Sylvia Enriquez, Senior Human Resources Analyst; Che Johnson, Liebert Cassidy Whitmore, regarding labor relations with Service Employees International Union (SEIU), SEIU Supervisors, Salinas Municipal Employees Association/SEIU, Association of Management Personnel, Police Officers Association, Police Management Association, International Association of Firefighters, Fire Supervisors Association, Confidential Management Employees, Confidential Non-Management Employees, and Department Directors.
- b. **Pending Litigation** - California Government Code Section 54956.9(d)(1), conference with legal counsel regarding, Santa Rita Union High School District, et al. v. City of Salinas et al., Monterey County Superior Court Case No. 20CV000242.
- c. **Pending Litigation** - California Government Code Section 54956.9(d)(1), conference with legal counsel regarding, Alisal Union School District, et al. v. City of Salinas, et al., Monterey County Superior Court Case No. 20CV00340.