



AGENDA
REGULAR MEETING OF THE CITY COUNCIL AND
JOINT MEETING OF THE CLOVERDALE COMMUNITY DEVELOPMENT SUCCESSOR AGENCY BOARD OF DIRECTORS

TUESDAY, JUNE 14, 2016

CLOSED SESSION 5:30 p.m.

CLOSED SESSION LOCATION: CITY HALL CONFERENCE ROOM, 124 N. CLOVERDALE BLVD. CLOVERDALE, CA 95425

PUBLIC BUSINESS SESSION: 6:30 p.m.

**PUBLIC BUSINESS SESSION LOCATION: CLOVERDALE PERFORMING ARTS CENTER, 209 N. CLOVERDALE BLVD.,
CLOVERDALE, CA 95425**

The Cloverdale City Council welcomes you to its meetings that are typically scheduled for the 2nd and 4th Tuesday of the month. Your interest and participation are encouraged and appreciated. ***Please silence all pagers, cellular telephones and other communications devices upon entering the meeting.***

ADDRESSING THE CITY COUNCIL:

When asked to do so by the Mayor, those wishing to address the City Council are asked to step up to the podium. Speak directly into the microphone so everyone in the audience can hear your comments and so they'll be recorded into the official record. State your name and City of Residence for the record. Per City Council Policy, three (3) minutes are typically allotted to each speaker. However, Council may at its discretion revise the amount of time allotted. Public comments will normally be received after staff presentations on an agenda item and before the City Council starts deliberations. A Talking Tips sheet is available for your use.

We may disagree, but we will be respectful of one another.
All comments will be directed to the issue at hand, and addressed to the City Council.
Personal attacks are unacceptable.

DISABLED OR SPECIAL NEEDS ACCOMMODATION: In compliance with the Americans with Disabilities Act, if you need assistance to attend or participate in a City Council meeting, please contact the City Clerk's office at 894-2521. Notification at least 48-hours prior to the meeting will assist the City Clerk in assuring that reasonable accommodations are made to provide accessibility to the meeting.

WAIVER WARNING: If you challenge decisions/directions of the City Council in court, you may be limited to raising only those issues you or someone else raised at public hearings(s) described in this Agenda, or in written correspondence delivered to the City of Cloverdale at, or prior to, the public hearing(s).

CLOSED SESSION

CLOSED SESSION: 5:30 pm

OPENING:

- Call to Order
- Roll Call
- Agenda Review - Closed Session (Changes and/or Deletions)

PUBLIC COMMENTS ON CLOSED SESSION AGENDA:

Prior to adjournment into Closed Session, the public may speak on items to be addressed in Closed Session.

RECESS TO CLOSED SESSION:

CONFERENCE WITH LABOR NEGOTIATOR

(Government Code Section 54957.6)

Labor Negotiator: Paul Cayler, City Manager; David Kelley, Assistant City Manager; and Jose M. Sanchez, City Attorney

Employee Organizations: Cloverdale Police Officers' Association

CONVENE PUBLIC BUSINESS SESSION – 6:30 p.m.

OPENING:

- Call to Order
- Pledge of Allegiance
- Roll Call
- Report out of Closed Session – Actions Taken
- Conflict of Interest Declaration
- Agenda Review – Regular Session (Changes and/or Deletions)

PUBLIC COMMENTS:

Any person wishing to speak to the City Council on any item not listed on the agenda may do so at this time. Members of the public have the right to speak on any items on the Council Agenda during that item. Pursuant to the Brown Act, the City Council is not allowed to consider issues or take action on any item not listed on the agenda. Each person wishing to speak must go to the podium when advised by the Mayor and speak directly into the microphone.

PROCLAMATIONS / PRESENTATIONS:

1. **Introduction of new employees: Eric Sanders - Water Operator II, and Trevor Anderson- Meter Reader**
2. **Proclamation for World Elder Abuse Awareness Day** *(Page 1)*
3. **Presentation by the Ms. Jamie Kerr of 530 Collective Corporation Regarding the Medical Marijuana Regulation and Safety Act of 2015** *(Pages 2-19)*

CONSENT CALENDAR:

All items under Consent Calendar will be considered together by one action of the Council unless any Council Member or member of the public requests that an item be removed and considered separately.

4. **Minutes of Previous Meeting April 12, 2016 – Moore** *(Pages 20-23)*
5. **Minutes of Previous Meeting May 10, 2016 – Moore** *Pages 24-28*
6. **Action on Resolution No. 041-2016 adopting the 2015 Urban Water Management Plan prepared by RMC-Apodaca** *(Pages 29-30)*

7. Action on Resolution No. 042-2016, of the City Council of the City of Cloverdale Re-appointing Ms. Reece Foxen to Serve a Four Year Term as Cloverdale's Representative on the Sonoma County Library Commission– Cayler (Pages 31-33)

Recommendation: Staff recommends that the City Council adopt the Consent Calendar.

COMMUNICATIONS: None.

Council may discuss at this time written communications sent to Council members since the last council meeting. Written communication to be discussed will be listed below, if any.

PUBLIC HEARINGS: None

NEW BUSINESS:

8. Presentation of the Wastewater Treatment Plant Capacity Study by RMC- Apodaca (Pages 34-47)

Recommendation: Staff recommends Council receive the information presented by RMC.

SUBCOMMITTEE ITEMS:

Finance, Administration & Police

9. Action on Resolution No 033-2016, authorizing the City Manager to sign an agreement with Exchange Bank and approving the City Manager and Finance Manager as signers on the Investment Account – Cavallari (Pages 48-70)

Recommendation: Staff recommends that the City Council adopt Resolution No. 033-2016, authorizing the City Manager to sign an agreement with Exchange Bank and approve the City Manager and Finance Manager as signers on the Investment Account.

SUBCOMMITTEE REPORTS: (VERBAL REPORTS: 15 minutes)

- Airport (Chair, Councilmember Cox and Vice Mayor Wolter) - Next Meeting: July 19, 2016, 9:00 a.m.
- Finance, Administration & Police (Chair, Mayor Brigham and Vice Mayor Wolter) - Next Meeting: June 23, 2016, 2:00 p.m.
- Planning & Community Development (Chair, Vice Mayor Wolter and Mayor Brigham) - Next Meeting: June 21, 2016, 4:00 p.m.
- Public Works (Chair, Councilmember Russell and Councilmember Cox) - Next Meeting: July 26, 2016, 10:30 a.m.
- Joint City/Fire District (Chair, Councilmember Palla and Mayor Brigham) - Next Meeting: TBD
- Joint City/School District (Chair, Councilmember Palla and Councilmember Cox) – Next Meeting: September 19, 2016, 5:00 p.m.

COUNCIL REPORTS (INCLUDING STUDENT LIAISON): (VERBAL REPORTS: 15 minutes)

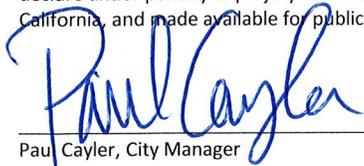
LEGISLATIVE REPORT:

CITY MANAGER/CITY ATTORNEY REPORT:

COUNCIL DIRECTION ON FUTURE AGENDA ITEMS:

ADJOURNMENT: Adjourn to a regular meeting of the City Council and Cloverdale Community Development Successor Agency, Tuesday, June 28, 2016, for Closed Session at 5:30 p.m. (at the City Hall Conference Room 124 N. Cloverdale Blvd., Cloverdale, CA 95425) and Public Business Session at 6:30 p.m. (at the Cloverdale Performing Arts Center 209 N. Cloverdale Blvd., Cloverdale, CA 95425).

The City does not transcribe its proceedings. Anyone who desires a verbatim record of this meeting should arrange for attendance by a court reporter or for other acceptable means of recordation. Such arrangements will be at the sole expense of the individual requesting the recordation. Questions about this agenda should be directed to City Hall at 707/894-2521. State of California, County of Sonoma, City of Cloverdale. CERTIFICATION I, Paul Cayler, do hereby declare under penalty of perjury that the foregoing agenda was posted on the outdoor bulletin board at the City Hall, 124 N. Cloverdale Blvd., Cloverdale, California, and made available for public review, prior to or on this 9th day of June, 2016, at or before 5:00 p.m.

A handwritten signature in blue ink that reads "Paul Cayler". The signature is written in a cursive style and is positioned above a horizontal line.

Paul Cayler, City Manager



City Council Proclamation

Proclaiming June 15, 2016 World Elder Abuse Awareness Day

Whereas, Cloverdale's seniors are valued members of society; and

Whereas, abuse of older people is a tragedy inflicted on vulnerable seniors and an ever-increasing problem in today's society that crosses all socio-economic boundaries; and

Whereas, elderly and dependent adults have the right to be protected under the law from all types of abuse, including financial, physical, psychological, sexual, or neglect; and

Whereas, combating abuse of older people will help improve the quality of life for Cloverdale's seniors, and enable them to continue to serve as leaders, mentors volunteers, and important and active members of this community; and

Whereas, the issue of elder abuse prevention requires continual community awareness and education; and

Whereas, the City of Cloverdale provides support, services and education to seniors through the Cloverdale Senior Multi-Purpose Center; and

Whereas, elder abuse should not be ignored nor endured.

Therefore, Be It Resolved that I, Mayor Mary Ann Brigham do hereby proclaim June 15, 2016 as World Elder Abuse Awareness Day in the City of Cloverdale and this Council so encourages all residents to recognize and celebrate the accomplishments of Cloverdale's seniors.

Mary Ann Brigham, Mayor

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**City Council/Successor Agency
Agenda Item Summary**

Agenda Item: 3
Meeting Date: June 14, 2016

Agenda Section Proclamations/Presentations	Staff Contact Paul Cayler, City Manager
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Agenda Item Title

Presentation by the Ms. Jamie Kerr of 530 Collective Corporation Regarding the Medical Marijuana Regulation and Safety Act of 2015

Summary

Mayor Mary Ann Brigham requested that the Ms. Jamie Kerr of 530 Collective Corporation be placed on the City Council agenda for an informational presentation regarding the Medical Marijuana Regulation and Safety Act (MMRSA). The MMRSA is a comprehensive regulatory act that provides a framework for commercial marijuana production and distribution. Jamie Kerr has a unique background in the medical marijuana sector. She is the founder and Chief Financial Officer of 530 Collective Corporation, a storefront cannabis dispensary which has been operating in compliance with local ordinance since 2009. In 2013, Jamie Kerr was unanimously appointed to the City of Shasta Lake Planning Commission where she is currently serving as Chair. She has also previously served as Vice-President of the Shasta Lake Chamber of Commerce, of which 530 Collective has been a member since 2009. In early 2014, after discussions during the City’s Ad Hoc committee meetings regarding cannabis, Jamie Kerr spearheaded what would become the Measure C ballot initiative to tax the gross revenue of the city’s cannabis dispensaries which, to date, has generated in excess of \$300,000 for the City of Shasta Lake’s general fund. Also in 2014, 530 Collective Corporation joined the California Cannabis Industry Association and shortly thereafter Jamie Kerr was appointed to CCIA’s board of directors where she served until April 2015. In 2015, 530 Collective Corporation became a Business Partner and Founding Member of California Growers Association. Throughout the 2015 legislative session, serving as CGA’s Chief Policy Advisor, Jamie Kerr logged close to 1,000 volunteer hours working in active support of responsible cannabis regulation and was directly engaged on each of the three bills—AB243, AB266, SB643—which now make up the Medical Marijuana and Safety Act of 2015. In November 2015, Jamie Kerr participated in a fact-finding trip to Denver, Colorado coordinated through the Board of Equalization. In 2016, Jamie shifted her focus from the legislative process to local government and community outreach focusing on MMRSA education and implementation in cities. Additionally, in March 2016, Jamie Kerr went to Washington D.C. and met with six congressional offices to discuss one of the biggest challenges the cannabis industry faces: banking. To date, 530 Collective Corporation employs 15 full time staff members and has its edible products represented in preferred dispensaries throughout California.

Options

This is presentation only in order to provide feedback and ask questions. No action required.

Budget/Financial Impact

None.

Subcommittee Recommendation

None.

Recommended Council Action

The City Manager recommends that the City Council hear the presentation from the Ms. Jamie Kerr, then take public comment.

Attachments:

None.

cc:

P.O. Box 217 • 124 North Cloverdale Blvd. • Cloverdale, CA 95425-0217 • Telephone (707) 894-2521 • FAX (707) 894-3451

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What is MMRSA?



Medical Marijuana Regulation and Safety Act of 2015

- **What is MMRSA?**
- **License Types and Activities**
 - **Agencies Involved**
 - **Key Dates**
 - **Local Government Considerations**
- **Specific Considerations for the City of Cloverdale**
 - **Legalization Initiatives**

Lead Agencies and Sub-Agencies



What is MMRSA?

“No person shall engage in commercial cannabis activity without possessing both a state license and a local permit, license, or other authorization.”

- Three bills currently in statute:

AB243 (Wood)

AB266 (Bonta, Cooley, Jones-Sawyer, Lackey, Wood)

SB643 (McGuire)

- Pending ‘clean up’ or supplemental legislation:

AB 1575 (Bonta, Cooley, Jones-Sawyer, Lackey, Wood) – General MMRSA clarification

AB 2149 (Bonilla) - State Agencies: collection of cash payments

AB 2243 (Wood) - Excise tax on cultivation

AB 2615 (Wood) - Cottage cultivation license

SB 987 (McGuire) - Excise tax on patient/POS

Budget Trailer Language (Governor’s office) – General MMRSS clarification

What is MMRSA?

- Comprehensive, robust regulatory framework for all commercial* cannabis activities
- Defers to local governmental control
- Applies a multi-agency approach to regulation and licensing
- Balanced, incremental approach
- Represents input and collaboration from diverse stakeholders
- Brings California into compliance with the 2013 Cole Memo
- Acknowledges there are environmental, public safety, and small business crises in California attributed to unregulated agriculture and commerce



License Types and Activities

- 1 Specialty outdoor of less than or equal to 5,000 square feet of total canopy size on one premises or up to 50 mature plants on noncontiguous plots.
- 1A Specialty indoor
- 1B Specialty mixed-light
- 2 Small outdoor between 5,001 and 10,000 square feet, inclusive, of total canopy size on one premises
- 2A Small indoor between 5,001 and 10,000 square feet
- 2B Small mixed light between 5,001 and 10,000 square feet
- 3 Medium outdoor from 10,001 square feet to one acre, inclusive, of total canopy size on one premises
The Department of Food and Agriculture **shall** limit the number of licenses allowed of this type
- 3A Medium indoor between 10,001 and 22,000 square feet, inclusive, of total canopy size on one premises
- 3B Medium mixed light between 10,001 and 22,000 square feet, inclusive, of total canopy size on one premises
- 4 Nursery
- 5 Undefined
- 6 Manufacturer; non-volatile solvents
- 7 Manufacturer; volatile solvents
- 8 Testing (this license type is firewalled)
- 9 Undefined
- 10 Dispensary; General
- 10A Dispensary; No more than three retail sites
- 11 Distribution (this license type is firewalled)
- 12 Transporter

Lead Agencies and Sub-Agencies

- **Department of Consumer Affairs**
 - Bureau of Medical Marijuana Regulation (BMMR) established as lead agency
 - **Dispensaries**
 - **Transporters**
 - **Distributors**
- **Department of Food and Agriculture (in collaboration with)**
 - Department of Pesticide Regulation
 - California Regional Water Quality Control Board
 - California Department of Fish and Wildlife
 - **Cultivation**
- **Department of Public Health**
 - **Manufacturing**
 - **Testing/Laboratories**
- **Board of Equalization**
 - Track and Trace

Key Dates

- **JULY 1, 2015**

Deadline for applicants and entities to qualify for highest level of vertical integration loophole.

- **JANUARY 1, 2016**

Deadline for entities to be in compliance with local policy in order to receive 'priority processing' for licensure.

- **MARCH 1, 2016***

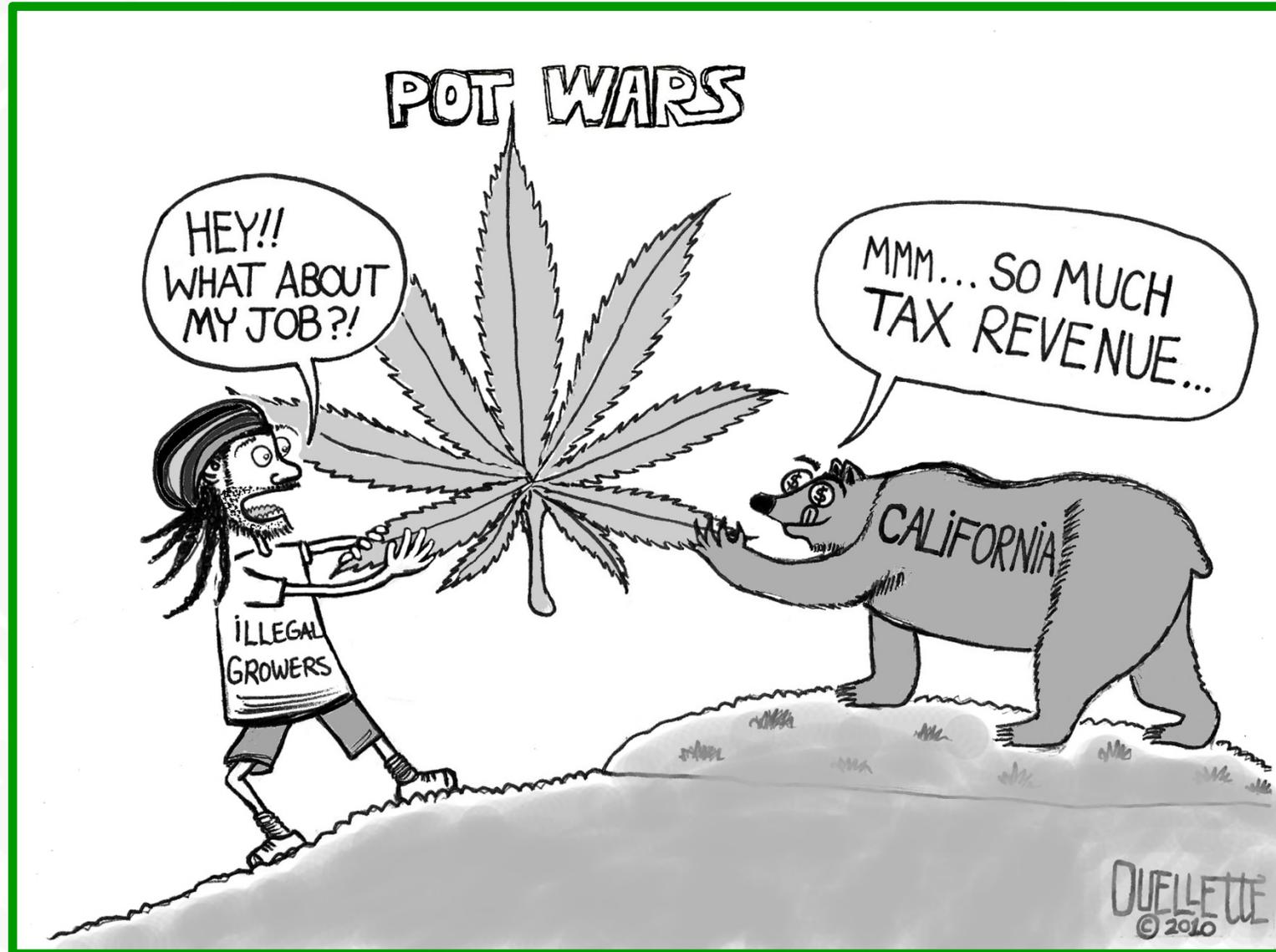
Deadline for local government to choose or prohibit cultivation. If this deadline is not met the state will become the sole licensing authority.

- **JANUARY 1, 2018**

Agencies expected to begin accepting applications and issuing licenses.

Deadline for existing canna-businesses/applicants to be in compliance with local policy to ensure no disruption to their operations.

Local Government Considerations



Local Government Considerations

- Potential **benefits** to implementing MMRSA:
 - Confidence, collaboration, partnership with local cannabis industry
 - Increased jobs within the city/county borders
 - Potential for tax on commercial cannabis activities
 - New business opportunities within the city/county
 - Commercial building vacancies filled
 - Safer communities
 - State assistance addressing enforcement of non-compliant commercial cannabis activities
 - Confidently issue “license, permit, or other authorization” all commercial cannabis activities

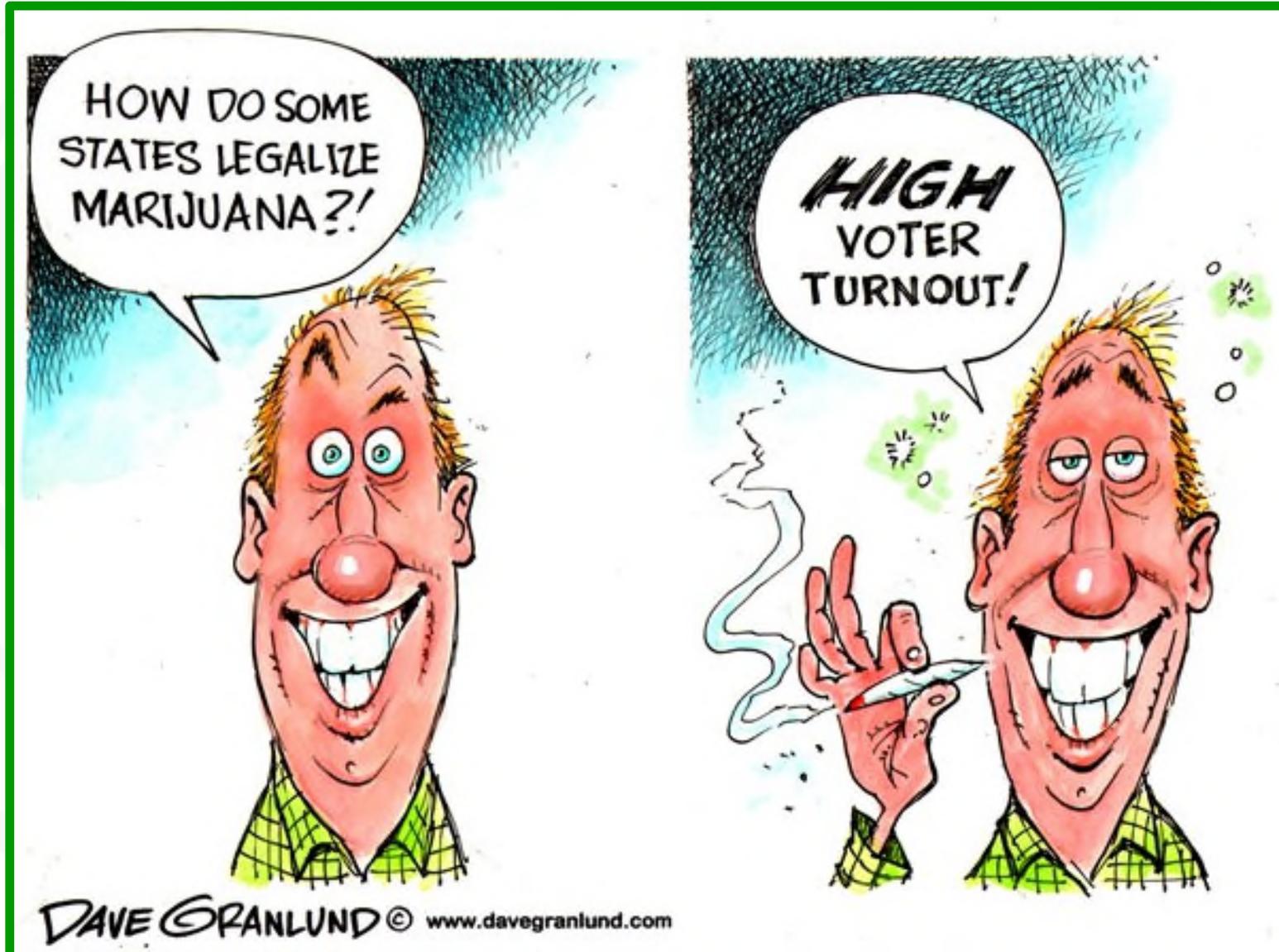
Local Government Considerations

- Potential **concerns** with the city allowing new commercial cannabis activities:
 - Perception that the city may be too supportive/condoning/encouraging of cannabis
 - *Mitigation:* Increased commercial activities and businesses bring new jobs and new revenue to communities and local governments. Licensing activities that may already be taking place can increase public safety and deter bad actors.
 - Increased law enforcement patrols for these new businesses
 - *Mitigation:* Permit and license fees may offset costs; LE and local governments will now know exactly where cannabis activity is taking place; providing a pathway to regulated commercial activity means less/elimination of commercial cannabis activity in residential zones; local governments may propose gross revenue tax (or similar); proposed excise tax bills before the legislature
 - Staff hours allocated to drafting new and/or amending existing ordinances
 - *Mitigation:* Permit and license fees may offset costs; local governments may propose gross revenue tax (or alternate)

Considerations for the City of Cloverdale

- TBD

Legalization Initiatives



Legalization Initiatives

- **AUMA** Adult Use Marijuana Act
- **MCLRA** Medical Cannabis Legalization and Regulation Act
- **CCHI** California Cannabis Hemp Initiative
- **ReformCA** Status of this initiative is unclear

Legalization Initiatives

- A responsible initiative for legalization or adult-use cannabis should:
 - Defer to and protect the foundation laid by the California legislature via the MMRSA
 - Take a thoughtful balanced, and incremental approach to adult-use cannabis
 - Represent input from all stakeholder groups
 - Reflect the best interests for California's existing economy, communities, and canna-businesses
- To date, we have not seen a currently filed initiative that meets all of these criteria

Thank You, Cloverdale!

Jamie Kerr

Founder, 530 Collective and 530 Edibles

jamie@530edibles.org

530-949-0501

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DRAFT MINUTES

**REGULAR MEETING OF THE CITY COUNCIL AND
JOINT MEETING OF THE CLOVERDALE COMMUNITY DEVELOPMENT SUCCESSOR AGENCY BOARD OF DIRECTORS**

TUESDAY, MONTH APRIL 12, 2016

PUBLIC BUSINESS SESSION: 6:30 p.m.

**PUBLIC BUSINESS SESSION LOCATION: CLOVERDALE PERFORMING ARTS CENTER, 209 N. CLOVERDALE BLVD.,
CLOVERDALE, CA 95425**

PUBLIC BUSINESS SESSION – 6:30 p.m.

OPENING:

- Call to Order: Mayor Brigham called the meeting to order at 6:30 p.m.
- Pledge of Allegiance
- Roll Call: Councilmember Palla, Vice Mayor Wolter, Councilmember Cox, Councilmember Russell, and Mayor Brigham
- Conflict of Interest Declaration: Councilmember Russell recused herself from agenda item 14 due to her residence proximity
- Agenda Review – Regular Session (Changes and/or Deletions): None

PUBLIC COMMENTS:

Sonja Kluesener, with Cloverdale Certified Farmer’s Market, introduced Tina Castelli as the new manager for the Cloverdale Friday Night Live Farmer’s Market. Ms. Castelli discussed the various vendors available at the market.

PROCLAMATIONS / PRESENTATIONS:

1. International Telecommunicators Proclamation

City Manager Cayler presented this proclamation proclaiming the week of April 11 – 17, 2016 as “International Telecommunicators Week” to Chief Cramer, honoring the dedicated Police Dispatchers.

2. National Crime Victim’s Rights Proclamation

City Manager Cayler presented this proclamation proclaiming April 10, 2016, through April 16, 2016, as National Crime Victim’s Rights Week in the City of Cloverdale. Sonoma County Chief Deputy District Attorney, Brian Staebell was present to accept the proclamation.

3. Equal Pay Day Proclamation

City Manager Cayler presented this proclamation recognizing April 12, 2016, as Equal Pay Day to recognize the full value of women’s skills and contributions to the labor force, and further encourage businesses to conduct internal pay evaluations to ensure women are being paid fairly. Lou Enge and Val Marder were present to receive the proclamation.

CONSENT CALENDAR:

- 4. Minutes of Previous Meeting March 1, 2016**
- 5. Minutes of Previous Meeting February 23, 2016**
- 6. Minutes of Previous Meeting February 9, 2016**
- 7. Minutes of Previous Meeting February 3, 2016**
- 8. Minutes of Previous Meeting May 12, 2015**

9. **Second reading and adoption of Ordinance No. 706-2016, amending Cloverdale Municipal Code Chapter 8.08 related to smoking in public places**
10. **Consideration of Resolution authorizing the City Manager to submit a letter to the Department of Alcoholic Beverage Control regarding an off-sale license for the Dollar General retail store- Miranda**
11. **Consideration of Resolution approving the revised Public Works Director Job Description and proposed salary**

Councilmember Cox requested to pull item eight for a separate vote since he was absent during that meeting and would be abstaining.

Action: Motion was made by Councilmember Palla and seconded by Vice Mayor Wolter to approve the consent calendar minus item number eight. The motion passed by roll call vote: (5-ayes – Councilmember Palla, Vice Mayor Wolter, Councilmember Cox, Councilmember Russell, and Mayor Brigham; 0-noes).

Action: Motion was made by Vice Mayor Wolter and seconded by Councilmember Palla to approve consent item number eight. The motion passed by roll call vote: (4-ayes – Councilmember Palla, Vice Mayor Wolter, Councilmember Russell, and Mayor Brigham; 0-noes; 1-abstain- Councilmember Cox).

COMMUNICATIONS:

12. **Letter from Mayor Gina Belforte requesting Council support for her appointment to Remote Access Network Board**

Action: Motion was made by Councilmember Palla and seconded by Councilmember Cox to support Mayor Gina Belforte’s appointment to the Remote Access Network Board. The motion passed by unanimous voice vote (5-ayes – Councilmember Palla, Vice Mayor Wolter, Councilmember Cox, Councilmember Russell, and Mayor Brigham; 0-noes).

PUBLIC HEARINGS: None

NEW BUSINESS:

13. **Presentation and Discussion of the City of Cloverdale’s Top Ten Goals for Fiscal Year 2016-2017**

City Manager Cayler discussed the top ten goals that were selected and prioritized from the workshop in March. Councilmembers clarified and discussed the goals as well as last year’s goals. Mr. Cayler stated that the top goals would be used as guidelines for the upcoming budget development.

Action: Motion was made by Councilmember Palla and seconded by Councilmember Cox to approve the top ten goals as discussed. The motion passed by unanimous voice vote: (5-ayes – Councilmember Palla, Vice Mayor Wolter, Councilmember Cox, Councilmember Russell, and Mayor Brigham; 0-noes).

14. **Discussion and Possible Action on the Yorty Creek Recreational Area Directional Signage Project**

Councilmember Russell recused herself and left the meeting room due to a possible conflict of interested on this item.

City Manager Cayler presented this item giving the details of the proposed signage. Discussion ensued regarding the proposed signage and the poor road conditions with Councilmember Palla recommending a letter be drafted and sent to the County Board of Supervisors regarding the road conditions. Councilmembers agreed and voiced approval to move forward with the signage as recommended.

PUBLIC COMMENTS: None

Councilmember Russell returned to the dais.

SUBCOMMITTEE ACTION ITEMS:

15. Consideration of Resolution establishing limited parking restrictions at the Senior Center Bus Shelter

City Manager Cayler discussed the new routes established by Sonoma County Transit, noting that the bus is now stopping in front of the Senior Center. He commented that due to cars parked in front of the Senior Center, the bus must sometimes double park, causing passengers to disembark in the street. To correct this safety hazard, Staff is requesting to have restricted hours of parking in front of the bus shelter. Collen Hale, Director of the Senior Center, came to the podium to discuss the need for limited no parking zone for the bus shelter, adding that she would much rather see limited times for parking rather than red curbed no parking zone to accommodate more parking for the neighbors. City Manager Cayler commented that the parking restrictions would likely involve only two parking spaces.

Action: Motion was made by Councilmember Russell and seconded by Councilmember Cox to adopt Resolution No. 025-2016, establishing limited parking restrictions and authorizing City Staff to coordinate placement of the limited “No Parking” sign with Sonoma County Transit. The motion passed by roll call vote: (5-ayes – Councilmember Palla, Vice Mayor Wolter, Councilmember Cox, Councilmember Russell, and Mayor Brigham; 0-noes).

SUBCOMMITTEE REPORTS: (VERBAL REPORTS: 15 minutes)

- Airport (Chair, Councilmember Cox and Vice Mayor Wolter) - Next Meeting: May 3, 2016, 9:00 a.m. Vice Chair Wolter reported the subcommittee met on April 5th and discussed the details of the financial statement provided by City Finance Manager, Joanne Cavallari. He reported that this financial statement will be further discussed at the next meeting on May 3rd with a new start time of 9:00 a.m.
- Finance, Administration & Police (Chair, Mayor Brigham and Vice Mayor Wolter) - Next Meeting: April 27, 2016, 2:00 p.m.
- Planning & Community Development (Chair, Vice Mayor Wolter and Mayor Brigham) - Next Meeting: April 19, 2016, 4:00 p.m.
- Public Works (Chair, Councilmember Russell and Councilmember Cox) - Next Meeting: May 24, 2016, 10:30 a.m. Councilmember Russell reported that the Committee met and discussed the senior bus shelter as well as the solar project at the water plant, which will likely be brought before the full Council on May 10th. She reported that the Committee also received an update on the Urban Water Management Plan.
- Joint City/Fire District (Chair, Councilmember Palla and Mayor Brigham) - Next Meeting: June 13, 2016, 5:30 p.m.
- Joint City/School District (Chair, Councilmember Palla and Councilmember Cox) – Next Meeting: May 16, 2016, 5:00 p.m. Councilmember Palla reported that the Committee met on March 28th and discussed the High School Seniors Local History Project. He stated that concerns regarding the pedestrian safety crosswalk lighting system at Cloverdale Blvd. and Schools St. was also discussed. He reported that the school superintendent will be making presentation on LCAP at the next meeting.

COUNCIL REPORTS (INCLUDING STUDENT LIAISON): (VERBAL REPORTS: 15 minutes)

Student liaison, Karsyn Stewart apologized for missing so many meetings explaining that her basketball team did quite well this year, advancing in playoffs, which caused her to be unavailable to attend the Council meetings. She shared that track, softball, and baseball season is underway. She reported that the seniors just traveled to Santa Rosa Junior College to take placement tests. She stated that Community Union Day is coming up on May 13th and encouraged all to take advantage of the students for community services. Ms. Stewart shared that Law Week took place last week with attorneys in attendance for discussion and questions.

Councilmember Russell reported that there was a good turnout for the SMART meeting held on March 29th, where the first tentative train schedules were discussed. She stated that four rail cars are being manufactured to service the northern vicinity.

Councilmember Cox reported that he met with the League of California Cities, as a member of Transportation, Communication and Public Works Committee in San Diego. He stated that they discussed autonomous vehicles, including a pilot program for testing totally autonomous vehicles.

Councilmember Palla reported that the REMIF Board of Directors met March 24th. He stated that the Board will be developing a new policies and procedures manual as it relates to the health benefit program. He reported that the Board approved a \$1.70 per employee, per month, increase in the vision program bringing the total to \$18.20 per employee, per month. They also approved a 24% increase fee for the life disability program through Lincoln Financial. Councilmember Palla further stated that the Board will be looking at options to help keep costs down without compromising the coverage offered. He reported that he also attended the League of California Cities meeting in San Diego, as a member of the Public Safety Policy Committee, where they spent a considerable amount of time discussing numerous State Bills, including a Bill that would set a measurement of legally acceptable marijuana levels similar to that of alcohol.

LEGISLATIVE REPORT: None

CITY MANAGER/CITY ATTORNEY REPORT:

Assistant City Manager Kelley reported that the City was contacted by Congressman Huffman's aid, stating the Congressman would be passing through Cloverdale. Mr. Kelley reported that he, Mayor Brigham, Councilmember Russell and the President of the Chamber of Commerce had the opportunity to meet with Congressman Huffman and discuss a host of topics, which included funding for the Alexander Health Care Facility and obtaining USDA funding for a new police station, as well as marijuana issues and the SMART Train.

Police Chief Cramer announced that the department would be collaborating with AAA on the Booster Seat Challenge and would be giving away 100 booster seats to needy families on April 16th from 10:00 a.m. to 2:00 p.m. at the train depot.

COUNCIL DIRECTION ON FUTURE AGENDA ITEMS: None

ADJOURNMENT: Mayor Brigham adjourned the meeting at 8:12 p.m. to a regular meeting of the City Council and Cloverdale Community Development Successor Agency, Tuesday, April 26, 2016, for Closed Session at 5:30 p.m. (at the City Hall Conference Room 124 N. Cloverdale Blvd., Cloverdale, CA 95425) and Public Business Session at 6:30 p.m. (at the Cloverdale Performing Arts Center 209 N. Cloverdale Blvd., Cloverdale, CA 95425).



**DRAFT MINUTES
REGULAR MEETING OF THE CITY COUNCIL AND
JOINT MEETING OF THE CLOVERDALE COMMUNITY DEVELOPMENT SUCCESSOR AGENCY BOARD OF DIRECTORS**

TUESDAY, MAY 10, 2016

CLOSED SESSION 5:30 p.m.

CLOSED SESSION LOCATION: CITY HALL CONFERENCE ROOM, 124 N. CLOVERDALE BLVD. CLOVERDALE, CA 95425

PUBLIC BUSINESS SESSION: 6:30 p.m.

**PUBLIC BUSINESS SESSION LOCATION: CLOVERDALE PERFORMING ARTS CENTER, 209 N. CLOVERDALE BLVD.,
CLOVERDALE, CA 95425**

CLOSED SESSION

CLOSED SESSION: 5:30 pm

OPENING:

- Call to Order: Vice Mayor Wolter called the meeting to order at 5:30 p.m.
- Roll Call: Councilmember Palla, Vice Mayor Wolter, Councilmember Cox, and Councilmember Russell, with Mayor Brigham absent
- Agenda Review - Closed Session (Changes and/or Deletions): None

PUBLIC COMMENTS ON CLOSED SESSION AGENDA: None

RECESS TO CLOSED SESSION:

CONFERENCE WITH LEGAL COUNSEL- POTENTIAL LITIGATION (1)

Pursuant to California Government Code Section 54956.9(d)(2)

Number of Cases: 1

CONVENE PUBLIC BUSINESS SESSION – 6:30 p.m.

OPENING:

- Call to Order: Vice Mayor Wolter, acting as Chair due to Mayor Brigham's absence, called the meeting to order at 6:30 p.m.
- Pledge of Allegiance
- Roll Call: Councilmember Palla, Vice Mayor Wolter, Councilmember Cox, and Councilmember Russell, with Mayor Brigham absent
- Report out of Closed Session –Actions Taken: No reportable action taken
- Conflict of Interest Declaration: Vice Mayor Wolter recused himself from item number eight since the Exchange Bank is a past employer, from whom he still receives monies.
- Agenda Review – Regular Session (Changes and/or Deletions): None

PUBLIC COMMENTS: Vickey Macias, the Cloverdale Rancheria Tribal Treasurer, formally announced that the tribe received a positive decision on their Record of Decision. She shared her excitement, stating that she is eager to work with the City as the project progresses. The Vice Mayor Wolter thanked her and commented that the Council looks forward to chatting with her in the future.

PROCLAMATIONS / PRESENTATIONS:

1. Proclamation endorsing the Community Resilience Challenge

City Manager Cayler presented the proclamation to Daily Acts Events Coordinator, Susan Price. Ms. Price shared that the Community Resilience Challenge is in its seventh year and encouraged Cloverdale to take an active role in creating a more connected, vibrant, resilient world, one act at a time.

2. Presentation by Cloverdale Library Commissioner Reece Foxen regarding activities, and her potential reappointment to the Sonoma County Library Commission

Reece Foxen gave a PowerPoint presentation which provided statistics on library use at the Cloverdale Library. She pointed out that the library is widely used by both onsite and virtual users and discussed the details of the programs offered through the library. The Council thanked Ms. Foxen for the thorough presentation and her valuable work at the library.

PUBLIC COMMENTS:

Jane Snibble, Chair of the local Library Advisory Board, voiced support to reappoint Reece to continue in her position at the Cloverdale Library and thanked Ms. Reece for her committed work at the library.

Jeanne Cox, Cloverdale, At-Large Member of the Friends Board, also offered support to reappoint Reece, complimenting her on her devotion to the Cloverdale Library System.

CONSENT CALENDAR:

3. Minutes of Previous Meeting: March 22, 2016

4. Minutes of Previous Meeting: April 26, 2016

Councilmember Russell stated she would be abstaining due to her absence at the April 26, 2016 meeting.

Action: Motion was made by Councilmember Palla and seconded by Councilmember Cox to approve the consent calendar. The motion passed by roll call vote: (3-ayes – Councilmember Palla, Vice Mayor Wolter; 0-noes; 1-Abstain- Councilmember Russell; 1-Absent- Mayor Brigham).

COMMUNICATIONS: None

PUBLIC HEARINGS: None

NEW BUSINESS:

5. Action on Resolution authorizing the City Manager to execute the First Amendment to the License Agreement between the City of Cloverdale and the Cloverdale Senior Multipurpose Center, Inc. concerning the Cloverdale Senior Center at 311 North Main Street

City Manager Cayler discussed the amendment to the License Agreement and recommended that the City Council adopt the proposal resolution, thus formally amending the license agreement between the City of Cloverdale and the Senior Multipurpose Center.

PUBLIC COMMENTS:

Colleen Hale, Director of the Senior Center, thanked City Staff and Council for their consideration of the requested amendments to the License Agreement.

Action: Motion was made by Councilmember Cox to adopt Resolutions No. 031-2016, authorizing the City Manager to execute the First Amendment to the License Agreement between the City of Cloverdale and the Cloverdale Senior Multipurpose Center, Inc. concerning the Cloverdale Senior Center at 311 North Main Street, and seconded by Councilmember Palla. The motion passed by roll call vote: (4-ayes – Councilmember Palla, Vice Mayor Wolter, Councilmember Cox, Councilmember Russell; 0-noes; 1-Absent-Mayor Brigham).

City Manager Cayler requested to move item number ten forward on the agenda to allow the consultants from RMC an earlier departure due their travel distance. The Council agreed.

10. Presentation of the Public Draft Urban Water Management Plan by RMC

Leslie Dumas and Ian Jaffe presented a PowerPoint presentation regarding the details of the Urban Water Management Plan, including guideline and timeline requirements, as well as population and demand analysis. There was no action taken on this presentation item. Ms. Dumas stated that the intention was to return at a later meeting date to request approval of the Urban Water Management Plan.

SUBCOMMITTEE ACTION ITEMS:

Finance, Administration & Police

6. Introducing and waiving the first reading of Ordinance No. 707-2016 amending Cloverdale Municipal Code, Title 3, Chapter 3.04, "Officers Authorized to Sign - Procedure," Section 3.04.020, adding the Assistant City Manager as an officer authorized to sign on behalf of the City

Finance Manager Cavallari presented this item stating the amendment is a minor change to add the Assistant City Manager as a signer. Ms. Cavallari reported that Section 3.04.020 authorizes the City Manager, Mayor and Vice Mayor to sign checks and warrants drawn on the City treasury, noting that one signature must be manually executed on checks or warrants, the other may be affixed by plate or other approved mechanical means. Ms. Cavallari further commented that presently, the manually executed signature is that of the City Manager, and the Mayor or Vice Mayor's signature is affixed electronically and that adding the Assistant City Manager as an authorized signer would allow more flexibility in the City Manager's schedule, and ensure that checks can be issued in the event of an emergency.

PUBLIC COMMENTS: None

Action: Motion was made by Councilmember Cox to waive the first reading of Ordinance No. 707-2016, amending Cloverdale Municipal Code, Title 3, Chapter 3.04, "Officers Authorized to Sign - Procedure," Section 3.04.020, adding the Assistant City Manager as an officer authorized to sign on behalf of the City, and seconded by Councilmember Russell. The motion passed by roll call vote: (4-ayes – Councilmember Palla, Vice Mayor Wolter, Councilmember Cox, Councilmember Russell; 0-noes 1;-Absent-Mayor Brigham).

7. Action on Resolution No. 032-2016, adopting an Investment Policy for the City of Cloverdale

Finance Manager, Joanne Cavallari, explained that the Investment Policy Statement for the City of Cloverdale is based on state law and will serve as guidelines for staff that are directing the investment of the City's pooled cash reserves.

PUBLIC COMMENTS: None

Action: Motion was made by Councilmember Russell to adopt Resolution No. 032-2016, adopting an Investment Policy for the City of Cloverdale, and seconded by Councilmember Palla. The motion passed by roll call vote: (4-ayes – Councilmember Palla, Vice Mayor Wolter, Councilmember Cox, Councilmember Russell; 0-noes; 1-Absent-Mayor Brigham)

8. Action on Resolution No 033-2016, authorizing the City Manager to sign an agreement with the Exchange Bank and approving the City Manager and Finance Manager as signers on the Investment Account

Due to a possible conflict of interest, Vice Mayor Wolter recused himself from this item, passed the gavel to Councilmember Cox, and left the room.

Finance Manager Cavallari presented this item, discussing the City's investment portfolio. She commented that currently the cash reserves are deposited with the Exchange Bank in an interest bearing general checking account with low interest rates and suggested the Council consider other investment options. Ms. Cavallari discussed an

investment proposal received from the Exchange Bank which would require a signed agreement with designated authorized signers on the account. She reported that the City Treasurer was consulted and agrees with this investment strategy.

Councilmember Russell questioned the rate of return the Exchange Bank has historically provided on their investments. Discussion ensued with City Manager Cayler stating this item could be delayed until the next Council meeting in order to provide the Exchange Bank rate of return information. The council agreed to delay the vote on this item until the next Council meeting to permit the Exchange Bank investment history information to be provided prior to the vote.

Vice Mayor Wolter returned to the dais and resumed presiding of the meeting.

Public Works

9. Update and potential direction related to Solar Project at Water and Wastewater Treatment Plants

City Manager Cayler discussed the terms of the Power Purchase Agreement with SolEd for installation of solar power generating facilities at the City's Water and Wastewater Treatment Facilities. He reported that SolEd failed to complete their obligations due to financing and has requested the City execute an Estoppel Certificate that includes an amendment to the agreement in order to move forward with the project. Mr. Cayler discussed the City's option to move forward with SolEd or to prepare and send SolEd a ten (10)-day Notice of Termination to end the current Power Purchase Agreement with SolEd. City Attorney Sanchez also commented on SolEd's lack of compliance, the impact of the options on the City, and possible next steps. The Council discussed the agreement and their disappointment that the City does not have another solar option at this time.

PUBLIC COMMENTS:

Jeanne Cox, Cloverdale, commented that SolEd was aware this item was on the agenda and since there was no representative from SolEd present to speak to the agreement, she recommended the agreement be cancelled.

Action: Motion was made by Councilmember Palla to prepare and send SolEd a ten (10)-day Notice of Termination to end the current Power Purchase Agreement with SolEd, and seconded by Councilmember Cox. The motion passed by roll call vote: (4-ayes – Councilmember Palla, Vice Mayor Wolter, Councilmember Cox, Councilmember Russell; 0-noes; 1-Absent-Mayor Brigham)

SUBCOMMITTEE REPORTS: (VERBAL REPORTS: 15 minutes)

- Airport (Chair, Councilmember Cox and Vice Mayor Wolter) - Next Meeting: July 19, 2016, 9:00 a.m. Councilmember Cox reported the committee met and discussed airport hangers and Jimmy Halliday gave a presentation, which demonstrated his efforts on noise reduction. The airport financial report was also discussed.
- Finance, Administration & Police (Chair, Mayor Brigham and Vice Mayor Wolter) - Next Meeting: May 25, 2016, 2:00 p.m. Vice Mayor Wolter reported the committee met and discussed the investment policy and Councilmembers stipends.
- Planning & Community Development (Chair, Vice Mayor Wolter and Mayor Brigham) - Next Meeting: June 21, 2016, 4:00 p.m.
- Public Works (Chair, Councilmember Russell and Councilmember Cox) - Next Meeting: May 24, 2016, 10:30 a.m.
- Joint City/Fire District (Chair, Councilmember Palla and Mayor Brigham) - Next Meeting: June 13, 2016, 5:30 p.m.
- Joint City/School District (Chair, Councilmember Palla and Councilmember Cox) – Next Meeting: May 16, 2016, 5:00 p.m.

COUNCIL REPORTS (INCLUDING STUDENT LIAISON): (VERBAL REPORTS: 15 minutes)

Student liaison, Karsyn Stewart, reported that the prom went smoothly last week. She commented that Community Unity day is Friday and AP Testing is in process. Graduation is on June 3rd. She reported that the

school softball team is second in their league and the baseball team is tied for first place in their league. She commented that there is a new Vice Principal that the students are eager to meet.

Councilmember Russell provided updates on RCPA, sharing that the Board voted to approve a three percent increase in Cities' contributions. She also discussed an upcoming carbon reduction program through RCPA. She requested staff to follow up on the availability of Transportation Development Act, Article Three Program of Projects funds. Councilmember Russell shared information regarding the Sonoma County Disadvantaged Communities, stating that Cloverdale will be included on their map.

Councilmember Cox reported that Sonoma Clean Power Board met last week and discussed their financial status. He shared that the Sonoma Clean Power has been in existence for two years now and has no debt and ten million in reserve and rates are being reduced by two percent.

Councilmember Palla reported that he attended the Legislative Action Days in Sacramento where legislators were reminded about transportation funding and the dire condition of roads and the need for low to moderate income housing in our communities, as well as services to deal with the growing homeless population.

Vice Mayor Wolter reminded everyone present that Supervisor Jim Gore will be in Cloverdale May 11th at the Vet's Building and that the Mayors' and Councilmembers' meeting is on May 12th.

LEGISLATIVE REPORT: None

CITY MANAGER/CITY ATTORNEY REPORT:

City Manager Calyer announced the recruitment for the Public Works Director is progressing nicely with interviews scheduled for May 23rd and invited a Councilmember to sit in as an observer. He also reminded those present that Bike to Work Day is May 12th and the City is ready with goody bags and snacks for bikers.

COUNCIL DIRECTION ON FUTURE AGENDA ITEMS:

Assistant City Manager Kelley stated that at the last Planning & Community Development Committee meeting, it was suggested that the Vista Oaks project be brought before the Council and Planning Commission as a Joint meeting to discuss the request to increase project density from 19 units to 34 units.

ADJOURNMENT: Vice Mayor Wolter adjourned the meeting at 98:42 a.m. to a special meeting of the City Council and Cloverdale Community Development Successor Agency, Tuesday, May 27, 2016, at 9:00 a.m. (at the Fire Station) 451 S. Cloverdale Blvd., Cloverdale, CA 95425

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**City Council
Agenda Item Summary**

Agenda Item: 6
Meeting Date: June 14, 2016

Agenda Section

Consent Item

Staff Contact

Vanessa Apodaca, Interim City Engineer

Agenda Item Title

Resolution No. 041-2016 adopting the 2015 Urban Water Management Plan prepared by RMC

Summary

The Urban Water Management Plan (UWMP), covering use through 2015, is due to the California Department of Water Resources (DWR) by July 1, 2016, and requires formal City Council adoption to comply with the California Water Code.

The 2015 UWMP projects demand to the year 2040, evaluates water supplies, compares water supply to demand now and out to 2040, and identifies water conservation measures. The plan includes a water shortage contingency plan specific to the City to ensure the City is fully compliant with the State’s drought response requirements.

The City is subject to regular reporting on water conservation measures and submittal of actual water demands and supply diversions. Having a plan accepted by the Department of Water Resources will make the City eligible for State water grants.

RMC provided an administrative draft of the UWMP in March 2016 and presented to the Public Works Subcommittee on March 29th. The public draft was posted to the City’s website under “Heard it through the Grapevine” in mid-April. Notification letters were sent to Sonoma County Permit and Resource Management Department, Russian River Watershed Association, and Sonoma County Water Agency in January announcing plans to prepare the UWMP and again in May announcing the public draft. A presentation of the draft UWMP was shown at the May 10 Council meeting and a public hearing was held in order to receive public comment on the Draft Plan. Submittal of the plan to the State is required by the July 1, 2016 deadline.

Options

N/A

Budget/Financial Impact

The agreement to conduct the 2015 Urban Water Management Plan included an amount not to exceed \$106,432 to be paid for with water enterprise funds with no costs being borne by the General Fund. A cost of \$100,000 was included in the adopted FY 14/15 City budget for this effort. The additional amount of \$6,432 came from the unappropriated water fund balance.

Subcommittee Recommendation

The Public Works Subcommittee saw the 2015 Urban Water Management Plan presentation on March 29, 2016 and supported moving forward with final adoption of the plan.

Recommended Council Action

Adopt the 2015 Urban Water Management Plan

Attachment:

Resolution No. 041-2016

**CITY OF CLOVERDALE
CITY COUNCIL
RESOLUTION NO. 041-2016**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLOVERDALE ADOPTING THE 2015 URBAN WATER MANAGEMENT PLAN.

WHEREAS, the Urban Water Management Planning Act of 1983 (the Act), amended through 2015, requires that an urban water supplier serving 3,000 customers or supplying 3,000 acre-feet per year must prepare an Urban Water Management Plan (Plan) update every five years beginning in 1985; and

WHEREAS, the City of Cloverdale (City), in compliance with the Act, has prepared its first Plan in 2015; and

WHEREAS, the preparation of the Plan has been coordinated with other local public agencies to the extent practicable, and staff has encouraged the active involvement of the population within the City's retail water service area during preparation of the Plan; and

WHEREAS, on May 10, 2016 , a presentation of the Draft Plan was shown to the City Council and a Public Hearing was held during the Council meeting in order to receive public comment on the Draft Plan; and

WHEREAS, minor revisions to the Draft Plan have been made based on public comments received at the Public Hearing and during the public comment period of April 19, 2016 through May 18, 2016; and

WHEREAS, preparation and adoption of Urban Water Management Plans pursuant to the provisions of Section 10652 of the State Water Code is a statutory exemption under CEQA Guidelines Section I 5282(v); and

WHEREAS, a Final 2015 Urban Water Management Plan is today presented to the Council for consideration; and

NOW THEREFORE, BE IT RESOLVED, that the City Council of Cloverdale has reviewed, considered and adopted the Final 2015 Plan.

It is hereby certified that the foregoing Resolution No. 041-2016 was duly introduced and adopted by the Cloverdale City Council at a regular meeting held on the 14th day of June, 2016, by the following roll call vote: (Ayes- () Noes-())

AYES:
NOES:
ABSENT:
ABSTAIN:

Approved:

Attested:

Mary Ann Brigham, Mayor

Linda Moore, Deputy City Clerk



**City Council/Successor Agency
Agenda Item Summary**

Agenda Item: 7
Meeting Date: June 14, 2016

Agenda Section

Consent

Staff Contact

Paul Cayler, City Manager

Agenda Item Title

Resolution No. 042-2016, of the City Council of the City of Cloverdale Re-appointing Ms. Reece Foxen to Serve a Four Year Term as Cloverdale’s Representative on the Sonoma County Library Commission

Summary

At the Council Meeting of May 14, 2014, the Cloverdale City Council approved the new Sonoma County Library Commission Joint Powers Authority. As a part of the new Library Commission, the City has commissioner to represent Cloverdale. The new JPA took effect on August 1, 2014. The amended JPA requires that the initial terms of Commission appointments be staggered between two and four year terms so that there will not be full turnover of the Commission at one time. The City of Cloverdale’s initial commission appointment was for a two year term. In response to the opportunity for the City Council to appoint a Library Commissioner, the Council formally appointed Ms. Reece Foxen to be Cloverdale’s Library Commission on June 25, 2014 (Resolution No. 049-2014). Ms. Foxen made a presentation to the City Council on May 24, 2016, where she discussed activities of the Commission. Ms. Foxen also sent a letter dated April 27, 2016, wherein she requested reappointment.

Options

1) Adopt the attached resolution which re-appoints Ms. Reece Foxen to the Sonoma County Library Commission; 2) Consider Ms. Foxen’s application and seek more potential applicants; or 3) Reject Ms. Foxen’s application.

Budget/Financial Impact

There is no direct impact on the City of Cloverdale fiscal situation.

Subcommittee Recommendation

None.

Recommended Council Action

The City Manager recommends that the City Council adopt the attached resolution, and re-appoint Ms. Reece Foxen to be Cloverdale’s Library Commissioner until August 1, 2020.

Attachments:

- 1) Resolution No. 042-2016, Re-appointing Ms. Foxen to be Cloverdale’s Library Commissioner.
- 2) Ms. Foxen’s Letter Dated April 27, 2016.

cc:

**CITY OF CLOVERDALE
CITY COUNCIL
RESOLUTION NO. 042-2016**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLOVERDALE RE-APPOINTING MS. REECE FOXEN TO
SERVE AS CLOVERDALE’S REPRESENTATIVE ON THE SONOMA COUNTY LIBRARY COMMISSION**

Whereas, on May 14, 2014, the Cloverdale City Council approved an amended Sonoma County Library Joint Powers Agreement; and

Whereas, the amended joint powers agreement expands the jurisdiction membership on the reformed Library Commission, and includes a commissioner to represent Cloverdale; and

Whereas, on June 25, 2014, Cloverdale City Council appointed Ms. Reece Foxen representative to sit on the Library Commission as a voting member for an initial two year term, which is set to expire on August 1, 2016; and

Whereas, Ms. Reece Foxen made a presentation on activities at the Sonoma County Library Commission at the City Council meeting on May 10, 2016, and Ms. Foxen submitted a letter requesting her re-appointment by the Cloverdale City Council to be Cloverdale’s representative on the Commission for an additional four year term, which will expire August 1, 2020; and

Whereas, Ms. Reece Foxen meets the qualifications to serve as a Library Commissioner.

Therefore, be it resolved that the City Council of the City of Cloverdale hereby re-appoints Ms. Reece Foxen to be Cloverdale’s voting representative on the Sonoma County Library Commission effective August 1, 2016, for a four year term, which will expire on August 1, 2020.

It is hereby certified that the foregoing Resolution No. 042-2016 was duly introduced and adopted by the City Council of the City of Cloverdale at its regular meeting held on the 14th day of June, 2016, by the following voice vote: (X-ayes, X-noes)

AYES IN FAVOR:
NOES:
ABSENT:
ABSTAIN:

Approved:

Attested:

Mary Ann Brigham, Mayor

Linda Moore, Deputy City Clerk

Reece S. Foxen
241 East Third Street
Cloverdale, CA 95425
707-894-3317
reece@sonic.net

April 27, 2016

MaryAnn Brigham, Mayor
Cloverdale City Council
112 North Cloverdale Blvd.
Cloverdale, CA 95425

Dear Mayor Brigham,

Over the past 20 months I have served as Sonoma County Library Commissioner appointed by the Cloverdale City Council.

During this time I have served on the Public Relations Committee, the Revenue Enhancement Committee, the Finance Committee, and the Director's Community Outreach Group. I am Chair of two of these committees and Vice Chair of the third. I also was/am a member of the By-laws, Standard Operating Procedures, and the Retreat Planning ad hoc committees. Finally, I am a part of the group attending the Rev Sustainability Circles, laying the foundation for a sustainability action plan aligning the library with Sonoma County's climate action and sustainability efforts.

Taking the lead of the City Council, I believe that I have added to the work in rebuilding, restructuring and creating forward movement within the Sonoma County Library system and our community through the Cloverdale Regional Library.

I would very much like to continue the work I have started. Please consider reappointing me for a second term beginning August 1, 2016.

I would be more than happy to answer any questions you might have or provide you with any information you may need.

Sincerely,



Reece S. Foxen

cc: Vice Mayor Gus Wolter
Councilmember Carol Russell
Councilmember Joe Palla
Councilmember Bob Cox

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City Council
Agenda Item Summary

Agenda Item: 8
Meeting Date: June 14, 2016

Agenda Section

New Business

Staff Contact

Vanessa Apodaca, Interim City Engineer

Agenda Item Title

Presentation of the Wastewater Treatment Plant Capacity Study by RMC

Summary

The City’s 2014 Infrastructure Audit included a determination of the hydraulic and solids loading capacities of the Waste Water Treatment Plant and concluded the solids loading capacity, and not hydraulic capacity, was the limiting factor for continued growth in the City. The solids loading capacity is a numeric estimate of the amount of dissolved and particulate organic waste from all sources (homes, restaurants, schools, wineries, breweries, etc.) that the treatment plant can treat while meeting the conditions of the City’s National Pollution Discharge Elimination System Permit (NPDES). The capacity is typically quantified as a mass loading of Biochemical Oxygen Demand (i.e. lbs/day of BOD).

The treatment plant’s solids loading capacity is one of the primary factors used in the consideration of approvals for residential, commercial, and industrial development as well as planning for future plant expansions. The solids loading capacity used for the 2014 Infrastructure Audit is a rough and conservatively low estimate based on the design capacity of the primary treatment unit only and does not incorporate the additional treatment provided by the secondary and finishing ponds.

Recognizing the importance of having a more accurate and representational estimate of the solids loading treatment capacity, the City contracted with RMC Water and Environment to analyze the treatment plant’s capacity in detail and present the results in a Wastewater Treatment Plant Capacity Study. That study has been summarized in a brief presentation for Council’s and the public’s information

Options

N/A

Budget/Financial Impact

City’s funds for this study come from the Sewer Enterprise Fund which has sufficient funds available for this work.

Subcommittee Recommendation

N/A

Recommended Council Action

Staff recommends the Council receive the information presented by RMC.

Attachment:

Presentation

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Results of Capacity Study for Wastewater Treatment Plant

May 24, 2016

Presenter:

Mary Cousins, Ph.D., P.E.

Complex Challenges | Innovative Solutions

rmcwater.com



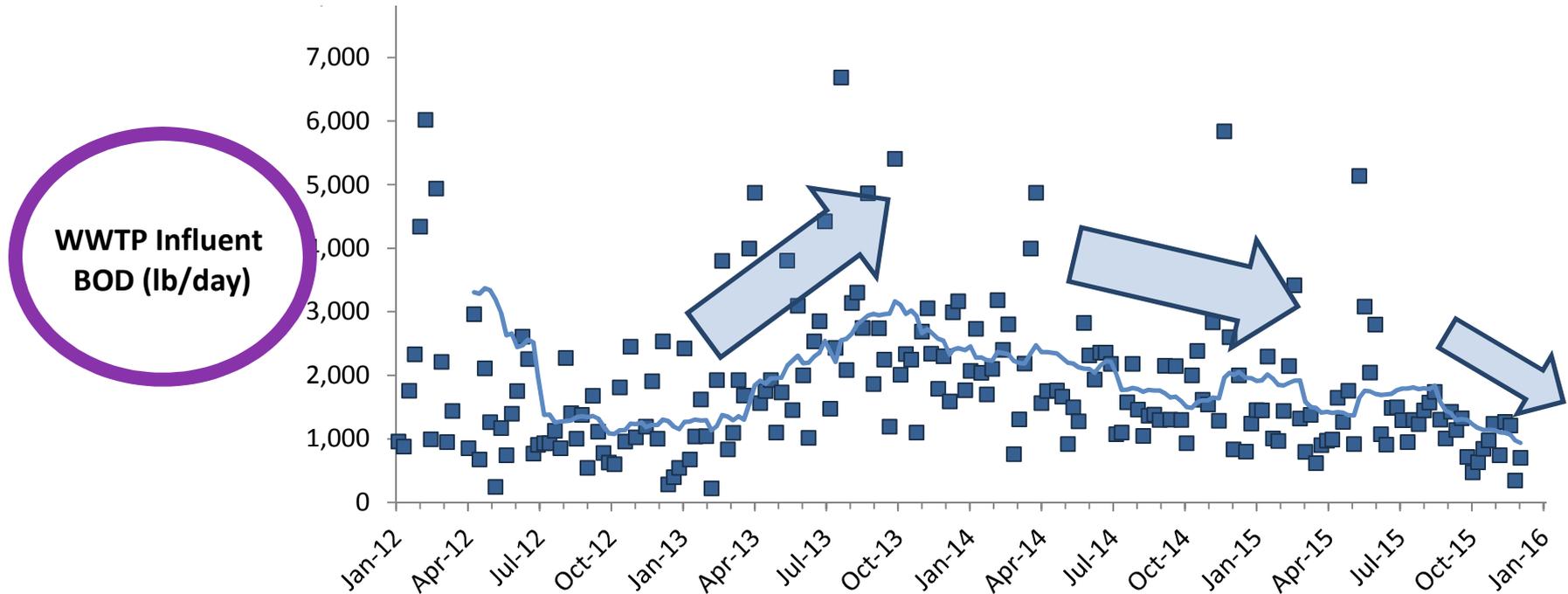
Preview

- Wastewater Treatment Plant (WWTP) loading has recently increased, then decreased
- Available capacity for ≈ 700 Equivalent Single-Family Dwellings (about 40% more than current loads)
- Capacity is limited by organic loading, not by flow
- Organic loading capacity can be increased

Background Information

BOD = Biochemical Oxygen Demand

Mass Load (lb/day) = Concentration (mg/L) × Flow Rate (million gallons/day) × Unit conversion



Timeline Leading up to Capacity Study

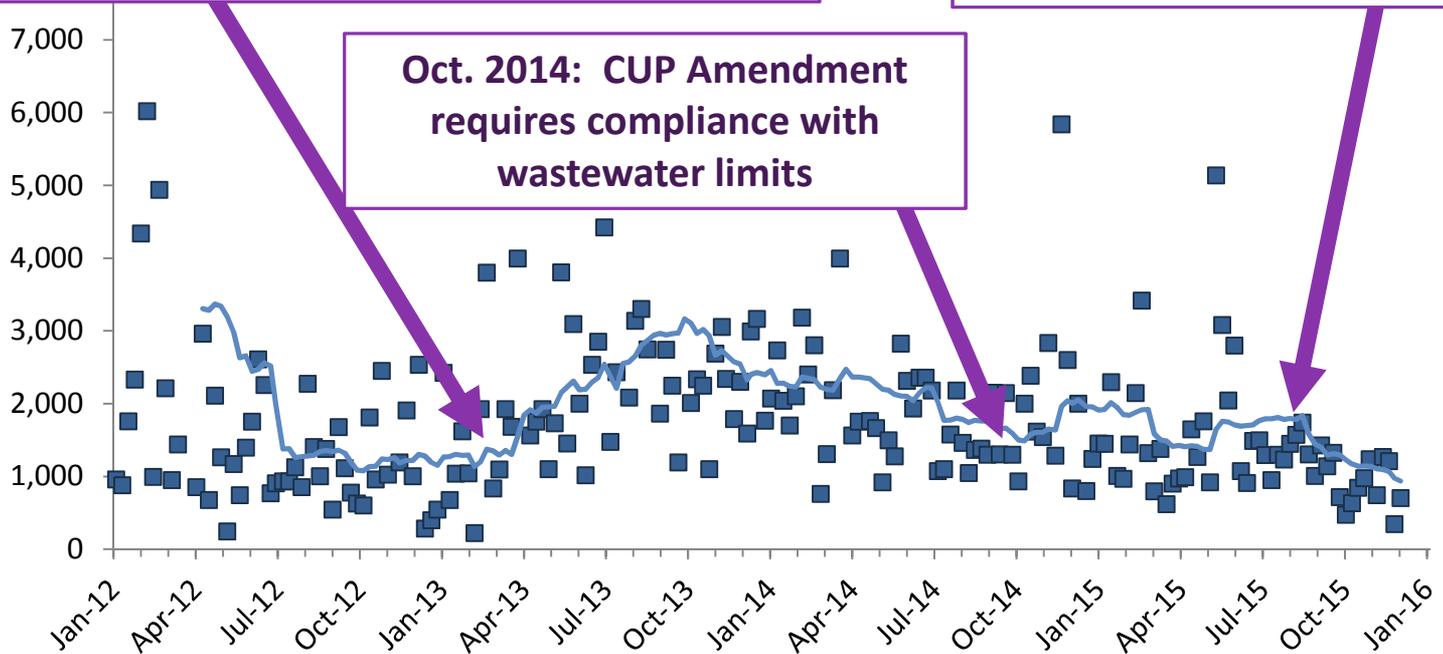
July 2005: CUP for brewery approved by Planning Commission

Feb. 2013: CUP Amendment allows brewery expansion

Jul 2015: Wastewater limits became effective

Oct. 2014: CUP Amendment requires compliance with wastewater limits

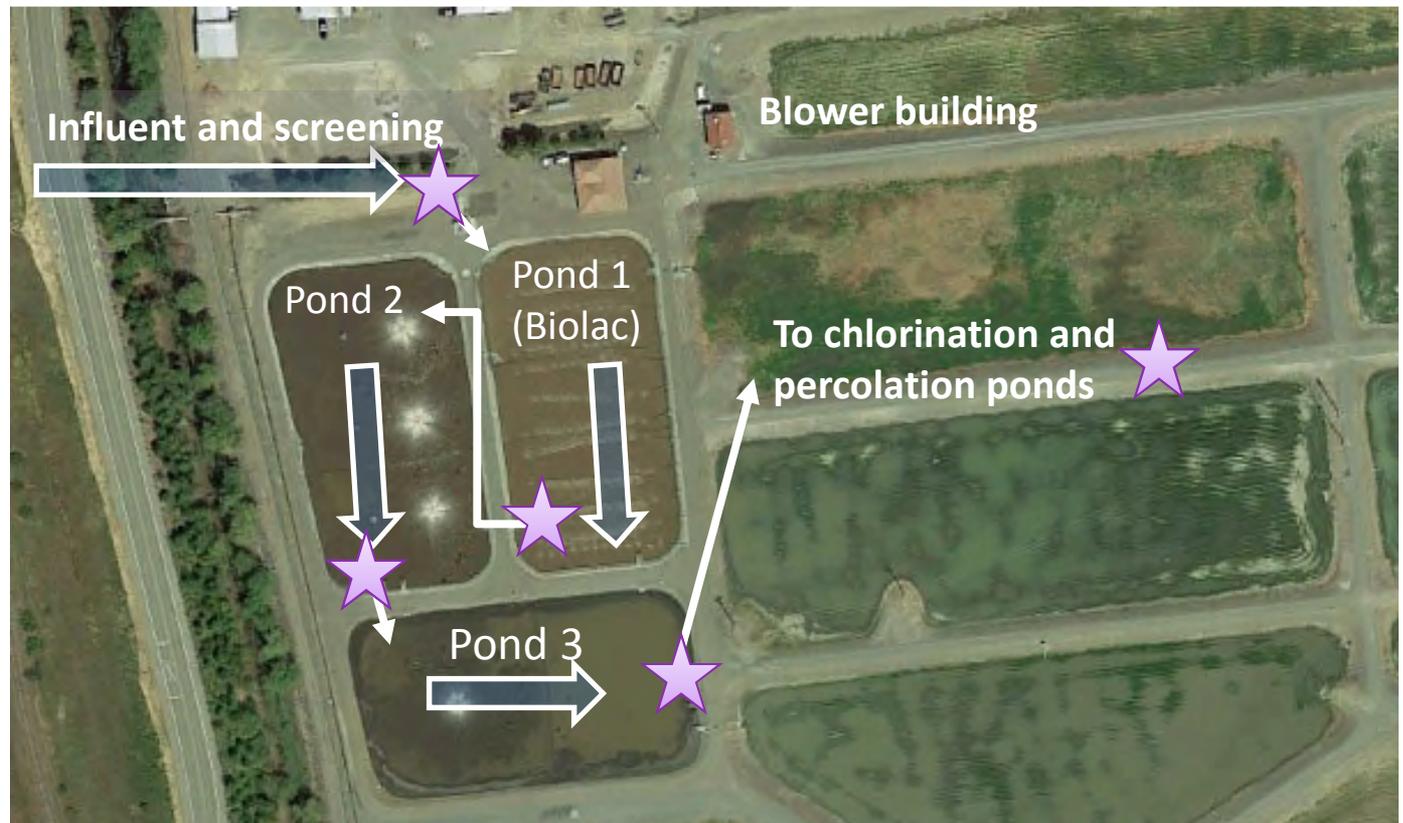
WWTP Influent BOD (lb/day)



Purpose of Capacity Study

- What is the capacity of the WWTP to accept organic waste?
- What factors limit this capacity?
- Can the capacity easily be increased?

Treatment Plant Flow Schematic



Organic Loading Capacity

- Pond 1 BOD removal capacity = 2,475 lb/day
 - Capacity based on aeration supply from blowers, as delivered through Biolac system
 - Pond 2 and Pond 3 do not contribute to rated capacity
- BOD removal, not hydraulic capacity, is the limiting factor
- Solids removal in Pond 2 and Pond 3 is critical for maintaining performance



Blowers



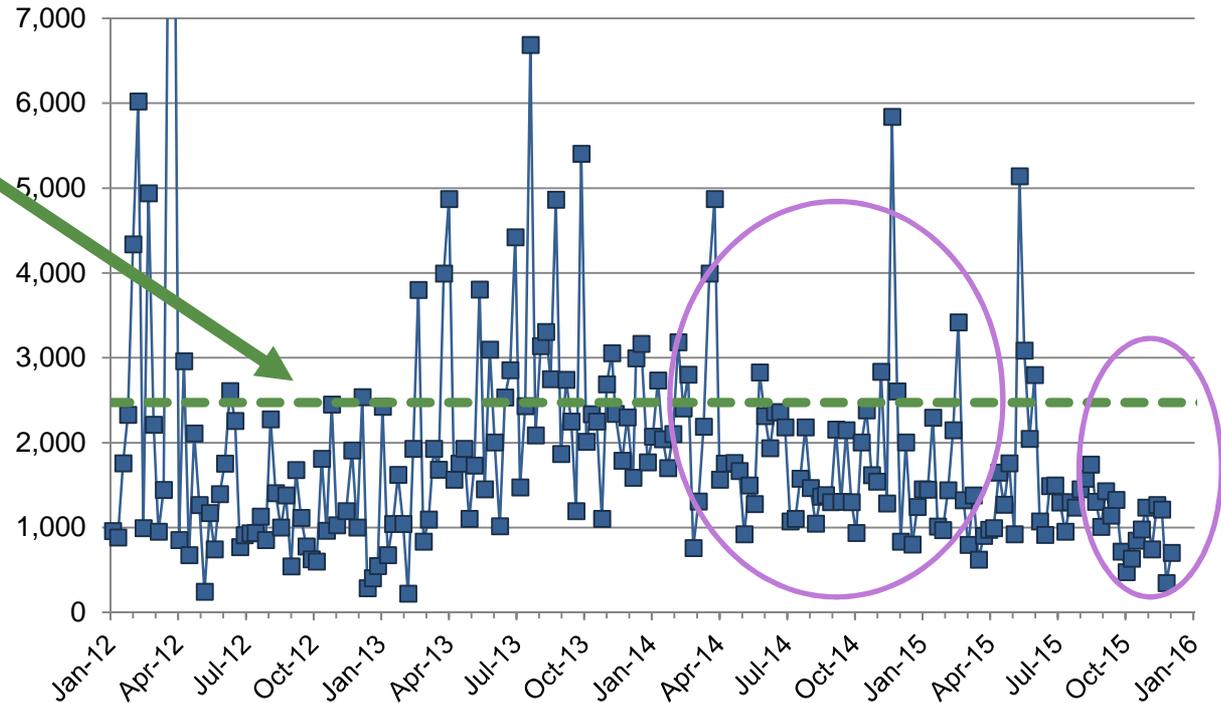
Pond 1 Biolac system

Organic Loading Capacity

- Estimated BOD removal capacity = 2,475 lb/day

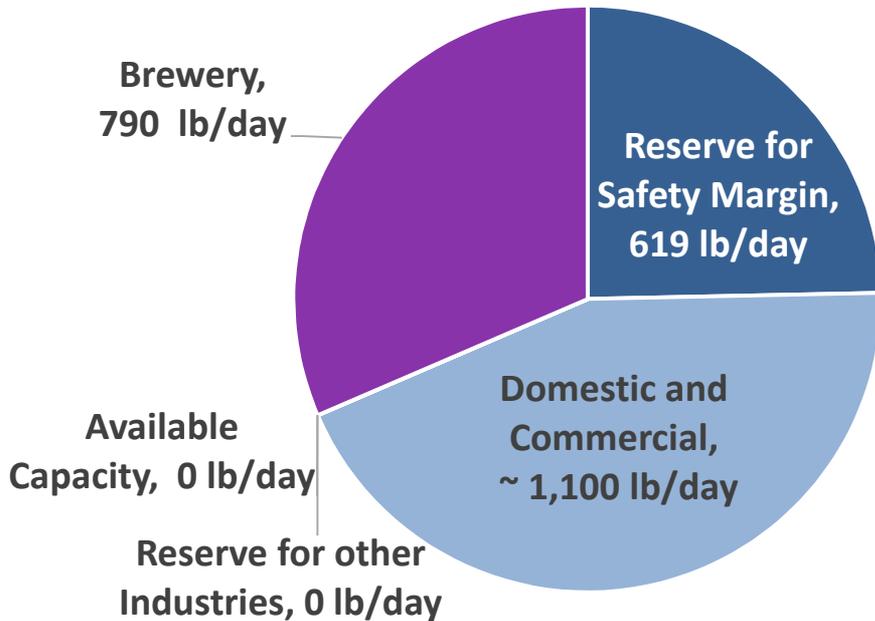
WWTP Influent BOD (lb/day)

- Plant is currently at about half of rated capacity

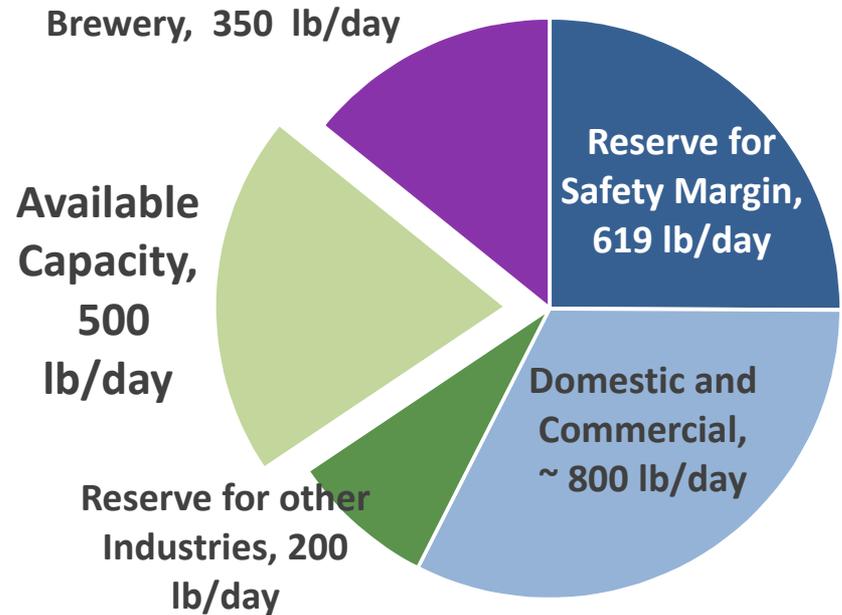


Recent Loading

Jan. 2014 – July 2015



July through Dec. 2015



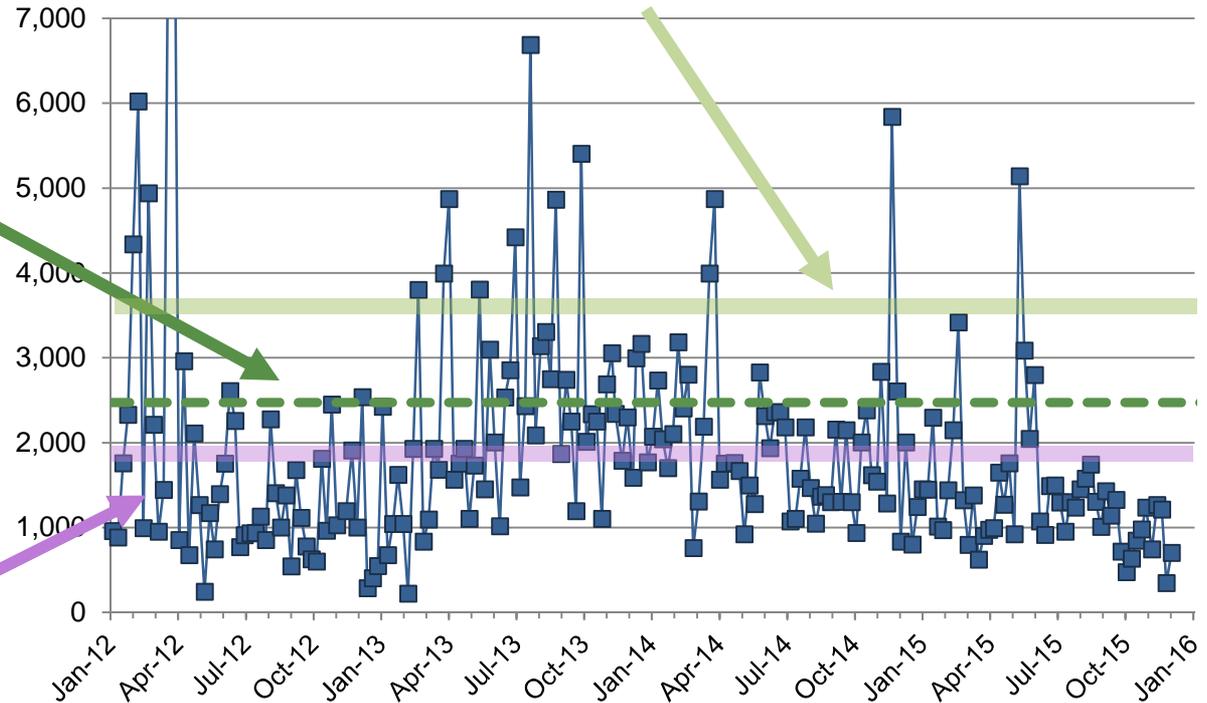
Organic Loading Capacity

Current capacity =
2,475 lb/day

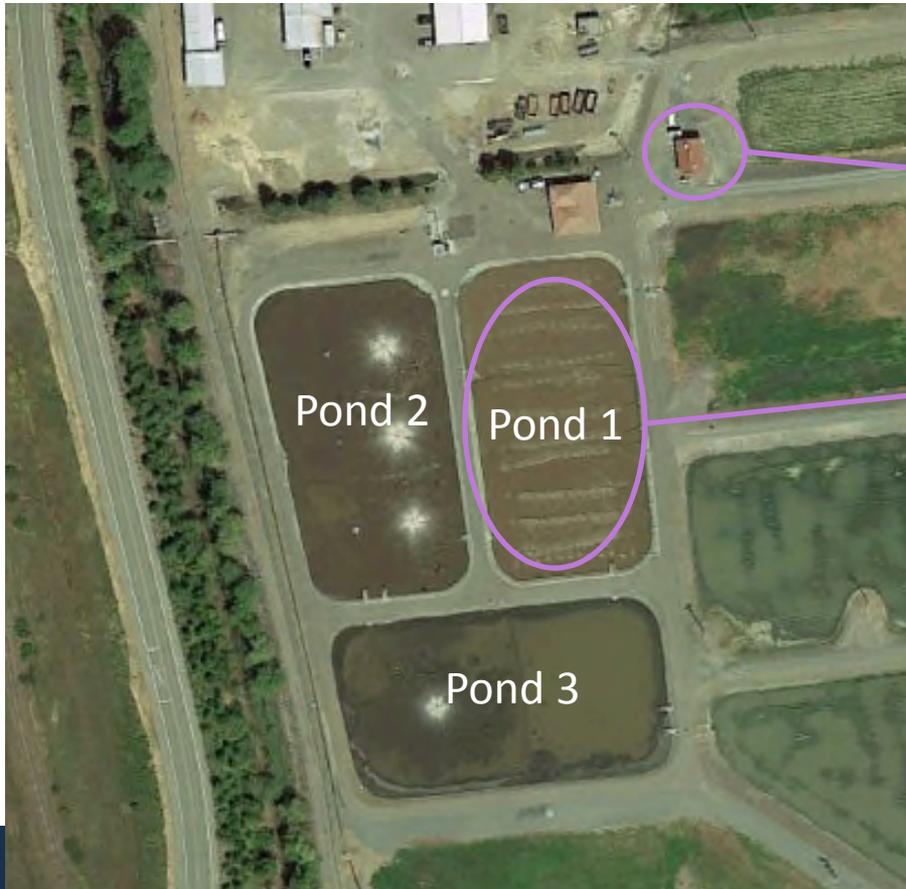
Possible future capacity = 3,700 lb/day

WWTP Influent
BOD (lb/day)

Trigger to expand =
1,900 lb/day
(75% of capacity)



Capital Project to Add BOD Capacity



To Increase Capacity
2,475 lb/day → 3,700 lb/day:

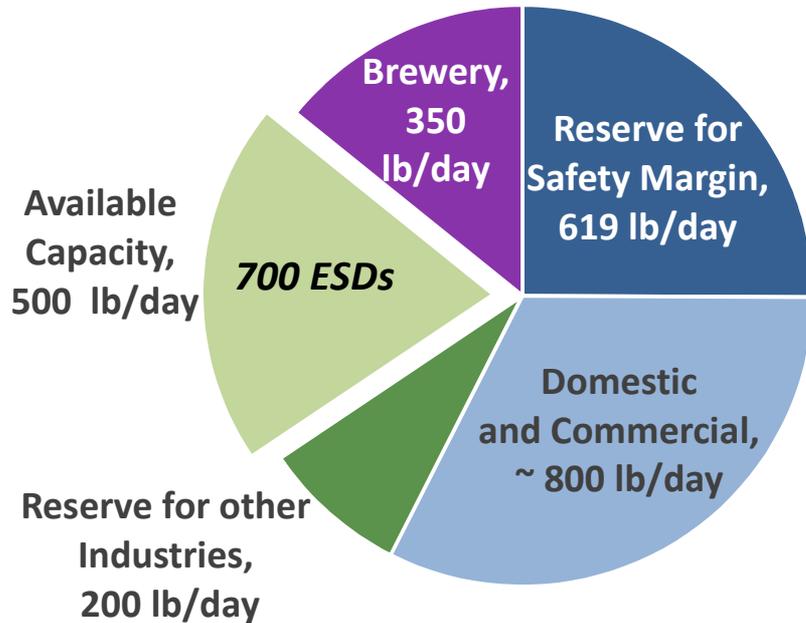
Upsize Blowers 50 hP → 75 hP
Cost includes electrical upgrades

+ Add Aeration with
Longer, Higher-Capacity Diffusers
Cost assumes all new equipment

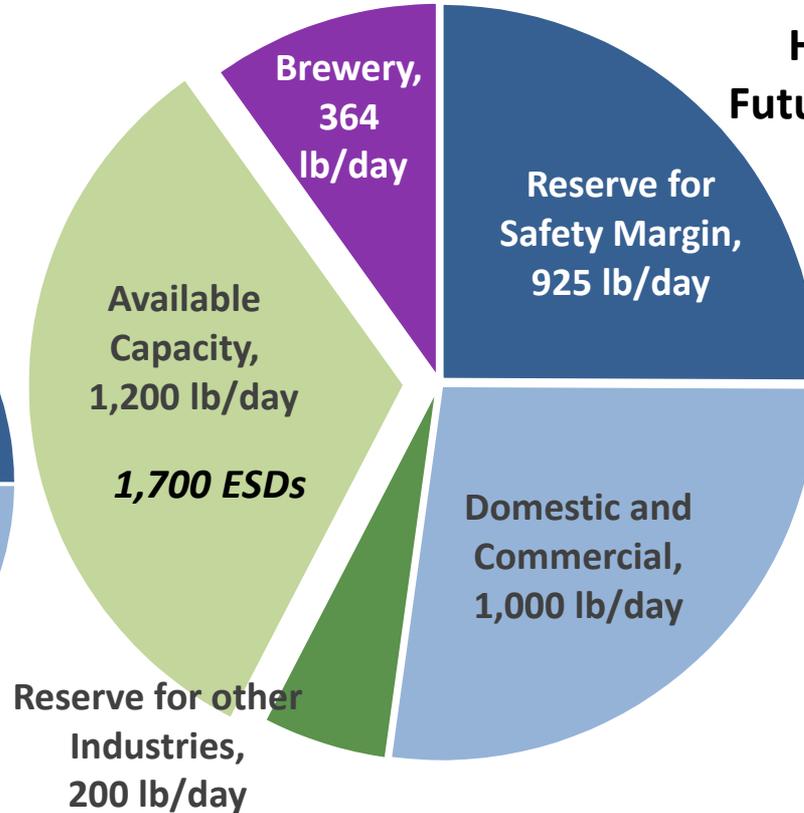
Total Estimated Cost: \$1.5 M

Possible Future Condition

July through Dec. 2015
2,475 lb/day, 0.4 MGD



High-Strength Future Condition
3,700 lb/day, 1 MGD



Conclusions

- Controlling industrial loads has successfully reduced BOD loading to wastewater treatment plant
 - There is now capacity for growth and a safety reserve
- Organic loading, not hydraulic loading, is the limiting factor
- When necessary, organic loading capacity can be increased by upsizing blowers and installing new Biolac diffusers.
 - Trigger design phase when loads are 75% of current capacity
 - Estimated cost is \$1.5 M
 - There is no imminent need for the project

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City Council
Agenda Item Summary

Agenda Item: 9
Meeting Date: June 14, 2016

Agenda Section Subcommittees	Staff Contact Joanne Cavallari, Finance Manager
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Agenda Item Title
Action on Resolution No 033-2016, authorizing the City Manager to sign an agreement with Exchange Bank and approving the City Manager and Finance Manager as signers on the Investment Account

Summary
Presently the City’s pooled cash reserves are deposited with Exchange Bank in an interest bearing general checking account and in the California Local Agencies Investment Fund (LAIF). The interest rates on the two accounts have been very low over the last few years. For the most recent quarter ended March 31st, LAIF paid interest at 0.46%.

Staff would like to consider other investment options to increase the amount of interest income earned by the City on its cash reserves. Based on a recommendation from City Treasurer, Mike Nixon, we have received the attached proposal from Exchange Bank Trust & Investment Management for the City Council’s consideration. Exchange Bank provides investment services for other government entities in Sonoma County and is familiar with the provisions of state law related to investment of public funds.

At the May 10, 2016 City Council meeting, the Council asked for additional information from Exchange Bank regarding the rate of return on investments. We received the attached sample statement from one of their other clients showing the type and return on investments in the portfolio. Steve Jenkins, the Senior Vice President of Exchange Bank Trust & Investment Management, will be present at the meeting to answer questions from the Council.

To open an investment account with Exchange Bank the attached agreement will need to be signed and authorized signers on the account must be approved. Staff recommends that the City Manager be authorized to sign the agreement, and that the City Manager and Finance Manager be authorized signers on the account.

Staff is proposing an initial investment of \$5 million with Exchange Bank as follows:

<u>Fund</u>	<u>Fund Balance 6-30-15</u>	<u>Investment</u>
General Fund	893,284.00	400,000.00
Retirement Fund	506,185.00	250,000.00
Inclusionary Housing	727,360.00	300,000.00
Public Safety Impact Fees	457,338.00	200,000.00
Corp Yard Impact Fees	468,330.00	200,000.00
Water Impact Fees	481,488.00	200,000.00
Sewer Enterprise Fund	1,134,416.00	500,000.00
Non-Housing Bond Proceeds	3,838,531.00	1,750,000.00
Housing Bond Proceeds	1,921,809.00	1,200,000.00

Based on the attached fee schedule, we estimate the annual fees to be approximately \$21,000. The fees and earnings will be split among the funds based on their percentage of the total balance in the account.

Options:

- 1) Approve the attached agreement with Exchange Bank.
- 2) Leave cash reserves in the General Checking Account and LAIF.

Budget/Financial Impact:

Earnings in the investment account will depend on the rate of return. At this time we expect the account to earn between 1.5% and 2.5%.

Subcommittee Recommendation:

The Finance Administration and Police Subcommittee reviewed the proposal from Exchange Bank at their meeting of April 28, 2016 and recommended it be brought to the full City Council. The Council reviewed the proposal at their May 10, 2016 meeting and asked staff to provide this additional information.

Recommended Council Action:

- 1) Adopt the attached Resolution No. 033-2016, authorizing the City Manager to sign the attached agreement with Exchange Bank and approving the City Manager and Finance Manager as signers on the Investment Account

Attachments:

1. Proposal from Exchange Bank for Investment Services
2. Draft Resolution authorizing the City Manager to sign the Agreement and approving the City Manager and Finance Manager as authorized signers on the account
3. Agreement for Investment Services with Exchange Bank
4. Authorized signers form
5. Fee Schedule
6. Local Agency Investment Guidelines
7. Sample earning report

cc:



FIXED INCOME MANAGEMENT

**Exchange Bank Trust &
Investment Management Group**



INTRODUCTION

Exchange Bank is pleased to provide Cloverdale with a proposal for fee-only fiduciary asset management services. Exchange Bank provides this service through our trust powers granted to us in 1963. Since then, we have had a long heritage of providing portfolio management, as a fiduciary, to families, retirement plans, businesses, and government entities in Sonoma County.

Our services will include:

- Meeting with you on a periodic basis to review risk and return characteristics of your portfolio and your needs for liquidity and distributions
- Advising you on the design or modification of your Investment Policy Statement (IPS)
- Implementing your investment policy through securities purchases with no transaction fees imposed.
- Monitoring the portfolio as a whole as well as its individual investment holdings
- Managing portfolio risk through thoughtful rebalancing
- Providing advice on estate planning and investment issues that may arise from time to time

Our services will not include:

- Recommending that portfolio assets be invested in Exchange Bank deposit products
- Picking a few securities in an attempt to beat the market through security selection
- Making frequent market timing calls to buy and sell securities in an attempt to beat the market
- Receiving commission compensation, soft-dollar payments, 12b-1 fees, or any payments not disclosed on our fee schedule
- Using any financial or other confidential information without your express permission

INVESTMENT PHILOSOPHY

The core tenets under which we construct portfolios include the following:

1. Clients are risk averse: The only acceptable risk is that which is adequately compensated by reasonable returns over time.
2. Markets are largely efficient: It is not possible to know with certainty the future return of any market or individual security within a market. One can make guesses (be they educated or wild), but certainty is not possible. It is highly unlikely that any portfolio will succeed at consistently “beating the market” through security selection and/or market timing.
3. The asset allocation of a portfolio is more important than the selection of any individual security within the portfolio.
4. Portfolio risk can be decreased by increasing diversification (both between and within asset classes) and by lowering the correlation of returns between the asset classes.

PORTFOLIO CONSTRUCTION

The asset allocation decision begins with the principals adopted in both the Uniform Prudent Investor Act (UPIA) and the Uniform Prudent Management of Institutional Funds Act. This Act governs the activities of fee-only investment fiduciaries. From there, we work within your IPS (time horizon, liquidity needs, and risk tolerance) and Section 53601 of the State of California Government Code to allocate the portfolio’s assets between four broad investment objectives:

- Capital Preservation
- Current Yield
- Inflation Hedge
- Strategic Diversification

The goal of the allocation is to hold assets with a less than perfect correlation with the other assets in the portfolio. We use a combination of historical asset class relationship plus the current correlation, return, economic, and risk characteristics of market. In analyzing asset allocation alternatives, we use Modern Portfolio Theory, the Capital Asset Pricing Model, and the Fama/French Three Factor Model to structure portfolios to enhance expected return for the client’s targeted degree of risk.

The fact is that precise future correlations are unknown to all. Therefore, it is very important to stress that no amount of care, diligence, intelligence, or hard work can eliminate risk or structure a completely efficient risk/reward portfolio. As the risk of loss, particularly in the short-term, is unavoidable, we view our primary job as making informed, rational, and prudent decisions about providing

a reasonable probability of managing short-term risk while providing for long-term returns above the inflation rate.

Portfolio Construction Principles

1. Hold primarily high quality securities
2. Diversify between asset classes
3. Diversify within asset classes
4. Incorporate passive strategies into the portfolio
5. Avoid high portfolio turnover
7. Monitor portfolio risk
8. Thoughtfully rebalance to manage risk and taxes
9. Use mutual funds as authorized by the IPS
10. Avoid high cost investment products

RESOURCES

Exchange Bank's Trust Investment Committee makes extensive use of academic and empirical research as the basis for our investment rationale and decision making. We monitor and incorporate two areas of information: financial economics and financial service providers.

Financial Economics: Research into the behavior of financial markets has evolved over the past two decades as global free markets, trade, and communications has lowered the boundaries between countries. We stay current with global markets through carefully selected research partners, economists, and investment journals. Some of our key resources are listed below:

Research Resources Include:

- Global Insights (Economic and interest rate forecasts, industry analysis and market intelligence)
- Reliance Trust Company (One of the nation's largest independent trust companies)
- Frontier Analytics (Mean variance optimization for developing an efficient frontier)
- Standard and Poor's & Moody's
- Morningstar

Financial Service Providers: The past twenty years has seen an explosion of financial service providers and fixed income investment products. Financial service vendors offer a vast range of investment products. While some work well in a fiduciary application, most do not. The Exchange Bank Trust Investment Committee continually examines the risk structure and costs of investment products to determine which are suitable for business, trust, endowment, and private wealth management purposes. Exchange Bank places particular emphasis on cost control, historical risk adjusted performance, and fiduciary stewardship when selecting investment partners.

Investment Resources Include:

- The Vanguard Group
- Dimensional Fund Advisors
- iShares
- Federated Investors
- PIMCO
- Gateway

EXPERTISE AND QUALIFICATIONS

Exchange Bank holds approximately \$950,000,000 of client assets under administration. Of that amount, over \$700,000,000 is managed under our full discretionary authority. The asset breakdown is as follows:

- Irrevocable Trust Assets: \$150,000,000
- Private Wealth Management: \$400,000,000
- Institutional Accounts: \$400,000,000

Our staff of twenty individuals includes 13 certified officers with an aggregate of over 280 years of experience. Certifications include the following:

Certified Trust and Financial Advisor
Certified Public Accountant
Certified Securities Operations Specialist

Management Fees

Exchange Bank management fees for accounts managed under the Local Agency Investment Guidelines average approximately 0.50% (50 basis points). We will provide a specific fee schedule upon review of Cloverdale's investment policy statement, size of portfolio, and projected account activity.

SUMMARY

The Exchange Bank Trust and Investment Management has never waived in its unique approach to fee-only fiduciary services through good economic times and bad. Now in our sixth decade of providing fiduciary services in the North Bay, the Bank is committed to providing low-cost and time-tested investment strategies to help you attain your financial goals.

We welcome your comments and questions. The Trust and Investment Management team looks forward to assisting you with your investment, retirement, and estate planning needs.

Steven T. Jenkins, CTFA
Senior Vice President

**CITY OF CLOVERDALE
CITY COUNCIL
RESOLUTION NO. 033-2016**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLOVERDALE
AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH
EXCHANGE BANK TRUST AND INVESTMENT**

WHEREAS, the City of Cloverdale has cash reserves in its Exchange Bank general checking account and on deposit with the State of California Local Agency Investment Fund (LAIF); and

WHEREAS, interest rates on money deposited in the general checking account and LAIF have declined over the last several years; and

WHEREAS, the City desires to increase the amount of investment earnings by investing funds in a manner that will provide the highest investment return with the maximum security while meeting the daily cash flow demand of the City; and

WHEREAS, Exchange Bank has provided a proposal to the City for Investment Services conforming to all California laws and local statutes governing the investment of public funds; and

NOW, THEREFORE, BE IT RESOLVED that the Cloverdale City Council hereby:

- 1) Authorizes the City Manager to execute an agreement with Exchange Bank Trust and Investment for the investment of the City's pooled cash reserves
- 2) Approves the City Manager and Finance Manager as authorized signers on the account

It is hereby certified that the foregoing Resolution No. 033-2016 was duly introduced and adopted by the City Council of the City of Cloverdale at its regular meeting held on the 14th day of June, 2016, by the following roll call vote: (-ayes, -noes; -Absent; -Abstain)

AYES:
NOES:
ABSENT:
ABSTAIN:

Approved:

Attested:

Mary Ann Brigham, Mayor

Linda Moore, Deputy City Clerk

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MANAGED AGENCY AGREEMENT

Client hereby appoints Exchange Bank ("Bank") as agent to act as custodian of cash, securities, real property and any other property now or in the future deposited by Client with Bank.

Account Title: City of Cloverdale

Such assets are to be held in an Agency Account referred to in this Agreement as the "Account."

All securities in the Account will be held either by (1) Bank or a bank correspondent, or (2) a securities depository authorized by California law to accept deposit of securities. Securities will be registered in the name of (1) a nominee of Bank or a bank correspondent, or (2) a nominee of a securities depository.

Accountholder(s):

If more than one person or entity opens the Account, Client agrees that all singular references in this Agreement shall be read as if plural and to include all such account holders.

Management:

Bank is authorized and instructed to invest, sell, reinvest and manage the principal assets in the Account.

Income:

Bank is to receive income on the assets placed in the Account and pay income as Client may direct, from time to time, in writing. Bank shall initially pay income according to these following instructions:

Reinvest until directed otherwise in writing.

Standing Instructions and Authorizations:

Unless Client instructs otherwise, Bank is authorized to do the following in the administration of the Account:

1. Exchanges: To exchange stock certificates where required when their stated par value is revised by an issuing corporation or where merger or other corporate reorganization requires the exchange.

2. Sale of Fractional Shares: To sell all fractional shares of stock received as a result of stock dividends or other corporate action.
3. Proxies and Corporate Literature: To execute all proxies for shareholders' meetings for any securities now or subsequently held for the account.
4. Delivery of Documents: To deliver any instrument or document necessary to register securities or to complete sales or deliveries of them and, if necessary, to sign Client's name and guarantee it as Client's signature.
5. Signing of Documents: To sign and file on Client's behalf any declarations, affidavits, certificates of ownership or other documents required to service the Account.
6. Pledge of Securities: At Client's direction, to pledge securities or other property in the Account when required to furnish collateral for loans or advances for which I become obligated to Exchange Bank. Any interest on these obligations may be charged to the Account.

Frequency of Statements:

Bank will furnish Client with Monthly statements of assets and transactions.

Written Instructions:

Bank will make free delivery of securities or other non-cash property in the Account only on Client's written instructions. All instructions to Bank will be signed by Client or Client's authorized representative. If there is more than one accountholder, such instructions may be signed by any single account-holder, except as follows: Any two authorized signers may instruct Bank.

Pending receipt of written authority (including email and facsimile), Bank may in its absolute discretion at any time accept oral instructions from Client or Client's agent, provided Bank believes in good faith that the instructions are genuine.

Client agrees to indemnify Bank for any loss or expense it may incur as a result of its good faith efforts in following instructions regarding the Account from Client or Client's agent.

Value of Assets:

Client agrees to furnish Bank with the income tax cost basis and dates of acquisition of all principal assets in the Account to be carried on Bank's records. Bank will have no duty to verify the accuracy of the information furnished by Client. If Client fails to furnish such information, Bank will carry the assets at nominal value. Assets purchased in the Account will be carried at cost. All securities sales will employ the First In, First Out (FIFO) methodology for the disposition of security positions comprised of multiple tax lots.

Compensation:

Bank will be paid Account fees in accordance with its Schedule of Fees currently in effect. Client acknowledges having received and read a copy of the current Schedule. Bank shall provide a copy of any changes to the Schedule of Fees, and Client agrees that these charges will become effective 30 days after Bank mails or otherwise provides Client with such copy. Bank will also be paid for its necessary out-of-pocket expenses and reasonable compensation for services requested or approved by Client and which are beyond the scope of those duties described in this Agreement.

If this Agreement is terminated within one (1) year of its effective date, Bank will receive compensation for a full one-year period in accordance with its Schedule of Fees. If termination occurs more than one (1) year from the effective date, compensation will be pro-rated to the termination date. "Termination date" means the date when the securities and other property in the Account are delivered in accordance with Client instructions for termination. Bank will be reimbursed for its reasonable and necessary costs related to termination.

Charging the Account:

Bank is authorized to charge directly to any available funds in the Account, its authorized fees and incidental expenses as well as the amount necessary for Bank to complete any purchase (including purchase-related expenses), to make any directed disbursement, or to take any other necessary action regarding the Account. Bank shall have no duty to make any purchase, exchange, or disbursement, or to incur any expense, unless the necessary funds are available in the Account. If an overdraft is created in the Account, Bank may charge a fee to the Account. In the event of insufficient funds, Bank may, in its discretion, charge any Exchange Bank account held in Client's name, whether individually or jointly.

Allocation of Fees and Expenses for Irrevocable Trust Agency Accounts:

Unless otherwise directed in writing by the trustee(s) of an irrevocable trust, Bank shall allocate fees for investment management services 50% to income and 50% to principal pursuant to California Probate Code Section 16370 (a). All other receipts and disbursements shall be allocated to income or principal in accordance with the Uniform Principal and Income Act of the California Probate Code.

Termination:

This Agreement may be terminated at any time by thirty (30) days written notice from Client to Bank or Bank to Client, and all assets in the Account shall be delivered according to Client instructions. In addition, the Account will terminate upon actual written notification to the Bank of Client's incapacity or death. Such notification shall be that a conservator or executor of Client's estate has been appointed by a court of competent jurisdiction.

Collections:

Bank shall have no duty to enforce collections of any property, including, but not limited to, securities. However, to the extent such property is received by Bank, it shall be added to the Account.

Modification and Addendum Provisions:

This Agreement may be modified at any time in writing, signed by both Bank and Client. Any provisions or instructions contained in a signed or initialed Addendum to this Agreement which modify or change the above standard provisions shall override such standard provisions.

Governing Law:

The validity and construction of this Agreement shall be controlled by the laws of the State of California.

Real Estate:

Bank will not hold real estate as an asset unless named as Client's attorney-in-fact under a Power of Attorney prepared by Client's attorney. Bank will not be responsible for obtaining and/or maintaining hazard insurance on real estate held as an asset per above nor for payment of real estate taxes on such property unless I so direct. In that event, Bank shall be compensated for time spent on such maintenance and payments at its then existing hourly fee rate.

Rental Property and Notes (Secured and Unsecured):

Bank will collect and maintain record of rent receipts subject to a separate agreement as to its duties and fees. Bank will collect and maintain record of Note payments subject to a separate agreement as to its duties and fees.

Limitation of Liability

Bank's liability for any act or failure to act shall be limited to any direct resulting loss that Client incurs, plus interest. Unless otherwise required by law, Bank will not be liable for any damages Client incurs in connection with the Account, even if Bank is aware of the possibility of such damages. Bank shall not be liable or responsible for any damages or costs resulting from any act or omission of any broker or other agent Bank selects to purchase, sell, or hold securities for Client's account. If Client is acting in a fiduciary capacity, Bank shall not be responsible for Client's compliance with fiduciary law, or with the terms of the agreement under which the Client is acting. Bank shall not be liable for any failure to perform under this Agreement resulting from any act, negligence, omission, or default of Client or any third party, government action, mechanical or electrical breakdown, natural disaster or other event beyond the Bank's control.

The undersigned hereby agree to the terms of this Agreement, including the above standard provisions and the following attached Addenda:

Date

City of Cloverdale
Client

Accepted: EXCHANGE BANK
Santa Rosa, CA

Signature

124 N. Cloverdale Blvd.
Street Address

By: _____

Cloverdale, CA 95425
City, State, Zip Code

Signature

124 N. Cloverdale Blvd.
Street Address

Cloverdale, CA 95425
City, State, Zip Code

**City of Cloverdale
Investment Management Account**

Authorized Signers

I, _____, Secretary of _____
_____, hereby certify that the
persons whose names are set forth below are authorized to direct Exchange Bank in
the administration of the above referenced accounts, including but not limited to
asset deposits and withdrawals. Exchange Bank shall act on the instructions of any
two persons and shall not be held liable for acting in good faith on said instructions.

By: _____ Date: _____
Secretary

PRINT NAME

SIGNATURE



**City of Cloverdale
Schedule of Fees
Local Agency Investment Management**

◆ Annual Charges Based on Market Value

First	\$1,000,000	0.60%
Next	\$1,000,000	0.50%
Next	\$1,000,000	0.40%
Next	\$2,000,000	0.30%
Next	\$5,000,000	0.20%
Minimum Annual Fee		\$3,000

NOTES

- ◆ Fees for termination and extraordinary services are charged on the basis of \$150 per hour.
- ◆ Fees are charged monthly in arrears.

By: _____ Date: _____

By: _____ Date: _____

Effective August 2012
(This schedule may be revised from time to time)

FIGURE 1

ALLOWABLE INVESTMENT INSTRUMENTS PER STATE GOVERNMENT CODE (AS OF JANUARY 1, 2015)^A APPLICABLE TO ALL LOCAL AGENCIES^B

See "Table of Notes for Figure 1" on the next page for footnotes related to this figure.

INVESTMENT TYPE	MAXIMUM MATURITY ^C	MAXIMUM SPECIFIED % OF PORTFOLIO ^D	MINIMUM QUALITY REQUIREMENTS
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
State Obligations—CA And Others	5 years	None	None
CA Local Agency Obligations	5 years	None	None
U.S Agency Obligations	5 years	None	None
Bankers' Acceptances	180 days	40% ^E	None
Commercial Paper—Pooled Funds ^I	270 days	40% of the agency's money ^G	"A-1" if the issuer has issued long-term debt it must be rated "A" without regard to modifiers ^H
Commercial Paper—Non-Pooled Funds ^F	270 days	25% of the agency's money ^G	"A-1" if the issuer has issued long-term debt it must be rated "A" without regard to modifiers ^H
Negotiable Certificates of Deposit	5 years	30% ^J (combined with placement service CDs)	None
Non-negotiable Certificates of Deposit	5 years	None	None
Placement Service Deposits	5 years	30% ^J (inclusive of placement service CDs)	None
Placement Service Certificates of Deposit	5 years	30% ^J (combined with negotiable CDs)	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements and Securities Lending Agreements	92 days ^K	20% of the base value of the portfolio	None ^L
Medium-Term Notes ^M	5 years	30%	"A" Rating
Mutual Funds And Money Market Mutual Funds	N/A	20% ^N	Multiple ^{O,P}
Collateralized Bank Deposits	5 years	None	None
Mortgage Pass-Through Securities	5 years	20%	"A A" Rating ^Q
County Pooled Investment Funds	N/A	None	None
Joint Powers Authority Pool	N/A	None	Multiple ^R
Local Agency Investment Fund (LAIF)	N/A	None	None
Voluntary Investment Program Fund ^S	N/A	None	None
Supranational Obligations ^T	5 years	30%	"A A" Rating



ACCOUNT SUMMARY STATEMENT

MAY 17, 2016 TO MAY 17, 2016

ACCOUNT NAME:
ACCOUNT NUMBER:

EXCHANGE BANK
545 FOURTH STREET
SANTA ROSA, CA 95401

ACCOUNT NAME:	DISTRICT
	INVESTMENT SECURITIES (PLEGDED)
ACCOUNT NUMBER:	1091000099
ADMINISTRATIVE OFFICER:	SUSAN PRESTON 707-524-3141 susan.preston @exchangebank.com
INVESTMENT OFFICER:	MATT KELMAN 707-524-3416 matthew.kelman @exchangebank.com

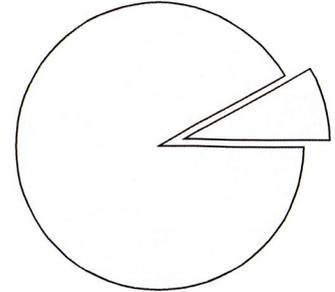
MAY 17, 2016 TO MAY 17, 2016

ACCOUNT NAME:

ACCOUNT NUMBER:

PORTFOLIO SUMMARY

	TAX COST	MARKET VALUE	PERCENT
 CASH & EQUIVALENTS	241,557.84	241,557.84	8.3%
 FIXED INCOME SECURITIES	2,661,432.06	2,671,376.18	91.7%
TOTAL ASSETS	2,902,989.90	2,912,934.02	100.0%
ACCRUED INCOME OTHER	16,861.37	16,861.37	
TOTAL ACCRUED INCOME	16,861.37	16,861.37	
TOTAL ASSETS & ACCRUALS	2,919,851.27	2,929,795.39	



BEGINNING MARKET VALUE 2,935,727.00
ENDING MARKET VALUE 2,929,795.39

CASH ACTIVITY SUMMARY

	THIS PERIOD	YEAR TO DATE
BEGINNING MARKET VALUE	2,912,934.02	3,547,393.53
DIVIDEND INCOME	0.00	3,907.67
NON-TAXABLE INCOME	0.00	2,500.00
INTEREST INCOME	0.00	40,787.50
OTHER INCOME	0.00	10,125.34
FIDUCIARY FEES	0.00	8,813.32-
MISCELLANEOUS DISBURSEMENTS	0.00	660,000.00-
REALIZED GAIN/LOSS	0.00	553.56-
CHANGE IN MARKET VALUE	0.00	22,413.14-
ENDING MARKET VALUE	2,912,934.02	2,912,934.02

MAY 17, 2016 TO MAY 17, 2016

ACCOUNT NAME:
ACCOUNT NUMBER:

PORTFOLIO ASSET DETAIL

QUANTITY	DESCRIPTION	MARKET VALUE	YIELD TO MKT	COST BASIS
CASH & EQUIVALENTS				
CASH & EQUIVALENTS				
247,651.590	GOLDMAN SACHS FS PRIME OBLIGATIONS FST	247,651.59	0.46	247,651.59
	CASH	6,093.75-		6,093.75-
TOTAL	CASH & EQUIVALENTS	241,557.84	0.47	241,557.84
TOTAL	CASH & EQUIVALENTS	241,557.84	0.47	241,557.84
FIXED INCOME SECURITIES				
MUNICIPAL BONDS				
100,000.000	CALIFORNIA ST UNLTD GO DTD 06/01/2007 5% 06/01/2018-2017	104,685.00	4.78	106,589.23
TOTAL	MUNICIPAL BONDS	104,685.00	4.78	106,589.23
CORPORATE BONDS				
100,000.000	AT&T INC GLBL NT DTD 08/18/2011 2.4% 08/15/2016	100,362.00	2.39	100,652.72
150,000.000	BROADCOM CORP SENIOR NOTE DTD 11/09/2011 2.7% 11/01/2018	144,354.00	2.81	152,536.18
140,000.000	CISCO SYSTEMS INC SR NT DTD 03/03/2014 2.125% 03/01/2019	143,609.20	2.07	140,726.75
150,000.000	COSTCO WHOLESALE CORP SR NT DTD 12/07/2012 1.7% 12/15/2019	152,668.50	1.67	148,132.31
200,000.000	GENERAL ELEC CAP CORP MTN DTD 11/20/2012 1.6% 11/20/2017	201,792.00	1.59	199,618.00
150,000.000	STARBUCKS CORP SR NT DTD 12/05/2013 2% 12/05/2018-2018	153,598.50	1.95	150,207.27
150,000.000	WAL-MART STORES INC NT DTD 10/02/2013 1.95% 12/15/2018	153,408.00	1.91	150,443.82
TOTAL	CORPORATE BONDS	1,049,792.20	2.01	1,042,317.05
MULTI-CLASS				
150,000.000	ASTRAZENECA PLC SR NT DTD 09/18/2012 1.95% 09/18/2019	151,573.50	1.93	149,275.50
150,000.000	FEDERAL HOME LOAN BANK BONDS SERIES 656 DTD 05/03/2006 5.375% 05/18/2016	150,340.50	5.36	153,674.68
250,000.000	FEDERAL HOME LOAN BANK BOND SERIES 1 DTD 05/02/2007 4.875% 05/17/2017	260,810.00	4.67	264,599.46
150,000.000	U S TREASURY NOTE DTD 12/31/2011 .875% 12/31/2016	150,346.50	0.87	150,182.01
250,000.000	U S TREASURY NOTE DTD 12/31/2012 .75% 12/31/2017	250,030.00	0.75	247,511.12
150,000.000	U S TREASURY NOTE DTD 03/31/2012 .75% 03/31/2018	149,971.50	0.75	148,355.26
250,000.000	U S TREASURY NOTE DTD 06/30/2014 1.625% 06/30/2019	255,165.00	1.59	249,175.00
13,867.722	VANGUARD SHORT-TERM INVESTMENT-GRADE ADM	148,661.98	2.10	149,752.75
TOTAL	MULTI-CLASS	1,516,898.98	2.29	1,512,525.78
TOTAL	FIXED INCOME SECURITIES	2,671,376.18	2.27	2,661,432.06
GRAND TOTAL ASSETS		2,912,934.02	2.13	2,902,989.90

MAY 17, 2016 TO MAY 17, 2016

ACCOUNT NAME:
ACCOUNT NUMBER:

ACTIVITY DETAIL

DATE	DESCRIPTION	PRINCIPAL CASH	INCOME CASH	COST	GAIN / LOSS
	BEGINNING BALANCE	15,889.73-	15,889.73	2,902,989.90	
	NET CASH MANAGEMENT				
	NET FOR ALL CASH MANAGEMENT FUNDS	6,093.75-		6,093.75	
	TOTAL NET CASH MANAGEMENT	6,093.75-	0.00	6,093.75	0.00
	ENDING BALANCE	21,983.48-	15,889.73	2,909,083.65	0.00

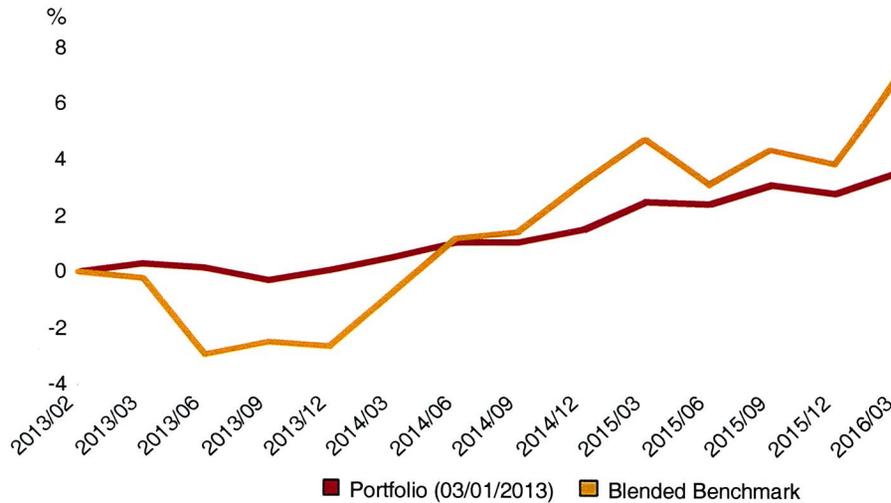
DISTRICT INVESTMENT

Managed since: March 01, 2013

Investment and Performance Summary

	1 Month	Fiscal Year to Date (9 Months)	1 Year	3 Years	Inception to Date (37 Months)
Investment Summary					
Beginning Market Value	3,031,746.50	3,559,057.21	3,813,807.98	5,325,688.27	5,313,047.23
Net Contributions/Withdrawals	-55,766.43	-592,305.03	-844,907.43	-2,494,848.48	-2,495,812.92
Income Received	3,760.11	45,899.61	99,585.91	517,415.53	527,248.21
Market Appreciation	20,125.01	-24,163.80	-47,369.94	-269,719.97	-278,154.43
Net Change in Accrued Income	2,792.08	14,169.28	-18,459.25	-75,878.08	-63,670.82
Ending Market Value	3,002,657.27	3,002,657.27	3,002,657.27	3,002,657.27	3,002,657.27
Performance Summary					
Total Portfolio	.90	1.14	1.07	1.08	1.13
Blended Benchmark	.89	3.73	2.11	2.35	2.19

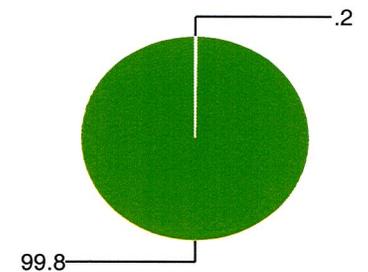
Cumulative vs Benchmark return



Sector allocation

■ Total Fixed
■ Total Short Term
Total

% of
 Mkt val
 99.8
 .2
100.0



DISTRICT INVESTMENT

Managed since: March 01, 2013

	Market Value	3 Months	Year to Date (3 Months)	1 Year	3 Years	Inception to Date (37 Months)
Fixed Income - Taxable	2,889,437	.84	.84	1.10	.79	.82
Barclays U.S. Aggregate		3.03	3.03	1.96	2.50	2.46
Fixed Income - Non-Taxable	106,735	-.09	-.09	.69	.47	.55
Barclays Municipal Bond		1.67	1.67	3.98	3.63	3.39
Total Short Term	6,485	.03	.03	.08	.04	.04
3-month U.S. Treasury Bill		.07	.07	.12	.07	.07
Total Portfolio	3,002,657	.79	.79	1.07	1.08	1.13
Blended Benchmark		2.97	2.97	2.11	2.35	2.19
Total Net of Fees	3,002,657	.71	.71	.77	.80	.86