

AGENDA
REGULAR MEETING OF THE
CITY OF KING CITY COUNCIL
AND
Sitting as SUCCESSOR AGENCY OF
THE RDA FOR THE CITY OF KING

TUESDAY FEBRUARY 27, 2018
6:00 P.M.

CITY HALL
212 S. VANDERHURST AVENUE
KING CITY, CALIFORNIA 93930

**Spanish interpretation services will be available at meeting*

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in a City meeting, Please contact the City Clerk's Office (831-386-5925) at least 48 hours prior to the Meeting to ensure that reasonable arrangements can be made to provide accessibility to the meeting.

** Please submit all correspondence for City Council PRIOR to the meeting with a copy to the City Clerk.*

- 1. CALL TO ORDER**
- 2. ROLL CALL:** Council Members Darlene Acosta, Robert Cullen, Carlos DeLeon, Mayor Pro Tem Carlos Victoria, and Mayor Mike LeBarre
- 3. FLAG SALUTE**
- 4. CLOSED SESSION ANNOUNCEMENTS**
- 5. SPECIAL PRESENTATIONS**
 - A. Mayor's Commendation to John McElmoyl for Service on the Airport Advisory Committee
 - B. Monterey-Salinas Transit (MST) – Update
- 6. PUBLIC COMMENT**

Any member of the public may address the Council for a period not to exceed *three minutes'* total on any item of interest within the jurisdiction of this Council that is not on the agenda. The Council will listen to all communications; however, in compliance with the Brown Act, the Council cannot act on items not on the agenda. Comments should be directed to the Council as a whole and not to any individual Council Member. Slanderous, profane or personal remarks against any Council Member, staff member or member of the audience is not permitted.
- 7. COUNCIL COMMUNICATIONS & COMMITTEE REPORTS**

Individual Council Members may comment on Council business, his or her Council activities, City operations, projects or other items of community interest. Council Members may also request staff to report back at a subsequent meeting on any matter or take action to direct staff to prepare a staff report for a future agenda.

8. STAFF COMMUNICATIONS

Comments presented by the City Manager, City Attorney or other staff on City business and/or announcements.

9. CONSENT AGENDA

The following items listed below are scheduled for consideration as a group. The recommendations for each item are noted. Members of the audience may speak on any item(s) listed on the Consent Agenda. Any Council Member, the City Manager, or the City Attorney may request that an item be withdrawn from the Consent Agenda to allow for full discussion. The Council may approve the remainder of the Consent Agenda on one motion. Items withdrawn from the Consent Agenda may be considered by separate motions at the conclusion of the discussion of each item.

- A. Meeting Minutes of February 13, 2018 Council Meeting
Recommendation: approve and file.
- B. Meeting Minutes of February 13, 2018 Council Special Meeting
Recommendation: approve and file.
- C. City Check Register
Recommendation: approve and file.
- D. City Monthly Treasurer's Report- January 2018
Recommendation: approve and file.
- E. Successor Agency Monthly Treasurer's Report- January 2018
Recommendation: approve and file.
- F. Public Financing Authority Monthly Treasurer's Report- January 2018
Recommendation: approve and file.
- G. Consideration: Purchase Wastewater Influent Pump and Grinder Assembly
Recommendation: authorize the City Manager to purchase a wastewater influent pump and grinder assembly for the King City Wastewater Treatment Plant.
- H. Consideration: Purchase a Riding Mower
Recommendation: It is recommended the City Council authorize the City Manager to purchase an Exmark 96" riding mower from Hydro Turf Inc. for \$34,908.46.
- I. Consideration: Resolutions in Support of the California Drought, Water Parks, Climate, Coastal Protection and Outdoor Access for All Act of 2018 and Proposition 69 and in Opposition of Repeal of SB 1
Recommendation: 1) adopt a Resolution in support of the California drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018; and; 2) adopt a Resolution in support of Proposition 69 and in opposition of repeal of SB 1.

- J. Consideration: Purchase and Sale Agreement for Sale of a Portion of APN #245-111-034

Recommendation: 1) approve a Purchase and Sale Agreement for sale of a portion of APN #245-111-034 for \$1,588,400 to Mission Holdings TIC; and 2) adopt a resolution authorizing the City Manger to execute the Purchase and Sale Agreement, to make non-substantive modifications to the Purchase as Sale Agreement as necessary and in a form approved by the City Attorney, and to execute all other documents necessary to finalize the sale of the property.

10. PUBLIC HEARINGS

None

11. REGULAR BUSINESS

- A. Consideration: Mid-Year Financial Report and Budget Adjustments
Recommendation: receive the City of King Mid-Year Financial Report and approve the recommended Mid-Year Budget Adjustments.

12. CITY COUNCIL CLOSED SESSION

Announcement(s) of any reportable action(s) taken in Closed Session will be made in open session, and repeated at the beginning of the next Regular City Council meeting as this portion of the meeting is not recorded.

- A. Public Employee Performance Evaluation Pursuant to Government Code Section 54957(b)(1):
Title: City Attorney

13. ADJOURNMENT



City of King
**MAYOR'S
COMMENDATION**

Honoring

John McElmoyl

*For his service on the
King City Airport Advisory Committee
2009-2018*



Mike LeBarre, Mayor

**City Council Meeting
February 13, 2018**

1. CALL TO ORDER:

Regular Meeting called to order at 6:06pm by Mayor LeBarre.

2. FLAG SALUTE:

The flag salute was led by Council Member Acosta.

3. ROLL CALL:

City Manager Adams conducted roll call.

City Council: Darlene Acosta, Robert Cullen, Mayor Michael LeBarre, Mayor Pro Tem Carlos Victoria.

Council Member DeLeon has an excused absence.

City Staff: City Manager Steven Adams; City Attorney Shannon Chaffin; Admin. Asst./Deputy City Clerk, Erica Sonne; Recreation Coordinator Andrea Wasson.

4. CLOSED SESSION ANNOUNCEMENTS:

None

5. PRESENTATIONS:

None

6. PUBLIC COMMUNICATIONS:

Mark Bloom spoke on the scams that Cal Water would not call and ask for money over the phone and all their employees have badges so don't let people in your home call the office and confirm they are to be there.

Karen Jernigan gave an update on the Pinnacles Gateway Partners. She names all the Cities that signed the resolution of support of a regional cooperative effort to promote the economies and assets of all the towns going to the Pinnacles National Park since King City signed first. She thanked Council for being the first to sign and it has a ripple effect. The next meeting is Thursday March 15th in Hollister from 10-12p.m.

7. COUNCIL COMMUNICATIONS:

Council Member Cullen stated that last week they had a SO. MO. CO Foundation open house. Since 2014 they have granted out over \$72,000. March 10th is the King City Chamber of Commerce Annual Awards Dinner and he has tickets. Salinas Valley Solid Waste Authority is on Thursday so he will have a report next meeting.

Mayor Pro Tem Victoria stated AMBAG meeting tomorrow in Marina. Last week they had a presentation for PROYouth and he feels that it is an amazing program. He would like to have the Fireman of the Year here at the Council meeting. He spoke on the letter received by Diane Feinstein on the DACA letter that the Council sent. He was impressed that it was not a form letter.

Council Member Acosta she encourages Council to wear pink on February 28th to support anti bullying.

Mayor LeBarre on the first Sunday of the month they had bilingual State of the City and he felt that it was successful. He participated in farm day. He had the opportunity to participate in Fort Hunter Liggett Media day and got to sit in an Apache helicopter. He loved PROYouth and attended a PUC meeting.

8. CITY STAFF REPORTS AND COMMENTS:

City Manager Adams staff has been having meeting with Fort Hunter Liggett to gain better communication. They are having housing needs and we are connecting them with local housing providers. Working on a few things with the school districts. The Mayor, Police Chief and City Manager will be meeting with them on what King City is doing. Community Police Academy will be held in King City this next time, flyer going out this week. He would like Council to talk it up in their districts and try to get a couple of people from each district. Finished up a disaster exercise today another one will be in April. Survey's are coming back and the data will be used to better represent the community. Five Cities of Salinas Valley is going to be contracting with the same firm as the Pinnacles Partners to do tourism marketing efforts creating a video doing an online broadcast of the tour as well as a commercial on NBC sports channel for the AMGEN tour. It is the first step in the Salinas Valley marketing campaign and coordinating with Pinnacles Partners.

City Attorney Chaffin stated that attorneys were impressed with the AMGEN tour coming to King City and City Attorney from Morro Bay sent on best wishes. Tommi Saghatelian enjoyed being here at the last meeting. Baby Frankie is doing well as is her parents.

9. CONSENT AGENDA

- A. Meeting Minutes of January 23, 2018 Council Meeting
- B. City Check Register
- C. Successor Agency Check Register
- D. City Monthly Treasurer's Report- December 2017
- E. Successor Agency Monthly Treasurer's Report- December 2017
- F. Consideration: Approval of One Year Extension of the Rental Fee of \$250.00 Per Month for the King City Boxing Club
- G. Consideration: Agreement with South County YMCA to provide Spring and Fall Youth Soccer Program
- H. Consideration: Declaration and Disposition of Surplus Property
- I. Consideration: Appointment to the Airport Advisory Committee
- J. Consideration: United States Department of Agriculture Community Facilities Grant Agreement for the Security Camera System Project
- K. Consideration: Side Letter of Agreements with the King City Police Sergeants Association and the King City Police Officers Association Extending Current Labor Agreements

Action: Motion to approve consent agenda by Cullen and seconded by Acosta.

AYES: Council Members: Mayor LeBarre, Acosta, Cullen and Mayor Pro Tem Victoria

NOES: Council Members:

ABSENT: Council Members: DeLeon

ABSTAIN: Council Members:

10. PUBLIC HEARINGS:

None

11. REGULAR BUSINESS:

Council is going to take these items in the opposite order.

B. Consideration: Update on Community Choice Aggregation Program

City Manager Adams introduced this item.
Kelly Foley further introduced this item with a PowerPoint.

PROPOSED PATH FORWARD:

- 1) Option A if reasonable price.
- 2) If price not reasonable, Option B, with reserve.
- 3) Launch benefit = 0.5% rate discount.
- 4) 2018 = prep work for GRID and streetlights.
- 5) Revisit and move forward with additional benefits in February 2019.

Cost shift between PG&E and the CCA costumers. She explained the compacity program.

Action: Motion to proceed with the process of executing the agreement and launching the program by Cullen and seconded by Acosta.

AYES: Council Members: Mayor LeBarre, Acosta, Cullen, DeLeon and Mayor Pro Tem Victoria

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

Council Member Cullen recused himself for item 11(A) due to a conflict.

A. Consideration: Purchase and Sale Agreement for Purchase of APN #026-195-010, APN #026-195-012 and a Portion of APN #026-195-018

City Manager Adams introduced this item with a PowerPoint.

Karen Jernigan is in support of efforts being made to improve the 300 block of Broadway. She likes the idea of displaying history in one location.

Council member Acosta is thrilled to see this happening.

Mayor LeBarre is so appreciative of staff's efforts and vision the streetscape plan and the façade grant program. He has spoke to people who come a few months at a time and they see a more positive vibe. The heart of the community is working together to better themselves.

Action: Motion to 1) approve an Agreement for Purchase and Sale of Real Property and Joint Escrow Instructions with Ho Ming Cheung as Trustee of the Cheung Family Living Trust for acquisition of APN #026-195-010, APN #026-195-012 and a portion of APN #026-195-018 for \$460,000; 2) adopt a Resolution authorizing the City Manager to execute all purchase and sale documents and any necessary changes in a form approved by the City Attorney; 3) appropriate an additional \$175,000 in FY 2017-18 for the purchase; and 4) reduce funding allocated in FY 2018-19 for the purchase by \$175,000 by Victoria and seconded by Acosta.

AYES: Council Members: Mayor LeBarre, Acosta, and Mayor Pro Tem Victoria

NOES: Council Members:

ABSENT: Council Members: Cullen, DeLeon

ABSTAIN: Council Members:

ADJOURNMENT:

There being no further business to come before the City Council, Mayor LeBarre adjourned the regular meeting at 7:10pm.

Approved Signatures:

Mayor, Michael LeBarre
City of King

City Clerk, Steven Adams
City of King

**City Council Special Meeting
February 13, 2018**

1. CALL TO ORDER:

Special Meeting was called to order at 5:01pm by Mayor LeBarre.

2. ROLL CALL:

City Manager Adams conducted roll call.

City Council: Darlene Acosta, Robert Cullen, Mayor Michael LeBarre,
Mayor Pro Tem Carlos Victoria.

Council Member Carlos DeLeon has an excused absence.

City Staff: City Manager Steven Adams, Admin. Asst./Deputy City Clerk, Erica Sonne

4. PUBLIC COMMUNICATIONS:

None

5. REGULAR BUSINESS:

A. Disaster Response Training Session.

City Manager Adams introduced this item.

Russ Patterson Emergency Management Trainer, SEMS Executive Course.

It is about Communication and Coordination at all levels. Management of Resources, inter-agency, mutual aid, Private Sector. Monetary Considerations need to be considered.

Mr. Patterson went over Background on State System and why SEMS was developed.

SEMS Organizational Chart

Management

Operations Planning & Intelligence Logistics Finance & Administration

Operations Section

Operations Chief

Law Branch Fire Branch Public Works Care & Shelter

He went over the Role of the City Council

- Respond when called to receive a briefing from the City Manager on the nature and status of the emergency.
- Assist the City Manager in providing liaison to other elected officials and public/community organizations.
- Ratify emergency proclamation at a special Council meeting with seven (7) days after the issuance by the City Manager
- Hold Council meeting as required to address legal or policy issues arising from the emergency.
- Be available for public information purposes as requested by the Public Information Officer.

Emergency Declarations

- Local Government Declarations
- County (Operations Area) Declaration
- State Proclamation
- Presidential Declaration

Fort Hunter Liggett will be in our EOC potentially.

City Manager stated that we would set up a room in City Hall to get briefings.

Brown Act still in place. One-way conversation. No decisions made at this time.

City Manager is going to check with the other Cities to get more back-up.

ADJOURNMENT:

There being no further business to come before the City Council, Mayor LeBarre adjourned the Special meeting at 5:59pm

Approved Signatures:

**Mayor, Michael LeBarre
City of King**

**City Clerk, Steven Adams
City of King**



Item No. 9(C)

REPORT TO THE CITY COUNCIL

DATE: FEBRUARY 27, 2018

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: STEVEN ADAMS, CITY MANAGER

BY: PATRICIA GRAINGER, ACCOUNTANT

RE: CONSIDERATION OF CITY CHECK REGISTER

RECOMMENDATION:

It is recommended City Council receive and file.

BACKGROUND:

At least once a month, the City Treasurer shall submit to the City Council, a copy of the check register.

DISCUSSION:

The purpose of this item is to provide the Council an opportunity to review and monitor ongoing expenditures. These documents are attached.

COST ANALYSIS:

There is no fiscal impact as a result of this action.

ENVIRONMENTAL REVIEW:

No Environmental Review required for this item.

ALTERNATIVES:

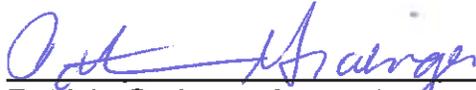
The following alternatives are provided for Council consideration:

1. Receive and file the report; or
2. Provide other direction to staff regarding requests for additional information.

**CITY COUNCIL/CITY
CITY CHECK REGISTER
FEBRUARY 27, 2018
PAGE 2 OF 2**

Exhibits:

1. Check Register Report

Submitted by: 
Patricia Grainger, Accountant

Approved by: 
Steven Adams, City Manager

Check Register Report

Feb 9, 2018 (FY 2017-18)

Date: 02/09/2018

Time: 7:18 am

Page: 1

KING CITY CITY HALL

BANK: WELLS FARGO BANK

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
WELLS FARGO BANK Checks							
60114	02/09/2018	Printed		ATT	AT & T	Monthly Internet Service -	84.00
60115	02/09/2018	Printed		ADSTARR	A.D. STARR	Softball Equipment	446.83
60116	02/09/2018	Printed		ADAMSS	STEVEN ADAMS	C M Travel Mileage	80.25
60118	02/09/2018	Printed		KCTVHARD	ALCANTAR HARDWARE INC	White Board	598.92
60119	02/09/2018	Printed		ALVAREZ	ALVAREZ TECHNOLOGY GROUP INC	User Set-up	2,676.00
60120	02/09/2018	Printed		ARELLANOAM	ANDRES ARELLANO	Youth Official BB	33.00
60122	02/09/2018	Printed		HANNA	ASSOCIATED ENGINEERING-SURVEY	Infrastructure-First St, So of	29,520.00
60123	02/09/2018	Printed		AT&T - C	AT&T	911 Line - #9391036550	22.77
60124	02/09/2018	Printed		BRISENO	LUIS BRISENO	Youth Official BB	33.00
60125	02/09/2018	Printed		CAL WATER	CALIFORNIA WATER SERVICE CO.	Monthly Water Service -	9,662.63
60126	02/09/2018	Printed		GREENFIELD	CITY OF GREENFIELD	Computer for major crime unit.	1,030.41
60127	02/09/2018	Printed		COMINFO	COUNTY OF MONTEREY	Mo Co Summary 12/2017	1,351.65
60128	02/09/2018	Printed		CA PEACE	CPOA	Public Records Act Course -	250.00
60129	02/09/2018	Printed		CSGCON	CSG CONSULTANTS INC	Plan Review & Building	5,875.00
60130	02/09/2018	Printed		DEPT ACCNT	DEPARTMENT OF JUSTICE	Applicant Fingerprints	145.00
60132	02/09/2018	Printed		EARTH DESI	EARTH DESIGN, INC.	King City Farms LLC	30,099.02
60133	02/09/2018	Printed		EIKHOF	EIKHOF DESIGN GROUP INC	2018-005 Consultant	6,990.00
60134	02/09/2018	Printed		FAIL	FAILSAFE TESTING	Ladder Test	565.80
60135	02/09/2018	Printed		FRANK'S GA	FRANK'S GARDENING SERVICE	K C Entry Sign Landscaping.	11,525.00
60136	02/09/2018	Printed		GARCIAR	ARNULFO GARCIA	Refund Bldg Permit due to	183.82
60137	02/09/2018	Printed		GARCIAES	ESTEVAN GARCIA	Youth Official BB	33.00
60138	02/09/2018	Printed		GARCIAJ	JOVANY GARCIA	Youth Official BB	49.50
60139	02/09/2018	Printed		GIS	GONZALES IRRIGATION SYSTEMS,	Rainboots - 2	104.48
60140	02/09/2018	Printed		GRANITEROC	GRANITEROCK	Patching Pot Holes.	842.87
60141	02/09/2018	Printed		HDLCO	HDL COREN & CONE	Property Tax Contract	1,250.00
60142	02/09/2018	Printed		JAM	J A MOMANEY SERVICES, INC	Street Sign for School.	1,028.38
60143	02/09/2018	Printed		LIZAR	JOSEFINA LIZARDI	Conference on 2/22/18	16.00
60144	02/09/2018	Printed		KIMLEY-HOR	KIMLEY-HORN & ASSOCIATES, INC.	AIP 2016 - Airport Layout	11,922.58
60145	02/09/2018	Printed		KRKC	KING CITY COMMUNICATIONS CORP	Youth Sports Advertising.	1,332.22
60146	02/09/2018	Printed		KC GLASS	KING CITY GLASS	New Windshield	357.45
60147	02/09/2018	Printed		KC IND	KING CITY INDUSTRIAL SUPPLY	Small Tools	17.31
60148	02/09/2018	Printed		LCAH	LOS COCHES ANIMAL HOSPITAL	Animal Services	124.57
60149	02/09/2018	Printed		MARTINEZ C	MARTINEZ CARPET CLEANING	Carpet Cleaning - KCPD	510.00
60150	02/09/2018	Printed		M BASIA	MBASIA	Services - Claim MBA11-1204	204.20
60151	02/09/2018	Printed		MOCO SHERI	MO CO SHERIFF'S OFFICE	Info System Oct - Dec 2017	17,025.86
60152	02/09/2018	Printed		MO CO EMER	MONTEREY COUNTY EMERGENCY	Operations & Maintenance	2,882.16
60153	02/09/2018	Printed		MO CO MAYO	MONTEREY COUNTY MAYOR'S ASSOC.	2018 Annual Dues -	1,100.00
60154	02/09/2018	Printed		O'REILLY A	O'REILLY AUTOMOTIVE, INC.	Vehicle #30 flatbed -	123.84
60155	02/09/2018	Printed		OFFICE DEP	OFFICE DEPOT	Office Supplies	1,100.63
60156	02/09/2018	Printed		OLDCASTLE	OLDCASTLE PRECAST -	Replace sound wall Panel.	14,140.00
60157	02/09/2018	Printed		PG&E	PACIFIC GAS AND ELECTRIC CO.	Monthly P G & E -	12,826.39
60158	02/09/2018	Printed		PENAK	KEVIN PENA	Youth Official - BB	33.00
60159	02/09/2018	Printed		PURE WATER	PENINSULA PURE WATER INC.	Water Services - City Hall	69.45
60160	02/09/2018	Printed		PEREZCE	CEDRICK PEREZ	Youth Official BB	33.00
60161	02/09/2018	Printed		PETTY CASH	PETTY CASH-PATRICIA GRAINGER	Petty Cash	231.25
60162	02/09/2018	Printed		PBGFS	PITNEY BOWES GLOBAL	Equipment Lease Charge.	630.87
60163	02/09/2018	Printed		PURCHASE P	PURCHASE POWER*PITNEY BOWES	Supplies & late fee.	60.30
60164	02/09/2018	Printed		QUILL CORP	QUILL CORPORATION	Office Supplies	296.98
60165	02/09/2018	Printed		RED SHIFT	RED SHIFT INTERNET SERVICES	Internet Secure	51.85
60166	02/09/2018	Printed		ROSSI BROS	ROSSI BROS TIRE & AUTO SERVICE	City BBQ Pit	110.46
60167	02/09/2018	Printed		ROWE	ALLEN ROWE	Floor Mats	79.00

Check Register Report

Feb 9, 2018 (FY 2017-18)

Date: 02/09/2018

Time: 7:18 am

Page: 2

KING CITY CITY HALL

BANK: WELLS FARGO BANK

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
WELLS FARGO BANK Checks							
60168	02/09/2018	Printed		SO CO AUTO	SOUTH COUNTY AUTO*BODY	2010 Charger Sedan	1,602.05
60169	02/09/2018	Printed		SPEAK	SPEAKWRITE BILLING DEPT	Dictation for Reports	103.20
60170	02/09/2018	Printed		SUAREZ/FER	FERNANDO SUAREZ	Reimburse for Plywood.	517.89
60171	02/09/2018	Printed		ZAPPIA	THE ZAPPIA LAW FIRM, APC	Legal Service	406.00
60172	02/09/2018	Printed		TORO	TORO PETROLEUM CORP.	Oil for Pumps.	70.63
60173	02/09/2018	Printed		UNDERGROU	UNDERGROUND SERVICE ALERT	CA Annual % of Tickets Fee	305.31
60174	02/09/2018	Printed		VIAHEAR	VIA HEART PROJECT	AED Batteries	416.29
60175	02/09/2018	Printed		XTEL	XTELESIS CORPORATION	(2) IP Phone Power Adapter	160.05
				Total Checks: 59	Checks Total (excluding void checks):		173,342.12
				Total Payments: 59	Bank Total (excluding void checks):		173,342.12
				Total Payments: 59	Grand Total (excluding void checks):		173,342.12

Check Register Report

Feb 14 ,2018 (FY 2017-18)

Date: 02/14/2018

Time: 1:59 pm

Page: 1

KING CITY CITY HALL

BANK: WELLS FARGO BANK

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
WELLS FARGO BANK Checks							
60176	02/14/2018	Printed		SIGNS	JOHN PHILLIP VANDERKRAATS	Final Invoice -	52,061.12
60177	02/14/2018	Printed		CHICAGO T	CHICAGO TITLE COMPANY	Escrow Deposit.	5,000.00
Total Checks: 2						Checks Total (excluding void checks):	57,061.12
Total Payments: 2						Bank Total (excluding void checks):	57,061.12
Total Payments: 2						Grand Total (excluding void checks):	57,061.12



Item No. 9(D)

REPORT TO THE CITY COUNCIL

DATE: FEBRUARY 27, 2018

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: STEVEN ADAMS, CITY MANAGER

BY: PATRICIA GRAINGER, ACCOUNTANT

**RE: CONSIDERATION OF MONTHLY TREASURER'S REPORT –
JANUARY 2018**

RECOMMENDATION:

It is recommended City Council receive and file.

BACKGROUND:

The California Government Code Section 41004 states "Regularly, at least once each month, the city treasurer shall submit to the city clerk a written report and accounting of all receipts, disbursements, and fund balances."

DISCUSSION:

The California Government Code authorizes and regulates the investment of local agency (city and county) funds. The City currently invests its funds with the Local Agency Investment Fund (LAIF) Program, administered by the State of California Treasurer's office. The City's housing rehab account is held at 1st Capital Bank, and the City's checking and payroll accounts, as well as developer deposits, are held at Well Fargo Bank, located at 506 Broadway, King City, CA 93930. A summary of investments and returns for the City is provided in the attached report.

COST ANALYSIS:

There is no fiscal impact as a result of this action

ENVIRONMENTAL REVIEW:

No Environmental Review required for this item.

**CITY COUNCIL
MONTHLY TREASURER'S REPORT – JANUARY 2018
FEBRUARY 27, 2018
PAGE 2 OF 2**

ALTERNATIVES:

The following alternatives are provided for Council consideration:

1. Receive and file the report; or
2. Provide other direction to staff regarding requests for additional information.

Exhibits:

1. Investment Report

Submitted by: 
Patricia Grainger, Accountant

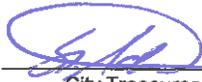
Approved by: 
Steven Adams, City Manager

City of King
Investment Report
Schedule of Cash and Investments
January 31, 2018

Investment Instrument		Yield	Amount	Maturity	Value
Invested by City Treasurer					
Institution	Investment Type				
State of California LAIF - City	Pooled	1.20%	2,285,814.49	On Demand	N/R
1st Capital Bank	Checking Acct Housing Rehab	-	91,920.07	On Demand	N/R
Wells Fargo Bank	General Checking	-	4,443,849.23	On Demand	N/R
Wells Fargo Bank	Payroll Checking Account	-	164,045.44	On Demand	N/R
Petty Cash-City Hall/Change Fund	Change Cash Drawer	-	500.00	On Demand	N/R
Invested by City Treasurer (Subtotal):			6,985,129.23		
Total Cash and Investments			6,986,129.23		

Pursuant To Government Code 41004, I hereby certify that this report reflects all City's investments. This investment program complies with the City Investment Policy. Anticipated approval by the City Council on 02/27/2018. Cash flow liquidity is still limited.

SIGNED: _____


City Treasurer



Item No. 9(E)

REPORT TO THE CITY COUNCIL

DATE: FEBRUARY 27, 2018

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: STEVEN ADAMS, CITY MANAGER

BY: PATRICIA GRAINGER, ACCOUNTANT

**RE: CONSIDERATION OF SUCCESSOR AGENCY MONTHLY
TREASURER'S REPORT – JANUARY 2018**

RECOMMENDATION:

It is recommended City Council receive and file.

BACKGROUND:

The California Government Code Section 41004 states "Regularly, at least once each month, the city treasurer shall submit to the city clerk a written report and accounting of all receipts, disbursements, and fund balances."

DISCUSSION:

The California Government Code authorizes and regulates the investment of local agency (city and county) funds, including successor agencies. The Successor Agency invests its bond proceeds in US Treasury obligations. All bond reserve funds are held by one bond trustee, U.S. Bank, and invested in accordance with the trustee agreement. The Successor Agency has three tax allocation bonds (TABs) issued. Yield, maturity and investment amount (proceeds) are itemized on the Successor Agency Schedule of Cash and Investments for the Agency.

COST ANALYSIS:

There is no fiscal impact as a result of this action.

ENVIRONMENTAL REVIEW:

No Environmental Review required for this item.

**CITY COUNCIL/SUCCESSOR AGENCY
SA MONTHLY TREASURER'S REPORT – JANUARY 2018
FEBRUARY 27, 2018
PAGE 2 OF 2**

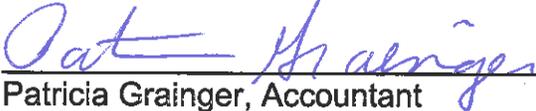
ALTERNATIVES:

The following alternatives are provided for Council consideration:

1. Receive and file the report; or
2. Provide other direction to staff regarding requests for additional information.

Exhibits:

1. Investment Report

Submitted by: 
Patricia Grainger, Accountant

Approved by: 
Steven Adams, City Manager

City of King
Investment Report
Schedule of Cash and Investments
January 31, 2018

Investment Instrument		Yield	Amount	Maturity	Value
Invested by City Treasurer					
Institution	Investment Type				
Wells Fargo Bank	SA Checking Account		798,881.92	On Demand	N/R
Invested by City Treasurer (Subtotal):			798,881.92		
Invested by Trustees (as of January 2018 Statements)					
Bond Reserves (1)					
U.S. Bank - 2011 TARB					
US Bank Money Market Ct	Escrow Fund #5050	0.00%	5,628,131.17	8/1/2034	5,628,131.17
U.S. Bank - 2016 A & B TARB					
US Bank Money Market Ct	Debt Service Fund #5000	0.00%	105,386.65	3/31/2025	105,386.65
US Bank Money Market Ct	Interest Account #5001	0.10%	9,240.84	3/31/2025	9,240.84
US Bank Money Market Ct	Cost of Issu Acct. #5009	0.10%	0.00	3/31/2025	0.00
U.S. Bank - 2016 TARB					
US Bank Money Market Ct	Debt Service Fund #6000	0.10%	36,751.77	3/31/2025	36,751.77
US Bank Money Market Ct	Interest Account #6001	0.00%	520.86	9/30/2016	520.86
US Bank Money Market Ct	Sinking Account #6003	0.00%	0.00	9/30/2016	0.00
US Bank Money Market Ct	Reserve Account #6005	0.10%	319,767.96	3/31/2025	319,767.96
US Bank Money Market Ct	Cost of Issu Fund #6009	0.10%	0.00	9/30/2016	0.00
US Bank Money Market Ct	Escrow Fund #6050	0.39%	0.00	9/30/2016	0.00
Market Value Provided by U.S. Bank, Trustee					
Invested by Trustees (Subtotal):			6,099,799.25		
Total Cash and Investments			6,898,681.17		

Pursuant To Government Code 41004, I hereby certify that this report reflects all City's investments. This investment program complies with the City Investment Policy. Anticipated approval by the City Council on 02/27/2018. Cash flow liquidity is still limited.

SIGNED: _____



City Treasurer

Note:
(1) Bonds



Item No. 9 (F)

REPORT TO THE PUBLIC FINANCING AUTHORITY

DATE: FEBRUARY 27, 2018

TO: HONORABLE CHAIR AND MEMBERS OF THE AUTHORITY

FROM: STEVEN ADAMS, SECRETARY

BY: PATRICIA GRAINGER, ACCOUNTANT

**RE: CONSIDERATION OF MONTHLY TREASURER'S REPORT –
JANUARY 2018**

RECOMMENDATION:

It is recommended City Council receive and file.

BACKGROUND:

The California Government Code Section 41004 states "Regularly, at least once each month, the city treasurer shall submit to the city clerk a written report and accounting of all receipts, disbursements, and fund balances." The Public Finance Authority was used for the issuance of the Sewer Enterprise Bonds.

DISCUSSION:

The California Government Code authorizes and regulates the investment of local agency (city and county) funds. The Authority currently invests its funds with the Local Agency Investment Fund (LAIF) Program, administered by the State of California Treasurer's office, as well as bank CD's and instruments issued by agencies of the United States Government. A summary of investments and returns for the Financing Authority is provided in the attached report.

COST ANALYSIS:

There is no fiscal impact as a result of this action.

ENVIRONMENTAL REVIEW:

No Environmental Review required for this item.

**CITY COUNCIL/PUBLIC FINANCING AUTHORITY
MONTHLY TREASURER'S REPORT – JANUARY 2018
FEBRUARY 27, 2018
PAGE 2 OF 2**

ALTERNATIVES:

The following alternatives are provided for Council consideration:

1. Provide other direction to staff regarding requests for additional Receive and file the report; or
2. Information.

Exhibits:

1. Investment Report

Submitted by: 
Patricia Grainger, Accountant

Approved by: 
Steven Adams, City Manager

City of King
Investment Report
Schedule of Cash and Investments
January 31, 2018

Investment Instrument	Yield	Amount	Maturity	Value
Invested by City Treasurer				
	Investment Type			
Wells Fargo Bank		1,350.51	On Demand	N/R
State of California LAIF- Financing Authority		8.53	On Demand	N/R
Invested by City Treasurer (Subtotal):		1,359.04		
Total Cash and Investments		1,359.04		

Pursuant To Government Code 41004, I hereby certify that this report reflects all City's investments. This investment program complies with the City Investment Policy. Anticipated approval by the City Council on 02/27/2018. Cash flow liquidity is still limited.

SIGNED:  _____
Secretary



Item No. 9(G)

REPORT TO THE CITY COUNCIL

DATE: FEBRAURY 27, 2018

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: GEOFF ENGLISH, PUBLIC WORKS SPECIAL PROJECT COORDINATOR

RE: CONSIDERATION TO PURCHASE WASTEWATER INFLUENT PUMP AND GRINDER ASSEMBLY

RECOMMENDATION:

It is recommended the City Council authorize the City Manager to purchase a wastewater influent pump and grinder assembly for the King City Wastewater Treatment Plant.

BACKGROUND:

The King City Wastewater Treatment and Disposal Facility provides treatment and disposal for all of the domestic wastewater from the City of King. The average daily flow of domestic wastewater is approximately 1.2 million gallons per day (mgd). The domestic wastewater treatment facility has a "headworks" that includes pumps, electric motors and grinders that are intended to shred all debris and non-organic material. The headworks equipment operates twenty-four hours per day, year-around.

DISCUSSION:

The current wastewater influent pump and grinder assembly has previously been repaired and is currently exhibiting signs of potential failure. Failure of this critical piece of equipment would immediately eliminate the capability to screen and shred non-organic debris and would most likely lead to a sanitary sewer overflow. Replacing the influent pump and grinder assembly prior to failure will also avoid the need for an emergency purchase and installation, likely at a greater cost.

On January 8, 2018, a notice of formal bid/ quotation request was distributed. A copy of the bid notice is attached (Attachment 1). In accordance with the City's procurement policy, a public notice was advertised in a local publication.

**CITY COUNCIL
CONSIDERATION OF PURCHASE OF WASTEWATER TREATMENT PLANT
INFLUENT PUMP AND GRINDER ASSEMBLY
FEBRUARY 27, 2018
PAGE 2 OF 2**

One bid for this purchase was received by the advertised bid due date of Thursday, February 8, 2018 at 3:00pm. A copy of the official bid opening results is attached (Attachment 2). Due to the unique nature of this particular piece of equipment and the limited number of manufacturers, it was anticipated that a small number of bids would be received.

COST ANALYSIS:

The signal bid was reviewed for compliance with the specifications prepared by staff who determined that the product quoted meets and exceeds the minimum requirements. The bid amount of \$32,991.36 includes all taxes, shipping and warranties and is within the amount of funds currently budgeted in the Wastewater Fund. No additional appropriation is necessary or requested.

ENVIRONMENTAL REVIEW:

The purchase of equipment is not a "project" for the purposes of the California Environmental Quality Act (CEQA) as it does not have the potential for resulting in either a direct physical change to the environment, or a reasonably foreseeable indirect physical change in the environment. No further action is required under CEQA for City Council action.

ALTERNATIVES:

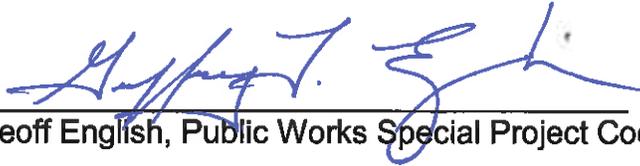
The following alternatives are provided for Council consideration:

1. Authorize the City Manager to purchase a wastewater influent pump and grinder assembly for the King City Wastewater Treatment Plant.
2. Do not approve the purchase and direct staff to re-bid in an effort to secure more bids; or
3. Provide other direction to staff.

Exhibits:

1. Notice of Formal Bid/ Quotation Request- Wastewater Treatment Plant Influent Grinder Assemble Purchase
2. Official Bid Opening Results

**CITY COUNCIL
CONSIDERATION OF PURCHASE OF WASTEWATER TREATMENT PLANT
INFLUENT PUMP AND GRINDER ASSEMBLY
FEBRUARY 27, 2018
PAGE 3 OF 2**

Submitted by: 
Geoff English, Public Works Special Project Coordinator

Approved by: 
Steven Adams, City Manager



**CITY OF KING
DEPARTMENT OF PUBLIC WORKS**

212 S. Vanderhurst Avenue, King City CA 93930
Telephone: (831) 385-3281 Fax: (831) 386-5968

**NOTICE OF FORMAL BID/ QUOTATION REQUEST
BID NUMBER 2018-001**

DATE: January 8, 2018

SUBJECT: Wastewater Treatment Plant Influent Grinder Assembly Purchase

The City of King is requesting Formal Quotations for the purchase of a 5 HP/ 460V wastewater influent grinder pump assembly. The grinder pump unit shall replace an existing unit and meet or exceed the specifications described and listed below.

SUBMISSION OF FORMAL SPECIFICATIONS

- a. **SEALED FORMAL BIDS ARE DUE AT OR BEFORE 3:00PM ON THURSDAY, FEBRUARY 8, 2018. FORMAL QUOTATIONS RECEIVED AFTER THIS TIME WILL BE REJECTED.**

Please note that your bid submittal must reach the following address by 3:00 pm on February 8, 2018 or your bid will not be accepted.

YOU MUST INCLUDE THE BID NUMBER (2018-001) ON THE ENVELOPE.

Attention: Fernando Suarez
Public Works Supervisor
City of King
212 S. Vanderhurst Avenue
King City CA 93930

- b. **ALL QUOTATIONS MUST BE SUBMITTED ON THE ATTACHED QUOTATION FORM IN A SEALED ENVELOPE. FAXED BIDS WILL NOT BE ACCEPTED.**

For additional information, please call Miles Farmer at 831-594-2620, or email questions to miles@cypresswaterservices.com.

CITY OF KING
FORMAL QUOTATION FORM

DUE DATE: **FORMAL BIDS ARE DUE BY 3:00PM, THURSDAY, FEBRUARY 8, 2018**

PROJECT: **Wastewater Treatment Plant Influent Grinder Assembly Purchase**

FORMAL BID #: PW2018-001:

Pursuant to and in compliance with the *Request for Quotation and Specifications* related to the project: **Wastewater Treatment Plant Influent Grinder Assembly Purchase**

It is understood and agreed that:

1. The undersigned has carefully examined all the Quotation Documents, including the Quotation Form and quotation requirements and specifications.
2. The undersigned has satisfied itself as to the nature of the quotation request and has fully informed itself as to all conditions and matters which can in any way affect the quotation or the cost thereof.
3. The undersigned fully understands the equipment specifications and has checked carefully all words and figures inserted in its quotation and further understands that the City will in no way be responsible for any errors or omissions in the preparations of the quotation.
4. The undersigned hereby certifies that this quotation is genuine and not sham or collusive or made in the interest or in behalf of any person not herein named, and the undersigned has not directly or indirectly induced or solicited any other Bidder to put in a sham bid, or any other person or corporation to refrain from bidding; the undersigned has not in any manner sought by collusion to secure for itself an advantage over any other Bidder.
5. The undersigned fully understands that the City is the sole arbitrator for the determination of equivalency if an alternative product is proposed by the Vendor/ Supplier.

PROJECT DESCRIPTION AND SPECIFICATIONS

Wastewater Treatment Plant Influent Grinder Assembly Purchase

GENERAL CONDITIONS

1. The Vendor/ Supplier is required to include costs for tax, and freight within their total price on the attached quotation for and to submit a separate detailed company quotation form with all costs delineated.
2. The Vendor/ Supplier is required to confirm all measurements with City staff to assure that the equipment can successfully replace the existing equipment at the City of King Wastewater Treatment Plant Headworks.
3. The Vendor/ Supplier must deliver the equipment within sixty (60) calendar days of the award of a purchase agreement.
4. The Vendor/ Supplier must coordinate the equipment purchase and delivery with Fernando Suarez at 831-682-1007.
5. The Vendor/ Supplier must provide a minimum one-year equipment warrantee and include the manufacturers and any other warranty information at delivery.
6. The Vendor/ Supplier must include any operating handbooks, owner manuals or other available instructions when the equipment is delivered.

Grinder Pump Assembly Specifications

The In-line Grinder Pump shall meet the specifications, or be equivalent to, the following product:

JWC Environmental- CMD4010-XDS2.0

- 17T Serrated Cam Cutters with Knurled Spacers
- 1:1 Stack Hardened Alloy STL
- Nitrile Rubber "Buna N" Elastomers
- Cork & Rubber Gaskets
- Side Rails designed to direct solids into the cutters without sacrificing flow rate.
- Vertical Shaft Support with Grease Lines
- Motor Type: Electric New 5HP/460V Motor (NEMA premium efficiency or better) with a minimum 40' Sow Cable
- New 29:1 Reducer
- New Spool
- 12mm (1/2") Perforated Drum with Drum Brush
- Paint Epoxy Color options to be provided to owner
- Cutters and Spacers designed to capture all wipes in the waste stream and shred them into small pieces
- Cut Control Gearing
- Perforated Drums

BASE FORMAL QUOTATION FORM

Pursuant to and in compliance with the *Request for Formal Quotation and Specifications* related to the project: Wastewater Treatment Plant Influent Grinder Assembly Purchase

The undersigned bidder, having become thoroughly familiar with the stipulations listed on the Formal Quotation Form and with the aforementioned General Conditions and Purchase Specifications for the above mentioned equipment and with the local conditions affecting the performance and the cost of the work to be done, hereby proposes and agrees to fully provide the described equipment (including the furnishing of any and all labor, materials, tools, expendable equipment and transportation services necessary to fully deliver the equipment) in strict accordance with all applicable state and local laws for the total Base Quotation sum of:

TOTAL QUOTATION: \$ _____

The Vendor/ Supplier's proposed equipment specifications showing compliance with the City requested bypass pump specifications and general conditions must be attached to this Base Quotation. The City may reject any bid that does not include the proposed equipment specifications.

Suppliers Name: _____

Mailing Address: _____

Phone Number: _____

Fax Number: _____

Email: _____

Signature of Vendor Rep: _____ Date: _____

Return to: Fernando Suarez
 Public Works Supervisor
 City of King
 212 S. Vanderhurst Avenue
 King City CA 93930

For additional information, please call Miles Farmer at 831-594-2620, or email questions to miles@cypresswaterservices.com.

BIDS ARE DUE BY 3:00PM ON THURSDAY, FEBRUARY 8, 2018

FAXED OR EMAIL QUOTATIONS WILL NOT BE ACCEPTED

City of King

212 S. Vanderhurst Avenue
King City, CA 93930
Ph.(831) 385-3281



OFFICIAL BID OPENING RESULTS

PROJECT: WWTP Grinder Assembly purchase

Bid Opening: 02/08/2018 @ 3:00PM
City Council Chambers

Bidder's Name

Amount of Bid

1.	JWC Environmental LLC	\$ 32,991.36
2.		\$
3.		\$
4.		\$
5.		\$
6.		\$

Anthony J. [Signature]
Leucadia [Signature]

2/0/10

2/8/18



Item No. 9(H)

REPORT TO THE CITY COUNCIL

DATE: FEBRUARY 27, 2018

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: GEOFF ENGLISH, PUBLIC WORKS SPECIAL PROJECT COORDINATOR

RE: CONSIDERATION TO PURCHASE A RIDING MOWER

RECOMMENDATION:

It is recommended the City Council authorize the City Manager to purchase an Exmark 96" riding mower from Hydro Turf Inc. for \$34,908.46.

BACKGROUND:

The King City Public Works Department currently owns and operates one (1) riding mower to mow and maintain all of the City's turf areas. This mower purchase is intended to add a mower to the Department's inventory that will have a larger mower deck span to increase efficiency of the limited number of maintenance staff.

DISCUSSION:

The current riding mower is four (4) years old and has a 72-inch mowing deck. This mower runs and is in decent condition. However, due to the limited width of the mowing deck, it does not provide maximum staff time efficiency. The additional mower will provide the following benefits:

- Increase staff efficiency due to the increased mower deck size. The recommended riding mower has a 96-inch wide mowing deck.
- A second type of riding mower will provide two options for use at specific park facilities is most appropriate for the mower type. For instance, the mower with the larger mowing deck can be used for baseball and soccer fields where there is a large expanse of turf with few obstructions. The narrower mower can be used at park locations where there are trees and other obstructions in the turf area, necessitating greater maneuverability.
- A second mower will limit the hours per week on each mower, extending the lifespan for both. Additionally, when one of the mowers is out of

**CITY COUNCIL
 CONSIDERATION OF PURCHASE OF RIDING MOWER
 FEBRUARY 27, 2018
 PAGE 2 OF 2**

service for maintenance purposes, staff will still be able to meet our mowing needs.

On January 17, 2018, a notice of formal bid/ quotation request was distributed. This bid notice included detailed specifications for the type of riding mower desired by the City. A copy of the bid notice is attached (Attachment 1). In accordance with the City's procurement policy, a public notice was advertised in a local publication.

Five (5) bids for this purchase were received by the advertised bid due date of Thursday, February 8, 2018 at 4:00pm. A copy of the official bid opening results is attached (Attachment 2).

COST ANALYSIS:

The five bids were reviewed for compliance with the specifications prepared by staff who determined that only two of the bids quoted meets the minimum requirements and specifications. Below is a chart showing the separate mowers and compliance with the key areas of the bid specifications:

Vendor	Mower	90-inch mowing deck	24HP. Diesel Engine	Zero-turn	Roll-bar & harness	Meets City Specs.
Coastal Tractor	Hustler Super 104	Yes	No	Yes	Yes	No
Coastal Tractor	Hustler Z	No	Yes	Yes	Yes	No
Valley Saw	Grasshopper 900D	No	Yes	Yes	Yes	No
Hydro Turf Inc.	Exmark 96"	Yes	Yes	Yes	Yes	Yes
RDO Equipment	John Deere 1600	Yes	Yes	Yes	Yes	Yes

Of the five mowers that were bid by local vendors, only two met the City's specifications. The other three bids are considered "non-responsive" and as such should not be considered in the determination of low-bid. Of the two mowers that meet the City's specification, the Exmark 96" submitted by Hydro Turf Inc. was the lowest bid. The bid amount of \$34,908.46 includes all taxes, shipping and warranties and is within the amount of funds currently budgeted in the Parks and Landscape division budgets. No additional appropriation is necessary or requested.

ENVIRONMENTAL REVIEW:

The purchase of equipment is not a "project" for the purposes of the California Environmental Quality Act (CEQA) as it does not have the potential for resulting in either a direct physical change to the environment, or a reasonably foreseeable indirect physical change in the environment. No further action is required under CEQA for City Council action.

**CITY COUNCIL
CONSIDERATION OF PURCHASE OF RIDING MOWER
FEBRUARY 27, 2018
PAGE 3 OF 2**

ALTERNATIVES:

The following alternatives are provided for Council consideration:

1. Authorize the City Manager to purchase an Exmark 96" riding mower from Hydro Turf Inc. for \$34,908.46.
2. Do not approve the purchase and direct staff to re-bid; or
3. Provide other direction to staff.

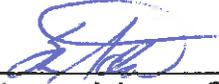
Exhibits:

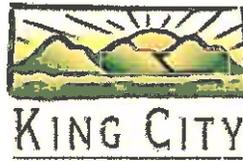
1. Notice of Formal Bid/ Quotation Request- Riding Mower Purchase
2. Official Bid Opening Results

Submitted by: _____


Geoff English, Public Works Special Project Coordinator

Approved by: _____


Steven Adams, City Manager



**CITY OF KING
DEPARTMENT OF PUBLIC WORKS**

212 S. Vanderhurst Avenue, King City CA 93930
Telephone: (831) 385-3281 Fax: (831) 386-5968

**NOTICE OF FORMAL BID/ QUOTATION REQUEST
BID NUMBER 2018-002**

DATE: January 17, 2018

SUBJECT: Riding Mower Purchase

The City of King is requesting Formal Quotations for the purchase of a Riding mower for the City's Public Works Department. This mower purchase is intended to add a mower to the Departments inventory that will have a larger mower deck span and meet or exceed the specifications described and listed below.

SUBMISSION OF FORMAL SPECIFICATIONS

- a. **SEALED FORMAL BIDS ARE DUE AT OR BEFORE 4:00PM ON THURSDAY, FEBRUARY 8, 2018. FORMAL QUOTATIONS RECEIVED AFTER THIS TIME WILL BE REJECTED.**

Please note that your bid submittal must reach the following address by 4:00 pm on February 1, 2018 or your bid will not be accepted.

YOU MUST INCLUDE THE BID NUMBER (2018-002) ON THE ENVELOPE.

Attention: Fernando Suarez
Public Works Supervisor
City of King
212 S. Vanderhurst Avenue
King City CA 93930

- b. **ALL QUOTATIONS MUST BE SUBMITTED ON THE ATTACHED QUOTATION FORM IN A SEALED ENVELOPE. FAXED BIDS WILL NOT BE ACCEPTED.**

For additional information, please call Fernando Suarez at 831-682-1007, or email questions to fsuarez@kingcity.com.

CITY OF KING
FORMAL QUOTATION FORM

DUE DATE: **FORMAL BIDS ARE DUE BY 4:00PM, THURSDAY, FEBRUARY 8, 2018**

PROJECT: **Riding Mower Purchase**

FORMAL BID #: PW2018-002:

Pursuant to and in compliance with the *Request for Quotation and Specifications* related to the project: **Riding Mower Purchase**

It is understood and agreed that:

1. The undersigned has carefully examined all the Quotation Documents, including the Quotation Form and quotation requirements and specifications.
2. The undersigned has satisfied itself as to the nature of the quotation request and has fully informed itself as to all conditions and matters which can in any way affect the quotation or the cost thereof.
3. The undersigned fully understands the equipment specifications and has checked carefully all words and figures inserted in its quotation and further understands that the City will in no way be responsible for any errors or omissions in the preparations of the quotation.
4. The undersigned hereby certifies that this quotation is genuine and not sham or collusive or made in the interest or in behalf of any person not herein named, and the undersigned has not directly or indirectly induced or solicited any other Bidder to put in a sham bid, or any other person or corporation to refrain from bidding; the undersigned has not in any manner sought by collusion to secure for itself an advantage over any other Bidder.
5. The undersigned fully understands that the City is the sole arbitrator for the determination of equivalency if an alternative product is proposed by the Vendor/ Supplier.

PROJECT DESCRIPTION AND SPECIFICATIONS

RIDING MOWER PURCHASE

GENERAL CONDITIONS

1. The Vendor/ Supplier is required to include costs for tax, and freight within their total price on the attached quotation for and to submit a separate detailed company quotation form with all costs delineated.
2. The Vendor/ Supplier must deliver the equipment within sixty (60) calendar days of the award of a purchase agreement.
3. The Vendor/ Supplier must coordinate the equipment purchase and delivery with Fernando Suarez at 831-682-1007.
4. The Vendor/ Supplier must provide a minimum two-year equipment warranty and include the manufacturers and any other warranty information at delivery.
5. The Vendor/ Supplier must include any operating handbooks, owner manuals or other available instructions when the equipment is delivered.
6. The Vendor/ Supplier shall provide one operations training for City staff at a King City facility within the first month following delivery.
7. The Vendor/ Supplier shall have a Manufacture approved repair facility located within the geographic boundaries of Monterey County.

Riding Mower Specifications

The Riding Mower shall meet the specifications, or be equivalent to, the following product and include the following features:

1. Commercial grade riding type mower with Zero-turn capability
2. Minimum 24 hp. motor- Fuel Type: Diesel
3. Minimum 90" mowing deck with rotary blades with mulching kit and rear discharge design.
4. "Floating", anti-scalping technology mower decks, with adjustable minimum cutting heights of 1' to 5."
5. The seat must be fully adjustable with arm-rests and have smooth ride seat suspension with vibration reduction technology.
6. Cup holder shall be provided and included
7. A protective safety "roll-bar" must be included with L.E.D. flashing beacon.
8. Equipped with rider safety restraints.

BASE FORMAL QUOTATION FORM

Pursuant to and in compliance with the *Request for Formal Quotation and Specifications* related to the project: **Riding Mower Purchase**

The undersigned bidder, having become thoroughly familiar with the stipulations listed on the Formal Quotation Form and with the aforementioned General Conditions and Purchase Specifications for the above mentioned equipment and with the local conditions affecting the performance and the cost of the work to be done, hereby proposes and agrees to fully provide the described equipment (including the furnishing of any and all labor, materials, tools, expendable equipment and transportation services necessary to fully deliver the equipment) in strict accordance with all applicable state and local laws for the total Base Quotation sum of:

TOTAL QUOTATION:	\$ _____
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The Vendor/ Supplier's proposed equipment specifications showing compliance with the City requested bypass pump specifications and general conditions must be attached to this Base Quotation. The City may reject any bid that does not include the proposed equipment specifications.

Suppliers Name: _____

Mailing Address: _____

Phone Number: _____

Fax Number: _____

Email: _____

Signature of Vendor Rep: _____ Date: _____

Return to: Fernando Suarez
Public Works Supervisor
City of King
212 S. Vanderhurst Avenue
King City CA 93930

For additional information, please call Fernando Suarez at 831-682-1007, or email questions to fsuarez@kingcity.com.

BIDS ARE DUE BY 4:00PM ON THURSDAY, FEBRUARY 8, 2018

FAXED OR EMAIL QUOTATIONS WILL NOT BE ACCEPTED

City of King

212 S. Vanderhurst Avenue
King City, CA 93930
Ph. (831) 385-3281



**OFFICIAL
BID OPENING RESULTS**

PROJECT: Riding Mower purchase

Bid Opening: 02/08/2018 @ 4:00PM
City Council Chambers

<u>Bidder's Name</u>	<u>Amount of Bid</u>
1. Coastal Tractor	\$ 17,320
2. Coastal Tractor	\$ 26,521.25
3. Valley Saw & Garden Equipment	\$ 18,629.88
4. Hydro Turf Inc.	\$ 34,908.46
5. Deere & Company	\$ 57,978.92
6. _____	\$ _____

Lucas Sonne 2/8/18

Fernando Serrano 2-8-18

Shirley E. Clark 2-8-18



Item No. 9(1)

REPORT TO THE CITY COUNCIL

DATE: FEBRUARY 27, 2018

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: STEVEN ADAMS, CITY MANAGER

RE: CONSIDERATION OF RESOLUTIONS IN SUPPORT OF THE CALIFORNIA DROUGHT, WATER PARKS, CLIMATE, COASTAL PROTECTION AND OUTDOOR ACCESS FOR ALL ACT OF 2018 AND PROPOSITION 69 AND IN OPPOSITION OF REPEAL OF SB 1

RECOMMENDATION:

It is recommended that the City Council: 1) adopt a Resolution in support of the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018; and 2) adopt a Resolution in support of Proposition 69 and in opposition of repeal of SB 1.

BACKGROUND:

The League of California Cities is currently reviewing initiatives qualified to appear on the June 5th ballot. As a result, the League has requested the City formally support Propositions 69 (Transportation Funding Protections) and 68 (Parks and Water Bond). Additionally, they are requesting the City to preemptively oppose efforts to repeal SB 1, the Road Repair and Accountability Act of 2017, which infuses \$5.2 billion/year to local streets and roads, highways and transit systems.

DISCUSSION:

Proposition 69 (ACA 5, Frazier) was part of the agreement to secure passage of SB 1 by prohibiting the legislature from raiding, borrowing, or diverting any new SB 1 revenues and ensuring these funds can only be used for transportation purposes. Current efforts to qualify an SB 1 repeal measure on the November ballot would repeal billions of dollars for transportation improvement funds and require that any future fuel tax or transportation fees be approved by a *statewide* vote of the electorate. It would eliminate a large portion of the funding in the 5-

**CITY COUNCIL CLOSED SESSION
CONSIDERATION OF RESOLUTIONS IN SUPPORT OF THE CALIFORNIA
DROUGHT, WATER PARKS, CLIMATE, COASTAL PROTECTION AND
OUTDOOR ACCESS FOR ALL ACT OF 2018 AND PROPOSITION 69 AND IN
OPPOSITION TO REPEAL OF SB 1
FEBRUARY 27, 2018
PAGE 2 OF 2**

year street improvement capital improvement plan recently approved by the City Council. Therefore, it would have a dramatic negative impact on the City's efforts to establish an ongoing citywide pavement management program.

Proposition 68, the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018 (SB 5, De Leon) is a \$4 billion bond to fund parks, water, climate and environmental programs. Proposition 68 would provide local governments with funding for local park improvements and create grants to fund water, local parks, coastal and climate resiliency projects.

COST ANALYSIS:

If the positions recommended are not successful, it would result in a decrease in City revenues by at least \$1.5 million over the next five year period.

ENVIRONMENTAL REVIEW:

Positions on State legislation are not a "project" for the purposes of the California Environmental Quality Act (CEQA) as they do not have the potential for resulting in either a direct physical change to the environment or a reasonably foreseeable indirect physical change in the environment. No further action is required under CEQA for City Council action.

ALTERNATIVES:

The following alternatives are provided for Council consideration:

1. Approve staff's recommendations;
2. Approve one of the Resolutions and not the other;
3. Do not approve the Resolutions; or
4. Provide staff other direction.

Submitted and Approved by:



Steven Adams, City Manager

RESOLUTION NO. ____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KING IN SUPPORT OF
THE CALIFORNIA DROUGHT, WATER, PARKS, CLIMATE, COASTAL PROTECTION,
AND OUTDOOR ACCESS FOR ALL ACT OF 2018**

WHEREAS, the Legislature adopted and governor signed SB 5, a \$4 Billion General Obligation Bond to be placed on the June 2018 ballot entitled the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018; and

WHEREAS, SB 5 represents the first legislatively authorized debt instrument for parks, resources and environmental improvements since 2002; and

WHEREAS, investments in California's urban, suburban and rural park and resources-related landscapes promote the notion of community and provide health, environmental and aesthetic benefits; and

WHEREAS, California Outdoor economy is a \$92 Billion economic driver, partly responsible for the continued health and growth of many of California's local economies; and

WHEREAS, SB 5 contains \$215 Million in Per Capita funding to assist all of California's communities in underwriting priority park-related improvements; and

WHEREAS, an additional \$40 Million shall be available in block grant awards for communities that self-tax for park related improvements; and

WHEREAS, SB 5 invests no less than \$1 Billion in California's most economically challenged communities, eradicating blight and promoting greater access to the outdoors and health-related pursuits; and

WHEREAS, SB 5 expends \$200 Million on California's State Park system, addressing a greater than \$1 Billion backlog in deferred maintenance which will translate into greater tourism and visitorship opportunities in adjacent communities; and

WHEREAS, SB 5 invests \$30 Million in trail network improvements promoting non-motorized recreational and commuter opportunities throughout the state; and

WHEREAS, SB 5 recognizing the importance of California's rural spaces and invests \$25 Million through a competitive grant program to prop-up and enhance rural park infrastructure; and

WHEREAS, SB 5 expends hundreds of millions on other important investments in resource-related infrastructure including California's rivers, coast, and other waterways, the state's mountainous settings such as the Sierra and wildlife and fish-dependent habitats; and

WHEREAS, SB 5 invests heavily in combatting global warming through investments in urban greening projects, promoting healthy forests and carbon farming applications; and

WHEREAS, SB 5 underwrites investments in improving local water systems, promoting access to safe drinking water in some of California's most economically challenged communities; and

WHEREAS, SB 5 commits to a robust investment in groundwater improvements and sustainability to diversify water sources and recharge groundwater tables; and

WHEREAS, SB 5 underwrites improvements in the state flood management systems, armoring against calamities that beset the state including Oroville and elsewhere.

THEREFORE BE IT RESOLVED, that the City Council of the City of King hereby supports Proposition 68, The California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018.

THEREFORE BE IT FURTHER RESOLVED that the City Council of the City of King supports and can be listed as a member of the Californians for Clean Water and Safe Park coalition.

This resolution was passed and adopted this 27th day of **February, 2018** by the following vote:

AYES, Council Members:

NAYS, Council Members:

ABSENT, Council Members:

ABSTAIN, Council Members:

APPROVED:

Mike LeBarre, Mayor

ATTEST:

Steven Adams, City Clerk

APPROVED AS TO FORM:

Shannon Chaffin, City Attorney

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KING
IN SUPPORT OF PROPOSITION 69 AND IN OPPOSITION OF
REPEAL OF SB 1**

WHEREAS, California's cities, counties and transportation agencies face a statewide backlog of over \$130 billion in needed funds to make transportation infrastructure improvements; and

WHEREAS, "The Road Repair and Accountability Act" (SB 1 – Beall) passed by the Legislature and signed by the Governor last year will raise \$5 billion annually in long-term, dedicated transportation funding to make road safety improvements, fill potholes and repair local streets, highways, bridges and overpasses, with the revenues split equally between state and local government projects; and

WHEREAS, SB 1 provides critically-needed funding in King City that will be used to establish an annual street resurfacing and slurry seal program in order to address substantial deficiencies in the City's infrastructure; and

WHEREAS, SB 1 contains strong accountability provisions to streamline projects by cutting bureaucratic redundancies and red tape to ensure transportation funds are spent efficiently and effectively, while also establishing the independent office of Transportation Inspector General to perform audits, improve efficiency and increase transparency; and

WHEREAS, Proposition 69 on the June 2018 ballot would add additional accountability for taxpayers by preventing the State Legislature from diverting or raiding any new transportation revenues for non-transportation improvement purposes; and

WHEREAS, there is also a proposed ballot measure aimed for the November 2018 ballot (Attorney General #17-0033) that would repeal the new transportation revenues provided by SB 1 and make it more difficult to increase funding for state and local transportation improvements in the future; and

WHEREAS, this proposed November proposition would raid over \$300,000 annually dedicated to King City and halt critical investments in future transportation improvement projects in our community;

THEREFORE BE IT RESOLVED that the City of King hereby supports Proposition 69, the June 2018 constitutional amendment to prevent new transportation funds from being diverted for non-transportation purposes; and

THEREFORE BE IT RESOLVED that the City Council of the City of King hereby opposes the proposed November ballot proposition (Attorney General #17-0033) that would repeal the new transportation funds and make it more difficult to raise state and local transportation funds in the future; and

THEREFORE BE IT FURTHER RESOLVED that the City Council of the City of King supports and can be listed as a member of the Coalition to Protect Local Transportation Improvements, a diverse coalition of local government, business, labor, transportation and other organizations throughout the state, in support of Proposition 69 and opposing the repeal of SB 1.

This resolution was passed and adopted this 27th day of February, 2018 by the following vote:

AYES, Council Members:

NAYS, Council Members:

ABSENT, Council Members:

ABSTAIN, Council Members:

APPROVED:

Mike LeBarre, Mayor

ATTEST:

Steven Adams, City Clerk

APPROVED AS TO FORM:

Shannon Chaffin, City Attorney



Item No. 9(J)

REPORT TO THE CITY COUNCIL

DATE: FEBRUARY 27, 2018

TO: CITY COUNCIL

FROM: STEVEN ADAMS, CITY MANAGER

**RE: CONSIDERATION OF PURCHASE AND SALE AGREEMENT
FOR SALE OF A PORTION OF APN #245-111-034**

RECOMMENDATION:

It is recommended the City Council: 1) approve a Purchase and Sale Agreement for sale of a portion of APN #245-111-034 for \$1,588,400 to Mission Holdings TIC; and 2) adopt a Resolution authorizing the City Manager to execute the Purchase and Sale Agreement, to make non-substantive modifications to the Purchase and Sale Agreement as necessary and in a form approved by the City Attorney, and to execute all other documents necessary to finalize the sale of the property.

BACKGROUND:

As part of the City's strategy to address budget goals and reduce the General Fund negative fund balance, staff has identified properties for sale owned by the City with no planned use. This included two agricultural properties adjacent to the City's wastewater treatment plant. The properties were previously leased, but maintained for future expansion of the wastewater treatment plant. However, in order to comply with existing regulations, it has been determined that any expansion will require upgrade of the level of wastewater treatment at the plant. As a result, the plant will actually use less land in the future and this property is no longer needed for expansion of spray ponds.

The first property was sold last fiscal year. Sale of the second property was delayed pending the results of the wastewater treatment plant master plan in order to ensure it was not needed. Findings of the master plan confirmed that this property can be sold. At the July 11, 2017 meeting, the City Council declared the property as surplus and approved listing the property for sale.

**CITY COUNCIL
CONSIDERATION OF PURCHASE AND SALE AGREEMENT FOR SALE OF
A PORTION OF APN #245-111-034
FEBRUARY 27, 2018
PAGE 2 OF 3**

DISCUSSION:

The property is approximately 58 acres in size and lies within the County unincorporated area. It is zoned agriculture so no zone change was needed and the sale will not result in any change of use of the property. Per the requirements of Section 65402(a) of the California Government Code, the Planning Commission adopted a Resolution at their June 6, 2017 meeting finding that disposal of the property is consistent with the General Plan.

The City contracted with Cushman & Wakefield U.S., Inc. to represent the City in the sale of the property. The property was advertised for sale for over three weeks to provide all interested parties an opportunity to submit offers to ensure that it is sold for the maximum price. No other offers were received.

The original listing price was \$30,000 per acre. The offer is \$27,500 per acre, which is below the asking price, but well above the price for the other parcel sold at \$25,000 per acre. Therefore, staff and the real estate consultant believe it is a fair price. The revenue will be instrumental in the City's efforts to reduce the General Fund negative fund balance and to fund other major budget priorities approved by the City Council, primarily consisting of public safety and economic development efforts.

COST ANALYSIS:

The sales price is \$1,588,400. The net revenue to the City is estimated to be approximately \$1,525,000.

ENVIRONMENTAL REVIEW:

Staff performed a preliminary environmental assessment of sale of the Property at the time it was declared as surplus property. The sale of the Property is not a "project" for the purposes of CEQA as defined by CEQA Guidelines section 15378, as the sale of excess property is a fiscal activity and exchange of title does not have the potential for resulting in either a direct adverse physical change, or a reasonably foreseeable indirect adverse physical change, in the environment. Additionally, even if the exchange of title were a "project" for the purposes of CEQA, the sale of surplus property is categorically exempt from review under the CEQA Guidelines section 15312, Class 12 (Surplus Government Property Sales). No exceptions to the exemptions are applicable under CEQA Guidelines section 15300.2.

**CITY COUNCIL
CONSIDERATION OF PURCHASE AND SALE AGREEMENT FOR SALE OF
A PORTION OF APN #245-111-034
FEBRUARY 27, 2018
PAGE 3 OF 3**

ALTERNATIVES:

The following alternatives are presented for Council consideration:

1. Approve the Purchase and Sale Agreement and adopt the Resolution;
2. Direct staff to request changes to the Purchase and Sale Agreement;
3. Do not approve the Purchase and Sale Agreement and direct staff to cancel the sale of the property; or
4. Provide other direction to staff.

Exhibits:

1. Purchase and Sale Agreement

Prepared and Approved by:



Steven Adams, City Manager

RESOLUTION NO.

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KING AUTHORIZING THE CITY
MANAGER TO EXECUTE DOCUMENTS FOR THE SALE OF A PORTION OF
ASSESSOR PARCEL NO. 245-111-034**

WHEREAS, the City of King ("City") is the owner of Assessor Parcel No. 245-111-034, as outlined in **Exhibit 1**; and

WHEREAS, the City Council has found that there is no present or prospective reasonable use of the property; and

WHEREAS, the City Council adopted a Resolution on July 11, 2017 to declare the property as surplus; and

WHEREAS, the City desires to dispose of the said property for the common benefit of the community; and

WHEREAS, the City derives the right to dispose of said property through Government Code Section 37350; and

WHEREAS, the City Council has approved an offer received from Mission Holdings TIC to purchase the property.

NOW THEREFORE, BE IT RESOLVED THAT the City Council of the City of King authorizes the City Manager to execute the Purchase and Sale Agreement and all other documents, and to make any changes as approved to form by the City Attorney, necessary to execute the sale of a portion of Assessor Parcel No. 245-111-034 to Mission Holdings TIC.

PASSED AND ADOPTED at a regular meeting of the City Council on the 27th day of February, 2018, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

Michael LeBarre, Mayor

ATTEST:

Steven Adams, City Clerk

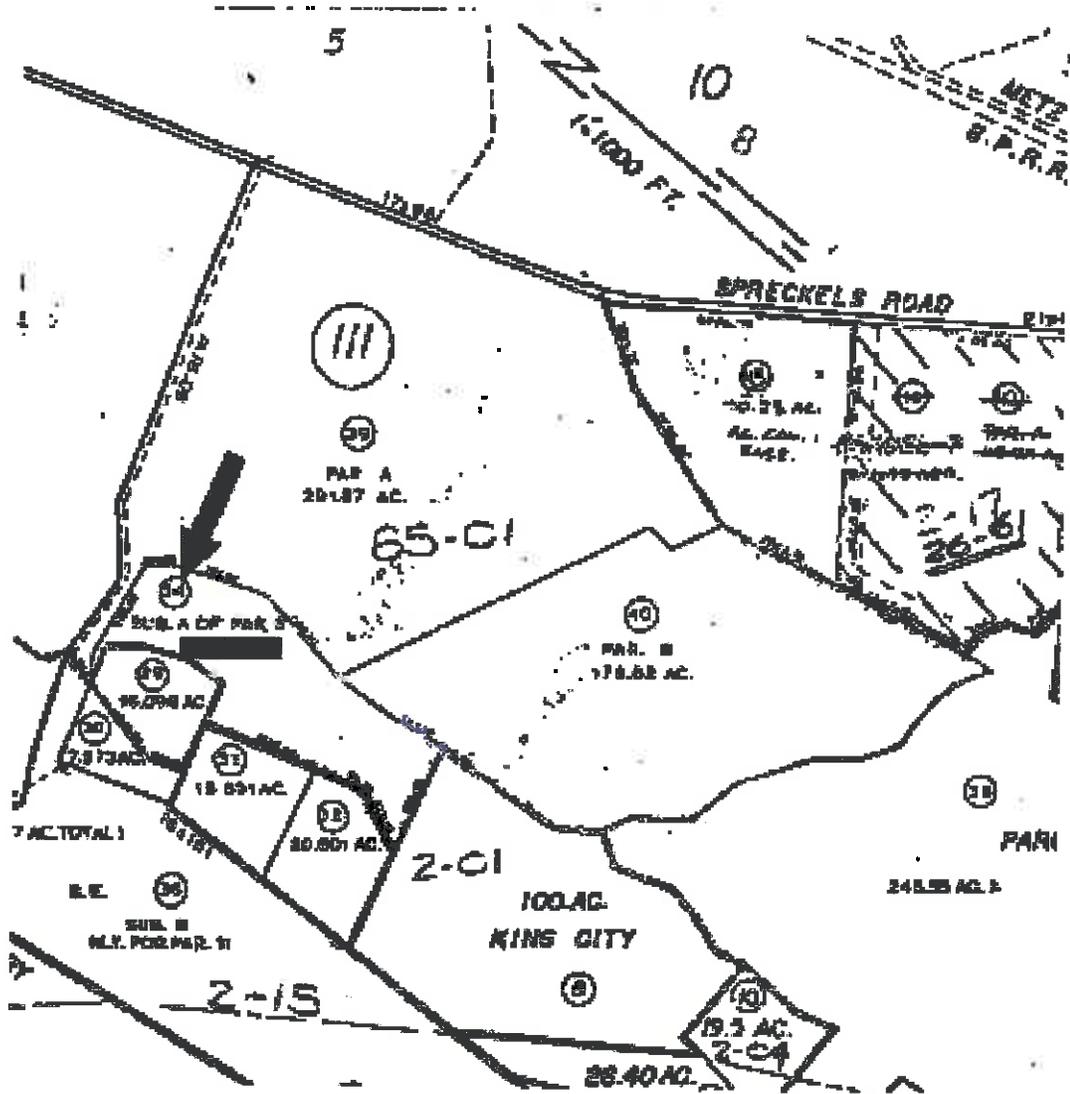
APPROVED AS TO FORM:

Shannon Chaffin, City Attorney

Exhibit 1

Location of Assessor Parcel No. 245-111-034

EXHIBIT 1



STANDARD OFFER, PURCHASE AGREEMENT AND DEPOSIT RECEIPT

THIS STANDARD OFFER, PURCHASE AGREEMENT AND DEPOSIT RECEIPT ("Agreement") is dated for reference purposes as of January 30, 2018, and is made by Mission Holdings TIC ("Buyer") to City of King ("Seller"). Buyer hereby offers to purchase certain property from Seller, on the terms and conditions contained in this Agreement. As used herein, the term "Agreement" refers both to Buyer's offer to purchase from Seller the property described herein ("Offer") and, where the context requires, the binding purchase contract created by Seller's written acceptance.

Buyer has or will as of the Effective Date deliver to Seller the sum of One Hundred (\$100.00) Dollars (the "Independent Consideration") in consideration for Seller's entering into the Agreement to the exclusion of potential other buyers and granting Buyer the rights to inspect and evaluate the Property during the Contingency Period. The Independent Consideration is not refundable to Buyer under any circumstances, but will be applied to the Purchase Price if Closing occurs.

1. **DEFINITIONS.** The following terms shall have the meanings set forth below. Certain other terms shall have the meanings given for them in other portions of this Agreement.
 - (a) **Broker.** Cushman & Wakefield U.S., Inc., **328 B Main Street, Salinas, CA 93901**
 - (b) **Buyer's Conditions.** Those conditions to Buyer's obligation to purchase the Property, which conditions are set forth in **Paragraph 10** below.
 - (c) **Close of Escrow.** The date on which the grant deed to the Real Property is recorded in the Official Records of the County in which the Real Property is located.
 - (d) **Closing Date.** The Close of Escrow shall occur 30 days from Effective Date, unless extended in writing by Buyer and Seller.
 - (e) **Cooperating Broker.** None
 - (f) **Contingency Period.** Twenty-one (21) days from the Effective Date, during which Buyer shall have the rights set forth herein to investigate the Property.
 - (g) **Effective Date.** The date of the signature hereon of the last party necessary to form a binding contract, as reflected by the dates next to the signatures appearing on the last page of this Agreement.
 - (h) **Hazardous Materials.** Petroleum, asbestos, radioactive materials or substances defined as "hazardous substances," "hazardous materials" or "toxic substances" (or words of similar import) in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Section 9601, et seq.), the Hazardous Materials Transportation Act (49 U.S.C. Section 1801, et seq.), the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.), and those substances defined as "hazardous wastes" in Section 25117 of the California Health & Safety Code or as "hazardous substances" in Section 25316 of the California Health & Safety Code, and in the regulations adopted and publications promulgated pursuant to such laws, and any other substances or materials regulated by any similar or successor laws, codes, rules or regulations. Hazardous Materials will also include petroleum products, petroleum by-products and fractions thereof.
 - (i) **Permitted Exceptions.** The exceptions shown on the Preliminary Title Report which are approved by Buyer pursuant to **Paragraph 7** below.
 - (j) **Personal Property.** The following personal property, if any, which is located on the Real Property: NONE.
 - (k) **Preliminary Title Report.** A current preliminary title report issued by Title Company, describing the Real Property and listing all exceptions to title insurance coverage.
 - (l) **Property.** The Real Property and the Personal Property, collectively.
 - (m) **Real Property.** That real property (and all Improvements and fixtures located thereon) located in the City of King, County of Monterey, State of **California**, more particularly described as follows: Approximately 57.76 acres of farmable land located near the City of King, CA with APN# 245-111-

034. The Real Property is shown as per the Legal Description Exhibit A, and the Plat Map Exhibit B and incorporated herein by this reference. The exact legal description shall be provided by the Title Company and inserted through Escrow.

(n) Title Company and Escrow Agent. Chicago Title Company, whose address is 250 Bonifacio Place, Monterey, California 93940. Telephone: (831) 375-2262; ATTN: Kim Verania Email: kim.verania@ctt.com

2. **OFFER AND ACCEPTANCE.** Seller shall have until **February 28, 2018 at 5:00 p.m. PST** to accept this Offer. Seller may accept this Offer only by (a) signing in the section of this Agreement entitled "ACCEPTANCE BY SELLER" and (b) delivering to Buyer or Buyer's Broker such executed Agreement or counterpart thereof. If this Offer is not accepted in the manner and by the time provided above, then this Offer shall terminate unless Buyer elects otherwise. If this Offer is terminated, then Broker shall return all deposits to Buyer. If this Offer is accepted in the manner and by the time set forth above, then this Offer shall: (i) become a binding contract for the purchase and sale of the Property; (ii) constitute the entire Agreement between Buyer and Seller with respect to the purchase and sale of the Property; and (iii) supersede all prior discussions, negotiations and agreements between Buyer and Seller, whether oral or written. Any counter-offer or amendment to this Offer must be in writing and must be signed by both Buyer and Seller.

3. **PURCHASE PRICE.**

(a) Amount. Buyer shall pay to Seller the amount of ONE MILLION FIVE HUNDRED EIGHTY-EIGHT THOUSAND FOUR HUNDRED Dollars (\$1,588,400) as the purchase price for the Property (the "Purchase Price"), in the manner specified in Paragraph 4 below. The Purchase Price shall be allocated between the Real Property and the Personal Property pursuant to a separate written agreement between Buyer and Seller, which agreement shall be executed prior to the Close of Escrow. However, if Buyer and Seller are unable to reach such an agreement, then each party shall be entitled to allocate the Purchase Price between the Real Property and the Personal Property, if any, in the manner that each shall deem appropriate.

~~(b) Adjustment Due to Building or Land Size. The Purchase Price set forth in Paragraph 3(a) above assumes that the building located on the Real Property (the "Building") contains _____ square feet of gross floor area _____ [or] that the land area of the Real Property is _____ square feet of gross area _____. [insert square footage and check one]. As soon as possible after Seller's execution of this Agreement, Seller shall obtain, at Seller's expense, a survey prepared by a registered civil engineer certifying to Seller and Buyer the actual square footage contained in the Building or the land, as appropriate. If such survey indicates that the actual square footage is different from that set forth above, then the Purchase Price shall be adjusted at the rate of \$ _____ per square foot of the Building [or] the land.~~

4. **PAYMENT OF PURCHASE PRICE.** Buyer shall pay the Purchase Price, and (if applicable) assume existing financing, as follows:

\$ 45,000 (a) Initial Deposit. Broker acknowledges that Broker is in receipt of Buyer's initial deposit (the "Initial Deposit") in the amount shown in the left margin opposite this subparagraph, in the form of a personal check [or] cashier's check [check one] payable to Title Company. Broker shall deliver the Initial Deposit to Title Company within two (2) business days from the Effective Date. The Initial Deposit shall be deposited in an interest bearing account, with interest accruing for the account of Buyer. The Initial Deposit and all interest earned thereon shall be applied against the Purchase Price and shall be disbursed to Seller at the Close of Escrow, unless Buyer terminates this Agreement pursuant to Paragraph 10 below, in which case the Initial Deposit together with interest shall be returned to Buyer. Upon the satisfaction or waiver of all of Buyer's Conditions, the Initial Deposit shall become nonrefundable as liquidated damages pursuant to Paragraph 22 below, if the same is separately initialed by both parties.

~~\$ _____ (b) Additional Deposit. Upon the satisfaction or waiver of all of Buyer's Conditions, Buyer shall make an additional deposit (the "Additional Deposit") in the amount shown in the left margin opposite this subparagraph, in the form of a personal check [or] cashier's check [check one] payable to Title Company. The Additional Deposit shall be deposited in an interest bearing account, with interest accruing for the account of Buyer. The Additional Deposit and all interest earned thereon shall be applied~~

against the Purchase Price and shall be disbursed to Seller at the Close of Escrow, and shall be nonrefundable and constitute liquidated damages pursuant to Paragraph 22 below if the same is separately initiated by both parties.

~~§ _____ (c) Seller Financing. The portion of the Purchase Price shown in the left margin opposite this subparagraph shall be in the form of a promissory note executed by Buyer in favor of Seller (the "Seller Financing"). The Seller Financing shall be in a form acceptable to Buyer and shall contain the following terms: _____~~

~~§ _____ (d) Existing Financing. If applicable, as specified in Paragraph 5 below, Buyer shall assume or acquire title subject to Existing Financing in the amount shown in the left margin opposite this subparagraph.~~

\$ 1,543,400 (e) **Balance of Purchase Price.** The balance of the Purchase Price in the amount shown in the left margin opposite this subparagraph shall be paid in cash at the Close of Escrow, either with Buyer's own funds or with the proceeds of the New Loan (as defined in Paragraph 10 below).

~~5. **EXISTING FINANCING.** If Buyer is to assume [or acquire title to the Real Property subject to] *[check one, if applicable]* any existing financing encumbering the Real Property (the "Existing Financing"), identify in the following space each promissory note or other document evidencing the Existing Financing and the approximate outstanding principal balance on each such promissory note or other instrument: _____ If the total outstanding principal balance of the Existing Financing is different from the amount specified in Section 4(d) above, then there shall be a corresponding adjustment to the amount of Seller Financing specified in Paragraph 4(e) above or, if there is no Seller Financing, there shall be a corresponding adjustment to the cash balance to be paid pursuant to Paragraph 4(e) above.~~

6. **ESCROW.** The sale of the Property shall be consummated through an escrow at the office of Title Company. The parties shall execute escrow instructions as may be reasonably requested by Title Company, provided that such instructions shall be consistent with the terms and conditions contained in this Agreement. The parties shall provide Title Company with such other information, documents and instruments as Title Company may reasonably require in order to close escrow as provided in this Agreement. Upon Seller's acceptance of this Agreement, Broker shall: (i) establish an escrow at the office of Title Company; (ii) deliver the Initial Deposit to Title Company within two (2) business days; and (iii) instruct Title Company to deliver to Buyer and Broker the Preliminary Title Report, together with copies of all documents listed as exceptions therein.

7. **REVIEW OF TITLE; DELIVERY OF TITLE AT CLOSING.** No later than five (5) days prior to the expiration of Buyer's Contingency Period as set forth below. Buyer shall notify Seller in writing of Buyer's approval or disapproval of title matters as shown on the Preliminary Title Report and/or any survey of the Property (collectively, "Buyer's Title Objections"); provided, however, that Buyer shall be deemed, without written notice, to have objected to all monetary liens and encumbrances, and taxes due and payable. If Buyer does not so notify Seller, then Buyer shall be deemed to have waived all objection to title and survey matters and nonmonetary title exceptions as shown on the Preliminary Title Report. Seller shall have five (5) days following receipt of Buyer's Title Objections to notify Buyer in writing whether Seller shall (a) cure such matter (in which case Seller shall have until the Close of Escrow to do so), or (b) not cure such matter. **Seller's failure to respond shall constitute its commitment to cure Buyer's Title Objections.** If Seller elects not to cure Buyer's Title Objections, Buyer shall have until the expiration of Buyer's Contingency Period to deliver to Seller written notice of Buyer's election either to (a) waive Buyer's Title Objections and accept title to the Property subject to such matters, or (b) terminate this Agreement, in which case both Buyer and Seller shall be completely released from any obligations created herein (except for those obligations set forth in Paragraph 9 below) and all deposits shall be returned promptly to Buyer. **Buyer's failure to deliver timely written notice of its election shall be deemed to constitute its election to waive such Buyer's Title Objections as Seller has elected not to cure.** All nonmonetary exceptions accepted or waived by Buyer shall constitute the "Permitted Exceptions." At the Close of Escrow, Seller shall convey to Buyer fee simple absolute title to the Property, free and clear of all liens and title exceptions other than the Permitted Exceptions and any other liens or title exceptions created by or at the direction of Buyer. Seller's obligations regarding the delivery of title to Buyer shall be satisfied by Title Company's issuing, at the Close of Escrow, a standard coverage [or extended coverage] *[check one]* ALTA owner's policy of title insurance showing title to the Real Property vested in Buyer, free and clear of all exceptions to title other than the Permitted Exceptions. The amount of bonds or assessments which are liens against the subject

property shall be assumed by Buyer [or paid in full by Seller] [check one] at the Close of Escrow.

8. **DELIVERY OF DOCUMENTS AND INFORMATION.** Within ~~ten (10)~~ [or 5 days after the Effective Date ("Delivery Date"), at Seller's sole cost and expense, Seller shall deliver to Buyer all of the following documents and information, to the extent that such documents and information currently exist and are in Seller's possession or under Seller's control, and shall authorize those persons who prepared such documents to disclose any information which such persons may have with respect to the Property:
- (a) All leases, rental agreements, licenses and side letters, together with all amendments thereof, which will remain in effect after the Close of Escrow;
 - (b) All service contracts, maintenance agreements or other agreements affecting the Property which will remain in effect after the Close of Escrow;
 - (c) If Buyer is to assume or acquire title to the Real Property subject to Existing Financing, copies of all promissory notes, security documents and other documents related to the Existing Financing;
 - (d) All plans, specifications, working drawings, "as built" drawings, architectural plans and elevations and landscape architectural plans relating to the Property;
 - (e) All income and expense information relating to the operation of the Property;
 - (f) Tax bills for the preceding two (2) years;
 - (g) All reports regarding the physical condition of the Property, including, without limitation, reports regarding the condition of all improvements, Hazardous Materials, soil and ground water conditions, topography and drainage, land or building surveys; and
 - (h) Other: **NONE**

If there are no documents or information relating to some or all of the items listed above, then Seller shall, within ten (10) days after the Effective Date so notify Buyer in writing. In the event that any additional documents are delivered by Seller after the Delivery Date ("Late Documents"), and such delayed delivery ("Delayed Delivery Date") is less than five (5) business days prior to the expiration of Buyer's Contingency Period as set forth below, or occurs after the expiration of Buyer's Contingency Period, then Buyer shall have a period of five (5) business days after the Delayed Delivery Date ("Buyer's Extended Contingency Period") to review and approve the Late Documents. Buyer's Extended Contingency Period shall apply only to the Late Documents, and all other conditions set forth below shall be satisfied or waived prior to the expiration of the original Buyer's Contingency Period. Buyer may exercise its right to terminate this Agreement prior to the expiration of Buyer's Extended Contingency Period if Buyer reasonably disapproves any information first disclosed to Buyer in the Late Documents.

9. **ACCESS TO PROPERTY.** At all times prior to the expiration of Buyer's Contingency Period, upon not less than forty-eight (48) hours advance notice, Seller shall allow Buyer and Buyer's agents and representatives reasonable access to the Property to make tests, surveys or other studies of the Property, all of which shall be at Buyer's sole cost and expense. Buyer shall not undertake any invasive testing without the prior written consent of Seller, which shall not be unreasonably withheld. Buyer shall indemnify, defend, protect and hold Seller harmless from and against all costs, damages, claims, actions, causes of action, liabilities and expenses (including the reasonable attorneys' fees of counsel chosen by Seller) arising out of or related to Buyer's tests, surveys or other studies of the Property, and the acts of Buyer and its agents, employees and contractors while on the Property; provided, however, that Buyer shall not be liable hereunder for any conditions discovered (but not caused or exacerbated) by Buyer. Buyer shall have the right to disclose the existence of Hazardous Materials discovered on the Property if and to the extent required to do so under applicable law.
10. **BUYER'S CONDITIONS.** Buyer shall have a period of TWENTY-ONE (21) days after the Effective Date of this Agreement in which to investigate the Property and all matters relating thereto ("Buyer's Contingency Period"). Buyer's obligations under this Agreement are contingent upon the satisfaction or waiver of each of the following conditions, which are for the sole benefit of Buyer and which may be waived or exercised only by Buyer. Buyer shall have the right, exercisable in Buyer's sole discretion, to terminate this Agreement, by delivery to Seller prior to the expiration of Buyer's Contingency Period [or such other period as may be set forth specifically applicable to any condition below] of written notice that Buyer is exercising its right to terminate on account of a failure of such condition(s). Upon

such termination, Buyer and Seller shall be released from all obligations created by this Agreement (except Buyer's obligations under Paragraph 9 above), all deposits and interest earned thereon and other proceeds delivered to Title Company by Buyer shall be returned to Buyer, and all documents delivered to Buyer by Seller shall be returned to Seller. **If Buyer fails to deliver timely written notice of its exercise of the right to terminate this Agreement, prior to the expiration of Buyer's Contingency Period [or, if specific time periods are specified below, within each such applicable time period] then such condition(s) shall be deemed satisfied, and Buyer's right to terminate this Agreement shall conclusively be deemed waived by Buyer.**

(a) Physical Condition of Property. Prior to the expiration of Buyer's Contingency Period [or within _____ () days after the Effective Date] Buyer's written approval of the physical condition of the Property, including the condition of the Property with respect to Hazardous Materials.

(b) Documents and Information. Prior to the expiration of Buyer's Contingency Period [or within _____ () days after Buyer's receipt of the documents and information described in Paragraph 8 above], Buyer's written approval of such documentation and information.

~~(c) New Loan. Prior to the expiration of Buyer's Contingency Period [or within _____ () days after the Effective Date], Buyer's obtaining a written loan commitment for a loan (the "New Loan") upon terms and conditions no less favorable to Buyer than the following:~~

~~_____ (1) Principal amount of \$_____.~~

~~_____ (2) Term of not less than _____ years.~~

~~_____ (3) Interest to be no more than _____% per annum, if fixed. If the interest rate is variable or adjustable, the initial interest rate shall be no more than _____% with a maximum interest rate of no more than _____% and annual adjustments of no more than _____%.~~

~~_____ (4) Payments to be no more often than monthly and in an amount based upon no less than a _____ year amortization of principal and interest.~~

~~_____ (5) Loan fees not to exceed _____% of the principal amount.~~

~~_____ (6) The New Loan to be secured by a deed of trust on the Real Property, subject only to the Permitted Exceptions.~~

~~_____ (7) Other:_____.~~

(d) Title. Buyer's having approved title to the Real Property pursuant to, and within the time period set forth in, Paragraph 7 above.

(e) Economic Analysis. Prior to the expiration of Buyer's Contingency Period [or within _____ () days after the Effective Date], Buyer's determination, in Buyer's sole discretion, that Buyer's intended use and/or development of the Property is economically viable and is likely to produce a reasonable rate of return on Buyer's invested capital, considering such factors as, by way of example but not limitation, the ability to secure tenants for the Property, the amount of debt service, taxes and other carrying costs associated with the Property, the availability of any required zoning changes, land use approvals or other required permits or approvals, and other factors relating to the Property.

(f) Other: NONE

~~11. SELLER'S APPROVAL OF BUYER'S FINANCIAL CONDITION. If there is to be any Seller Financing, or if Buyer is to assume or take subject to any Existing Financing, then Seller's obligations under this Agreement are conditioned upon Seller's written approval of Buyer's financial condition within twenty (20) days after Buyer delivers to Seller a current financial statement and such other financial information as Seller may reasonably request. Buyer shall deliver such financial statement and other financial information to Seller within ten (10) days after the Effective Date. Upon acceptance of this Offer, Buyer grants to Seller the right to make a reasonable credit check by inquiry of any financial institution listed on Buyer's financial statement. Seller's approval of Buyer's financial condition shall not be unreasonably withheld. This condition is for the sole benefit of Seller and may be waived only by Seller. If Seller does not approve or disapprove Buyer's financial condition within the 20-day period~~

~~set forth above, then such condition shall be deemed approved by Seller. If Seller delivers written disapproval of Buyer's financial condition within such 20 day period, then this Agreement shall terminate. Upon such termination, Buyer and Seller shall be released from all obligations created by this Agreement (except Buyer's obligations under Paragraph 9 above), all deposits and interest earned thereon and other proceeds delivered to Title Company by Buyer shall be returned to Buyer, and all documents delivered to Buyer by Seller shall be returned to Seller.~~

12. **SELLER'S COVENANTS, REPRESENTATIONS AND WARRANTIES.** Seller covenants, represents and warrants to Buyer as follows, and acknowledges that Buyer shall rely upon such covenants, representations and warranties, each of which shall be true and correct as of the Close of Escrow and shall survive the Close of Escrow:
- (a) **Physical Condition of Property.** Seller has no knowledge of any material defect in the physical condition of the Property. To the best of Seller's knowledge as of the Effective Date, there are no Hazardous Materials on, in, under or adjacent to the Real Property. During the time in which Seller owned the Real Property, Seller did not use, generate, manufacture, store, release or dispose of on, in or under the Real Property, or transport to or from the Real Property, any Hazardous Materials. To the best of Seller's knowledge, no third party (including Seller's predecessors-in-interest) has used, generated, manufactured, stored, released or disposed of on, in or under the Real Property, or transported to or from the Real Property, any Hazardous Materials. Seller has not received notice of any action or proceeding relating to Hazardous Materials on, in, under or about the Real Property, and Seller shall promptly provide Buyer with a copy of any such notice which Seller may hereafter receive. If Seller or Buyer receives any such notice prior to the Close of Escrow, then Buyer may terminate this Agreement and the parties shall have no further rights, obligations or liability hereunder (except Buyer's obligations under Paragraph 9 above).
- (b) **Obligations and Agreements Relating to Property.** Seller shall operate and maintain the Property in substantially the same manner as prior to Seller's acceptance of this Offer. Seller shall be responsible for and shall perform all obligations and liabilities related to, arising out of or in connection with the Property accruing prior to the Close of Escrow. Seller is not and shall not be in breach of any obligation secured by or relating to the Property. Seller shall not: (i) enter into or consent to any contracts, agreements, licenses, concessions or financing transactions affecting the Property; or (ii) give any consent or approval under any document or instrument, including any covenants and restrictions affecting the Property, which consent or approval would affect the Property, its value or the use thereof by Buyer. From and after the date that Buyer has waived or satisfied all of Buyer's Conditions pursuant to Paragraph 10 above, Seller shall not enter into any new leases, or amend existing leases, without Buyer's consent; Buyer's failure to object thereto within ten (10) days following delivery of notice thereof by Seller shall be deemed to reflect Buyer's consent.
- (c) **Documents and Information.** All documents and agreements delivered to Buyer pursuant to Paragraphs 8(a) and (b) above are, as of the date of delivery, in full force and effect, contain all of the rights and obligations of the parties, and no party is in breach, default or violation of any such documents or agreements, nor does any condition exist which, with the lapse of time or giving of notice, would constitute a breach, default, or violation thereof. Except as described in those documents delivered in accordance with Paragraphs 7 and 8, no person or entity (other than Seller) has any right, title or interest in or to the Property. Except as described in those documents delivered in accordance with Paragraph 8(b), no service contract or other contract exists which would affect the Property after the Close of Escrow. All of the plans, specifications, reports, documents and other materials which Seller shall provide to Buyer in connection with Buyer's review of the Property shall be complete, true and correct. The information delivered to Buyer pursuant to Paragraph 8(e) is true and correct and accurately reflects the income and expenses of the Property for the period of time specified therein.
- (d) **Compliance With Law.** To the best of Seller's knowledge: (i) the Real Property complies with all applicable laws, ordinances, rules and regulations, including zoning, subdivision, building, life safety and other land use and environmental laws, regulations and codes, and conditions to permits or approvals given by any governmental authority; and (ii) there exists no violation of any permit or approval applicable to the use or operation of the Real Property which would constitute grounds for revocation or termination of such permit or approval.
- (e) **Pending Litigation and Assessments.** Seller has no knowledge of any litigation, action or claim, whether pending or threatened, nor any facts which would form the basis of such a claim, which may have a material, adverse effect on the Property. Seller has no knowledge of and has not

received notice of any pending proceeding for condemnation or under the powers of eminent domain, or for the imposition of or the formation of a special assessment district, the lien of which would encumber the Real Property. To the best of Seller's knowledge, there are no pending bankruptcy or receivership proceedings affecting Seller, the Property, or any tenants in the Property.

- (f) **Authority.** The person executing this Agreement on behalf of Seller is duly authorized to do so, and this Agreement, once it has been executed by Buyer and Seller, shall be binding upon Seller. If requested by Buyer, Seller shall provide Buyer with documentary or other evidence demonstrating, to Buyer's reasonable satisfaction, that the person executing this Agreement on behalf of Seller is authorized to do so.
- (g) **Non-Foreign Status.** Seller is not a foreign person, foreign corporation, foreign partnership, foreign trust or foreign estate as those terms are defined in the Internal Revenue Code and Regulations thereunder. Prior to the Close of Escrow, Seller shall deliver to Buyer an affidavit meeting the requirement of Internal Revenue Code Section 1445 (b) (2), stating the Seller is not a foreign person and setting forth Seller's United States employer identification number and Seller's business address. At the Close of Escrow, Seller shall deliver to Buyer: (i) if Seller's permanent place of business is located in California or Seller is a resident of California, a completed and executed California Form 590 certifying, among other things, that Seller's permanent place of business is located in California or Seller is a resident of California; or (ii) if Seller's permanent place of business is not located in California or Seller is not a resident of California, a completed and executed California Form 597 certifying, among other things, that Seller's permanent place of business is not located in California or Seller is not a resident of California. If clause (ii) is applicable to Seller, then Title Company shall withhold from Seller an amount equal to three and one-third percent (3-1/3%) of the Purchase Price and pay such withheld amount to the California Franchise Tax Board within twenty (20) days after the Close of Escrow. Seller is not a "foreign person" within the meaning of Internal Revenue Code Section 1445(F)(3).

(h) **Other.** NONE

Except to the extent of Seller's express representations and warranties contained above, Buyer acknowledges that it is purchasing the Property completely "AS IS" in its present condition, with no warranty or representation, either express or implied, by either Seller or Broker.

13. NATURAL HAZARDS AND EARTHQUAKE SAFETY DISCLOSURE.

- (a) Seller shall deliver a Natural Hazards Disclosure Report to Buyer within 5 days following the Effective Date. Within five (5) business days after Buyer's receipt of said Disclosure Report, Buyer shall deliver a duly countersigned copy of the same to Escrow Agent, with a copy to Seller and Seller's Broker. Escrow Agent shall be instructed that the Escrow shall not close unless and until Escrow Agent has received the Disclosure Report duly signed by Buyer.
- (b) If (1) the Property is located in the State of California, (2) the Improvements were constructed prior to 1975, and (3) the Improvements include structures with (i) pre-cast (e.g., tilt-up) concrete or reinforced masonry walls together with wood frame floors or roofs or (ii) unreinforced masonry walls, California law requires that Seller or Seller's Broker provide Buyer with a copy of the Commercial Property Owner's Guide to Earthquake Safety (the "Booklet") published by the California Seismic Safety Commission. Seller and Seller's Broker hereby inform Buyer that the Property:
- meets the foregoing requirements, and Seller and Seller's Broker are required to provide Buyer with a copy of the Booklet. Seller or Seller's Broker shall, within five (5) business days of the Effective Date, deliver to Buyer a copy of the Booklet and a completed "Commercial Property Earthquake Weakness Disclosure Report" contained in the Booklet duly executed by Seller. Within five (5) business days of Buyer's receipt of said Disclosure Report, Buyer shall deliver a duly countersigned copy of the same to Escrow Agent, with a copy to Seller and Seller's Broker. Escrow Agent is hereby instructed that the Escrow shall not close unless and until Escrow Agent has received the Disclosure Report duly signed by both Seller and Buyer [or]
- does not meet the foregoing requirements requiring the delivery of the Booklet [check one].

- 14. AMERICANS WITH DISABILITIES ACT.** Buyer and Seller acknowledge and understand that an owner of real property may be subject to the Americans With Disabilities Act (the "ADA"), a federal law codified at 42 U.S.C. Section 12101, *et seq.* Among other requirements of the ADA that could apply to

the Property, Title III of the ADA requires owners of "public accommodations" to remove barriers to access by disabled persons and provide auxiliary aids and services for hearing, vision or speech impaired persons by January 26, 1992. The regulations under Title III of the ADA are codified at 28 C.F.R. Part 36.

15. **SELLER'S DELIVERY OF DOCUMENTS INTO ESCROW.** Prior to the Close of Escrow, Seller shall deposit the following documents and instruments into Escrow:
- (a) A grant deed to the Real Property;
 - (b) A bill of sale for the Personal Property, and an assignment of all warranties covering the Personal Property;
 - (c) Originals of all documents delivered to Buyer pursuant to Paragraphs 8(a) and (b) above and a written assignment of Seller's interest in such documents, which assignment shall be in form and substance acceptable to Buyer;
 - (d) If all or any portion of the Real Property will remain leased to tenants after the Close of Escrow ("Existing Leases"), estoppel certificates for, and an assignment of Seller's interest in, such Existing Leases, all in form and substance mutually acceptable to Buyer and Seller;
 - (e) If Buyer is to assume or acquire title to the Real Property subject to any Existing Financing, a beneficiary statement pursuant to California Civil Code Section 2943;
 - (f) All affidavits and forms required by Paragraph 12(g) above, in Title Company's standard form; and
 - (g) Such other documents as Title Company may require and as may be necessary to close the transaction in accordance with the terms of this Agreement.
16. **BUYER'S DELIVERY OF DOCUMENTS INTO ESCROW.** Prior to the Close of Escrow, Buyer shall deliver the following to Escrow Agent:
- (a) The cash balance of the Purchase Price plus additional sums as may be necessary to pay Buyer's share of the Closing Costs as set forth below;
 - (b) Executed acknowledgements of receipt of the Natural Hazards Disclosure Report and (if applicable) Commercial Property Earthquake Weakness Disclosure Report;
 - (c) Executed assumption of Seller's interest in and to all documents delivered to Buyer pursuant to Paragraphs 8(a) and (b) above
 - (d) If all or any portion of the Real Property will remain leased to tenants after the Close of Escrow, an executed assumption of Seller's interest in such leases;
 - ~~(e) If Buyer is to assume any Existing Financing, an executed assumption agreement and such other and further documentation thereof as any existing lender may reasonably require; and~~
 - (f) Such other documents as Title Company may require and as may be necessary to close the transaction in accordance with the terms of this Agreement.
17. **PRORATIONS.** The following items shall be prorated as of the Close of Escrow, on the basis of a 360-day year: if applicable, rents under all leases in effect as of the Close of Escrow (with Buyer receiving a credit for all rentals required to have been paid for any period of time ending after the Close of Escrow, whether or not actually paid); real property taxes and assessments (if any); interest on the Existing Financing (if any); water, sewer and utility charges; amounts payable under any service contracts approved by Buyer; insurance premiums on policies approved and assumed by Buyer; and other expenses normal to the operation and maintenance of the Property. Buyer shall be entitled to a credit against the Purchase Price for the total sum of all security and other deposits paid to Seller by tenants under any leases affecting the Real Property. Buyer shall be debited against the Purchase Price for an amount equal to the balance in any impound account transferred to Buyer at Close of Escrow. Any item to be prorated that is not determined or determinable at the Closing shall be promptly adjusted by the Parties by appropriate cash payment outside of Escrow when the amount due has been determined

18. CLOSING COSTS.

- (a) **Fees of Title Company.** Any and all costs of Title Company (other than the title insurance premium), including without limitation, escrow fees, recording fees, notary fees and document preparation costs, shall be paid by Buyer] or Seller] or per custom in the County in which the property is located], or 50% by Seller and 50% by Buyer.
- ~~(b) **Loan Assumption Fees.** Any fees required to be paid in order to assume the Existing Financing or to take the Real Property subject to the Existing Financing shall be paid by Buyer [or] Seller [check one].~~
- (c) **Title Insurance Premium.** The premium for the standard coverage ALTA title insurance policy described in Paragraph 7 above shall be paid by Buyer] or Seller] or shall be allocated between Buyer and Seller as follows: _____] [check one]. The extra premium attributable to an ALTA extended coverage policy shall be paid by Buyer] or Seller] [check one]. The cost of any survey that may be required in order to obtain an ALTA title policy shall be paid by Buyer] or Seller] [check one].
- (d) **Transfer Tax.** Any County transfer tax shall be paid ____% by Buyer and **100%** by Seller. Any City transfer tax shall be paid ____% by Buyer and **100%** by Seller.
- (e) **Sales Tax.** Any sales tax be paid by Buyer] or Seller] [check one].
- (f) **Other.** Any other closing costs shall be allocated between Buyer and Seller according to the custom then prevailing in the County in which the Real Property is located.

19. POSSESSION. Seller shall deliver all keys and possession of the Property to Buyer upon Close of Escrow, subject to any Existing Leases.

20. DESTRUCTION OF PROPERTY. If the Property is materially damaged or destroyed between the date the Buyer and Seller fully execute this Agreement and the Close of Escrow, then the Agreement shall, at Buyer's election, be terminated. If terminated, Buyer and Seller shall be relieved of any obligations created by this Agreement and all deposits made by Buyer and any interest earned thereon shall be returned to Buyer. If Buyer elects to accept the Property in its then condition, all proceeds of insurance payable to Seller by reason of such damage or destruction shall be paid to Buyer.

21. BROKERAGE COMMISSION.

- (a) **Commission.** Seller shall pay to Broker a brokerage commission in accordance with the Schedule of Commission For Sale agreement entered into by the City of King and Cushman & Wakefield. However, if the Close of Escrow is prevented by a default of Buyer or Seller under this Agreement, then the defaulting party shall pay such brokerage commission to Broker on the date on which Escrow would have closed absent such default. Seller shall assign a portion of Seller's proceeds from escrow sufficient to pay Seller's commission obligation hereunder. This Offer, when accepted by Seller, shall constitute irrevocable instructions to Title Company to pay such brokerage commission to Broker as specified above, in cash through escrow upon the close of escrow or upon recordation of the deed or other evidence of title, whichever occurs first.
- (b) **No Other Commissions.** Buyer and Seller represent and warrant to each other and to Broker that no commission or finder's fee is payable with regard to this transaction, other than the commission to Broker specified in Paragraph 21(a) above. Buyer and Seller shall indemnify, defend, protect and hold each other and Broker harmless from and against all costs, damages, claims, actions, causes of action, liabilities and expenses (including reasonable attorneys' fees) arising out of or related to the breach of the foregoing representation and warranty.

22. LIQUIDATED DAMAGES. IN THE EVENT THAT THE ESCROW AND THIS TRANSACTION FAIL TO CLOSE SOLELY AS A RESULT OF THE DEFAULT OF BUYER IN THE PERFORMANCE OF ITS OBLIGATIONS UNDER THIS AGREEMENT, BUYER AND SELLER AGREE THAT SELLER'S ACTUAL DAMAGES WOULD BE IMPRACTICABLE OR EXTREMELY DIFFICULT TO FIX. THE PARTIES THEREFORE AGREE THAT IN THE EVENT THAT ESCROW AND THIS TRANSACTION FAIL TO CLOSE SOLELY AS A RESULT OF THE DEFAULT OF BUYER IN THE PERFORMANCE OF ITS OBLIGATIONS HEREUNDER, AND SELLER IS READY, WILLING AND ABLE TO PERFORM ITS

OBLIGATIONS HEREUNDER, SELLER, AS SELLER'S SOLE AND EXCLUSIVE REMEDY, IS ENTITLED TO LIQUIDATED DAMAGES IN THE AMOUNT OF \$ _____ [OR: EQUAL TO THE AMOUNT OF ALL DEPOSITS MADE PRIOR TO THE DATE OF DEFAULT] (*CHECK ONE*). IN THE EVENT THAT BUYER SUBSEQUENTLY REQUESTS ANY MODIFICATION OF THIS AGREEMENT WHICH IS GRANTED BY SELLER SUBJECT TO RECEIPT OF AN ADDITIONAL DEPOSIT(S), BUYER EXPRESSLY UNDERSTANDS AND AGREES THAT THE AMOUNT OF SUCH ADDITIONAL DEPOSIT(S) IS REASONABLY INTENDED TO COMPENSATE SELLER IN THE EVENT OF A BREACH OF THIS AGREEMENT UNDER SUCH MODIFIED TERMS, AND THEREFORE SUCH ADDITIONAL DEPOSIT(S) SHALL LIKewise BE TREATED AS LIQUIDATED DAMAGES IN THE EVENT OF BUYER'S BREACH. IN THE EVENT ESCROW FAILS TO CLOSE SOLELY AS A RESULT OF BUYER'S DEFAULT AND SELLER IS READY, WILLING AND ABLE TO PERFORM ITS OBLIGATIONS HEREUNDER, THEN (A) THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF BUYER AND SELLER HEREUNDER AND THE ESCROW CREATED HEREBY SHALL TERMINATE, AND (B) ESCROW AGENT SHALL, AND IS HEREBY AUTHORIZED AND INSTRUCTED TO, RETURN PROMPTLY TO BUYER AND SELLER ALL DOCUMENTS AND INSTRUMENTS TO THE PARTIES WHO DEPOSITED THE SAME. THE PAYMENT OF SUCH AMOUNT PROVIDED HEREIN AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677. SELLER HEREBY WAIVES THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 3389. SELLER AND BUYER ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE PROVISIONS OF THIS PARAGRAPH 22, AND BY THEIR INITIALS IMMEDIATELY BELOW AGREE TO BE BOUND BY ITS TERMS.

Buyer's Initials

Seller's Initials

23. **NOTE:** The following paragraph is applicable **ONLY** if separately initialed by both parties. If Buyer initials and the Seller fails to initial, then [check one] this Agreement shall be null and void and of no force or effect, or this Agreement shall be effective but the following paragraph shall be deemed deleted by the parties.

ARBITRATION OF DISPUTES. Any dispute or claim, either at law or in equity, arising out of this contract or any resulting transaction shall be decided by neutral binding arbitration in accordance with the rules of the American Arbitration Association, and not by court action except as provided by California law for judicial review of arbitration proceedings. Judgment upon the award rendered in such arbitration proceeding may be entered in any court having jurisdiction thereof. In the arbitration proceeding, the parties shall have the right to discovery in accordance with California Code of Civil Procedure Section 1283.05. Notwithstanding the foregoing, the following matters are excluded from arbitration hereunder: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or real property sales contract as defined in California Civil Code Section 2985; (ii) an unlawful detainer action; (iii) the filing or enforcement of a mechanics' lien; (iv) any matter which is within the jurisdiction of a probate court; or (v) an action for bodily injury or wrongful death, or for latent or patent defects to which California Code of Civil Procedure Section 337.1 or Section 337.15 applies. The filing of a judicial action to enable the recording of a notice of pending action, or to request an order of attachment, receivership, preliminary injunction or other provisional remedy, shall not constitute a waiver of the right to arbitrate under this provision.

NOTICE: BY INITIALLING IN THE SPACE BELOW, YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALLING IN THE SPACE BELOW, YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER

AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

BY INITIALLING BELOW WE ACKNOWLEDGE THAT WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION TO NEUTRAL ARBITRATION.

Buyer's Initials

Seller's Initials

24. **BROKER DISCLOSURE.** Buyer, Seller and Broker acknowledge and agree as to the matters specified in this Paragraph 24.
- (a) **Condition of Property.** Broker has not made, and is not making, any representations or warranties with respect to the physical condition of the Property, including without limitation the condition of the Property with respect to Hazardous Materials. Broker has not made an investigation of the Property or a determination regarding the physical or environmental condition of the Property, including without limitation the existence or nonexistence of underground tanks, sumps, piping or any other factors indicating the possible presence of Hazardous Materials on the Property. Broker has no expertise and is not qualified to evaluate the Property with respect to the presence of Hazardous Materials. Buyer acknowledges that it understands that there are substantial potential liabilities under environmental laws associated with the ownership, possession or control of real property on which Hazardous Materials are located. Broker hereby advises Buyer to obtain independent professional and technical advice in connection with the matters described in this Paragraph 24(a). Buyer acknowledges that it will rely solely on its own investigation of all matters pertaining to the condition of the Property, and is not relying upon Broker for any such matters.
- (b) **Reports.** Broker does not represent or warrant the accuracy or completeness of any documents or other information supplied to Buyer, except for those documents which Broker has itself prepared based on its own first-hand knowledge.
- (c) **Indemnification.** Buyer and Seller shall indemnify, defend, protect and hold Broker harmless from and against all costs, damages, claims, actions, causes of action, liabilities and expenses (including the reasonable attorneys' fees of counsel chosen by Broker), arising out of or related to the physical condition of the Property, any reports supplied to Buyer or any of the other matters described in this Paragraph 24.
- (d) **Consult with Your Legal and Tax Counsel.** Buyer and Seller acknowledge that they have been advised by Broker to consult and retain their own experts to advise and represent them concerning the legal and tax consequences of this Agreement, as well as the condition and legality of the Property (including, without limitation, the applicability of the ADA to the Property), the improvements and equipment located thereon, the soil thereof, the condition of title thereto, the environmental aspects thereof, the permitted use thereof, the existence and nature of any tenancies therein, the existence and status of any other agreements relating to the Property, and the status of any existing or contemplated future financing affecting the Property. Broker is not responsible for pursuing the investigation of any such matters.
- (e) **Disclosures Regarding the Nature of a Real Estate Agency Relationship.** The parties and Broker agree that their relationships shall be interpreted under the principles set forth in California Civil Code, Section 2079.16, as summarized herein. When entering into a discussion with a real estate agent regarding a real estate transaction, a buyer or seller should from the outset understand what type of agency relationship or representation it has with the agent or agents in the transaction. Buyer and Seller acknowledge being advised by Broker in this transaction, as follows:
- (1) **Seller's Agent.** A seller's agent under a listing agreement with the seller may act as the agent for the seller only. A seller's agent or subagent has the following affirmative obligations: (i) to the seller, a fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the seller; and (ii) to the buyer and the seller, diligent exercise of reasonable skill and care in performance of the agent's duties, a duty of honest and fair dealing and good faith, and a duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties. An agent is not obligated to reveal to either party any confidential information obtained from the other party which does not involve the affirmative duties set forth above.

- (2) **Buyer's Agent.** A selling agent can, with a buyer's consent, agree to act as agent for the buyer only. In these situations, the agent is not the seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the seller. An agent acting only for a buyer has the following affirmative obligations: (i) to the buyer, a fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the buyer; and (ii) to the buyer and the seller, diligent exercise of reasonable skill and care in performance of the agent's duties, a duty of honest and fair dealing and good faith, and a duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties. An agent is not obligated to reveal to either party any confidential information obtained from the other party which does not involve the affirmative duties set forth above.
- (3) **Agent Representing Both Seller And Buyer.** A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the seller and the buyer in a transaction, but only with the knowledge and consent of both the seller and the buyer. In a dual agency situation, the agent has the following affirmative obligations to both the seller and the buyer: (i) a fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the seller or the buyer; and (ii) other duties to the seller and the buyer as stated above in their respective sections (1) or (2) of this Paragraph 24(e). In representing both the seller and buyer, the agent may not, without the express permission of the respective party, disclose to the other party that the seller will accept a price less than the listing price or that the buyer will pay a price greater than the price offered.
- (4) **Agent Not Competent to Give Professional Legal or Tax Advice.** The above duties of the agent in a real estate transaction do not relieve a seller or a buyer from the responsibility to protect their own interests. The buyer and the seller should carefully read all agreements to assure that they adequately express their understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, a competent professional should be consulted.
- (5) **Further Disclosures.** Throughout this transaction Buyer and Seller may receive more than one disclosure, depending upon the number of agents assisting in the transaction. Buyer and Seller should each read its contents each time it is presented, considering the relationship between them and the real estate agent in this transaction and that disclosure.
- (f) **Dual Agency: Broker Representation.** Buyer and Seller acknowledge that Broker in this transaction is representing only Buyer or only Seller or is acting as a dual agent in this transaction) *[check one]*. If Broker and its agents shall act as agents for both Buyer and Seller, Broker and its agents may have, or appear to have conflicting responsibilities because of their duties to both Buyer and Seller. Buyer and Seller understand and consent to Broker's and its agents' acting on behalf of both Buyer and Seller, and acknowledge that they have consented to such actual or potential conflict of interest.
25. **TAX-DEFERRED EXCHANGE.** If either party hereto (the "Exchanging Party") desires to effect a tax-deferred exchange pursuant to Internal Revenue Code Section 1031, then the other party (the "Cooperating Party") shall cooperate with the Exchanging Party, provided that: (i) the date for the Close of Escrow set forth in this Agreement shall not be delayed; (ii) the Cooperating Party shall incur no additional expense by reason of such cooperation; (iii) the Cooperating Party shall not be required to acquire title to any property in order to effect such exchange; and (iv) the Exchanging Party shall indemnify, defend, protect and hold the Cooperating Party harmless from and against all costs, damages, claims, actions, causes of action, liabilities and expenses (including the reasonable attorneys' fees of counsel chosen by the Cooperating Party), arising out of or related to the Cooperating Party's participation in such exchange.
26. **MISCELLANEOUS.**
- (a) **Attorneys' Fees.** If Buyer or Seller sues to enforce an express provision of this Agreement, then the prevailing party shall be entitled to recover, in addition to any other relief, reasonable attorneys' fees and costs. If Broker sues Buyer and/or Seller to recover its brokerage commission, then Broker shall be entitled to recover from those parties, in addition to any other relief, Broker's reasonable attorneys' fees and costs.
- (b) **Governing Law.** This Agreement shall be governed by and interpreted in accordance with the laws of the State of California.

- (c) **Successors and Assigns.** This Agreement shall inure to the benefit of, and be binding upon, Buyer and Seller and their respective heirs, representatives, successors and assigns; provided, however, that Buyer shall have the right to assign this Agreement only with Seller's prior written consent. Notwithstanding anything to the contrary contained in this Agreement, Seller shall not unreasonably withhold its consent to Buyer's assignment of all of its rights and obligations under this Agreement to any partnership, corporation or other entity, a majority interest of which is owned or controlled by Buyer.
- (d) **Notices.** The address of each party for the purposes of all notices permitted or required by this Agreement is as follows:

Buyer: Mission Holdings TIC
117 N. 1st Street
King City, CA 93927

Tel: (831) 682-3977 Fax:
Attention: John Romans
Email:

Seller: City of King
212 S. Vanderhurst Avenue
King City, CA 93930

Tel: (831) 386-5917 Fax:
Attention: Steve Adams
Email:
sadams@kingcity.com

Broker: Cushman & Wakefield U.S., Inc.
328 B Main Street
Salinas, CA 93901
Tel: (831) 737-1124 Fax: (831) 769-0314
Attention: Michael Bassetti / Leticia Bugarin
Email: michael.bassetti@cushwake.com
leticia.bugarin@cushwake.com

The notice address of any party set forth above may be changed by written notice given not less than five (5) days prior to the date such change is to be effected. All notices under this Agreement shall be in writing, shall be properly addressed and shall be sent by (i) personal delivery, (ii) United States Mail (certified, return receipt requested and postage prepaid), or (iii) Federal Express or similar overnight courier delivery service. All such notices shall be considered delivered: (a) if personally delivered, on the date of delivery; (b) if sent by United States Mail in the manner prescribed above, on the date shown on the return receipt for acceptance or rejection; or (c) if sent by overnight courier delivery service, on the date of delivery as shown by the delivery record of such service. In the alternative, if a facsimile or email address is provided above, notices may be given by facsimile or electronic transmission, during regular business hours, addressed to the facsimile or email addresses above, provided that the notice is also deposited for delivery via one of the methods specified in (i), (ii), or (iii) above on the same day; and such notices shall be deemed delivered on the date of confirmed electronic or facsimile transmission or, if transmission occurs after business hours, on the first business day following the time of transmission.

- (e) **Time of Essence.** Time is of the essence of this Agreement and each and every provision hereof.
- (f) **Survival.** All representations, warranties, indemnities and other obligations contained in this Agreement shall survive the Close of Escrow and shall not be deemed merged into any instrument conveying title to Buyer.
- (g) **Signing in Counterpart.** This agreement and any supplement, addendum or modification relating hereto, including any photocopy or facsimile thereof, may be executed in two or more counterparts, all of which shall constitute one and the same writing.

(h) **Additional Provisions.** If so indicated below, see the Addendum, attached hereto and incorporated herein by reference, containing additional Paragraphs __ through __. A separate Addendum is [or] is not [check one] attached hereto.

27. CITY COUNCIL APPROVAL: This Agreement is contingent upon approval of the City Council of the City King. Should the City Council not approve of the transaction on or before February 27, 2018, Buyer and Seller shall be released from all obligations created by this Agreement, (except Buyer's obligations under Paragraph 9 above) and the Initial Deposit delivered to Title Company by Buyer, shall be returned to Buyer, and all documents delivered to Buyer by Seller, shall be returned to Seller.

28. EXISTING LEASE: Notwithstanding any other provision of this Agreement, it is expressly understood that all or a portion of the Property is being sold subject to an existing lease with Mission Ranches ("Lease"), and Buyer agrees to take the Property with said encumbrance. This Agreement shall constitute an assignment of all rights and interests of the Seller, including the right to lease payments to Buyer, effective as of the close of escrow. Buyer agrees to defend, hold harmless and indemnify Seller and each of its officers, officials, employees, agents and volunteers from any and all loss, liability, fines, penalties, forfeitures, costs and damages (whether in contract, tort or strict liability, including but not limited to personal injury, death at any time and property damage) incurred by Seller or any other person, an from any and all claims, demands, liabilities, damages and actions in law or equity (including attorney's fees and litigation expenses incurred by Seller or held to be the liability of the Seller, including plaintiff's attorney's fees if awarded), arising or alleged to have arisen directly or indirectly out of the Lease or the performance of the Lease. Buyer's obligations under the preceding sentence shall apply regardless of whether Seller or any of its officers, officials, employees, agents or volunteers are passively negligent, but shall not apply to any loss liability, fines, penalties, forfeitures, costs or damages caused by the active or sole negligence, or the willful misconduct, of Seller or any of its officers, officials employees, agent or volunteers. This section shall survive termination or expiration of the Agreement.

THIS FORM IS NOT INTENDED FOR USE IN CONNECTION WITH THE SALE OF RESIDENTIAL PROPERTY

IN WITNESS WHEREOF, Buyer and Broker have executed this Agreement as of the date first above written.

BUYER:

BY: _____
 TITLE: _____
 DATE: _____, 20__

CUSHMAN & WAKEFIELD U.S., INC.

BY: _____
 LICENSE #: _____
 TITLE: _____
 DATE: _____, 20__

ACCEPTANCE BY SELLER

By signing in the space provided below, Seller hereby accepts the Agreement and agrees to be bound by all of the terms, covenants and conditions contained therein.

SELLER:

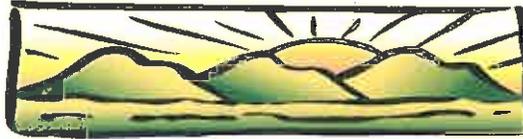
BY: _____
 TITLE: _____
 DATE: _____, 20__



CUSHMAN & WAKEFIELD U.S., INC

BY: _____
LICENSE #: _____
TITLE: _____
DATE: _____, 20____

Initials: _____



KING CITY
C A L I F O R N I A

Item No. 11(A)

REPORT TO THE CITY COUNCIL

DATE: FEBRUARY 27, 2018

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: MIKE HOWARD, DIRECTOR OF FINANCE

RE: CONSIDERATION OF MID-YEAR FINANCIAL REPORT AND BUDGET ADJUSTMENTS

RECOMMENDATION:

It is recommended City Council receive the City of King Mid-Year Financial Report and approve the recommended Mid-Year Budget Adjustments.

BACKGROUND:

As part of the regular budget monitoring process, the Finance Director, along with staff conducts a mid-year review of the City Council approved budget for the fiscal year. This report presents the City's financial condition in the current fiscal year based on actual revenues and expenditures performance for the six-months ending December 31, 2017 as compared to the FY 17-18 budget approved by the City Council in June 2017.

It is important to note that year-end estimates are only projections at this point and are very difficult to accurately forecast. However, staff feels that the projections are conservative and should be in line with what actual revenue and expenditures will be at June 30, 2018.

As part of the mid-year review, each department also provides an update on budget goals that were established for the fiscal year. Therefore, a status report of departmental goals for FY 2017-18 is attached.

DISCUSSION:

General Fund

While progress is continuing to be made in stabilizing the City's budget, the City has continued to experience a few unanticipated impacts on expenses and revenues during the first half of the fiscal year that could result in additional

**CITY COUNCIL
CONSIDERATION OF MID-YEAR FINANCIAL REPORT AND BUDGET
ADJUSTMENTS
FEBRUARY 27, 2018
PAGE 2 OF 4**

increases and decreases in the fiscal year-end fund balance in the General Fund. A summary of the recommended budget amendments to account for these are below:

REVENUES

EXPENDITURES

Due to the reduction in Cannabis Revenue and the RSTP Grant that the city did not receive the Capital Projects associated with that revenue is being removed from the budget at this time. All other increases and decreases are relatively minor.

The proposed Mid-Year adjustments will improve on the financial position of the General fund by approximately \$83,000 when compared to the Original Budget.. As identified in the attached summary, expenditures are anticipated to exceed revenues by \$411,874. However, as explained when the budget was originally approved, this figure includes carryover expenditures, but not revenues. When those are factored in, the budget is projected to be balanced for FY 2017-18.

**CITY COUNCIL
CONSIDERATION OF MID-YEAR FINANCIAL REPORT AND BUDGET
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Enterprise Funds

The Sewer Enterprise fund is reporting revenues at 36.8% of the annual budget for the fiscal year, whereas expenditures are only at 24.8%. The following budget amendment is being recommended:

EXPENDITURES

- Increase Engineering & Project Costs \$58,794

Special Revenue Funds

The special revenue funds are categorized by type. These funds are activity based; consequently, a comparison on a month to month basis is not usually beneficial. Therefore, this report is presented for your review and is a reflection of six months activity. The current month activity is presented to illustrate the current receipts and/or projects of these special revenue funds.

REVENUES

- Increase SB1 Revenue \$96,622
- Increase FAA Grant Revenue 99,260
- Increase Other Revenue 1,385

EXPENDITURES

- Increase Computer Upgrades \$ 25,000
- Increase Engineering and Contract Services 199,016
- Decrease in Miscellaneous Expenditures 1,348

Successor Agency

The Successor Agency is a Private Purpose Trust Fund and is presented for your information. Repayment of all third party loans has been completed and the majority of the former CDA land assets have been sold. Due to the refunding of the outstanding bonds in the previous fiscal year, the Agency is now in a position where there are Excess Funds compared to the outstanding obligations. In the current fiscal year that will result in an increase to the General Fund by approximately \$40,000. This amount will increase in the coming years.

COST ANALYSIS:

The General Fund budget adjustments will result in projected improvement over the Original Budget by approximately \$83,000. When factoring carryover revenues, the FY 2017-18 is projected to be balanced and includes a payment to reduce the General Fund debt by \$500,000..

**CITY COUNCIL
CONSIDERATION OF MID-YEAR FINANCIAL REPORT AND BUDGET
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ALTERNATIVES:

The following alternatives are provided for Council consideration:

1. Receive the Mid-Year Financial Report and Approve the Mid-Year Budget Adjustments.
2. Modify or eliminate some of the proposed adjustments.
3. Do not approve the Budget Adjustments and request changes to the Mid-Year Financial Report.
4. Provide other direction to staff.

Exhibits:

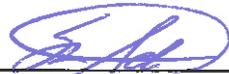
1. Mid-Year Financial Report
2. Status Report on FY 2017-18 Department Goals

Submitted by: _____



Mike Howard, Finance Director

Approved by: _____



Steven Adams, City Manager

City of King

**Actual vs Budget Comparison - Mid-Year
As of December 31, 2017**

General Fund

<u>Account Title</u>	<u>Year-to-Date</u>	<u>Original Budget FY 2017-2018</u>	<u>Amended Budget FY 2017-2018</u>	<u>Year-End Projection</u>
General Revenues:				
Transfers In	-	607,500	607,500	607,500
Property Taxes	572,033	964,400	964,400	1,068,400
Sales and Use Tax & Triple Flip	506,604	1,329,000	1,329,000	1,377,985
Sales and Use Tax - Voter Approved	273,116	795,000	795,000	826,000
Motor Vehicle In Lieu Tax / VLF Adj	447,373	886,500	886,500	886,500
Transient Occupancy Tax	223,280	400,000	400,000	400,000
Cannabis Taxes & Licenses	132,218	450,000	450,000	350,000
Other Taxes	11,948	20,000	20,000	20,000
Franchise Fees	184,704	493,000	493,000	493,000
Business License	17,391	85,000	85,000	85,000
License & Permits	84,562	228,250	228,250	228,250
Use of Money Property	10,112	36,000	36,000	36,000
Intergovernmental	594	1,500	1,500	1,500
Fines and Penalties	11,412	40,500	40,500	40,500
Other Revenue	25,469	1,096,000	1,116,000	218,430
Surplus Property Sales	209,843	1,870,000	1,870,000	1,750,000
Planning Department	37,297	80,000	80,000	80,000
Police Department	6,269	13,000	13,000	13,000
Fire Department	5,326	40,350	40,350	40,350
Building Regulations	18,501	93,300	93,300	93,300
Recreation Services	42,223	76,500	76,500	76,500
	<u>2,820,275</u>	<u>9,605,800</u>	<u>9,625,800</u>	<u>8,692,215</u>
Departmental Net Expenditures:				
City Council	30,409	60,900	64,400	57,168
Elections	-	-	-	-
City Manager / City Clerk	176,001	287,682	302,682	354,583
Finance	67,782	223,263	223,263	223,853
City Attorney	75,815	220,000	260,000	250,000
Civic Center	73,203	72,950	99,950	97,845
Engineering / Planning	252,891	665,235	713,735	748,691
Building & Safety	68,268	222,818	222,818	204,612
Non-Departmental	1,165,890	677,980	877,980	922,469
Police Department	1,407,489	3,762,974	3,775,974	3,767,476
Fire Department	84,871	291,721	291,721	291,721
Public Works	102,886	266,897	266,897	281,493
Parks/Landscaping	173,372	277,725	277,725	297,137
Recreation Services	68,671	219,793	219,793	208,681
City Aquatics Program	84,243	145,060	145,060	177,860
Golf Course	1,173	15,500	15,500	16,000
Transfers Out	456,952	2,690,500	2,754,500	1,204,500
	<u>4,289,916</u>	<u>10,100,998</u>	<u>10,511,998</u>	<u>9,104,089</u>
Excess Revenue Over <Under> Expenditures	<u>(1,469,641)</u>	<u>(495,198)</u>	<u>(886,198)</u>	<u>(411,874)</u>

STATUS REPORT ON FY 2017-18 DEPARTMENT GOALS

City Manager

Goal: Obtain funding and begin design of Downtown Streetscape Plan.

Status: Grant application was denied. Staff is now pursuing smaller individual grants and thus far has received grants for planters and trash and recycling receptacles.

Goal: Complete installation of 100 new streetlights throughout the City.

Status: Installation under way.

Goal: Acquire property for downtown plaza.

Status: Purchase and sale agreement is complete.

Goal: Coordinate development plan and sell Successor Agency Property at 1023 Broadway.

Status: Completed outreach to hotel and commercial developers; entered into contract with Kosmont Associates to prepare hotel and retail development feasibility analysis.

Goal: Complete façade enhancements to buildings on 300 block of Broadway.

Status: Agreements in place and improvements under way for four of the buildings on the north side of the street; plans designed and discussions under way on all other buildings on north side of the street except for one.

Goal: Assist property owners to find tenants to fill vacant commercial buildings.

Status: Outreach under way with a number of individuals involving potential tenants for uses targeted for 300 block of Broadway Street.

Goal: Work with local agricultural businesses to develop new agricultural employee housing projects.

Status: Process under way for four potential agricultural employee housing projects.

Goal: Coordinate efforts and continue submittal of grant applications to implement the Comprehensive Plan to End Youth Violence.

Status: Status report presented to City Council at January 23, 2018 meeting; 16 of 22 measures implemented or under way.

Goal: Submit Community Development Block Grant application for sidewalk improvements and gang prevention programs.

Status: Completed; decision expected in March.

Goal: Complete sale of agricultural properties owned by the City.

Status: Negotiations complete; purchase and sale agreement will be presented to City Council at February 27, 2018 meeting.

Goal: Expand City employee training program.

Status: Met with staff to coordinate training needs; Public Works and Human Resources are coordinating training plan; Public Works has established partnership with other jurisdictions to share training.

Goal: Develop and implement new employee orientation program.

Status: Human Resources Coordinator has completed and implemented new program.

Goal: Continue support and coordination with King City in Bloom to expand beautification efforts.

Status: Under way; a number of significant projects have been completed or under way, including downtown planters, City Hall planters, and upgrade of entrance to San Lorenzo Park.

Goal: Negotiate lease for new hangar at the Mesa Del Rey Airport.

Status: Lessee has placed item on hold.

Goal: Update land leases at Mesa Del Rey Airport.

Status: Staff is gathering information and calculating values.

Goal: Publish and distribute four City newsletters.

Status: Summer, Fall and Winter issues have been distributed on schedule.

Goal: Establish City Facebook page.

Status: Completed.

Goal: Coordinate purchase of equipment and supplies for Emergency Operations Center.

Status: Completed.

Goal: Coordinate with County Office of Emergency Services to conduct EOC training exercises.

Status: Fall exercise completed; Winter exercise scheduled.

Goal: Develop disaster preparedness public education efforts.

Status: Initial information has been publicized; additional materials need to be prepared.

Goal: Work with outside organizations to provide immigration and citizenship programs to the community.

Status: Contract established with Catholic Charities, who has received a grant to extend the program.

Goal: Coordinate with other Salinas Valley jurisdictions to implement National Resource Network project to expand local job training opportunities.

Status: Program is under way.

Goal: Coordinate with County on plan to fund and develop a re-entry one stop center in King City providing comprehensive services to assist parolees and probationers to successfully and constructively re-enter the community.

Status: Grant funding approved; project approved by Planning Commission; City funding approved by City Council; and project expected to be operational by July 2018.

Goal: Coordinate feasibility studies and potential implementation of community choice energy program.

Status: Studies completed; program approved; and launch of program anticipated by June 2018.

Goal: Develop recommendations for potential reuse and disposition of the landfill property.

Status: Initial conceptual feasibility analysis completed for construction of solar power plant; additional feasibility studies necessary.

Goal: Prepare ordinance on commercial recreational cannabis regulations.

Status: Ordinance was drafted and adopted.

Goal: Serve as lead negotiator in labor negotiations.

Status: Labor agreements were extended so full negotiations were not needed.

Goal: Review sale and purchase agreement(s) for proposed sale of City property.

Status: Three purchase and sale agreements have been completed. One additional purchase and sale agreement will require review involving the proposed sale of property adjacent to the wastewater treatment plant.

Goal: Prepare revisions to City regulations and policies regarding records retention.

Status: This will be completed later in the fiscal year.

Goal: Prepare ordinance establishing restrictions on hotel/motel long-term stays.

Status: This ordinance was prepared and adopted.

Goal: Draft new Mesa Del Rey Airport land leases.

Status: This goal is awaiting completion of negotiations by the City Manager.

Goal: Assume responsibility for any personnel related cases and/or actions.

Status: This has been addressed and is ongoing.

Goal: Advise City Council and staff on legal issues.

Status: This has been addressed and ongoing.

Building

Goal: Attend HDL training to increase capability of managing changes to the automated Building Permit system.

Status: This goal has been delayed due to retirement of the full-time Chief Building Official.

Goal: Conduct inspections of all downtown Broadway Street businesses to ensure fire and earthquake safety.

Status: New program is under way.

Goal: Implement new nuisance abatement ordinance in order to upgrade and ensure code compliance of substandard rental buildings and those that harbor ongoing gang activity.

Status: Implementation is under way and progress has been made in improving a number of units.

Goal: Implement bi-lingual education program regarding the requirements for permits and inspections.

Status: Some of the educational materials have been translated. Bi-lingual education will be increased in the future.

Goal: Complete preparation of City ADA Transition Plan.

Status: Phase I has been completed. Phase II will start in FY 2018-19.

Goal: Develop project and annual inspection program for medical marijuana facilities.

Status: Program is in place ready for projects to commence.

Community Development

Goal: Complete archiving of Community Development Department files to include scanning of archives.

Status: Staff has been scanning electronic files for all current projects. However, there is a large amount of archived hardcopy files that are not yet scanned. Staff recommends hiring a summer intern for this project.

Goal: Complete update of the Sign Ordinance and establish a new fast track permit process for sign permit applications that meet established criteria and requirements.

Status: Bi-lingual flyers regarding non-permitted signs were included in the business license renewal package mailed in December 2017. On February 22, 2018, staff will conduct a workshop on the new sign regulations.

Goal: Update and codify the Historic Corridor Revitalization Master Plan.

Status: This would involve drafting of a new ordinance to amend Title 17 Zoning Code, which has been delayed due to cost constraints.

Goal: Update application forms and checklists.

Status: The applications, checklists and forms have been updated.

Goal: Prepare and adopt a wireless ordinance.

Status: Staff received guidance from the City Attorney's office on processing new requests for wireless and co-location projects. Staff no longer believes a new ordinance is needed.

Goal: Develop more online interactive forms.

Status: Staff is considering new forms to simplify the application process for planning projects. Staff anticipates this being completed by the end of the fiscal year.

Goal: Convert forms and checklists to bi-lingual.

Status: Staff is in the process of translating the department checklists. The department has checklists for each different type of application. There are approximately 26 different application types. The goal is to have this completed by the end of the fiscal year.

Goal: Update the Mesa Del Rey Airport Layout Plan (correlate with ERBP-SP update).

Status: The Airport Layout Plan is in draft form at this time. The FAA is reviewing the draft forecast chapter of the ALP. The ALP is anticipated to be completed in March 2018.

Goal: Expand the boundary of the East Ranch Business Park Specific Plan to include all industrial properties (correlate with Mesa Del Rey Airport Layout Plan).

Status: Due to cost constraints, this is no longer projected for this fiscal year.

Goal: Process the fourth amendment to the Arboleda Specific Plan.

Status: No anticipated date has been received yet from Nino Homes on when the fourth amendment to the Arboleda Specific Plan will be submitted.

Goal: Work with property owners and farmers on developing agriculture employee housing projects.

Status: Three to four projects have either been submitted or are in the planning phase. Staff has also prepared a draft seasonal employee housing ordinance, which will designate areas where seasonal employee housing projects will be allowed and will streamline the process for obtaining approval.

Finance

Goal: Create listing of all City leases with amounts and terms.

Status: Files have been identified and the listing will be underway before the fiscal year end.

Goal: Continue to work on General Ledger Consolidation of Accounts.

Status: Starting with some Special Revenue Funds consolidations have begun. This is an on-going project to reduce and combine accounts while still maintaining historical data

Goal: Provide quarterly financial reporting to the Council.

Status: This is still on-going and we plan to do another report in April 2018

Goal: Complete the Fiscal Year Audit by November 30th.

Status: The audit field work was completed and sent to the auditors, however, because of their schedule they were not able to complete their work and issue statements by the end of November. We will continue to work on this to get the financial audit completed earlier each year.

Goal: Continue to look for refinancing opportunities to lower debt service requirements.

Status: All bonds have been evaluated and there not any more that are currently eligible for refunding at this time. We will continue to monitor the interest rates and opportunities in the future.

Goal: Develop and coordinate new process of collecting and tracking medical marijuana tax measures.

Status: We have a process and have had discussing with the banks to make sure we will not have any problems making future deposits.

Goal: Identify strategies for potential increased Airport revenue sources.

Status: This is ongoing and has not been completed at this time.

Police

Goal: Achieve a substantial reduction in homicides and violent crime.

Status: Although calendar year 2017 ended with 3 homicides and 32 shootings, King City has now not experienced a shooting in 3 months.

Goal: Reach full staffing and then maintain a stable staffing level.

Status: Completed; the police department has been at full staffing since its last hire on September 9, 2017.

Goal: Fill the second in command position on a permanent basis.

Status: Completed; Allen Rowe came out of retirement to take this position full time on June 1, 2017.

Goal: In conjunction with results of the Comprehensive Plan to End Youth Violence, develop a strategy to fund a full-time gang detail, including an intel officer and SRO, and approach other partnering agencies such as the School District and neighboring agencies.

Status: The Probation Officer was hired to fill the SRO position and was funded in collaboration with the Probation Department and both school districts. Filling the gang detail officer has been delayed.

Goal: In conjunction with the plan, develop a strategy to fund and install a citywide surveillance camera system at key locations.

Status: Phase 1 of installation is complete. The City has 93 cameras installed at 43 locations citywide. Phase 2 is in design process.

Goal: In conjunction with the plan, implement an initial pilot after-school youth gang prevention program.

Status: The pilot project is under way. Funding was raised from various grants, City and School District contributions, and donations to implement the ProYouth after-school expanded learning program in two of the elementary schools. This is a proven program with 25 years' experience in assisting to divert at risk youth from gangs to success students.

Goal: Increase outreach programs, including:

1. Coordinate and conduct two District Watch meetings.
2. Increase presentations to the public on safety, gangs and domestic violence
3. Reinstate Police Explorer and PAL programs
4. Join "My Neighborhood.com" as another communication tool
5. Increase attendance at community events and activities.
6. Increase foot patrol
7. Establish a community advisory and support group.

Status: The Explorer and PAL programs have not been developed yet, but all other items are under way.

Goal: Develop a plan to upgrade the appearance of the Police Station.

Status: A plan has been established and will progress as funding permits.

- Goal:** Develop and implement training for officers in gang enforcement.
- Status:** All officers have received basic training on gang awareness and validating gang members for court purposes. Several have attended gang the conference in California and more are planned as classes are available.
- Goal:** Complete development and implementation of the new comprehensive training manual and schedule.
- Status:** A comprehensive training plan has been established and all officers are current on the required and desired training being implemented.
- Goal:** Continue implementation of the vehicle replacement program.
- Status:** One patrol vehicle was retired this year due to cost of repairs becoming unsustainable. The two administration dodge charges were placed into the patrol fleet and monies from the Traffic Safety Fund were used to purchase used admin vehicles.
- Goal:** Continue implementation of the replacement program for the mobile data terminals (MDTs).
- Status:** New modem antennas were purchased and installed to resolve connectivity issues and three new MDTs were purchased with vehicle purchases.
- Goal:** Purge old files/records/evidence needs to be purged according to the records retention schedule.
- Status:** All evidence has been inventoried and the accompanying files/records and evidence is being reviewed and purged in accordance with applicable law and policy.
- Goal:** Form additional partnerships with other local agencies, including other police departments, sheriff, social services, civic, non-profits, all with a goal of assisting the community.
- Status:** Several partnerships have been formed to assist in the community, including the prescription drug drop off program, the Child Victim Interview Center, the 4 Cities United grant, and the Major Crimes Unit.
- Goal:** Continue to expand press relations program.
- Status:** Press always receives timely notice and call back; improved relationship has been established with all media.

Goal: Train the PD on the Six Pillars from the Presidential Task Force on 21st Century Policing and integrate these pillars into the workings of the PD.

Status: This was completed with Blue Courage training and is scheduled for an update at the March department staff meeting.

Goal: Complete implementation of all State Audit recommendations and responses.

Status: All items have been approved by the State Auditor's Office except for two, which relate to the evidence audit and inventory recently completed. Therefore, those items will be submitted within the next two weeks.

Goal: Implement full-time gang detail position.

Status: This position has temporarily been delayed, but much of the work is being completed by the Detective Sergeant Positions and Major Crimes Unit Detective.

Public Works

Goal: Replace all stop signs, No Parking signs, and street signs in need of replacement in the northeast quadrant of the city.

Status: Under way; final sign replacement order for needed will be placed in January of 2018.

Goal: Maintain all park turf areas on a weekly basis.

Status: In progress and ongoing.

Goal: Respond to pothole requests within one week.

Status: In progress and ongoing.

Goal: Implement front desk procedures to input and track citizen requests in Citizen Request and Tracking System.

Status: Complete and in effect.

Goal: Design and construct Haven Drive street pavement project.

Status: Complete.

Goal: Update Annual Pavement Management Program.

Status: This program effort is in progress and on schedule.

Goal: Complete Roundabout Project Study Report (PSR) and work on preparing strategy to finance required next steps thru construction.

Status: In progress and ongoing.

Goal: Complete update of the Wastewater Distribution System Master Plan.

Status: Complete.

Goal: Complete preparation of Master Plan for Wastewater Treatment Plant Upgrade.

Status: Complete.

Goal: Coordinate construction of Phase I Downtown Streetscape Improvements.

Status: Grant was not approved so project has been postponed.

Goal: Apply for "Safe Routes to School" grant for ADA ramps and new sidewalks where segments are missing.

Status: A CDBG grant application was submitted for ADA ramps and sidewalk improvements; staff is closely monitoring Caltrans call for projects under "Safe Routes to School".

Goal: Comply with ongoing requirements under the City's permit with the Regional Board and submit Annual Report prior to deadline.

Status: City compliance with Regional Water Quality Control Board Stormwater mandates is current and on-going.

Goal: Coordinate sediment removal from San Lorenzo Creek.

Status: Complete.

Goal: Construct Lonoak railroad crossing safety improvements and install wastewater line under railroad tracks.

Status: In-progress and on-schedule.

Goal: Coordinate study and improvements to irrigation at major City parks.

Status: Underway and on-schedule; staff has identified and repaired various irrigation leaks in City parks and landscape areas.

Goal: Develop emergency airport fueling capabilities at Mesa Del Rey Airport.

Status: Staff coordinated with fuel company to ensure minimum fuel levels; Airport Layout Plan consultants are providing options for permanent redundancy measures.

Goal: Increase run time on aerators at the Wastewater Treatment Plant ponds to improve odor control to take advantage of new solar system.

Status: Complete.

Goal: Coordinate development of Mesa Del Rey Airport Layout Plan.

Status: Draft is complete and will be presented to City Council in March.

Goal: Implement quarterly alley maintenance program.

Status: Complete and ongoing.

Goal: Develop schedule and work plan for maintenance of City parks, facilities and right-of-way.

Status: In progress and on schedule.

Recreation

Goal: Increase youth participation in programs by offering incentives for participation for both youth and parents.

Status: Implemented registration fee waiver for players whose parents volunteered to coach a team; offered coaching support to volunteers; and increased advertising for coaches on Facebook and using email.

Goal: Partner with local businesses to offer increased youth activities, including King City Cinemas and Salinas Valley Fair.

Status: Organized eight field trips to the King City Cinemas for winter and summer day camps; offered eight children's and adult paint classes with local artist Corali Ramirez; and Summer Day Camp walked to KCHS 80 percent of daycamp days to utilize the free lunch program at the school.

Goal: Develop joint use agreement with Salinas Valley Fairgrounds to expand recreation programs and expand adult programming to include volleyball and basketball.

Status: Met with Salinas Valley Fairgrounds Executive Director to begin preliminary discussion for expanding facilities and programming at the Expo building; received grant from South Monterey County Community Foundation to help

offset costs for Recreation basketball program and Chalone Peaks Middle School Volleyball and Basketball programs; and adult open gym basketball numbers remained consistent with past years.

Goal: Implement new cash handling procedures and attendance tracking for pool staff.

Status: Obtained new cash register at the pool office which tracks attendance, registrations and prints report, which staff uses to balance cash drawer at the end of the day; deposits and receipts are counted and checked by cashier and signed off by Pool Manager before turning into City Hall for daily deposit.

Goal: Plan and fund Pool Facility Improvement including new tiles, shade structures, lockers, and locker room.

Status: Pool tiles were professionally cleaned in spring of 2017; Public Works staff will be replacing broken tiles before the pool opens in 2018; Public Works staff installed shade cloth in two areas for the summer of 2017; and installation of pergolas is planned for spring of 2018 for more areas for a more permanent solution.

Goal: Develop a fundraising team to strategize and plan funding opportunities to refurbish the Skate Park, including grants and private donors.

Status: Not yet under way.

Goal: Expand annual National Night Out event and include at least 20 information booths and activities for residents

Status: Expanded National Night Out program to 16 booths and moved most activities inside the KCFD to cut down on wind issues; utilized KRKC to do a live broadcast at National Night Out; and KCFD cooked and served free hot dogs for participants and the City offered two bounce houses.

Goal: Implement formalized training program for Summer Day Camp staff.

Status: Required CDC concussion training and Mandated Child Abuse Reporter training for day camp staff.

Goal: Expand sports camps for King City kids by partnering with King City High School sports teams.

Status: Coordinated with baseball and softball teams to host summer, week-long camps.

Goal: Continue to expand usage of Recreation Center facility through rentals, partnerships with local organizations and instructional classes.

Status: Increased use of Recreation Center by non-profit groups for programming, including Alliance on Aging, Action Council playgroups, Zumba classes, Rebounder exercise classes; continued partnerships with Carrillo's Karate and King City Boxing Club; increased rentals of Recreation Center from 26 weekends in 2016 to 30 weekends in 2017

Goal: Pursue training and assume the position of a Disaster Response Public Information Officer for the City.

Status: Attended three Disaster Preparedness Committee meetings with representatives from the City and outside agencies.

Goal: Add new programs to the City recreation program, including flag football\

Status: Added and advertised NFL Flag football program to local residents with minimal response; cancelled program due to lack of enrollment and coaches; will try again in summer 2018.

Goal: Improve Creekbridge Soccer and San Antonio Park turf to encourage tournament play for South County Soccer League.

Status: Initiated research on grant opportunities to fund artificial turf installation at parks.