



CITY OF ATASCADERO CITY COUNCIL

AMENDED AGENDA

Tuesday, February 12, 2019

**City Hall Council Chambers, 4th floor
6500 Palma Avenue, Atascadero, California
(Entrance on Lewis Ave.)**

City Council Regular Session:

6:00 P.M.

REGULAR SESSION – CALL TO ORDER: 6:00 P.M.

PLEDGE OF ALLEGIANCE: Council Member Fonzi

ROLL CALL: Mayor Moreno
Mayor Pro Tem Bourbeau
Council Member Fonzi
Council Member Funk
Council Member Newsom

APPROVAL OF AGENDA: Roll Call

Recommendation: Council:

1. Approve this agenda; and
2. Waive the reading in full of all ordinances appearing on this agenda, and the titles of the ordinances will be read aloud by the City Clerk at the first reading, after the motion and before the City Council votes.

PRESENTATIONS:

1. Employee Recognition
2. WineSpeak Presentation

- A. CONSENT CALENDAR:** (All items on the consent calendar are considered to be routine and non-controversial by City staff and will be approved by one motion if no member of the Council or public wishes to comment or ask questions. If comment or discussion is desired by anyone, the item will be removed from the Consent Calendar and will be considered in the listed sequence with an opportunity for any member of the public to address the Council concerning the item before action is taken.)

1. City Council Draft Action Minutes – January 22, 2019, January 25-26, 2019 and January 30, 2019

- Recommendation: Council approve the Draft City Council Meeting Minutes for the Regular Meeting held on January 22, 2019 and the Special Meetings held January 25-26, 2019 and January 30, 2019. [City Clerk]

2. December 2018 Investment Report

- Fiscal Impact: None
- Recommendation: Council receive and file the City Treasurer's report for quarter ending December 2018. [Administrative Services]

UPDATES FROM THE CITY MANAGER: (The City Manager will give an oral report on any current issues of concern to the City Council.)

COMMUNITY FORUM: (This portion of the meeting is reserved for persons wanting to address the Council on any matter not on this agenda and over which the Council has jurisdiction. Speakers are limited to three minutes. Please state your name for the record before making your presentation. Comments made during Community Forum will not be a subject of discussion. A maximum of 30 minutes will be allowed for Community Forum, unless changed by the Council. Any members of the public who have questions or need information may contact the City Clerk's Office, between the hours of 8:30 a.m. and 5:00 p.m. at (805) 470-3400, or cityclerk@atascadero.org.)

B. PUBLIC HEARINGS:

1. Community Facilities District 2005-1 - Annexation No. 18

- Ex-Parte Communications:
- Fiscal Impact: None.
- Recommendations: Council:
 1. Conduct the public hearing for the proposed annexation.
 2. Adopt Draft Resolution A; authorizing the territory identified in City Council Resolution 2019-002 to be annexed into Community Facilities District No. 2005-1, authorizing the levy of a special tax and submitting the levy of a special tax to qualified electors.
 3. Direct the City Clerk to conduct a landowner vote of annexation and collect and count the ballots.
Council to recess until ballots are counted
 4. Adopt Draft Resolution B, declaring the results of a special annexation landowner election, determining the validity of prior proceedings and directing the recording of an amendment to the notice of special tax lien.

5. Adopt Draft Ordinance, authorizing the levy of special taxes in Community Facilities District 2005-1 for certain annexation territory identified as Annexation No. 18.
[Community Development]

C. MANAGEMENT REPORTS: None.

- D. COUNCIL ANNOUNCEMENTS AND COMMITTEE REPORTS:** (On their own initiative, Council Members may make a brief announcement or a brief report on their own activities. The following represent standing committees. Informative status reports will be given, as felt necessary):

Mayor Moreno

1. City Selection Committee
2. County Mayors Round Table
3. Economic Vitality Corporation, Board of Directors (EVC)
4. SLO Council of Governments (SLOCOG)
5. SLO Regional Transit Authority (RTA)

Mayor Pro Tem Bourbeau

1. City / Schools Committee
2. City of Atascadero Finance Committee
3. Integrated Waste Management Authority (IWMA)
4. SLO County Water Resources Advisory Committee (WRAC)

Council Member Fonzi

1. Air Pollution Control District
2. Atascadero Basin Ground Water Sustainability Agency (GSA)
3. City of Atascadero Design Review Committee
4. SLO Local Agency Formation Commission (LAFCo)

Council Member Funk

1. City of Atascadero Finance Committee
2. Homeless Services Oversight Council
3. League of California Cities – Council Liaison

Council Member Newsom

1. California Joint Powers Insurance Authority (CJPIA) Board
2. City / Schools Committee
3. City of Atascadero Design Review Committee
4. Visit SLO CAL Advisory Committee

E. INDIVIDUAL DETERMINATION AND / OR ACTION: (Council Members may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda. The Council may take action on items listed on the Agenda.)

1. City Council

A. Mayor Heather Moreno

Mayor Moreno will discuss community engagement.

2. City Clerk

A. Confirm DRC Appointments

3. City Treasurer

4. City Attorney

5. City Manager

F. ADJOURN

Please note: Should anyone challenge any proposed development entitlement listed on this Agenda in court, that person may be limited to raising those issues addressed at the public hearing described in this notice, or in written correspondence delivered to the City Council at or prior to this public hearing. Correspondence submitted at this public hearing will be distributed to the Council and available for review in the City Clerk's office.

City of Atascadero

WELCOME TO THE ATASCADERO CITY COUNCIL MEETING

The City Council meets in regular session on the second and fourth Tuesday of each month at 6:00 p.m. Council meetings will be held at the City Hall Council Chambers, 6500 Palma Avenue, Atascadero. Matters are considered by the Council in the order of the printed Agenda. Regular Council meetings are televised live, audio recorded and videotaped for future playback. Charter Communication customers may view the meetings on Charter Cable Channel 20 or via the City's website at www.atascadero.org. Meetings are also broadcast on radio station KPRL AM 1230. Contact the City Clerk for more information at cityclerk@atascadero.org or (805) 470-3400.

Copies of the staff reports or other documentation relating to each item of business referred to on the Agenda are on file in the office of the City Clerk and are available for public inspection during City Hall business hours at the Front Counter of City Hall, 6500 Palma Avenue, Atascadero, and on our website, www.atascadero.org. Contracts, Resolutions and Ordinances will be allocated a number once they are approved by the City Council. The minutes of this meeting will reflect these numbers. All documents submitted by the public during Council meetings that are either read into the record or referred to in their statement will be noted in the minutes and available for review in the City Clerk's office.

In compliance with the Americans with Disabilities Act, **if you need special assistance to participate in a City meeting or other services offered by this City**, please contact the City Manager's Office or the City Clerk's Office, both at (805) 470-3400. Notification at least 48 hours prior to the meeting or time when services are needed will assist the City staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service.

TO SPEAK ON SUBJECTS NOT LISTED ON THE AGENDA

Under Agenda item, "COMMUNITY FORUM", the Mayor will call for anyone from the audience having business with the Council to approach the lectern and be recognized.

1. Give your name for the record (not required)
2. State the nature of your business.
3. All comments are limited to 3 minutes.
4. All comments should be made to the Mayor and Council.
5. No person shall be permitted to make slanderous, profane or negative personal remarks concerning any other individual, absent or present

This is the time items not on the Agenda may be brought to the Council's attention. A maximum of 30 minutes will be allowed for Community Forum (unless changed by the Council). If you wish to use a computer presentation to support your comments, you must notify the City Clerk's office at least 24 hours prior to the meeting. Digital presentations must be brought to the meeting on a USB drive or CD. You are required to submit to the City Clerk a printed copy of your presentation for the record. Please check in with the City Clerk before the meeting begins to announce your presence and turn in the printed copy.

TO SPEAK ON AGENDA ITEMS (from Title 2, Chapter 1 of the Atascadero Municipal Code)

Members of the audience may speak on any item on the agenda. The Mayor will identify the subject, staff will give their report, and the Council will ask questions of staff. The Mayor will announce when the public comment period is open and will request anyone interested to address the Council regarding the matter being considered to step up to the lectern. If you wish to speak for, against or comment in any way:

1. You must approach the lectern and be recognized by the Mayor
2. Give your name (not required)
3. Make your statement
4. All comments should be made to the Mayor and Council
5. No person shall be permitted to make slanderous, profane or negative personal remarks concerning any other individual, absent or present
6. All comments limited to 3 minutes

The Mayor will announce when the public comment period is closed, and thereafter, no further public comments will be heard by the Council.



CITY OF ATASCADERO CITY COUNCIL

DRAFT MINUTES

Tuesday, January 22, 2019

**City Hall Council Chambers, 4th floor
6500 Palma Avenue, Atascadero, California
(Entrance on Lewis Ave.)**

City Council Regular Session:

6:00 P.M.

Public Financing Authority:

**Immediately following
conclusion of the City
Council Regular Session**

REGULAR SESSION – CALL TO ORDER: 6:00 P.M.

Mayor Moreno called the meeting to order at 6:01 p.m. and Council Member Funk led the Pledge of Allegiance.

ROLL CALL:

Present: Council Members Fonzi, Funk, Newsom, Mayor Pro Tem Bourbeau and Mayor Moreno

Absent: None

Staff Present: City Manager Rachelle Rickard, Administrative Services Director Jeri Rangel, Public Works Director Nick DeBar, Police Chief Jerel Haley, Community Development Director Phil Dunsmore, Fire Chief Casey Bryson, City Attorney Brian Pierik and Deputy City Manager/City Clerk Lara Christensen

APPROVAL OF AGENDA:

MOTION: By Mayor Pro Tem Bourbeau and seconded by Council Member Fonzi to:
1. Approve this agenda; and,

2. Waive the reading in full of all ordinances appearing on this agenda, and the titles of the ordinances will be read aloud by the City Clerk at the first reading, after the motion and before the City Council votes.

Motion passed 5:0 by a roll-call vote.

PRESENTATIONS: None.

A. CONSENT CALENDAR:

1. City Council Draft Action Minutes – January 8, 2019

- Recommendation: Council approve the January 8, 2019 Draft City Council Meeting Minutes. [City Clerk]

2. December 2018 Accounts Payable and Payroll

- Fiscal Impact: \$2,741,388.72
- Recommendation: Council approve certified City accounts payable, payroll and payroll vendor checks for December 2018. [Administrative Services]

3. Ordinance to Dissolve the Parks and Recreation Commission

- Fiscal Impact: The dissolution of the Parks and Recreation Commission is expected to save approximately 100-150 hours of staff time annually.
- Recommendation: Council adopt on second reading, by title only, the Draft Ordinance repealing, in its entirety, Title 2, Chapter 13, of the Atascadero Municipal Code regarding the Parks and Recreation Commission. [City Manager]

4. Vacant Land Purchase Agreement, Addendum and Joint Escrow Instructions for Property Located at 9191 San Rafael Court Atascadero, California

- Fiscal Impact: The purchase of the Property will require about \$105,000 (purchase price plus estimated closing costs) of Wastewater Funds.
- Recommendation: Council adopt Draft Resolution approving Vacant Land Purchase Agreement, Addendum and Joint Escrow Instructions for Property located at 9191 San Rafael Court, Atascadero. [Public Works]

MOTION: By Council Member Fonzi and seconded by Mayor Pro Tem Bourbeau to approve the Consent Calendar. (#A-3: Ordinance No. 618, #A4: Resolution No. 2019-003)

Motion passed 5:0 by a roll-call vote.

UPDATES FROM THE CITY MANAGER:

City Manager Rachelle Rickard gave an update on projects and issues within the City.

COMMUNITY FORUM:

The following citizens spoke during Community Forum: Richard Mullen and Lee Perkins

Atascadero City Council

January 22, 2019

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Mayor Moreno closed the COMMUNITY FORUM period.

B. PUBLIC HEARINGS: None.

C. MANAGEMENT REPORTS:

1. Fiscal Year 2018 Annual Road Report

- Fiscal Impact: Distribution of the 2018 Community Road Report is estimated to cost approximately \$3,800 in budgeted General Funds.
- Recommendations: Council:
 1. Approve the Fiscal Year 2018 Annual Road Report.
 2. Approve the 2018 Community Road Report. [Public Works]

Public Works Director DeBar gave the staff report and answered questions from the Council.

PUBLIC COMMENT:

The following citizens spoke on this item: Mike Shaw

Mayor Moreno closed the Public Comment period.

MOTION: By Mayor Pro Tem Bourbeau and seconded by Council Member Fonzi to:

1. Approve the Fiscal Year 2018 Annual Road Report
2. Approve the 2018 Community Road Report

Motion passed 5:0 by a roll-call vote.

2. Fiscal Year 2017-2018 Audit

- Fiscal Impact: None.
- Recommendation: Council review and accept the financial audit for the period ended June 30, 2018. [Administrative Services]

Administrative Services Director Rangel gave the staff report and answered questions from the Council.

PUBLIC COMMENT:

The following citizens spoke on this item: None.

Mayor Moreno closed the Public Comment period.

MOTION: By Mayor Pro Tem Bourbeau and seconded by Council Member Newsom to accept the financial audit for the period ended June 30, 2018.
Motion passed 5:0 by a roll-call vote.

3. Comprehensive Financial Strategy

- Fiscal Impact: The adoption of the Draft Resolution amending the 2018-2019 fiscal year will result in the expenditure of an additional \$377,710 in General Fund reserves, \$27,490 in Building Maintenance and Replacement Fund reserves, \$9,710 in Gas Tax Fund reserves, \$27,270 in Wastewater Fund reserves, and \$16,100 in Technology Fund reserves.
- Recommendations: Council:
 1. Council review and file the Comprehensive Financial Strategy.
 2. Council adopt the Draft Resolution A approving Financial Policies as documented in Section 6 of the Comprehensive Financial Strategy.
 3. Council adopt the Draft Resolution B amending the 2018-2019 fiscal year budget. [Administrative Services]

Administrative Services Director Rangel gave the staff report and answered questions from the Council.

PUBLIC COMMENT:

The following citizens spoke on this item: Don Giessinger

Mayor Moreno closed the Public Comment period.

- MOTION: By Mayor Pro Tem Bourbeau and seconded by Council Member Fonzi to:**
- 1. Review and file the Comprehensive Financial Strategy, as amended.**
 - 2. Adopt the Draft Resolution A approving Financial Policies as documented in Section 6 of the Comprehensive Financial Strategy, as amended.**
 - 3. Adopt the Draft Resolution B amending the 2018-2019 fiscal year budget.**
- Motion passed 5:0 by a roll-call vote. (Resolution No. 2019-004 & Resolution No. 2019-005)***

4. Sunken Gardens Heritage Tree Removal and Replanting Plan

- Fiscal Impact: The cost to remove the Magnolia tree is estimated to be between \$1,500-2,000.
- Recommendations: Council:
 1. Adopt Draft Resolution, approving the removal of a heritage Magnolia tree from the Sunken Gardens Park.
 2. Provide staff direction regarding a reforestation plan for the Sunken Gardens. [Community Development]

Community Development Director Dunsmore gave the staff report and answered questions from the Council.

The Council discussed and provided direction to staff for the preparation of a restoration plan for the Sunken Gardens.

PUBLIC COMMENT:

The following citizens spoke on this item: None.

Mayor Moreno closed the Public Comment period.

**MOTION: By Council Member Funk and seconded by Council Member Newsom to adopt Draft Resolution, approving the removal of a heritage Magnolia tree from the Sunken Gardens Park. (Resolution No. 2019-006)
*Motion passed 5:0 by a roll-call vote.***

D. COUNCIL ANNOUNCEMENTS AND COMMITTEE REPORTS:

The following Council Members gave brief update reports on their committees since their last Council meeting:

Mayor Moreno

1. County Mayors Round Table
2. Economic Vitality Corporation, Board of Directors (EVC)
3. SLO Council of Governments (SLOCOG)

Mayor Moreno reported that she attended the League of California Cities New Mayor and Council Member Academy and noted that there were some informational meetings regarding the Alcohol Beverage Control's regulations with the City's legislative advisors as well as Senator Monning and Assemblyman Cunningham as well as Senator Wiener's Office.

Mayor Pro Tem Bourbeau

1. Integrated Waste Management Authority (IWMA)
2. Homeless Services Oversight Council

Council Member Fonzi

1. Air Pollution Control District
2. Atascadero Basin Ground Water Sustainability Agency (GSA)
3. City of Atascadero Design Review Committee
4. SLO Local Agency Formation Commission (LAFCo)

Council Member Funk

1. League of California Cities – Council Liaison

Council Member Funk also noted that she attended the League of California Cities New Mayor and Council Member Academy. She reminded everyone that the City's Strategic Planning Workshop is this weekend and not only welcomed but encouraged the public to attend. Council Member Funk reported that Transitional Food and Shelter has the Warming Shelter open at Dove Creek Church with transportation being provided by RideOn, supplemented by volunteers to ensure belongings and bikes of those utilizing the services are also transported.

Council Member Newsom

1. City of Atascadero Design Review Committee
2. Visit SLO CAL Advisory Committee

Council Member Newsom reported that she attended the League of California Cities New Mayor and Council Member Academy along with Council Member Funk and Mayor Moreno.

E. INDIVIDUAL DETERMINATION AND / OR ACTION: None.

F. ADJOURN

Mayor Moreno adjourned the meeting to a Regular Session of the Public Financing Authority at 8:09 p.m.

MINUTES PREPARED BY:

Lara K. Christensen
Deputy City Manager / City Clerk

APPROVED:

SPECIAL MEETING

ATASCADERO CITY COUNCIL

Friday, January 25, 2019, 5:30 P.M.
Saturday, January 26, 2019, 8:30 A.M.

City Hall – Council Chambers
6500 Palma Avenue, Atascadero
(Enter on Lewis Avenue)

Strategic Planning Workshop

DRAFT MINUTES

FRIDAY, JANUARY 25, 2019, 5:30 P.M.

Mayor Moreno called the meeting to order at 5:30 p.m.

ROLL CALL:

Present: Council Members Fonzi, Funk, Newsom, Mayor Pro Tem Bourbeau and Mayor Moreno

Absent: None

Staff Present: City Manager Rachelle Rickard, Administrative Services Director Jeri Rangel, Community Development Director Phil Dunsmore, Public Works Director Nick DeBar, Police Chief Jerel Haley, Fire Chief Casey Bryson, City Attorney Brian Pierik, Deputy City Manager/City Clerk Lara Christensen and Deputy City Manager Terrie Banish

Facilitators: Matthew Landkamer and Beau Bennett of the Coraggio Group

COUNCIL WORKSHOP – STRATEGIC PLANNING

1. Welcome and Introductions

After brief introductions of those in the room, Mayor Moreno introduced the facilitators Matthew Landkamer and Beau Bennett of Coraggio Group.

Facilitator Matthew Landkamer provided a brief explanation of the Strategic Planning Workshop process and outlined the agenda for the Strategic Planning Workshop.

2. Accomplishments

The City Council, staff and audience members reviewed accomplishments over the past two years.

Mayor Moreno recessed the meeting at 5:55 p.m.

Mayor Moreno reconvened the meeting with all present at 6:18 p.m.

3. Insights from Interviews

The Facilitators led Council through a discussion of the information gathered from the Corragio Group's interviews with the Council and Department Heads and reviewed documents for discussion throughout the Workshop (Exhibits A, B, C and D).

COMMUNITY FORUM:

The following persons spoke during public comment: Lee Perkins (Exhibit E) and Dr. Wyman

Mayor Moreno closed the COMMUNITY FORUM period.

4. Council Norms

The Council reviewed and updated the Council Norms for 2019 (Exhibit F).

5. Trends

There was discussion on the external, influential trends anticipated to have an impact on the City Council's priorities and the City's work programs over the next two years. The Facilitators led the Council through an exercise to identify both positive and negative trends.

6. Overview of Day 2

The Facilitator led the Council through an exercise to prepare them for strategic thinking at Saturday's meeting.

COMMUNITY FORUM:

The following persons spoke during public comment: David May, Karen Peterson and David Baldwin

Mayor Moreno closed the COMMUNITY FORUM period.

ADJOURNMENT:

Mayor Moreno adjourned the meeting at 8:30 p.m. to Saturday, January 26, 2019, at 8:30 a.m. to continue the Strategic Planning Workshop.

SATURDAY, JANUARY 26, 2019, 8:30 A.M.

Mayor Moreno called the meeting to order at 8:33 a.m.

ROLL CALL:

Present: Council Members Fonzi, Funk, Newsom, Mayor Pro Tem Bourbeau and Mayor Moreno

Absent: None

Staff Present: City Manager Rachelle Rickard, Administrative Services Director Jeri Rangel, Community Development Director Phil Dunsmore, Public Works Director Nick DeBar, Police Chief Jerel Haley, Fire Chief Casey Bryson, City Attorney Brian Pierik, Deputy City Manager/City Clerk Lara Christensen and Deputy City Manager Terrie Banish

Facilitators: Matthew Landkamer and Beau Bennett of the Coraggio Group

COUNCIL WORKSHOP – STRATEGIC PLANNING

1. Recap of Day 1

Facilitator Beau Bennett gave a brief recap of day one of the Strategic Planning Workshop and outlined the agenda for day two.

COMMUNITY FORUM:

The following persons spoke during public comment: Bruce West

Mayor Moreno closed the COMMUNITY FORUM period.

2. Decision Criteria

The Facilitators led the Council through an exercise to identify and prioritize decision-making criteria.

The Council identified the following decision-making criteria:

1. Enhance the qualities of community expressed in our vision, for all segments of our community
2. Efficiently steward resources for the greatest strategic impact over the long term and address true needs

PUBLIC COMMENT:

The following persons spoke during public comment: Ellen Beraud, Derek Kirk, Karen Peterson and Jim

Mayor Moreno recessed the meeting at 10:15 a.m.

Mayor Moreno reconvened the meeting with all present at 10:31 a.m.

3. Goals and Objectives

Facilitator Beau led the Council through an exercise to identify the Council priorities for the next two years and how to measure success for each priority.

The Council identified the following three priorities for the next two years:

1. Leverage Place-Making in the Commercial Areas for Long Term Economic Development
2. Ensure Comprehensive Safety Readiness and Risk Mitigation
3. Foster Financial Sustainability

PUBLIC COMMENT:

The following persons spoke during public comment: Jim, Dr. Wyman, Christina Asdel Cisneros, Ed Little, Scott Burgess, Derek Kirk, Ellen Beraud and Rae Belle Gambs.

Mayor Moreno recessed the meeting at 12:09 p.m.

Mayor Moreno reconvened the meeting with all present at 12:38 p.m.

After discussion, the Council identified the following as possible measurements for meeting the identified priorities and directed staff to come back to Council with more formalized measurements at a future meeting:

Measures for Priority No. 1

1. Growth of Head of Household Jobs
2. Growth in Sales Tax Revenue in Downtown

Measures for Priority No. 2

1. Reduction of number of items on our emergency preparedness assessment
2. Improvement in citizen safety perception and readiness

Measures for Priority No. 3

1. Growth in revenue
2. Staff retention OR satisfaction OR engagement

4. Propelling Questions and Can-Ifs

The Facilitators led the Council, staff and audience through an exercise to identify constraints and creative ways to accomplish the Council's three identified priorities.

5. Other Council Topics

After discussion, the Council identified the following topics for further discussion as time allows and as these topics relate to the identified priorities:

- ✓ Homelessness
- ✓ Future use of the National Guard Armory
- ✓ State housing policy
- ✓ Community Outreach – Getting the word out and word in from the public
- ✓ Affordable housing

- ✓ Actively push back on State policy/regulations when it impacts us
- ✓ Evaluate cannabis as an opportunity area
- ✓ Consider formalizing approach/stance on environmental issues

PUBLIC COMMENT:

The following persons spoke during public comment: Christina Asdel Cisneros, Ellen Beraud, Dr. Wyman, Rick Matthews and Roger Gambs

Council Member Funk read constituent email (Exhibit G).

6. Next Steps

In closing, Mayor Moreno thanked everyone for attending.

ADJOURNMENT:

Mayor Moreno adjourned the meeting at 3:14 p.m. to the next Regular Session on Tuesday, February 12, 2019.

MINUTES PREPARED BY:

Lara K. Christensen
Deputy City Manager / City Clerk

The following exhibits are available for review in the City Clerk's office:

- Exhibit A –Coraggio Group's Insight Report
- Exhibit B –Excerpt from 2014 Visioning Workshop Report
- Exhibit C –Atascadero City Council Long Term Goals (2014)
- Exhibit D –Word cloud sheets (Provided by Council Member Funk)
- Exhibit E –Letter regarding homeless issues
- Exhibit F –Council Norms and Procedures (2017)
- Exhibit G- Constituent email

APPROVED:

SPECIAL MEETING ATASCADERO CITY COUNCIL

**Wednesday, January 30, 2019
5:15 p.m.**

**City of Atascadero City Hall
6500 Palma Ave., Council Chambers
Atascadero, California**

COMMISSIONS/COMMITTEE INTERVIEWS AND APPOINTMENTS

DRAFT MINUTES

Mayor Moreno called the meeting to order at 5:21 p.m.

ROLL CALL:

Present: Council Members Fonzi, Funk, Newsom, Mayor Pro Tem Bourbeau, and Mayor Moreno

Absent: None

Staff Present: Deputy City Manager/City Clerk Lara Christensen

INTERVIEWS AND APPOINTMENTS:

1. Interview Process

- *City Clerk recommendation: Council discuss process for conducting Commissions/Committee interviews.*

Mayor Moreno led a discussion on how the interview process would proceed.

2. Planning Commission and Citizens' Sales Tax Oversight Committee

- *City Clerk recommendation: Council interview the candidates and select by ballot, two citizens to serve on the Planning Commission and two citizens to serve on the Citizens' Sales Tax Oversight Committee.*

Planning Commission

The City Council interviewed the seven candidates and selected, by ballot, Mark Dariz and Jeff van den Eikhof to serve in the At Large positions on the Planning Commission.

Citizens Sales Tax Oversight Committee

The City Council interviewed the six candidates and selected, by ballot, Ben Cornejo and Catherine Bianchi to serve in the At Large positions on the Citizens Sales Tax Oversight Committee.

3. Announcement of Appointments

The City Council Members announced their directly appointed Commissioners:

CITY COUNCIL MEMBER	PLANNING COMMISSION
Mayor Moreno	Duane Anderson
Mayor Pro Tem Bourbeau	Tom Zirk
Council Member Fonzi	Jan Wolff
Council Member Funk	Ellen Beraud
Council Member Newsom	Mike Shaw

PUBLIC COMMENT: None

ADJOURNMENT:

Mayor Moreno adjourned the meeting at 8:37 p.m. to the next Regular Session scheduled for Tuesday, February 12, 2019 at 6:00 p.m.

MINUTES PREPARED BY:

Lara K. Christensen
Deputy City Manager/City Clerk



Atascadero City Council

December 2018

Staff Report - City Treasurer

December 2018 Investment Report

RECOMMENDATION:

Council receive and file the City Treasurer's report for quarter ending December 2018.

REPORT IN BRIEF:

Cash and Investments

Checking	\$ 1,217,648	
Zoo Credit Card Deposit Account	10,380	
Money Market Accounts	43,181	
Certificates of Deposit	10,240,000	
Government Securities	15,750,717	
Supranational Securities	1,984,028	
LAIF	15,389,196	
Cash with Fiscal Agents	2,300,016	
Cash in Banks at December 31, 2018		\$ 46,935,166
Outstanding Checks		(410,438)
Cash and Investments at December 31, 2018		<u>\$ 46,524,728</u>

Investment Activity

Securities Purchased:

Purchase Date	Description	Type	Cost	Maturity Date
11/06/18	FFCB CUSIP #3133EJQ85	Government Security	499,805	11/06/23
11/08/18	Morgan Stanley Private Bank New York, NY	Certificate of Deposit	245,000	11/08/23
12/06/18	Int'l American Development Bank CUSIP #4581X0DA3	Supranational Security	492,375	01/18/23
12/17/18	First Source Bank South Bend, IN	Certificate of Deposit	245,000	11/17/21
12/18/18	Merrick Bank South South Jordan, UT	Certificate of Deposit	245,000	02/21/23

Investment Activity (continued)**Securities Matured:**

<u>Maturity Date</u>	<u>Description</u>	<u>Type</u>	<u>Original Cost</u>	<u>Amount Matured</u>
10/15/18	Delta National Bank New York, NY	Certificate of Deposit	245,000	245,000
10/23/18	Sallie Mae Murray, UT	Certificate of Deposit	245,000	245,000
11/28/18	Morton Community Bank Morton, IL	Certificate of Deposit	245,000	245,000
12/26/18	Marlin Business Bank Salt Lake City, UT	Certificate of Deposit	245,000	245,000

Securities Sold/Called Prior to Maturity:

12/11/18	European Investment Bank CUSIP #298785HP4	Supranational Security	491,750	490,750
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Other Reportable Activities:

None

CITY OF ATASCADERO
TREASURER'S REPORT
CASH & INVESTMENTS ACTIVITY SUMMARY
for the quarter ending December 31, 2018

	<u>CHECKING ACCOUNTS</u>	<u>INVESTMENTS</u>	<u>FISCAL AGENT</u>	<u>TOTALS</u>
Balance per Banks at October 1, 2018	\$ 1,216,691	\$ 39,407,650	\$ 2,900,802	\$ 43,525,143
Receipts	12,077,332	206,663	12,070	12,296,065
Recognition of Premiums & Discounts		(3,963)	-	(3,963)
Disbursements	(8,269,223)	-	(612,856)	(8,882,079)
Transfers In	4,205,408	8,002,180	-	12,207,588
Transfers Out	<u>(8,002,180)</u>	<u>(4,205,408)</u>	<u>-</u>	<u>(12,207,588)</u>
Balance per Banks at December 31, 2018	<u>\$ 1,228,028</u>	<u>\$ 43,407,122</u>	<u>\$ 2,300,016</u>	46,935,166
Outstanding Checks				<u>(410,438)</u>
Adjusted Treasurer's Balance				<u><u>\$ 46,524,728</u></u>

CITY OF ATASCADERO
INVESTMENT REPORT
December 31, 2018

MATURITY DATE	DESCRIPTION (ISSUER)	PURCHASE DATE	INVESTMENT TYPE	INVESTMENT RATING	STATED % RATE	YIELD	FACE VALUE	PREMIUM/ (DISCOUNT)	COST OF INVESTMENT	MARKET VALUE	UNREALIZED GAIN / (LOSS)
<i>Funds Managed by City</i>											
n/a	Local Agency Invest. Fund (LAIF)	n/a	State Investment Fund	n/a	n/a	2.29%	\$ 15,389,196	n/a	\$ 15,389,196	\$ 15,374,594	\$ (14,602)
n/a	Broker Money Market	n/a	Money Fund	n/a	n/a	Vary	43,181	n/a	43,181	43,181	-
01/28/19	Gold Coast Bank Chicago, IL	10/09/14	Certificate of Deposit	n/a	1.75%	1.75%	240,000	n/a	240,000	239,894	(106)
02/21/19	Federal Home Loan Mtge Corp CUSIP #3134G3PA2	09/18/15	Government Security	Aaa	1.70%	1.25%	1,000,000	629	1,000,629	999,000	(1,629)
04/08/19	Venture Bank Bloomington, Mn	06/06/17	Certificate of Deposit	n/a	1.50%	1.50%	245,000	n/a	245,000	244,356	(644)
05/14/19	Cit Bank Salt Lake City, UT	05/14/14	Certificate of Deposit	n/a	1.95%	1.95%	245,000	n/a	245,000	244,490	(510)
05/21/19	Minnwest Bank Sioux Falls, SD	05/21/14	Certificate of Deposit	n/a	1.90%	1.90%	245,000	n/a	245,000	244,508	(492)
05/30/19	Bar Harbor Bar Harbor, ME	09/30/14	Certificate of Deposit	n/a	1.85%	1.85%	245,000	n/a	245,000	244,316	(684)
06/18/19	Community One Bank New York, NY	06/18/14	Certificate of Deposit	n/a	1.70%	1.70%	245,000	n/a	245,000	244,368	(632)
06/27/19	Synchrony Bank Salt Lake City, UT	06/27/14	Certificate of Deposit	n/a	2.05%	2.05%	245,000	n/a	245,000	244,314	(686)
07/24/19	American Express Salt Lake City, UT	07/24/14	Certificate of Deposit	n/a	2.00%	2.00%	245,000	n/a	245,000	244,216	(784)
07/25/19	NCB FSB Hillsboro, OH	07/25/14	Certificate of Deposit	n/a	1.80%	1.80%	245,000	n/a	245,000	243,937	(1,063)
08/13/19	NBT Bank Norwich, NY	08/13/14	Certificate of Deposit	n/a	2.00%	2.00%	245,000	n/a	245,000	244,120	(880)
08/20/19	Webster Bank Waterbury, CT	08/20/14	Certificate of Deposit	n/a	1.90%	1.90%	245,000	n/a	245,000	244,069	(931)
09/24/19	Capital One Bank Glen Allen, VA	09/24/14	Certificate of Deposit	n/a	2.05%	2.05%	245,000	n/a	245,000	243,902	(1,098)

CITY OF ATASCADERO
INVESTMENT REPORT
December 31, 2018

MATURITY DATE	DESCRIPTION (ISSUER)	PURCHASE DATE	INVESTMENT TYPE	INVESTMENT RATING	STATED % RATE	YIELD	FACE VALUE	PREMIUM/ (DISCOUNT)	COST OF INVESTMENT	MARKET VALUE	UNREALIZED GAIN / (LOSS)
11/20/19	Frontier Bank Omaha, NE	11/20/15	Certificate of Deposit	n/a	1.50%	1.50%	\$ 245,000	n/a	\$ 245,000	\$ 243,520	\$ (1,480)
12/16/19	Federal Farm Credit Bank CUSIP #31331SJR5	02/26/16	Government Security	Aaa	4.95%	1.12%	165,000	5,972	170,972	168,482	(2,490)
01/21/20	Washington Trust Westerly, RI	11/20/15	Certificate of Deposit	n/a	1.50%	1.50%	245,000	n/a	245,000	243,096	(1,904)
03/13/20	Federal Home Loan Mtge Corp CUSIP #3134G35V8	09/18/15	Government Security	Aaa	1.65%	1.65%	1,000,000	42	1,000,042	988,930	(11,112)
04/30/20	Federal National Mortgage Assn CUSIP #3136G0W23	11/20/15	Government Security	Aaa	1.50%	1.66%	695,000	(1,458)	693,542	685,763	(7,779)
05/15/20	Bridgewater Bank Bloomington, MN	11/17/15	Certificate of Deposit	n/a	1.45%	1.45%	245,000	n/a	245,000	240,379	(4,621)
05/22/20	Federal Home Loan Mtge Corp CUSIP #3134G44G0	02/26/16	Government Security	Aaa	1.50%	1.12%	350,000	1,458	351,458	345,013	(6,445)
06/22/20	Federal National Mortgage Assn CUSIP #3135G0D75	11/05/15	Government Security	Aaa	1.50%	1.61%	1,000,000	(1,374)	998,626	985,370	(13,256)
06/26/20	Federal National Mortgage Assn CUSIP #3136G16D6	02/26/16	Government Security	Aaa	1.35%	1.24%	500,000	825	500,825	490,995	(9,830)
07/30/20	Federal Home Loan Mtge Corp CUSIP #3134G33Z1	11/20/15	Government Security	Aaa	1.55%	1.74%	555,000	(1,604)	553,396	546,137	(7,259)
09/23/20	Capital One Bank McLean, VA	09/23/15	Certificate of Deposit	n/a	2.30%	2.30%	245,000	n/a	245,000	242,089	(2,911)
09/30/20	BMW Bank of North America Salt Lake City, UT	09/30/15	Certificate of Deposit	n/a	2.20%	2.20%	245,000	n/a	245,000	241,987	(3,013)
11/12/20	Enerbank USA Salt Lake City, UT	11/12/15	Certificate of Deposit	n/a	1.80%	1.80%	245,000	n/a	245,000	239,603	(5,397)
11/20/20	First Business Bank Madison, WI	11/20/15	Certificate of Deposit	n/a	1.80%	1.80%	245,000	n/a	245,000	239,539	(5,461)
11/30/20	Federal National Mortgage Assn CUSIP #3135G0F73	11/05/15	Government Security	Aaa	1.50%	1.70%	1,000,000	(3,796)	996,204	985,080	(11,124)

CITY OF ATASCADERO
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December 31, 2018

MATURITY DATE	DESCRIPTION (ISSUER)	PURCHASE DATE	INVESTMENT TYPE	INVESTMENT RATING	STATED % RATE	YIELD	FACE VALUE	PREMIUM/ (DISCOUNT)	COST OF INVESTMENT	MARKET VALUE	UNREALIZED GAIN / (LOSS)
11/30/20	Federal National Mortgage Assn CUSIP #3135G0F73	11/20/15	Government Security	Aaa	1.50%	1.81%	\$ 500,000	\$ (2,905)	\$ 497,095	\$ 485,189	\$ (11,906)
12/10/20	Two Rivers Community Bank Middletown, NJ	12/10/15	Certificate of Deposit	n/a	1.75%	1.75%	245,000	n/a	245,000	241,144	(3,856)
12/24/20	Celtic Bank Salt Lake City, UT	12/24/15	Certificate of Deposit	n/a	1.85%	1.85%	245,000	n/a	245,000	239,333	(5,667)
12/28/20	Federal National Mortgage Assn CUSIP #3135G0H55	11/20/15	Government Security	Aaa	1.50%	1.81%	800,000	(384)	799,616	789,760	(9,856)
12/28/20	Citizens State Bank Lacrosse, WI	12/28/15	Certificate of Deposit	n/a	1.85%	1.85%	245,000	n/a	245,000	240,926	(4,074)
12/29/20	First International Bank Watford City, ND	12/29/15	Certificate of Deposit	n/a	1.85%	1.85%	245,000	n/a	245,000	239,272	(5,728)
01/25/21	Federal Agriculture Mtge Corp CUSIP #3132X0EQ0	02/26/16	Government Security	Aaa	1.55%	1.34%	455,000	1,951	456,951	446,951	(10,000)
02/08/21	Federal Home Loan Bank CUSIP #3133827D9	02/26/16	Government Security	Aaa	1.75%	1.37%	480,000	3,791	483,791	472,224	(11,567)
05/06/21	Federal National Mortgage Assn CUSIP #3135G0K69	06/09/16	Government Security	Aaa	1.25%	1.34%	500,000	(1,016)	498,984	485,515	(13,469)
06/09/21	Worlds Foremost Bank Sidney, NE	06/09/16	Certificate of Deposit	n/a	1.70%	1.70%	200,000	n/a	200,000	192,844	(7,156)
06/17/21	Wells Fargo Bank Sioux Falls, SD	06/17/16	Certificate of Deposit	n/a	1.75%	1.75%	245,000	n/a	245,000	236,146	(8,854)
08/23/21	Comenity Capital Bank Sidney, NE	08/22/16	Certificate of Deposit	n/a	1.70%	1.70%	245,000	n/a	245,000	234,423	(10,577)
08/30/21	PrivateBank & Trust Company Sioux Falls, SD	08/29/16	Certificate of Deposit	n/a	1.75%	1.75%	245,000	n/a	245,000	234,438	(10,562)
10/07/21	Federal National Mortgage Assn CUSIP #3135G0Q89		Government Security	Aaa	1.38%	1.72%	500,000	(4,591)	495,409	484,970	(10,439)
11/17/21	First Source Bank South Bend, IN	12/17/18	Certificate of Deposit	n/a	3.15%	3.15%	245,000	n/a	245,000	244,721	(279)

CITY OF ATASCADERO
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MATURITY DATE	DESCRIPTION (ISSUER)	PURCHASE DATE	INVESTMENT TYPE	INVESTMENT RATING	STATED % RATE	YIELD	FACE VALUE	PREMIUM/ (DISCOUNT)	COST OF INVESTMENT	MARKET VALUE	UNREALIZED GAIN / (LOSS)
11/29/21	Federal Home Loan Bank CUSIP #3130AABG2	12/21/16	Government Security	Aaa	1.88%	2.12%	\$ 500,000	\$ (3,513)	\$ 496,487	\$ 490,975	\$ (5,512)
01/13/22	Federal Home Loan Bank CUSIP #3137EADB2	01/26/17	Government Security	Aaa	2.38%	2.06%	500,000	4,574	504,574	498,010	(6,564)
02/09/22	Triad Bank Frontenac, MO	02/09/17	Certificate of Deposit	n/a	2.00%	2.00%	245,000	n/a	245,000	236,055	(8,945)
02/21/22	Everbank Jacksonville, FL	02/14/17	Certificate of Deposit	n/a	2.05%	2.05%	245,000	n/a	245,000	236,371	(8,629)
03/11/22	Federal Home Loan Bank CUSIP #313378CR0	02/23/17	Government Security	Aaa	2.25%	2.00%	500,000	3,835	503,835	494,030	(9,805)
03/24/22	First Sentry Bank Huntington, WV	03/24/17	Certificate of Deposit	n/a	2.00%	2.00%	245,000	n/a	245,000	235,506	(9,494)
04/05/22	Federal National Mortgage Assn CUSIP #3135G0T45	05/04/17	Government Security	Aaa	1.88%	1.88%	500,000	n/a	500,000	489,940	(10,060)
05/17/22	MB Financial Bank Chicago, IL	02/09/22	Certificate of Deposit	n/a	2.00%	2.00%	245,000	n/a	245,000	234,825	(10,175)
05/31/22	Lakeside Bank Chicago, IL	06/02/17	Certificate of Deposit	n/a	2.00%	2.00%	245,000	n/a	245,000	234,644	(10,356)
06/10/22	Federal Home Loan Bank CUSIP #313379Q69	05/31/17	Government Security	Aaa	2.13%	1.86%	500,000	4,380	504,380	491,530	(12,850)
07/12/22	Barclays Bank Wilmington, DE	07/12/17	Certificate of Deposit	n/a	2.20%	2.20%	245,000	n/a	245,000	235,788	(9,212)
07/27/22	Federal Farm Credit Bank CUSIP #3133EDE65	07/12/17	Government Security	n/a	3.05%	1.98%	302,000	11,128	313,128	305,923	(7,205)
08/03/22	Federal Farm Credit Bank CUSIP #3133EHTS2	08/17/17	Government Security	Aaa	1.90%	1.72%	500,000	3,095	503,095	486,920	(16,175)
09/09/22	Federal Farm Credit Bank CUSIP #313380GJ0	09/11/17	Government Security	Aaa	2.00%	1.62%	500,000	6,748	506,748	489,360	(17,388)
09/14/22	Int'l Amer. Development Bank CUSIP #4581X0CZ9	12/18/17	Supranational Security	Aaa	1.75%	2.23%	500,000	(8,596)	491,404	484,065	(7,339)

CITY OF ATASCADERO
INVESTMENT REPORT
December 31, 2018

MATURITY DATE	DESCRIPTION (ISSUER)	PURCHASE DATE	INVESTMENT TYPE	INVESTMENT RATING	STATED % RATE	YIELD	FACE VALUE	PREMIUM/ (DISCOUNT)	COST OF INVESTMENT	MARKET VALUE	UNREALIZED GAIN / (LOSS)
10/05/22	Federal Farm Credit Bank CUSIP #3135G0T78	01/18/18	Government Security	Aaa	2.00%	2.30%	\$ 500,000	\$ (5,487)	\$ 494,513	\$ 490,550	\$ (3,963)
11/22/22	Federal Home Loan Mtge Corp CUSIP #3134GB3K6	07/25/18	Government Security	Aaa	2.00%	3.52%	432,000	(1,066)	430,934	430,440	(494)
01/18/23	Int'l Amer. Development Bank CUSIP #4581X0DA3	01/18/18	Supranational Security	Aaa	2.50%	2.46%	500,000	697	500,697	496,890	(3,807)
01/18/23	Int'l Amer. Development Bank CUSIP #4581X0DA3	12/06/18	Supranational Security	Aaa	2.50%	2.90%	500,000	(7,538)	492,462	496,890	4,428
02/21/23	Merrick Bank South Jordan, UT	12/18/18	Certificate of Deposit	n/a	3.35%	3.35%	245,000	n/a	245,000	243,878	(1,122)
03/10/23	Federal Farm Credit Bank CUSIP #3130ADMX7	03/16/18	Government Security	Aaa	2.50%	2.71%	500,000	(4,114)	495,886	497,015	1,129
04/11/23	Federal Farm Credit Bank CUSIP #3133EJKN8	04/11/18	Government Security	Aaa	2.70%	2.71%	500,000	(222)	499,778	499,620	(158)
04/12/23	Morgan Stanley Salt Lake City, UT	04/12/18	Certificate of Deposit	n/a	2.95%	2.95%	245,000	n/a	245,000	239,799	(5,201)
05/09/23	Goldman Sachs New York, NY	05/09/18	Certificate of Deposit	n/a	3.15%	3.15%	245,000	n/a	245,000	241,585	(3,415)
06/06/23	Citibank Sioux Falls, SD	06/06/18	Certificate of Deposit	n/a	3.25%	3.25%	245,000	n/a	245,000	242,428	(2,572)
07/31/23	Medallion Bank Salt Lake City, UT	07/31/18	Certificate of Deposit	n/a	3.25%	3.25%	245,000	n/a	245,000	242,129	(2,871)
07/31/23	Int'l Finance Corporation CUSIP #45950KCP3	09/12/18	Supranational Security	Aaa	2.88%	2.90%	500,000	(536)	499,464	504,115	4,651
08/01/23	Discover Bank Wilmington, DE	08/01/18	Certificate of Deposit	n/a	3.35%	3.35%	245,000	n/a	245,000	243,165	(1,835)
09/26/23	MidSouth Bank Lafayette, LA	09/26/18	Certificate of Deposit	n/a	3.10%	3.10%	245,000	n/a	245,000	240,218	(4,782)
11/06/23	Federal Farm Credit Bank CUSIP #3133EJQ85	11/06/18	Government Security	n/a	3.05%	3.06%	500,000	(180)	499,820	506,510	6,690

CITY OF ATASCADERO
INVESTMENT REPORT
December 31, 2018

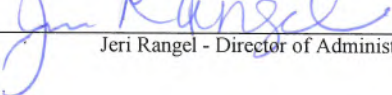
<u>MATURITY DATE</u>	<u>DESCRIPTION (ISSUER)</u>	<u>PURCHASE DATE</u>	<u>INVESTMENT TYPE</u>	<u>INVESTMENT RATING</u>	<u>STATED % RATE</u>	<u>YIELD</u>	<u>FACE VALUE</u>	<u>PREMIUM/ (DISCOUNT)</u>	<u>COST OF INVESTMENT</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN / (LOSS)</u>
11/08/23	Morgan Stanley Private Bank New York, NY	11/08/18	Certificate of Deposit	n/a	3.55%	3.55%	\$ 245,000	n/a	\$ 245,000	\$ 244,086	\$ (914)
<i>Total Funds Managed by the City</i>							43,406,377	745	43,407,122	43,000,364	(406,758)
<u>Funds Managed by Fiscal Agent</u>											
n/a	BNY Western Trust Hamilton Treas. Money	n/a	Treasury Fund	Aaa	n/a	1.09%	1,441,736	n/a	1,441,736	1,441,736	-
n/a	BNY Western Trust Hamilton Treas. Money	n/a	Treasury Fund	Aaa	n/a	0.88%	858,280	n/a	858,280	858,281	1
<i>Total Funds Managed by Fiscal Agent</i>							2,300,016	n/a	2,300,016	2,300,017	1
							<u>\$ 45,706,393</u>	<u>\$ 745</u>	<u>\$ 45,707,138</u>	<u>\$ 45,300,381</u>	<u>\$ (406,757)</u>

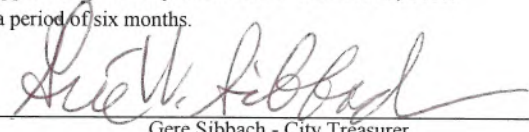
Average Maturity of Total Portfolio 823 Days

Weighted Average Yield of Total Portfolio 2.13%

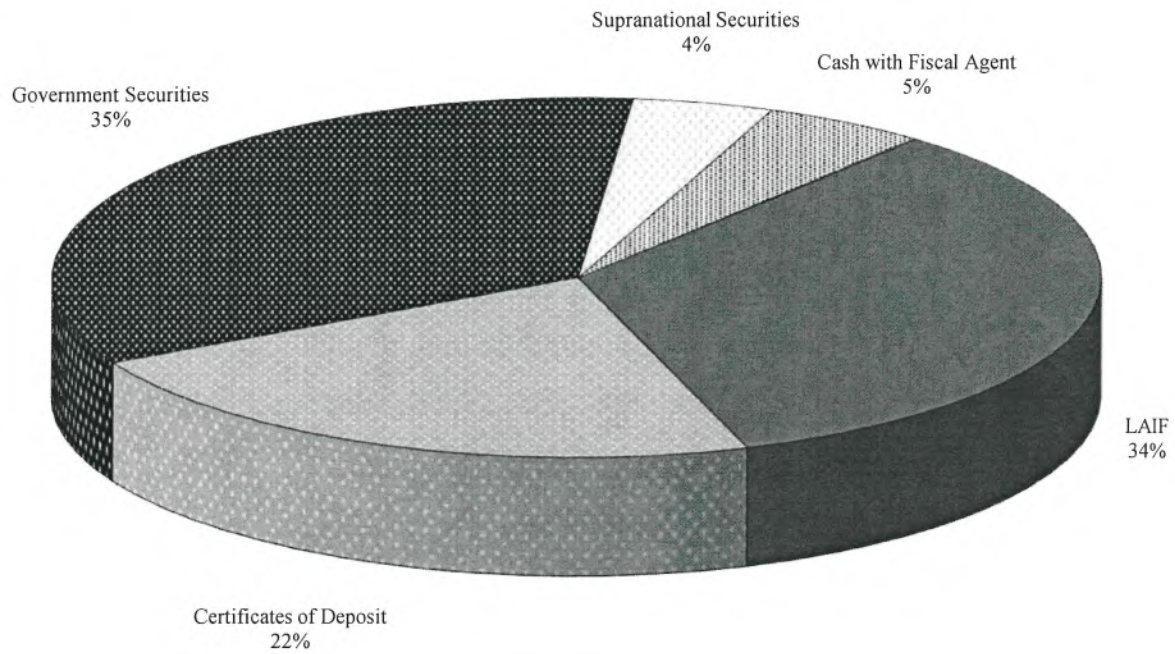
Certification:

It has been verified that this investment portfolio is in conformity with the City of Atascadero's investment policy, which was approved by the City Council on November 28, 2017.
The City Treasurer certifies that there is sufficient liquidity to meet the City of Atascadero's estimated future expenditures for a period of six months.

Verified by: 
Jeri Rangel - Director of Administrative Services

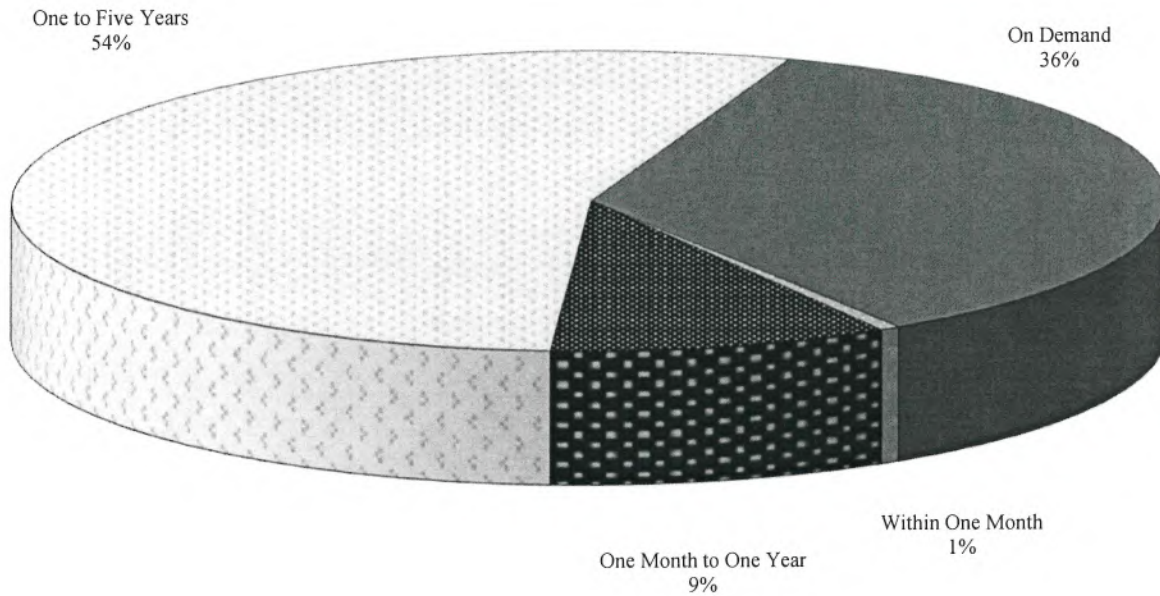
Approved by: 
Gere Sibbach - City Treasurer

**City of Atascadero
Investments by Type
December 2018**



Investment	December 2018
LAIF	\$ 15,389,196
Certificates of Deposit	10,240,000
Government Securities	15,750,717
Supranational Securities	1,984,028
Cash with Fiscal Agent	2,300,016
Other	43,181
	<u>\$ 45,707,138</u>

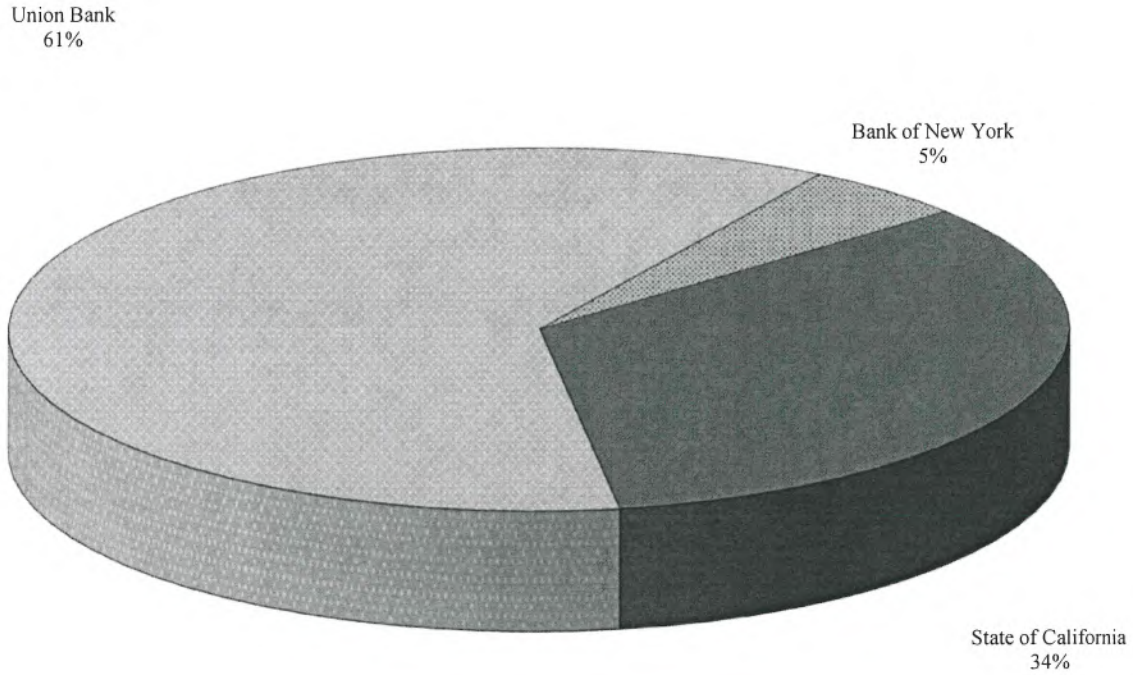
City of Atascadero
Investments by Maturity *
December 2018



<u>Investment</u>	<u>December 2018</u>
On Demand	\$ 15,432,377
Within One Month	240,000
One Month to One Year	4,111,601
One to Five Years	23,623,144
	<u>\$ 43,407,122</u>

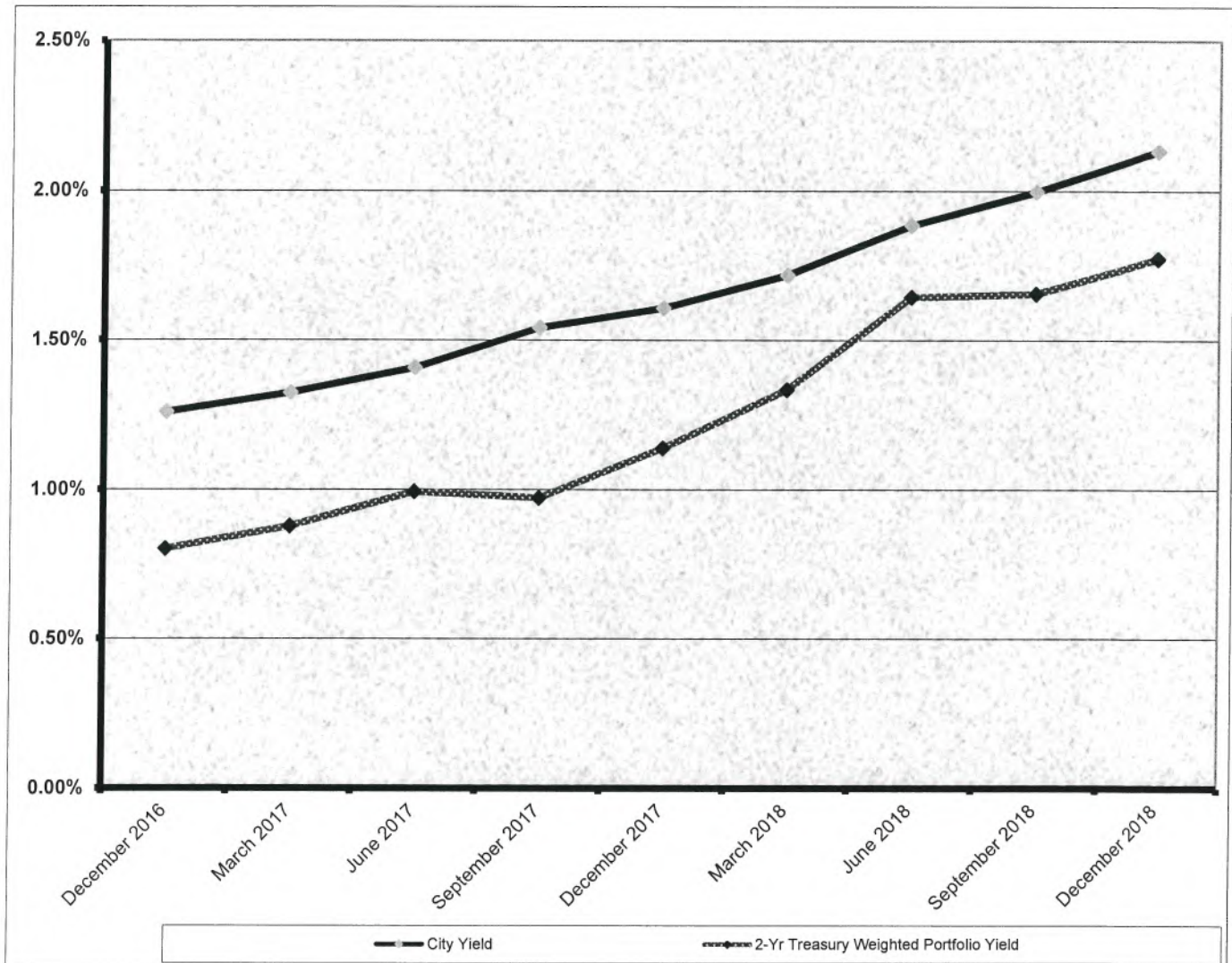
* Cash with fiscal agent is not included in the totals for this graph because the amounts are restricted based on bond covenants, and therefore, the City doesn't retain the option to liquefy these funds at will.

**City of Atascadero
Investments by Custodial Agent
December 2018**



Custodial Agent	December 2018
State of California	\$ 15,389,196
Union Bank	28,017,926
Bank of New York	2,300,016
	<u>\$ 45,707,138</u>

City of Atascadero
Investment Yield vs. 2-Year Treasury Yield
For the Quarter Ended December 31, 2018



	City Yield	2-Yr Treasury Weighted Portfolio Yield
December 2016	1.26%	0.80%
March 2017	1.32%	0.88%
June 2017	1.41%	0.99%
September 2017	1.54%	0.97%
December 2017	1.61%	1.14%
March 2018	1.72%	1.33%
June 2018	1.88%	1.64%
September 2018	2.00%	1.66%
December 2018	2.13%	1.77%



Atascadero City Council

Staff Report – Community Development Department

Community Facilities District 2005-1 Annexation No. 18

RECOMMENDATIONS:

Council:

1. Conduct the public hearing for the proposed annexation.
2. Adopt Draft Resolution A; authorizing the territory identified in City Council Resolution 2019-002 to be annexed into Community Facilities District No. 2005-1, authorizing the levy of a special tax and submitting the levy of a special tax to qualified electors.
3. Direct the City Clerk to conduct a landowner vote of annexation and collect and count the ballots.

Council to recess until ballots are counted

4. Adopt Draft Resolution B, declaring the results of a special annexation landowner election, determining the validity of prior proceedings and directing the recording of an amendment to the notice of special tax lien.
5. Adopt Draft Ordinance, authorizing the levy of special taxes in Community Facilities District 2005-1 for certain annexation territory identified as Annexation No. 18.

DISCUSSION:

In July 2004, as a key part of the adoption of the City's Comprehensive Financial Strategy, the Council addressed the need to recover all costs associated with new residential development by directing the formation of a Community Facilities District (CFD). California law allows the formation of such districts for the purpose of recovering the cost of providing public safety services, including police and fire services, and park services for new developments. CFDs ensure that new homeowners pay special taxes in an amount equal to the actual cost of the City services they are expected to receive. Without such special taxes in place, new residential units have a negative impact on the General Fund and thus erode service levels for existing residents.

The Citywide CFD was established in 2005 consistent with this policy and a number of projects have been annexed into the CFD as a requirement prior to recordation of a final map. With the resolution of intention, the City and the applicant are initiating the process of annexing the Annex Residential Subdivision (Cerro Roble project) into the City's existing CFD.

The Annex subdivision is within the Del Rio Specific Plan area and was approved in 2017. The project consists of 6 single-family residential lots and a remainder parcel for future commercial development. The subdivision is located at the current terminus of South Mirasol Way and will extend the street terminating in a cul-de-sac.



On January 8, 2019, the City Council initiated the process for this development by adopting Resolution 2019-002, a resolution of intent, to annex the subject project into the existing Citywide CFD and set the date of the public hearing.

The Resolution before Council (Attachment 1) is the final step to annex the Del Rio Annex residential development (Annexation No. 18) into the existing Citywide CFD (CFD 2005-1) to fund police, fire, and park services associated with the new residential units. The Special Tax levied against Single-Family Residential parcels for Fiscal Year 2018-2019 was \$648.08 annually per parcel, which is subject to an annual escalator. The money collected can only be used to fund new public services authorized to be funded by the Mello-Roos Act and identified within the Rate and Method of Apportionment, and cannot be used to support existing services.

After the close of the Public Hearing, the City Council may adopt Draft Resolution A (Attachment 1), which officially establishes the annexation of territory to Community Facilities District 2005-1. If approved, the Resolution authorizes the levy of special taxes within such annexation area.

Following adoption of the Resolution, the City Clerk will hold a landowner election, verifying the property owner wishes to annex into the City's CFD. If the landowner

elects to annex into the CFD, the City Council will certify the election and introduce for first reading, by title only, the Draft Ordinance (Attachment 3), authorizing the special taxes for Annexation No. 18.

The development proposed for annexation into the CFD was conditioned to be fiscally neutral through annexation into the existing Citywide CFD (CFD 2005-1 – Public Services). If the annexation is not approved, the project will not be able to meet the conditions of approval.

FISCAL IMPACT: None.

ALTERNATIVE:

Council could require the developer to meet the fiscal neutrality condition of approval through some other mechanism.

ATTACHMENTS:

1. Draft Resolution A, authorizing the annexation of territory identified in City Council Resolution 2019-002 to be annexed into the Community Facilities District No. 2005-1, authorizing the levy of a special tax and submitting the levy of a special tax to qualified electors.
2. Draft Resolution B, declaring the results of a special annexation landowner election, determining the validity of the prior proceedings and directing the recording of an amendment to the notice of special tax lien.
3. Draft Ordinance, authorizing the levy of special taxes in Community Facilities District 2005-1 for certain annexation territory.

Attachment 1: Draft Resolution A – Authorization to Annex into CFD 2005-1

DRAFT RESOLUTION A

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, AUTHORIZING THE
ANNEXATION OF TERRITORY INTO COMMUNITY
FACILITIES DISTRICT NO. 2005-1 (PUBLIC SERVICES),
AUTHORIZING THE LEVY OF A SPECIAL TAX, AND
SUBMITTING THE LEVY OF SPECIAL TAX TO QUALIFIED
ELECTORS**

WHEREAS, under the Mello-Roos Community Facilities Act of 1982 (Sections 53311 and following, California Government Code; hereafter referred to as the “Act”), the City Council of the City of Atascadero (the “City”) previously conducted proceedings to establish the City of Atascadero Community Facilities District No. 2005-1 (Public Services) (the “District”), and

WHEREAS, this City Council on January 8, 2019, adopted Resolution No. 2019- 002 entitled “Resolution of the City Council of the City of Atascadero, California, Declaring its Intention to Annex Territory into Community Facilities District No. 2005-1 (Public Services) as Annexation No. 18, and to Authorize the Levy of Special Taxes Therein” (the “Resolution of Intention”) stating its intention to annex the territory to the District pursuant to the Act; and

WHEREAS, a copy of the Resolution of Intention, incorporating a description and map of the proposed boundaries of the territory to be annexed to the District, stating the services to be funded by the District and the rate and method of apportionment of the special tax to be levied within the District to pay for the services is on file with the City Clerk and the provisions thereof are fully incorporated herein by this reference as if fully set forth herein; and

WHEREAS, on the date hereof, this City Council held a noticed public hearing as required by the Act and the Resolution of Intention relative to the proposed annexation of territory to the District; and

WHEREAS, at the hearing all interested persons desiring to be heard on all matters pertaining to the annexation of territory to the District and the levy of special taxes within the area proposed to be annexed were heard and a full and fair hearing was held; and

WHEREAS, prior to the closing of the hearing, no written or oral protests had been made against the proposed annexation of territory to the District by (i) any registered voter residing in the existing District, (ii) any registered voter residing in the territory proposed to be annexed to the District, (iii) any of the owners of land in the existing District, or (iv) any of the owners of land in the territory proposed to be annexed to the District; and

WHEREAS, Annexation Map No. 18 to the District has been filed with the County Recorder of the County of San Luis Obispo, which map shows the territory to be annexed in these proceedings, and a copy of the map is on file with the City Clerk.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero:

SECTION 1. The above recitals are true and correct.

SECTION 2. All prior proceedings taken by this City Council with respect to the District and the proposed annexation of territory thereto have been duly considered and are hereby determined to be valid and in conformity with the Act, and the District has been validly established pursuant to the Act.

SECTION 3. The boundaries of the territory to be annexed to the District, as set forth in the map entitled "Annexation Map No. 18 of Community Facilities District No. 2005-1 (Public Services)" on file with the City Clerk and heretofore recorded in the San Luis Obispo County Recorder's Office on January 28, 2019, in Book 6 at Page 7 of Maps of Assessment and Community Facilities Districts are hereby finally approved, are incorporated herein by this reference, and shall be included within the boundaries of the District, and said territory is hereby ordered annexed to the District, subject to voter approval of the levy of the special taxes therein as hereinafter provided.

SECTION 4. The provisions of the Resolution of Intention are, by this reference incorporated herein, as if fully set forth herein.

SECTION 5. Pursuant to the provisions of the Act, the proposition of the levy of the special tax within the territory to be annexed to the District shall be submitted to the qualified electors of the area to be annexed to the District at an election called therefor as hereinafter provided.

SECTION 6. This City Council hereby finds that fewer than 12 persons have been registered to vote within the territory proposed to be annexed to the District for each of the 90 days preceding the close of the public hearing heretofore conducted and concluded by this City Council for the purposes of these annexation proceedings. Accordingly, and pursuant to Section 53326 of the Act, this City Council finds that the qualified electors for purposes of the annexation election are the landowners within the territory proposed to be annexed to the District and that the vote shall be by said landowners, each having one vote for each acre or portion thereof such landowner owns in the territory proposed to be annexed to the District.

SECTION 7. This City Council hereby calls a special election to consider the measure described in Section 5 above, which election shall be held in the meeting room of the City Council immediately following adoption of this Resolution. The City Clerk is hereby designated as the official to conduct said election. It is hereby acknowledged that the City Clerk has on file the Resolution of Intention, a certified map of the proposed boundaries of the territory to be annexed to the District, and a sufficient description to allow the City Clerk to determine the boundaries of the territory to be annexed to the District.

The voted ballots shall be returned to the City Clerk no later than immediately following the adoption of this Resolution; and when the qualified electors have voted the election shall be closed.

Pursuant the Act, the election shall be conducted by mail ballot under Section 4000 of the California Elections Code, provided, however, that for purposes of setting the date for the election, Sections 53326 and 53327 of the Act shall govern.

This City Council acknowledges that the City Clerk has caused to be delivered to the qualified electors of the District a ballot in the form set forth in Exhibit "A" hereto. The ballot indicates the number of votes to be voted by each landowner.

The ballot was accompanied by all supplies and written instructions necessary for the use and return of the ballot. The envelope to be used to return the ballot was enclosed with the ballot, had the return postage prepaid, and contained the following: (a) the name and address of the landowner, (b) a declaration, under penalty of perjury, stating that the voter is the owner of record or authorized representative of the landowner entitled to vote and is the person whose name appears on the envelope, (c) the printed name, signature and address of the voter, (d) the date of signing and place of execution of the declaration pursuant to clause (b) above, and (e) a notice that the envelope contains an official ballot and is to be opened only by the canvassing City Council.

Analysis and arguments with respect to the ballot measures are hereby waived, as provided in Section 53327(b) of the Act.

The City Clerk shall accept the ballots of the qualified electors in the City of Atascadero City Council meeting room upon and prior to the adoption of this Resolution, whether the ballot is personally delivered or is received by mail. The City Clerk shall have ballots available which may be marked at said location on the election day by the qualified electors.

SECTION 8. This City Council hereby further finds that the provision of Section 53326 of the Act requiring a minimum of 90 days following the adoption of this Resolution to elapse before said special election is for the protection of the qualified electors of the territory to be annexed to the District. The ballots to be executed by the qualified electors of the area to be annexed to the District contains a waiver of any time limit pertaining to the conduct of the election and a waiver of any requirement for ballot measure analysis and arguments in connection with the election. Accordingly, this City Council finds and determines that, to the extent that the qualified elector submits its ballot, the qualified elector will have been fully apprised of and have agreed to the shortened time for the election and waiver of ballot measure analysis and arguments, and will have thereby been fully protected in these proceedings. This City Council also finds and determines that the City Clerk has concurred in the shortened time for the election.

SECTION 9. This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED at a regular meeting of the City Council held on the 12th day of February, 2019.

On motion by Council Member _____ and seconded by Council Member _____, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

CITY OF ATASCADERO

Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian A. Pierik, City Attorney

Exhibit A: CFD Annexation Ballot

TO CAST THIS BALLOT, PLEASE RETURN THIS ENTIRE PAGE.

OFFICIAL SPECIAL TAX BALLOT

Name & Address of Property Owner:	Assessor's Parcel Number(s):
MP Annex, LLC Attn: Clint Pearce 284 Higuera St San Luis Obispo, CA 93401	049-102-020 049-102-032

ANNEXATION OF TERRITORY TO
COMMUNITY FACILITIES DISTRICT NO. 2005-1 (SERVICES)
ANNEXATION NO. 18

AN "X" OR OTHER MARK WILL CAST ALL VOTES ASSIGNED TO THIS BALLOT

<u>SPECIAL TAX BALLOT MEASURE</u>	MARK "YES" OR "NO" WITH AN "X":
Shall the City Council of the City of Atascadero be authorized to levy a special tax on an annual basis at the rates and apportioned as described in Resolution No. 2019-___ adopted by the City Council on January 8, 2019 (the "Resolution"), which is incorporated herein by this reference, within the territory identified on the map entitled "Annexation Boundary Map No. 18 of Community Facilities District No. 2005-1 (Public Services) City of Atascadero, County of San Luis Obispo, State of California" to finance certain services as set forth in Section 4 to the Resolution (including incidental expenses).	YES _____ NO _____

Certification for Special Election Ballot

The undersigned is an authorized representative of the above-named landowner and is the person legally authorized and entitled to cast this ballot on behalf of the above-named landowner.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on _____, 2019.

MP Annex, LLC

Signature

Print Name

Title

Attachment 2: Draft Resolution B – Declaring Results of Election

DRAFT RESOLUTION B

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, DECLARING THE
RESULTS OF A SPECIAL ANNEXATION LANDOWNER
ELECTION, DETERMINING VALIDITY OF PRIOR
PROCEEDINGS, AND DIRECTING THE RECORDING OF
AN AMENDMENT TO NOTICE OF SPECIAL TAX LIEN**

WHEREAS, under the Mello-Roos Community Facilities Act of 1982 (Sections 53311 and following, California Government Code; hereafter referred to as the “Act”), the City Council of the City of Atascadero (the “City”) previously conducted proceedings to establish the City of Atascadero Community Facilities District No. 2005-1 (Public Services) (the “District”), and,

WHEREAS, in proceedings conducted by this City Council pursuant to the Act, this City Council has adopted a Resolution entitled “Resolution of the City Council of the City of Atascadero, California, Authorizing the Annexation of Territory into Community Facilities District No. 2005-1 (Public Services), Authorizing the Levy of a Special Tax, and Submitting the Levy of Special Tax to Qualified Electors” (the “Resolution of Annexation”), which called for a special election of the qualified landowner electors in the territory of land proposed to be annexed to the District; and,

WHEREAS, pursuant to the terms of the Resolution of Annexation, which is by this reference incorporated herein, the special election has been held and the City Clerk has on file a Canvass and Statement of Results of Election, (the “Canvass”) a copy of which is attached hereto as Exhibit A; and,

WHEREAS, this City Council has been informed of the Canvass, finds it appropriate, and wishes to complete its proceedings for the annexation of territory into the District.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero:

SECTION 1. The above recitals are true and correct.

SECTION 2. The issue presented at the special election was the levy of a special tax within the territory annexed to the District, to be levied in accordance with the formula heretofore approved by this City Council, all as described in Resolution No. 2019-002, entitled “Resolution of the City Council of the City of Atascadero, California, Declaring its Intention to Annex Territory into Community Facilities District No. 2005-1 (Public Services) as Annexation No. 18, and to Authorize the Levy of Special Taxes Therein” adopted by this City Council on January 8, 2019.

SECTION 3. Pursuant to the Canvass on file with the City Clerk, the issue presented at the special election was approved by the landowners of the territory annexed to the District by more than two-thirds (2/3) of the votes cast at the special election.

SECTION 4. Pursuant to the voter approval, the annexed territory is hereby declared to be fully annexed to and part of the District and this City Council may levy special taxes therein as heretofore provided in these proceedings.

SECTION 5. It is hereby found that all prior proceedings and actions taken by this City Council with respect to the District and the territory annexed thereto were valid and in conformity with the Act.

SECTION 6. Within 15 days of the date of adoption hereof, the City Clerk shall execute and cause to be recorded in the office of the County Recorder of the County of San Luis Obispo, an Amendment to Notice of Special Tax Lien, as required by Section 53328.3 of the Act.

SECTION 7. This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED at a regular meeting of the City Council held on the 12th day of February, 2019.

On motion by Council Member _____ and seconded by Council Member _____, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

CITY OF ATASCADERO

Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian A. Pierik, City Attorney

EXHIBIT A

City of Atascadero
Community Facilities District No. 2005-1
(Public Services)
Annexation No. 18

CANVASS AND STATEMENT OF RESULT OF ELECTION

I hereby certify that on February 12, 2019, I canvassed the returns of the election held on February 12, 2019, for the City of Atascadero Community Facilities District No. 2005-1 (Public Services) Annexation No. 18 and the total number of votes cast in such election and the total number of votes cast for and against the measure are as follows and the totals as shown for and against the measure are full, true and correct:

	Qualified Landowner Votes	Votes Cast	Votes YES	Votes NO
City of Atascadero Community Facilities District No. 2005-1 (Public Services) Annexation No. 18 Special Tax Election, February 12, 2019	<u>2</u>	<u> </u>	<u> </u>	<u> </u>

BALLOT MEASURE: Shall the City Council of the City of Atascadero be authorized to levy a special tax on an annual basis at the rates and apportioned as described in Resolution No. 2019-002 adopted by the City Council on January 8, 2019 (the "Resolution"), which is incorporated herein by this reference, within the territory identified on the map entitled "Annexation Boundary Map No. 18 of Community Facilities District No. 2005-1 (Public Services) City of Atascadero, County of San Luis Obispo, State of California" to finance certain services as set forth in Section 4 to the Resolution (including incidental expenses).

YES:

NO:

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND on February 12, 2019.

Lara K. Christensen, City Clerk City of Atascadero

Attachment 3: Draft Ordinance A – Special Tax Levy

DRAFT ORDINANCE

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY
OF ATASCADERO, CALIFORNIA, AUTHORIZING THE
LEVY OF SPECIAL TAXES IN COMMUNITY FACILITIES
DISTRICT NO. 2005-1 (PUBLIC SERVICES), INCLUDING
CERTAIN ANNEXATION TERRITORY**

WHEREAS, the City of Atascadero (the “City”) has conducted proceedings pursuant to the “Mello-Roos Community Facilities Act of 1982”, being Chapter 2.5, Part 1 Division 2, Title 5 of the Government Code of the State of California (the “Act”) and the City of Atascadero Community Facilities District No. 2005-1 (Public Services) Ordinance enacted pursuant to the powers reserved by the City of Atascadero under Sections 3, 5, and 7 of Article XI of the Constitution of the State of California (the “CFD Ordinance”) (the Act and the CFD Ordinance may be referred to collectively as the “Community Facilities District Law”), to establish the City of Atascadero Community Facilities District No. 2005-1 (Public Services) (the “District”) for the purpose of financing police services, fire protection and suppression services, and park services (the “Services”) as provided in the Act; and

WHEREAS, the rate and method of apportionment of special tax for the District is set forth in Exhibit B to the City Council Resolution entitled “A Resolution of the City Council of the City of Atascadero, California, For the Formation of Community Facilities District No. 2005-1 (Public Services) (the “Resolution of Formation”), which was adopted on May 24, 2005; and

WHEREAS, the City has conducted proceedings to annex territory into the District and, with respect to the proceedings, following an election of the qualified electors in the territory proposed for annexation (the “Annexation Territory”), the City Council, on February 12, 2019, adopted a Resolution entitled “Resolution of the City Council of the City of Atascadero, California, Declaring the Results of Special Annexation Landowner Election, Determining Validity of Prior Proceedings, and Directing the Recording of an Amendment to Notice of Special Tax Lien.”

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF ATASCADERO
HEREBY ORDAINS AS FOLLOWS:**

SECTION 1. The above recitals are true and correct.

SECTION 2. By the passage of this Ordinance, the City Council hereby authorizes and levies the special tax within the District, including the Annexation Territory, pursuant to the Community Facilities District Law, at the rate and in accordance with the rate and method of apportionment of special tax set forth in the Resolution of Formation, which rate and method is on file in the City Clerk’s Office and incorporated herein by reference. The special tax has previously been levied in the original territory of the District beginning in Fiscal Year 2006-07 pursuant to Ordinance No. 478 passed and adopted by the City Council on July 12, 2005 and the special tax is

hereby levied commencing in Fiscal Year 2019-20 in the District, including the Annexation Territory, and in each fiscal year thereafter to pay for the Services for the District and all costs of administering the District.

SECTION 3. The City's Finance Director or designee or employee or consultant of the City is hereby authorized and directed each fiscal year to determine the specific special tax to be levied for the next ensuing fiscal year for each parcel of real property within the District, including the Annexation Territory, in the manner and as provided in the Resolution of Formation.

SECTION 4. Exemptions from the levy of the special tax shall be as provided in the Resolution of Formation and the applicable provisions of the Community Facilities District Law. In no event shall the special tax be levied on any parcel within the District in excess of the maximum special tax specified in the Resolution of Formation.

SECTION 5. All of the collections of the special tax shall be used as provided in the Community Facilities District Law and in the Resolution of Formation, including, but not limited to, the payment of the costs of the Services, the payment of the costs of the City in administering the District, and the costs of collecting and administering the special tax.

SECTION 6. The special tax shall be collected in the same manner as ordinary ad valorem taxes are collected and shall have the same lien priority, and be subject to the same penalties and the same procedure and sale in cases of delinquency as provided for ad valorem taxes; provided, however, that the City Council may provide for other appropriate methods of collection by resolution(s) of the City Council. The Finance Director of the City is hereby authorized and directed to provide all necessary information to the auditor/tax collector of the County of San Luis Obispo in order to effect proper billing and collection of the special tax, so that the special tax shall be included on the secured property tax roll of the County of San Luis Obispo for Fiscal Year 2019-20 and for each fiscal year thereafter until no longer required to pay for the Services or until otherwise terminated by the City.

SECTION 7. If for any reason any portion of this Ordinance is found to be invalid, or if the special tax is found inapplicable to any particular parcel within the District, including the Annexation Territory, by a court of competent jurisdiction, the balance of this Ordinance and the application of the special tax to the remaining parcels within the District, including the Annexation Territory, shall not be affected.

SECTION 8. A summary of this ordinance, approved by the City Attorney, together with the ayes and noes, shall be published twice: at least five days prior to its final passage in the Atascadero News, a newspaper published and circulated in the City of Atascadero, and; before the expiration of fifteen (15) days after its final passage, in the Atascadero News, a newspaper published and circulated in the City of Atascadero. A copy of the full text of this ordinance shall be on file in the City Clerk's Office on and after the date following introduction and passage and shall be available to any interested member of the public.

SECTION 9. This Ordinance shall take effect 30 days from the date of final passage.

ITEM NUMBER: B-1
DATE: 02/12/19
ATTACHMENT: 3

INTRODUCED at a regular meeting of the City Council held on February 12, 2019 and **PASSED** and **ADOPTED** by the City Council of the City of Atascadero, State of California, on _____.

CITY OF ATASCADERO

Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian A. Pierik, City Attorney