



**ACTION MINUTES**  
**CITY OF DANA POINT**  
**FINANCIAL REVIEW COMMITTEE**  
**TUESDAY, AUGUST 29, 2017**  
**4:00 PM**

**LOCATION:** City Hall, Second Floor, City Council Chamber, Suite 210  
33282 Golden Lantern, Dana Point, CA 92629

**CALL TO ORDER:**

The Meeting of the Financial Review Committee of the City of Dana Point, California, was called to order by Chair Porter at 4:00 p.m. in the City Council Chamber, 33282 Golden Lantern, Dana Point.

**ROLL CALL OF COMMITTEE MEMBERS:**

All Committee Members were present.

Brian Porter, Chair  
Buck Hill, Vice Chair  
Greg Wall, Committee Member  
Larry Rolapp, Committee Member  
Toni Nelson, Committee Member

**STAFF:**

Staff Present: Mark Denny, City Manager; Mike Killebrew, Assistant City Manager; Bev Brion, Accounting Supervisor; Matthew Sinacori, Director of Public Works and Engineering; Aaron Rosen, Emergency Services Coordinator; DyAnne Weamire, Assistant Administrative Analyst; Yolanda Brenes, Sr. Administrative Assistant.

**NEW BUSINESS:**

**1. Minutes of Financial Review Committee meeting, July 26, 2017**

IT WAS MOVED BY MEMBER ROLAPP, SECONDED BY MEMBER WALL, THAT THE FINANCIAL REVIEW COMMITTEE APPROVE THE MINUTES OF JULY 26, 2017 AS PRESENTED WITH THE CHANGES AS NOTED IN THE COMMENTS DISCUSSED BY THE COMMITTEE MEMBERS.

The motion was carried by the following vote:

AYES: Chair Porter, Member Rolapp, Member Nelson, and Member Wall  
NOES: None  
ABSTAIN: Vice-Chair Hill

## **PUBLIC COMMENTS:**

Brandon Day, Dana Point, expressed concerns about City expenditures.

## **UNFINISHED BUSINESS:**

### **2. Financial Review Committee Procedures**

Mark Denny, City Manager provided a Staff report.

IT WAS MOVED BY CHAIR PORTER, SECONDED BY VICE-CHAIR HILL THAT THE FINANCIAL REVIEW COMMITTEE SELECT THE FOURTH TUESDAY OF EACH MONTH FOR A STANDING MEETING FROM 4:00 P.M. TO 6:00 P.M. WITH THE REMAINING PORTION OF THE SUGGESTED PROCEDURES REVERTING BACK TO THE ORIGINAL CHARTER ESTABLISHED BY CITY COUNCIL.

AYES: Member Rolapp, Member Wall, and Chair Porter

NOES: Member Hill, Member Nelson

ABSENT: None

### **3. Vehicle Leasing Program – Referral from City Council**

Assistant City Manager, Mike Killebrew provided a PowerPoint presentation “City of Dana Point Vehicle Lease Program” ([Attachment A](#))

Member Nelson provided a handout to Staff and Committee Members “City of Dana Point – Vehicle Lease vs. Buy Analysis.” ([Attachment B](#))

Member Nelson provided a handout to Staff and Committee Members “Calculation of Break Even Point for Mileage on Employee vs. City-Owned Vehicles.” ([Attachment C](#))

Vice-Chair Hill provided a handout to Staff and Committee Members “Dana Point Budgeted Vehicle Costs.” ([Attachment D](#))

IT WAS MOVED BY CHAIR PORTER, SECONDED BY VICE-CHAIR HILL THAT AFTER ANALYSIS THE FINANCIAL REVIEW COMMITTEE HAS CONCLUDED THAT FROM A FINANCIAL PERSPECTIVE, IT MAKES MORE SENSE TO BUY VS. LEASE.

AYES: Chair Porter, Vice-Chair Hill, Member Rolapp, Member Nelson, and Member Wall

NOES: None

ABSENT: None

Member Rolapp stated for the record that while he recognizes the financial benefits of moving forward with a vehicle purchase program, from an asset management perspective a vehicle lease program may have benefits to the City.

IT WAS MOVED BY MEMBER NELSON, SECONDED BY MEMBER WALL THAT THE FINANCIAL REVIEW COMMITTEE RECOMMEND TO CITY COUNCIL THAT THEY DIRECT STAFF TO PROPOSE AMENDMENTS TO THE CITY VEHICLE USAGE POLICY NO. 3-210 DATED MARCH 17, 2008 IN ORDER TO DEVELOP A COMPREHESIVE VEHICLE POLICY TO COVER CITY-OWNED OR LEASED MOTOR VEHICLES WHETHER ASSIGNED, SHARED, OR POOLED BASIS, AS WELL AS THE REIMBURSEMENT FOR USE OF PERSONAL VEHICLES FOR CITY BUSINESS.

AYES: Chair Porter, Vice-Chair Hill, Member Rolapp, Member Nelson, and Member Wall

NOES: None

ABSENT: None

IT WAS MOVED BY MEMBER NELSON, SECONDED BY VICE-CHAIR HILL, THAT THE FINANCIAL REVIEW COMMITTEE RECOMMEND THAT, IN ORDER TO PROMOTE FISCAL RESPONSIBILITY, THE CITY COUNCIL DIRECT STAFF TO CONSIDER THE FOLLOWING ITEMS IN DRAFTING AN AMENDED VEHICLE POLICY:

- A. WHICH FUNCTIONS OR POSITIONS REASONABLY REQUIRE CITY PROVIDED VEHICLES ON AN ASSIGNED, SHARED, OR POOLED BASIS.
- B. WHICH FUNCTIONS OR POSITIONS REQUIRE TAKE HOME VEHICLES.
- C. WHAT MINIMUM UTILIZATION STANDARDS OR ANNUAL MILEAGE WILL BE REQUIRED TO JUSTIFY A CITY-PROVIDED VEHICLE. WE SUGGEST A 10,000-MILE REQUIREMENT, WHICH IS THE AVERAGE OF STANDARDS USED IN THE CITY OF SAN JOSE'S VEHICLE POLICY. THIS IS CONSIDERABLY LOWER THAN THE BREAK EVEN MILEAGE CALCULATED IN THE ANALYSIS OF THE LEASING PROGRAM.
- D. WHICH FUNCTIONS OR POSITIONS WILL RECEIVE VEHICLE ALLOWANCES AND AT WHAT RATES.
- E. APPROPRIATE GUIDELINES FOR MILEAGE REIMBURSEMENT FOR PRIVATELY OWNED VEHICLES USED ON CITY BUSINESS. WE SUGGEST THAT THE CITY USE THE ANNUAL IRS REIMBURSEMENT RATE.
- F. APPROPRIATE GUIDELINES TO DETERMINE A POLICY TO ESTABLISH WHAT MILEAGE, AGE OR OTHER STANDARDS OF VEHICLE CONDITION SHOULD TRIGGER VEHICLE REPLACEMENT.
- G. APPROPRIATE GUIDELINES AS TO FUNDING FOR SUCH VEHICLE REPLACEMENT, PREFERABLY THROUGH A REGULAR TRANSFER TO A SPECIFIC RESERVE FOR SUCH PURPOSE, OR THROUGH ANNUAL COUNCIL RESOLUTIONS.
- H. APPROPRIATE ALLOCATION TO CITY DEPARTMENTS OF CHARGES FOR FUEL, MAINTENANCE, REPAIRS, CLEANING AND DEPRECIATION IN ORDER TO ALLOW MANAGERS TO OVERSEE AND TAKE RESPONSIBILITY FOR CONTROLLING COSTS.
- I. APPROPRIATE CHECKS AND BALANCES TO ENSURE ADHERENCE TO THE CITY VEHICLE POLICY, INCLUDING A LOG MAINTAINED IN EACH CITY-OWNED VEHICLE RECORDING DRIVER, PURPOSE OF TRIP, DATE, MILEAGE, DESTINATION, ETC.
- J. ANY OTHER GUIDELINES OR AMENDMENTS TO THE POLICY DEEMED APPROPRIATE TO ENSURE COMPLIANCE WITH LEGAL, INSURANCE, IRS OR ANY OTHER REGULATIONS, POLICIES, OR PROCEDURES.

AYES: Chair Porter, Vice-Chair Hill, Member Rolapp, and Member Nelson  
NOES: Member Wall  
ABSENT: None

**4. Community Events Research Update by Members Hill and Wall – (No Staff Report)**

Vice-Chair Hill and Member Wall presented the FRC with a verbal update on their community events findings and provided a handout to the FRC and Staff of a draft letter Vice-Chair Hill addressed to the City Council regarding the Dana Point Survey. ([Attachment E](#))

Member Nelson stated for the record that when the minutes are provided that the two schedules on the vehicles that she provided end up in the minutes as well as Vice-Chair Hill's.

Member Nelson also requested that the City of San Jose's vehicle policy document that she provided in the previous meeting also be provided in the minutes so the City Council can have it for reference ([Attachment F](#)) as well as the City's 2008 City Vehicle Policy ([Attachment G](#)).

**5. Referral from City Council: City Attorney Services Model**

Assistant City Manager, Mike Killebrew provided a PowerPoint slide for this item ([Attachment H](#))

Member Nelson provided a handout to Staff and Financial Review Committee "City of Dana Point City Attorney Contract" ([Attachment I](#)) and "City Attorney's by Salaries and Benefits" ([Attachment J](#)).

This item was deferred to the next meeting.

**INFORMATION ITEM:**

**6. Sheriff's Department Efficiency Study – DRAFT Scope of Work**

Assistant City Manager provided a Staff report and there was discussion between Staff and Financial Review Committee members.

RECOMMENDED ACTION: Receive and File.

**COMMITTEE MEMBER COMMENTS:**

**Vice-Chair Buck Hill**

Vice-Chair Hill provided a handout to Staff and the Financial Review Committee "Dana Point Cash Balances By Fund – Fiscal Year 2017" ([Attachment K](#)) and provided a discussion of the handout.

**Member Toni Nelson**

Member Nelson asked Assistant City Manager, Killebrew if he would provide the FRC with the Attorney data he will be preparing.

**Member Larry Rolapp**

Requested a check list of FRC requests to Staff. Also requested a monthly calendar of FRC events.

**Chair Porter**

Wanted clarification on two sober living homes in litigation and two railroad track deaths. Additionally, he stated his appreciation for the development pipeline on the City's website.

**ADJOURNMENT:**

There being no further business before the City Council at this session, Chair Porter adjourned the meeting at 6:44 p.m.

City of Dana Point  
Vehicle Lease Program  
Financial Review Committee Meeting  
August 29, 2017

## Master Lease Program Facts

- Basic Business Goal: have a modern fleet of appropriately equipped vehicles that are safe and consistently operational, in a fiscally responsible manner
- Decisions to defer purchase of vehicles more likely in tough economic times
- Leasing provides more assurance for consistent replacement of vehicles
- Lessor assists with development of vehicle specifications
- Lessor locates and acquires vehicles
- Lessor sells/disposes of vehicles
- Leasing with regular replacement reduces time/effort necessary by Staff to monitor & maintain older vehicles

## Lease Program Facts

- No large, upfront cash outlay to lease
- City benefits from access to manufacturer pricing vs. dealer pricing
- City does not pay full value of the vehicle, only for portion it uses
- Sales tax only owed on leased portion of value
- Open-end equity lease proposed – City assumes responsibility for vehicle market value at end of term
- Open-end equity lease provides equity benefits/risk of ownership
- Lease-end book value is set lower than expected market value
- City benefits when market value at lease-end exceeds book value
- City pays if market value at lease-end is less than book value
- City can terminate lease at any time



## Lease Program Facts

- City not subject to separate excess wear and tear charges
- City comprehensive vehicle insurance covers leased vehicles
- City vehicle insurance deductible is \$2,500
- Manufacturer warranties in effect
- Staff proposes that City manage routine maintenance, not Lessor

## Annual Lease Payments vs Purchase Set-Aside Funding

Vehicle Type	Number of Vehicles	Purchase Cost Per Vehicle*	Total Fleet Purchase Cost	Book Value per Vehicle @ end of 5 Years	Purchase Cost Net of BV per Vehicle	Total Fleet Net Purchase Cost	Annual Net Purchase Set-Aside Per Vehicle**	Total Annual Purchase Set-Aside	Annual Lease	Total Annual Lease
Ford F-150	15	\$ 25,000	\$ 375,000	\$ 4,300	\$ 20,700	\$ 310,500	\$ 4,140	\$ 62,100	\$ 5,200	\$ 78,000
Ford F-350	3	\$ 45,000	\$ 135,000	\$ 7,200	\$ 37,800	\$ 113,400	\$ 7,590	\$ 22,800	\$ 8,700	\$ 26,100
Chevy Traverse	6	\$ 26,000	\$ 156,000	\$ 4,600	\$ 21,400	\$ 128,400	\$ 4,280	\$ 25,680	\$ 5,400	\$ 32,400
Ford Transit	1	\$ 24,000	\$ 24,000	\$ 4,400	\$ 19,600	\$ 19,600	\$ 3,920	\$ 3,920	\$ 5,000	\$ 5,000
Bucket Truck	1	\$ 110,000	\$ 110,000	\$ 20,000	\$ 90,000	\$ 90,000	\$ 9,000	\$ 9,000	\$ 15,400	\$ 15,400
Totals	26		\$ 800,000			\$ 661,900		\$ 123,380		\$ 156,900
										\$ 33,520

\*Cost of vehicle would increase based on additional accessories ordered; set-aside and lease costs would change roughly proportionately.

\*\*Annual Purchase Set-Aside shown here is net of book value assumed to be recouped upon sale of used vehicle. Both the purchase and the lease transaction theoretically benefit for actual sales amount above/below book value. Five year amortization used for establishing annual purchasing set-aside amounts (except for bucket truck which assumes ten year life.)

Attachment B – Provided by Member Nelson

OF DANA POINT - VEHICLE LEASE VS. BUY ANALYSIS														
									Assumed	Present	PV of		PV of	
PROPOSED ENTERPRISE VEHICLES:	Lease	Loaner	Est. Market	Book Value	Capitalized				Purchase	Value of	Profit	NET PV	Mkt Val.	NET PV
	Term	with tax	/day	Value at term	at term	Value	MSRP	Invoice	Price <sub>(a)</sub>	Lease Pmts	at term	LEASE <sub>(c)</sub>	in 5 yrs	BUY <sub>(d)</sub>
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2017 Nissan Frontier King Cab	60 mo.	421.94	70	9,560	4,293	22,591	27,550	26,556	23,130	24,259	4,829	19,430	8,399	14,731
2017 Chevy Silverado 1500 Ext	60 mo.	488.09	70	11,990	4,968	26,149	37,060	35,264	27,227	28,062	6,438	21,624	10,627	16,600
2017 Dodge Ram 1500 Quad Cab	60 mo.	512.58	70	12,384	5,219	27,466	35,875	34,401	28,544	29,470	6,570	22,900	10,988	17,555
2017 Chevy 3500 Crew Cab LT <sub>(a)</sub>	60 mo.	705.32	90	21,000	7,189	37,835	47,442	45,050	38,913	40,551	12,663	27,888	18,888	20,024
2017 Chevy Traverse	60 mo.	448.82	88	9,424	4,567	24,037	29,595	29,452	24,576	25,804	4,453	21,351	8,274	16,302
2017 Ford Transit T 150 Low Roof	60 mo.	432.99	80	10,130	4,405	23,185	33,440	31,656	23,724	24,894	5,249	19,645	8,921	14,802
2017 Dodge Ram Promaster Ext	60 mo.	438.95	80	9,092	4,467	23,506	33,875	32,471	24,045	25,237	4,241	20,996	7,970	16,075
2017 Nissan Altima 2.5S	60 mo.	355.23	33	7,275	3,610	19,003	25,340	23,468	19,542	20,423	3,360	17,063	6,304	13,238
2017 Toyota Camry Hybrid LE	60 mo.	456.94	42	9,278	4,650	24,473	28,034	25,772	25,012	26,271	4,243	22,028	8,140	16,872
ASSUMPTIONS:														
1. All lease data is per Enterprise Leasing quote to City of Dana Point. Leases are open equity type leases where the City can sell the vehicle at any time and retain the profit in excess of book value.														
2. Assumed purchase price is capitalized value plus \$500 for vehicles under \$25,000, and \$1,000 for vehicles over \$25,000.														
is based on estimate by Enterprise Leasing Manager for City cost with best dealer incentives (slightly higher than prices that can be negotiated by Enterprise, given their volume.) Sales tax has been added to the \$500 or \$1,000 increase.														
3. The 2017 Chevy 3500 Crew Cab LT includes an after market 8 foot utility body.														
4. The leasing APR is 4.5%.														
5. This model assumes a 60 month lease with the vehicles sold at the end of term for the estimated market value per Enterprise.														
6. All present values were calculated using a discount rate of 1.75% which is equal to the City's current maximum rate on treasury bonds held as investments.														
This is the risk free rate for the City since it is unlikely cars would be financed.														
7. Net Present Value of the Lease is the NPV of the five years of lease payments less the present value of the profit (assumed purchase price less book value at the five year point.)														
8. Net Present Value of Buying vehicles is the assumed purchase price (current dollars) less the present value of the estimated market value at the five year point per Enterprise.														
CONCLUSION: The cost of leasing vehicles is in excess of the cost of purchasing by approximately 22 to 24%														
FRC Nelson 8/29/17														

Attachment C – Provided by Member Nelson

CALCULATION OF BREAK EVEN POINT FOR MILEAGE ON EMPLOYEE VS. CITY-OWNED VEHICLES									
2 examples based on average operating and lease/buy costs for Toyota Camry and Chevy Traverse									
	LEASED Camry	PURCHASED Camry	LEASED Traverse	PURCHASED Traverse					
5 year npv lease/purchase cost	\$22,028	\$16,872	\$21,351	\$16,302	Note: purchase price is npv after sale at 5 years				
<b>Average Annual Costs:</b>									
Lease/buy cost per year	4,406	3,374	4,270	3,260					
Maintenance	612	612	1,249	1,249					
Repairs	155	155	209	209					
Fuel	1,147	1,147	2,697	2,697					
Insurance	1,505	1,505	1,246	1,246					
Total average annual cost	<u>\$7,825</u>	<u>\$6,793</u>	<u>\$9,671</u>	<u>\$8,661</u>					
IRS allowance per mile	0.535	0.535	0.535	0.535					
Break even mileage	14,625	12,698	18,077	16,190					
<b>ASSUMPTIONS:</b>									
1. All scenarios assume 10,000 miles per year for annual costs and that vehicle is sold after 5 years.									
2. Costs of maintenance, repairs, fuel and insurance are average for 5 year period per Edmunds.com. This website estimates costs by vehicle make and model by zip code.									
3. The IRS standard mileage rate for business is actual for 2017 per IRS notice IR-2016-169, 12/13/16.									
4. In the case of employee owned vehicles, the City would have to carry an excess insurance policy for non-owned vehicles (minimal cost).									
5. There is a potential saving of 7.5% per year in repairs and maintenance costs under the leasing program, but this does not exceed the \$8 per month charged for this service.									
<b>NOTES:</b>									
1. It is not uncommon for entities to pay employees for work related mileage in lieu of using purchased or leased vehicles.									
2. For 2017, the allowable IRS rate used to calculate the deductible costs of operating an automobile for business purposes is 53.5 cents per mile.									
3. A car allowance paid to an employee is considered to be taxable income, but mileage reimbursements are not treated as income unless they exceed the allowable IRS rate per mile.									
4. There is some paper work involved in mileage reimbursement as employees must track actual miles travelled for business.									
5. Advantages to the employer are that costs are variable and there are no costs incurred unless the employee is using his/her vehicle for City related business.									
6. The City of San Jose uses minimum utilization standards of 9,000 miles per year for sedans and 11,000 miles per year for light trucks.									
FRC - Nelson 8/29/17									

Attachment D – Provided by Vice-Chair Hill

**Dana Point Budgeted Vehicle Costs**

Department	Dept #	Vehicles Owned/ Allowance	Budgeted Employees	Account 2050				Account 2290			
				2018				Auto Allowances & Mileage			
				Maint + Repair	Cleaning	Fuel	Miles/Vehicle	2016	2017	2018	2019
City Council	1	5A						16500	16500	16500	16500
City Manager	11	1	2	?	?	?	?	103	250	250	250
Admin Services	21	1A	8					946	6200	7800	7800
Public Information Svc.	22		0					0	0	0	0
City Clerk	31	1A	4					5537	6000	5500	5500
Planning	41	2+2A	9	?	?	?	?	5841	3600	10200	10200
Building	42	3+1A	7.5	1600	2520	2952	5904	5288	5200	5300	5300
Code Enforcement	43	4	4.5	1200	1980	2105	3158	402	500	500	500
Economic Development	44	1A	2					410	2500	3000	3000
Public Works - Admin	51	3	2.33	3845	1290	3928	7856	179	400	400	400
PW - Street Maint	52	1	1.33	700	660	1572	9432				
PW - Traffic Engineering	53		0								
PW - Solid Waste	54		0.34								
PW- Engineering	56	3	11.5	2970	2640	7150	14300	6123	5900	6000	6000
PW - Water Quality	57		1					1434	1200	650	650
Police Services	61	8	N/A	23000	0	30000	22500				
Police - VIPs	62	1	0	200	0	800	4800		300	300	300
Emergency & Support Svc	12	3	2	2500	1500	5000	10000		500		
City Attorney	71		0								
Community Services	81	1+1A	6.4	1350	660	850	5100	5126	6300	6300	6300
Parks	55	3	4.5	1680	2640	8800	17600	1029	500	9500	16400
Facilities	95	1	1.5	2300	700	1200	7200				
Totals		46	67.9	41345	14590	64357		48918	55850	72200	79100
		34+12A	(1.9?)		120292						

**Notes:**

City vehicles total 34 owned + 12 people receiving auto allowances (see column 3 - black numbers are Owned, Red numbers are allowances paid)

Headcount by department is from final FY18 Budget - note that totals are larger than introduction lists as 66 heads

Maintenance & Repair and Fuel Budgets for Police Services seem very high - do these costs include County black & whites?

Estimates of mileage driven by owned vehicles are calculated by taking the budgeted fuel cost, assuming \$3.00 per gallon, and 18 miles per gallon

Total vehicle costs are not reported by Dana Point - depreciation and insurance must be added to above costs

Buck Hill 8/29/2017

**To: The City Council**

**Re: Dana Point Survey**

**From: Buck Hill, Member of the Financial Review Committee**

**As the City moves toward priority budgeting, this survey will be helpful in determining resident concerns and what services they consider important. It would be useful if questions were asked in a way to reveal the level of importance and the quality of the service. Following are ideas for more specific questions to elicit the most useful information.**

**Dana Point conducts a variety of community events. How many times have you attended the following events and were they excellent, satisfactory or disappointing:**

- |                                     |            |
|-------------------------------------|------------|
| • 4 <sup>th</sup> of July fireworks | \$189,000  |
| • Festival of the Whales            | \$ 161,000 |
| • Summer Concerts                   | \$ 180,000 |
| • Movies in the Park                | \$ 38,000  |
| • Dana Point Symphony               | \$ 20,000  |
| • Easter Egg Hunts                  | \$ 14,000  |
| • Doheny Blues Festival             | \$ 15,000  |
| • Dana Point Bike Race              | \$ 10,000  |
| • Art Festivals                     | \$ 12,000  |
| • Winter Holiday Programs           | \$ 53,000  |
| • Holiday Decorations               | \$ 20,000  |
| • Halloween Spooktacular            | \$ 11,000  |
| • Ocean Institute Sponsorship       | \$ 56,250  |

**Do you support Dana Point's donations to the following charities?**

- |                                   |           |
|-----------------------------------|-----------|
| • Capo Valley Boys and Girls club | \$ 25,000 |
| • Relay for Life                  | \$ 7,000  |
| • Chamber of Commerce             | \$ 20,000 |
| • Dana Hills Grad Night           | \$ 3,000  |

## Use of City and Personal Vehicles

1.8.1

### PURPOSE

To establish the policy, procedures and guidelines for the use of City and personal vehicles for the efficient and effective delivery of City services, while minimizing City expenditures and maximizing current resources. This procedure applies to all City employees and officials, and supersedes all other administrative directives previously issued pertaining to the use of City owned or personal vehicle use while conducting City business. This administrative policy, and associated procedures and guidelines support Council Policy 3-1 "Parks, Recreation and Neighborhood Services – Volunteer Policy" relative to volunteers use of city-owned equipment to conduct official City business.

### POLICY

Transportation required for employees to conduct official City business will be available by the use of a City provided vehicle or the use of an authorized personal vehicle at the City's sole discretion.

The City Manager has the responsibility for administration of the provisions of this policy, and is responsible for making decisions regarding certain specific vehicle uses as described in this policy. The Department of Public Works, Fleet Management Division has the responsibility to manage the City's transportation vehicle fleet by working with departments to maximize utilization of vehicles, maintaining the fleet in good working condition, determining which vehicles will be removed from the fleet, and managing the acquisition and disposal of vehicles.

Non-City employees which may include volunteers, consultants, contractors, and other persons who are not City employees, may be authorized on a case by case basis and in accordance with Council Policy 3-1 to use a City vehicle in order to conduct official City business. Use of City vehicles by non-City employees will require prior approval from the Department Director (or designee) who is responsible for the services being provided by the non-City employee.

City provided vehicles shall be used only for official City business.

#### I. TRANSPORTATION TYPES

The following transportation options listed below are potentially available for conducting City business:

##### A. City-Provided Vehicles

1. Transport Vehicles: Vehicles whose primary use is to transport employees from place to place during the course of conducting official City business. Transport vehicles include sedans and light trucks.
2. Special Purpose Vehicles: Vehicles whose primary use requires special equipment designed to perform job functions, or whose primary use is in a restricted area where non-City vehicles are prohibited.
3. Police and Fire Vehicles: Vehicles whose primary use involves official business conducted by the Police or Fire Departments.

Revised Effective Date: September 13, 2012

Original Effective Date: May 1, 1987

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**Use of City and Personal Vehicles****1.8.1**

- B. Employee-Owned Vehicles** - Employee-owned vehicles may be used during the course of conducting official City business if authorized by the Department Director (or designee). Once authorized to use an employee-owned vehicle, employees will be eligible for mileage reimbursement subject to the provisions of the Mileage Reimbursement Policy, (please refer to policy 1.8.3 in the City Policy Manual).

**II. QUALIFICATIONS FOR EMPLOYEES AND NON-CITY EMPLOYEES OPERATING VEHICLES**

**A. City Employees**

City employees who drive a vehicle in the course of conducting official City business must possess a:

1. Valid California State Driver License appropriate to the type of vehicle being driven; and
2. City Driving Permit issued by the City's Safety Officer.

Employees authorized to use special purpose vehicles will maintain and comply with vehicle specific training and licensing requirements as defined by any relevant rules and regulations, and/or the California Department of Motor Vehicles, and/or the employee's job classification minimum qualifications.

Employees authorized to drive a vehicle on City business shall notify their supervisor in writing of the suspension, revocation, cancellation, expiration, lost privilege, disqualification, or other action affecting the status of their driver license or their authority to drive a vehicle. Notification must be made as soon as practicable, but in no case more than five (5) calendar days following the day the employee received notice of the suspension, revocation, cancellation, expiration, lost privilege, disqualification, or other action affecting the status of their driver license or their authority to drive a vehicle.

If an employee is notified that an action MAY be taken which could affect the employee's license, including the possible suspension, revocation, cancellation, expiration, lost privilege, disqualification, or other action affecting the status of their driver license or their authority to drive a vehicle, the employee shall notify their supervisor as soon as practicable, but in no case more than five (5) calendar days following the day the employee received notice of the potential action. The employee shall continue to keep their supervisor informed of any further changes or updates regarding their driving status.

Before an employee may be authorized to use a personal vehicle to conduct official City business, the employee must also furnish proof of possession of a valid California State Driver license and current liability insurance as required by the State of California Vehicle Code Section 16451 as may be amended. This is in addition to the requirement of having a valid City Driving Permit issued by the City's Safety Officer.

These requirements will be documented on the Transportation Request form completed by the employee and approved by the Department Director (or designee).

Revised Effective Date: September 13, 2012

Original Effective Date: May 1, 1987

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**Use of City and Personal Vehicles****1.8.1**

Employees cannot drive their vehicles on City business unless all of these requirements are met. Employees are specifically required to immediately contact their supervisor if, at any time, there is a change to these requirements or they do not meet all of the requirements.

Employees who are unable to comply with these requirements shall not be permitted to drive any vehicle (City or personal) to conduct City business and may not drive onto any City property or City facility.

**B. Non-City Employees**

Generally, non-City employees are prohibited from driving City vehicles. Non-City employees may be authorized to drive City vehicles on a case by case basis and in accordance with Council Policy 3-1. Such authorization must meet the requirements set forth in Council Policy 3-1 in addition to complying with the terms described in this policy.

Non-City employees authorized to drive a City vehicle in the course of conducting City business must possess a:

1. Valid California State Driver License appropriate to the type of vehicle being driven; and
2. City Driving Permit issued by the City's Safety Officer.

Non-City employees authorized to drive City vehicles must also obtain written approval from the City's Department Director (or designee) who is responsible for the services being provided by the non-City employee. This is in addition to the requirements provided above.

Non-City employees authorized to drive a City vehicle must be at least 18 years of age.

Non-City employees authorized to use special purpose vehicles will maintain and comply with vehicle specific training and licensing requirements as mandated by any relevant rules and regulations, and/or the California Department of Motor Vehicles.

Non-City employees authorized to drive a City vehicle on City business shall immediately cease driving the vehicle and notify the Department Director (or designee) who is responsible for the services being provided by the non-City employee in writing of the suspension, revocation, cancellation, expiration, lost privilege, disqualification, or other action affecting the status of their driver license or their authority to drive a vehicle. Notification must be made as soon as practicable, but in no case more than five (5) calendar days following the day the non-City employee received notice of the suspension, revocation, cancellation, expiration, lost privilege, disqualification, or other action affecting the status of their driver license or their authority to drive a vehicle.

If a non-City employee is notified that an action MAY be taken which could affect the non-City employee's driver license including the possible suspension, revocation, cancellation, expiration, lost privilege, disqualification, or other action affecting the status of their driver license or their authority to drive a vehicle, the non-City employee shall notify the City's Department Director (or designee) who is responsible for the services being provided by the non-City employee as soon as practicable, but in no case more than five (5) calendar days following the day the non-City employee received notice of the potential action. The non-City

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employee shall continue to keep the City's Department Director (or designee) who is responsible for the services being provided by the non-City employee informed of any further changes or updates regarding their driving status.

Before a non-City employee may be authorized to use a personal vehicle to conduct official City business, the non-City employee must also furnish proof of possession of a valid California State Driver license and current liability insurance as required by the State of California Vehicle Code Section 16451 as may be amended. This is in addition to the requirement of having a valid City Driving Permit issued by the City's Safety Officer.

These requirements shall be documented on the Transportation Request form completed by the non-City employee and approved by the Department Director (or designee) who is responsible for the services being provided by the non-City employee.

Non-City employees who are unable to comply with these requirements shall not be permitted to drive any vehicle (City or personal) to conduct City business and may not drive onto any City property or City facility.

**III. REQUIREMENTS FOR CITY-PROVIDED VEHICLES****A. City Provided Vehicles****1. Transport Vehicles**

All City transport vehicles should meet the following minimum utilization standards:

Sedans: 9,000 miles per year  
Light trucks: 11,000 miles per year

The Public Works Department will periodically conduct a break-even analysis to identify the annual mileage at which it is cost beneficial for the City to provide a vehicle instead of mileage reimbursement. The minimum utilization standards are subject to change based on the results of this break-even analysis.

In addition to the mileage reimbursement option, there are two sources of transport vehicles for the use of employees. Descriptions and requirements for each are listed below:

**a. Department Complement**

Departments receive a complement of transport vehicles based on their operational needs. Vehicles within the complement can be used by employees and non-City employees on a work shift basis, or on an occasional, as needed basis. Departments are expected to work closely with the Public Works Department to ensure that transport vehicles within their complement are utilized in such a way that they meet or exceed the minimum utilization standards specified above.

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Departments may make transport vehicles within their complement available to individual employees or authorized non-City employees for use throughout their work shift. The same vehicle may be assigned to the same employee on a regular basis for convenience, but vehicles should be rotated among employees and authorized non-City employees to the extent necessary to balance utilization and achieve the minimum utilization standard.

Departments may request an exception to the minimum utilization standard for vehicles that will be used on a work shift basis. All requests for exceptions must be made in writing to the City Manager's Office and must document the extenuating circumstances for requesting the exception. Factors that will be considered include, but are not limited to: service delivery considerations, employee safety, and job requirement considerations. The Fleet Management Division will assist in the review of exception requests by reviewing issues such as Citywide fleet availability and the size and utilization of the department's transport vehicle complement.

If such an exception is not approved, transportation needs may still be met through other transport vehicle options described in this section, or by the use of employee-owned vehicles as described in Section 1b of this policy.

Approved exceptions will be documented, including the justification for approval, and will be forwarded to and maintained by the Fleet Management Division. Exceptions are subject to annual review by the City Manager's Office.

**ii. Occasional Basis**

Departments may make transport vehicles within their complement available to individual employees for use on an as needed, occasional basis. Employees' supervisors should approve these uses, and such vehicles should be available to all employees within the department or within the work group designated for use of the vehicle.

Departments are responsible for ensuring that such vehicles meet the minimum utilization standard. Vehicles not meeting the utilization standard require an approved exception, as described in Section III.A.(1a).i above. Utilization reports will be provided semi-annually to departments by the Fleet Management Division. The Fleet Management Division will work with user departments to rotate assignments of vehicles to permit maximum utilization and utilize the fleet as effectively as possible. This utilization review may result in underutilized vehicles being removed, redeployed, or retired.

Short term specialized needs may require the use of rented or leased vehicles to supplement the department's ongoing complement. Departments must make written requests for such vehicles, providing justification for the need to add such vehicles to the department's approved complement. Such

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requests will be reviewed for approval by the City Manager's Office, and the Fleet Management Division will assist in this review by reviewing issues such as Citywide fleet availability and the size and utilization of the department's transport vehicle complement.

b. Citywide Fleet

The City's motor pool, which is managed and maintained by the Fleet Management Division, provides a source of vehicles for employees who need transportation for general, short-term, or occasional usage in conducting official City business.

The employee's supervisor shall approve requests for a pool vehicle and the employee shall submit the request to the Fleet Management Division's motor pool location. In approving this request, the supervisor should consider approving the use of the employee's personal vehicle, rather than a City provided vehicle.

Pool vehicles shall not be utilized for out-of-county travel without prior authorization by the driver's Department Director or designee. Utilization of a pooled vehicle for 24 hours or longer will not be permitted, except when authorized by the Department Director or designee and the Fleet Management Division. Such utilization may be approved if the use of a pool vehicle is for a work related event in which circumstances are such that returning the vehicle within the same day is unreasonable and/or not in the City's best interest. Justification in writing must be provided and filed with the Fleet Management Division.

After checking out a vehicle and making the required trip, the vehicle shall be returned to the Fleet Management Division.

2. Special Purpose Vehicles

Departments may obtain Special Purpose vehicles, which include sedans and light trucks, for use when the job function:

- Requires a vehicle that is outfitted with specialized equipment or is used as a work platform;
- Requires a vehicle to be utilized in a restricted area where non-City vehicles are prohibited; or
- Requires that certain City-furnished tools, equipment, or materials be frequently utilized and it is inefficient, impractical, or not possible to transport them in non-City vehicles.

The Department Director (or designee) shall submit a list of Special Purpose vehicles to the City Manager's Office, along with a justification of the reasons for categorizing the vehicle as a Special Purpose vehicle. Special Purpose vehicles will not be

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subject to the minimum utilization standard. The City Manager's Office shall review the list and approve the Special Purpose vehicle categorization for those vehicles meeting the above criteria. The Fleet Management Division shall assist this review by assisting in the analysis of described uses and other information relevant to the determination of the categorization of such vehicles. The Fleet Management Division will maintain the justification documentation for each Special Purpose vehicle.

Thereafter, the use and deployment of Special Purpose vehicles are subject to annual review by the City Manager's Office. The Fleet Management Division will review the utilization of such vehicles to ensure that they are utilized efficiently and effectively.

3. Police and Fire Vehicles

Vehicles equipped with the necessary tools (e.g. communications equipment, sirens, safety equipment) shall be available for police and firefighters to carry out their duties during the assigned shift. The supervisor will authorize the use of police and fire vehicles.

The Police and Fire Departments will work with the Fleet Management Division to rotate these vehicles in their assignments to evenly distribute utilization such that vehicles meet the utilization levels required for their respective replacement cycles.

4. Take-Home Vehicles

Take-home vehicles are to enable after-hours emergency response by authorized City employees who are on standby duty assignments that require Special Purpose or Police and Fire vehicles. The criteria for take-home vehicle authorization is described separately for Non-Sworn Operations and Police and Fire Operations.

Authorization for a take-home vehicle is granted to a classification meeting the requirements described below, and in no event does authority for a take-home vehicle belong to any specific City employee who is not in a classification that meets the requirements described below. This means that an individual employee previously granted authorization for a take-home vehicle whose assignments are updated so as to no longer require Special Purpose or Police and Fire vehicles is no longer authorized for a take-home vehicle.

Non-City employees shall not be permitted to take City vehicles home under any circumstances.

**Non-Sworn Operations Requirements:** Special Purpose vehicles may be used by non-sworn City employees on a take-home basis, provided that all of the following minimum requirements are met:

- The employee is required to be on standby duty and must respond to after-hours emergencies; and

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- The standby duty job function requires a Special Purpose vehicle; and
- The standby duty job function has met the minimum call-back events threshold over the last 12 months as established for that function. The minimum call-back standards may differ based on the job function but should not be less than 24 events per year; and
- The employee responding to the call-back will be able to respond to the first call-back instance and be onsite within a maximum of 45 minutes of the call; and
- The one-way commute miles of the employee assigned to call-back duty do not exceed 30 miles; and
- The Department Director has received authorization from the City Manager's Office for take-home use of the vehicle.

Departments may have more stringent policies that identify stricter and/or additional requirements pertaining to the use of take home vehicles which support their specific operations. Departments opting to develop stricter or additional requirements shall identify these additional requirements in a Departmental Policy made available to all Department staff, and shall provide a copy of the Department Policy to the Fleet Management Division.

**Annual Authorization Process (Non-Sworn Operations):**

Take-home use of Special Purpose vehicles shall be authorized annually by the City Manager's Office and be based upon written request from the Department Director. The Department Director's written request shall include:

1. A list of employees by job classification and vehicle number(s) to be used in the job function assignment,
2. Call-back performance data including the number of annual call-backs by vehicle and job assignment for the previous calendar year, and
3. The Director's justification for the take-home use of the vehicle by job function assignment to the City Manager's Office annually by December 31.

In the event that the number of annual call-backs does not meet the minimum threshold, the Department shall assess the cost-benefit of providing mileage reimbursements or auto allowances (where possible) to support these position assignments. The results of this assessment shall be included in the Department's annual request for take-home vehicles and shall be considered by the City Manager's Office in the final review of the Department's request.

The call-back performance data, noted above, shall be the department's record reporting the total number of call-backs by vehicle and job function assignment for the previous calendar year. This data shall be a record identifying all of the take-home assignments in the preceding 12 months and shall identify each employee who worked assignments using a take-home vehicle and the one-way trip mileage from the employee's home to their primary work reporting location. A copy of this record

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shall also be provided to the Finance Department in order for the Finance Department to determine if the employee's use of a take-home vehicle is subject to IRS reporting requirements.

The City Manager's Office shall prepare a final list of authorized take-home vehicle uses which shall be maintained by the City Manager's Office and a copy provided to the Department of Public Works, Fleet Management Division. Any take-home use of a vehicle not appearing on the list will be considered a violation of this policy, unless the use was otherwise pre-approved by the Department Director for a single or short-term assignment use for a defined period of time of no more than 3 months. Violations of this policy may result in disciplinary action.

Employees subject to standby or callback duty who are not authorized for take-home use of a Special Purpose vehicle are expected to be responsible for their own transportation when responding to calls.

Employees approved for take-home use of vehicles will comply with requirements outlined in the "Non-Sworn Operations Requirements" section above in addition to more stringent Departmental guidelines, if any. Such employees shall park the vehicle in the City parking lot designated by the operating Department on scheduled days off. If the employee is required to be on call, the Department Director (or designee) may authorize the employee to use the vehicle in conducting official City business during scheduled days off.

**Police and Fire Operations Requirements:** Police and Fire vehicles may be used by Police and Fire Department employees on a take-home basis, provided that all of the following minimum requirements are met:

- The employee is required to be on standby duty and must respond to after-hours emergencies; and
- The standby duty job function requires a Police or Fire vehicle; and
- The standby duty job function has met the minimum call-back events threshold over the last 12 months as established for that function. The minimum call-back standards may differ on a unit by unit basis but should not be less than 24 events per year; and
- The employee responding to the call-back will be able to respond to the first call-back instance and be onsite within a maximum of 45 minutes of the call; and
- The one-way commute miles of the individual assigned to call-back duty does not exceed 30 miles; and
- The Department Chief has received authorization from the City Manager's Office for take-home use of the vehicle.

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Departments may have more stringent policies that identify stricter and/or additional requirements pertaining to the use of take home vehicles which support their specific operations. Departments opting to develop stricter or additional requirements shall identify these additional requirements in a Departmental Policy made available to all Department staff, and shall provide a copy of the Department Policy to the Fleet Management Division

**Annual Authorization Process (Police and Fire Operations):**

Take-home use of Police and Fire vehicles shall be authorized annually by the City Manager's Office and be based upon written request from the Department Chief. The Department Chief's written request shall include:

1. A list of employees by job classification and vehicle number(s) to be used in the job function assignment,
2. Call-back performance data including the number of annual call-backs by vehicle and job assignment for the previous calendar year,
3. The Chief's justification for the take-home use of the vehicle by job function assignment, and
4. Any policy exemption requests as it relates to response times by specific units and one-way commute mileage criterion by assignment and annual threshold of call-backs to the City Manager's Office annually by December 31.

In the event that the number of annual call-backs does not meet the minimum threshold, the Department shall assess the cost-benefit of providing mileage reimbursements or auto allowances (where possible) to support these position assignments. The results of this assessment shall be included in the Department's annual request for take-home vehicles and shall be considered by the City Manager's Office in the final review of the Department's request.

The call-back performance data, noted above, shall be the department's record reporting the total number of call-backs by vehicle and job function assignment for the previous calendar year. This data shall be a record identifying all of the take-home assignments in the preceding 12 months and shall identify each employee who worked assignments using a take-home vehicle and the one-way trip mileage from the employee's home to their primary work reporting location. A copy of this record shall also be provided to the Finance Department in order for the Finance Department to determine if the employee's use of a take-home vehicle is subject to IRS reporting requirements.

The City Manager's Office shall prepare a final list of authorized take-home vehicle uses which shall be maintained by the City Manager's Office and a copy provided to the Department of Public Works, Fleet Management Division. Any take-home use of a vehicle not appearing on the list will be considered a violation of this policy, unless the use was otherwise pre-approved by the Department Chief for a single or short-term assignment use for a defined period of time of no more than 3 months. Violations of this policy may result in disciplinary action.

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Employees subject to standby or callback duty who are not authorized for take-home use of a Police or Fire vehicle are expected to be responsible for their own transportation when responding to calls.

Employees approved for take-home use of vehicles will comply with requirements outlined in the "Police and Fire Operations Requirements" section above in addition to more stringent Departmental guidelines, if any. Such employees shall park the vehicle in the City parking lot designated by the operating Department on scheduled days off. If the employee is required to be on call, the Department Chief may authorize the employee to use the vehicle in conducting official City business during scheduled days off.

**B. Employee-Owned Vehicles**

City employees may be authorized to operate personal vehicles within the scope of their employment for official City business, provided that they comply with the requirements of this Policy.

City employees authorized to operate personal vehicles are eligible to receive mileage reimbursement for official City business use only subject to the requirements in City Policy Manual Section 1.8.3, Private Vehicle Mileage Reimbursement Policy. Reimbursement for mileage does not include commuting travel from home to work or return, nor conducting personal business. Refer to City Policy Manual Section 1.8.3, Private Vehicle Mileage Reimbursement Policy for procedures and guidelines on Mileage Reimbursement.

Personal vehicles, while being used for official City business, shall be considered an official vehicle and must be in safe mechanical condition as required by law.

**IV. CONDITIONS OF VEHICLE USE**

City and employee owned vehicles used for City business shall be operated in a manner consistent with all safety and legal requirements.

Vehicles authorized for use based on this Policy shall only be used to conduct official City business. Mileage reimbursement for the use of personal vehicles will be strictly limited to uses related to City business and in accordance with City Policy Manual Section 1.8.3, Private Vehicle Mileage Reimbursement Policy.

**A. Transportation of Passengers and Goods**

Vehicles driven to conduct official City business shall not be used to transport any passengers other than authorized City employees on official City business or persons directly related to the official City business being conducted. Nothing herein shall be construed to prohibit the carrying of any person or persons in case of accident or emergency.

City owned vehicles shall not be used to transport any items or goods that are not the property of the City, unless such transportation is directly related to official business being conducted by the City.

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**Use of City and Personal Vehicles****1.8.1****B. Parking Locations**

~~All City provided vehicles must be parked, when not in use, in the City parking lot designated by the Department.~~ Employees approved for take-home use of vehicles shall comply with the terms set forth under Section III.A.(4) of this policy. Departments may authorize remote parking locations, however, employees must use the remote parking location nearest their primary work area. Employees are prohibited from parking a City vehicle in other than the Department's approved location in order to park closer to the employee's home. It is the responsibility of the Department to ensure that assigned vehicles are being parked in the required designated area when not in use.

Employees driving City vehicles shall not use public metered parking spaces during regular business hours that are adjacent to City buildings if there is a City parking facility available within reasonable walking distance.

Departments will be required to maintain a list of each vehicle and the vehicle's designated parking area. This list will be provided to the Department of Public Works, Fleet Management Division.

**C. Vehicle Idling**

In order to reduce emissions that are a result of idling diesel and gasoline engines, no City-owned diesel or gasoline powered vehicles/equipment or stationary engines may idle for more than five (5) consecutive minutes, with the following exceptions:

- Idling when queuing;
- Idling to verify that the vehicle is in safe operating condition;
- Idling for testing, servicing, repairing or diagnostic purposes;
- Idling when it is necessary to accomplish work for which the vehicle was designed (such as operating a crane or when emergency vehicles used by Police and Fire are at the scene of an incident);
- Idling to bring the machine system to operating temperature; and
- Idling to ensure safe operation of the vehicle.

For the purpose of this section, queuing shall mean the intermittent starting and stopping of a vehicle while the driver, in the normal course of doing business, is waiting to perform work or a service, and when shutting the vehicle engine off would impede the progress of the queue and is impracticable. Queuing does not include the time a driver may wait motionless in line in anticipation of the start of a workday or a location where work or a service will be performed.

**D. Cellular Telephone Safety While Driving****1. Wireless Telephones**

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Employees and non-City employees are not allowed to use their wireless telephone (either City issued phones or personal phones) while driving on City business or while conducting City business unless the telephone is designed and configured to allow hands free listening and talking, and is used in that manner while driving. Even when using a hands-free wireless telephone, conducting City business on a cellular telephone while driving should be kept to a minimum and only done when necessary. This section does not apply to an employee or non-City employee using a wireless telephone for emergency purposes (such as calling 911) while driving on City business.

**2. Electronic Wireless Communications Devices**

Employees and non-City employees shall not use an electronic wireless communication device to write, send, or read a text-based communication while driving on City business. "Write, send, or read a text based communication" means using an electronic wireless communications device to manually communicate with any person using a text-based communication, including, but not limited to, communications referred to as a text message, instant message, or electronic mail.

**3. Sworn Police and Fire Personnel**

Sworn police and fire personnel using wireless telephones and electronic wireless communication devices in the course and scope of their duties shall do so in accordance with their respective Duty Manuals and applicable policies and procedures relating to the use of wireless telephones and electronic wireless communication devices.

**V. COLLISION/ACCIDENT REPORTING****A. Non-sworn Employees and Non-City Employees**

Reporting of vehicle collisions or accidents by City employees driving a City-owned vehicle or their authorized personal vehicle and non-City employees driving a City-owned vehicle on City business is required. Reporting must be prompt, accurate and complete. These reports must be made within no less than 24 hours (or 48 hours if the accident occurs on a weekend) to the employee's immediate supervisor. Non-City employees shall report accidents to the City's Department Director (or designee) who is responsible for the services being provided by the non-City employee. In all cases, accident reports involving city-owned equipment shall be provided to the Department of Public Works, Fleet Management Division.

Incidental damage to a vehicle or equipment, defined as damage while the vehicle is unattended or damage such as a broken windshield from a flying rock must also be reported to the employee's immediate supervisor or in the case of non-City employees to the City's Department Director (or designee) who is responsible for the services being provided by the non-City employee. In all cases, incidental damage to city-owned equipment shall be reported to the Department of Public Works, Fleet Management Division.

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The reporting procedure to be followed by City employees and non-City employees who are involved in a vehicle accident while driving a City-owned or authorized personal vehicle on City business shall be as follows:

- a) Stop immediately and render aid if such is necessary.
- b) Call the police. Tell the police this is an accident involving a City owned vehicle or authorized private vehicle on City business.
- c) Do not make or sign statements for anyone except the police.
- d) Prepare a Standard Accident Report and give it to the supervisor, or in the case of non-City employees to the City's Department Director (or designee) who is responsible for the services being provided by the non-City employee.

The Department Director will route one copy of the accident report to the City Attorney's Office and another to the Department of Public Works, Fleet Management Division.

**B. Sworn Police and Fire Personnel**

Reporting of vehicle collisions or accidents by sworn Police and Fire personnel driving a City-owned vehicle or their authorized personal vehicle while in the course and scope of their duties shall do so in accordance with their respective Duty Manuals and applicable policies and procedures relating to vehicle collisions or accidents.

**VI. TRAFFIC AND PARKING CITATIONS**

Traffic and/or parking citations issued to a City employee or non-City employee while using a City or authorized personal vehicle on City business are the sole responsibility of the employee or non-City employee involved.

**VII. IDENTIFICATION OF CITY-OWNED VEHICLES**

All City-owned motor vehicles and other fleet equipment, except as exempted by the Department of Public Works, Fleet Management Division, shall be plainly marked with the City emblem on each side. All City-owned motor vehicles and other fleet equipment shall be identified with City equipment numbers, assigned by the Department of Public Works, Fleet Management Division and displayed on each side and/or on the rear of the equipment.

**AUTHORIZATION AND PROCEDURES**

Departments who have identified a need for a City-furnished vehicle to conduct official City business must initiate the process to obtain authorization to use a City vehicle or personal vehicle. Authorization for a City-furnished vehicle will not be granted until the Department Director or designee has completed and approved a Transportation Request Form verifying the need for a City vehicle for City business.

When a Department's vehicle assignment has significantly changed and the Department Director or designee determines that a change in type of transportation or notice of separation is identified, a new vehicle Transportation Request Form must be completed and submitted to the

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Department of Public Works, Fleet Management Division. If the Department's request is for a change from mileage reimbursement, the Department is responsible for notifying the Finance Department to cancel payment authority.

The Department Director or designee may cancel the transportation authorization, whenever such authorization is no longer needed. If an employee separates from City service, Human Resources shall provide written notification to the City Safety Officer.

The following procedure applies to obtaining authorization to use City Provided or Personal vehicles on official City business. The policy requirements and annual authorization process for take-home vehicles is found under Section III.A.(4) of this policy.

**Responsibility****Action**

Department

1. Complete Transportation Request Form. Indicate the type of transportation required, including justification for such type.
2. Provide proof of minimum State required insurance by producing a copy of the policy or a statement of insurance coverage showing the policy number, expiration date, and liability coverage for privately owned vehicle(s) which would be used for City business.  
  
Note: City employees and non-City employees who operate City-provided vehicles while conducting City business must possess a valid California Driver License, a current City Driving Permit and have an Transportation Request Form approved on file.
3. Forward request to supervisor or in the case of non-City employees the Department Director (or designee) who is responsible for the services being provided by the non-City employee.
4. Verify information on Driver License and City Driving Permit.
5. Sign and forward request to the Department Director or designee.

Department Director

6. Review request and, if approved, submit to the Fleet Management Division for review and authorization.
  - a. If it is recommended and requested that a City Vehicle (including, as defined elsewhere in this policy, Department Complements, Special Purpose vehicles, and Police and Fire Vehicles) be assigned:

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- 1) Complete and Sign the Transportation Request Form.

- 2) Forward request to the Fleet Management Division for review and authorization.

Note: If requesting an Exception to the minimum mileage utilization, the request form must include further justification for this request.

- b. If the use of a personal vehicle is approved:

- 1) Sign Transportation Request Form.

Note: Authorization for use of a personal vehicle does not require approval from the Fleet Management Division.

- 2) Provide a copy of the approved Transportation Request Form to the employee.

Fleet Management  
Division/City Manager's  
Office

7. The Fleet Management Division shall review requests for vehicles that will meet the minimum mileage utilization. The original and duplicate copies of the Transportation Request Form will be returned to the requesting department, including approval or denial of the request.

8. Requests for an Exception to the minimum mileage utilization shall be forwarded to the City Manager's Office for further review. The Request Form will be returned to the requesting department and the Fleet Management Division, including approval or denial of the request.

Requesting Department

9. Receive notification of the disposition of Request from the Fleet Management Division or, if applicable, the City Manager's Office.

10. Provide a copy of the Transportation Request Form to the Department Director or designee with a copy to the employee supervisor or non-City employee department coordinator responsible for informing the requesting individuals of the disposition of the request.

11. If the Request was denied, the Department Director should consider alternative methods of transportation to assist the employee or non-City employee in performing

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his or her duties.

The following procedure applies to obtaining authorization to use a Citywide Pool vehicle on official City business.

<u>Responsibility</u>	<u>Action</u>
Department/Supervisor/Employee	<ol style="list-style-type: none"><li>1. Department is to verify the employee's valid California Driver License and current City Driving Permit.</li><li>2. Employee shall access the Motor Pool Reservation link on the City's Intranet site to initiate the reservation process</li></ol>
Fleet Management Division	<ol style="list-style-type: none"><li>3. Review the request, Citywide Pool availability, and issue a disposition to the requesting department.</li></ol>

Approved:

/s/ Alex Gurza  
Deputy City Manager

September 13, 2012  
Date

/s/ Ed Shikada  
Assistant City Manager

September 13, 2012  
Date

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**CITY OF DANA POINT**

**ADMINISTRATIVE POLICY  
GENERAL ADMINISTRATION  
POLICY NO. 3-210**

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**APPROVED: 03/17/2008**

**RESPONSIBLE DEPT.: ADMINISTRATIVE SERVICES**

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**SUBJECT: CITY OF DANA POINT VEHICLE USAGE POLICY**

**PURPOSE:** To establish a policy for the assignment, inspection, operation, and utilization of City of Dana Point owned, leased or rented vehicles by City of Dana Point personnel.

**POLICY:**

**ASSIGNMENT OF RESPONSIBILITY:**

- A. Department Directors shall keep a list of all employees who may be required to drive a City or a Privately Owned Vehicles on City business, and must provide a copy of the list to the Administrative Services Department. Department Directors are responsible for ensuring that employees attend necessary driver training.
- B. The Administrative Services Department shall coordinate all necessary training and maintain related records, and shall ensure that evidence of insurance and driver's license information is maintained in each employee's personnel file. The Administrative Services Department shall also receive and record Department of Motor Vehicles Pull Notice reports and notify Department Directors of issues when necessary.
- C. All City employees shall promptly provide current and valid insurance and driver's license information when notified that their job duties include driving either a City or Privately Owned Vehicle. Employees are to comply with all training and other reporting requirements of this policy, including maintaining current and valid insurance and driver's license.
- D. The Fleet Manager is responsible for the general operation of the City's fleet of vehicles, including receiving notification from any employee who reports unsafe conditions or defects in any City Owned Vehicle. Upon receiving such notification, the Fleet Manager shall determine whether or not the vehicle is safe for continued operation.

**DEFINITIONS:**

**City Owned Vehicle:** Any vehicle owned by the City or for which the City has financial responsibility (e.g. leased, borrowed, etc.), and assigned on a shared, designated or permanent basis to City employees.

**Privately Owned Vehicle:** Any non-City Owned Vehicle used by an employee on City business, whether owned by the employee or not.



Vehicle Operator: Any employee who is either operating a City or a Privately Owned Vehicle on City business.

**ASSIGNMENT OF CITY OWNED VEHICLES:**

The City Manager may authorize assignment of City Owned Vehicles to Departments or permanent assignment to individual employees on the basis of work responsibility. Vehicles may be assigned to employees when deemed appropriate.

City Owned Vehicles fall into the following two categories, and have restrictions based upon type and use:

- A. Department vehicles that are kept overnight at City or City-designated facilities, and are assigned for use on a shared or designated basis during the course of daily City business by the City Manager or designee; or,
- B. Vehicles that are assigned to an employee on a permanent basis with City Manager approval, and used for daily commuting to and from their City worksite(s). According to the Internal Revenue Service, commuting to and from work and any other incidental personal use of a City vehicle is not considered official use, and shall be reported as income taxable to the employee.

Employees may be allowed to occasionally take a department assigned City Owned Vehicle home when it is determined to be in the best interest of the City to do so. "Occasionally" is defined as occurring on an infrequent and irregular basis, and less than five consecutive working days in duration. This permission may be granted by the City Manager or designee.

Only City employees are authorized to operate City owned vehicles except in the case of Police Services and Emergency Services vehicles. Sheriff's Department staff or Volunteers in Police Support (VIPS) assigned to the City may operate vehicles specifically assigned to the Sheriff's Department. In addition, designated Community Emergency Response Team (CERT) members may also be assigned to operate vehicles assigned to the Emergency Services Division. CERT and VIPS volunteers who are authorized to operate a City vehicle must comply with all policies within the City Vehicle Usage Policy.

City Owned Vehicles are for transporting only those employees whose duties require the use of a motor vehicle, and such other persons whose business activities are relevant to the City's interests.

Under no circumstances shall family members or other non-City employees be transported in City Owned Vehicles, including those vehicles that are authorized for use in commuting to and from the City or designated for emergency or on-call use, unless such transport is in the conduct of City business or previously authorized by the City Manager.

Employees who have a City Owned Vehicle permanently assigned to them, and/or are responsible for the City Owned Vehicles assigned for use within their Department, are responsible for ensuring that only persons with valid and current insurance and driver's license, and are on official City business, are allowed to use the City Owned Vehicle.

**USE OF PRIVATELY OWNED VEHICLES WHILE CONDUCTING CITY BUSINESS:**

There are times in which the use of a Privately Owned Vehicle is preferable because either a City Owned Vehicle is not available or because the use of a Privately Owned Vehicle is deemed more efficient by the City. When such is the case, the following shall be adhered to:

- A. If an employee's driver's license becomes canceled, invalid, expired, restricted, suspended, or revoked; they must immediately report this to the Director of Administrative Services. The employee shall immediately discontinue operation of any City or Privately Owned Vehicles on City business.
- B. Any Privately Owned Vehicle used to conduct City business (including, but not limited to, employees receiving a monthly auto allowance) must, at a minimum, have personal automobile insurance coverage consistent with City requirements (Check with the City's Director of Administrative Services for current requirements).
- C. Employees who regularly use a Privately Owned Vehicle on City business are responsible for any notification requirements to their insurance company.
- D. The City will reimburse an employee for use of a Privately Owned Vehicle on City business if the employee is not receiving a monthly auto allowance and the use was approved by the supervisor. Such reimbursement will be per the standard rate of mileage reimbursement issued annually by the Internal Revenue Service. It is the responsibility of the individual utilizing the Privately Owned Vehicle to maintain accurate records of the purpose, date and mileage incurred for City business, and to make substantiated claims for reimbursement.
- E. The monthly auto or mileage allowance is intended to cover the employee's cost of operating the vehicle on City business, including the cost of insurance. Further, all operating expenses of the Privately Owned Vehicle are to be borne by the employee. Other than the monthly auto allowance and individual use mileage allowance, no expense related to a Privately Owned Vehicle used for City business will be borne by the City.
- F. The City is not liable for any damage to an employee's Privately Owned Vehicle, unless caused by the City's negligence (employee's negligence excepted). It is the responsibility of the employee operating the vehicle to notify his/her immediate supervisor, the Department of Motor Vehicles, and the employee's insurance company in the case of any accident. It is understood by employees that if an employee is responsible for an accident while driving a Privately Owned Vehicle, his/her own automobile insurance premiums may increase.

**GUIDELINES:**

City Owned Vehicles are to be operated by City employees in good standing and who have a valid State of California driver's license. City employees will operate vehicles in a safe and skillful manner within the guidelines of this Policy, City directives, and California State Statutes, including obedience to all traffic laws and basic rules of courtesy, and shall refrain from illegal activities. All employees assigned a City vehicle and/or who routinely use a Privately Owned

Vehicle in the course of performing their job duties must have a signed acknowledgement of this policy in their personnel file. (See last page of this Policy).

**A. Personal Use of City Vehicles:**

City Owned Vehicles are to be used as necessary to conduct business of the City and its operations. Employees shall not operate City Owned Vehicles for other than City business unless pre-approved by the City Manager and in no case for the purpose of conducting a private business or enterprise; however it is recognized that a minimal amount of personal use of a City vehicle may occur for those employees who:

1. Are assigned a take-home vehicle and, therefore, commute to and from work in the City Owned Vehicle;
2. Conduct their daily City work in or from a vehicle; and/or,
3. Are on City authorized travel.

It is the responsibility of the employee utilizing a City Owned Vehicle to maintain accurate records of the purpose and extent of his/her travel. Such records may be necessary for the individual's tax records.

According to the Internal Revenue Service, commuting to and from work and any other incidental personal usage is not considered official use, and shall be reported as taxable income. Individuals must report their mileage for personal use of City vehicles to the City at a time(s) and in formats as directed by the Administrative Services Department.

City Owned Vehicles authorized to be driven to the employee's residence shall be parked either in a garage, private driveway, or an otherwise safe and secure place. The vehicle shall not be parked overnight in an area where it may suffer damage or violate codes or ordinances.

**B. Possession of Valid California Driver's License:**

Directors or their designees shall submit in writing to the Administrative Services Department the names and driver's license numbers of employees authorized to drive private or City Owned Vehicles. Operation of a City Owned Vehicle by an employee shall be considered consent by that employee for random checks by the City to ensure that the employee's driver's license remains in good standing.

All private or City Owned Vehicle operators are responsible for possessing and maintaining a valid State of California driver's license. Additional requirements may be applicable by Federal and State laws for operators of specialized vehicles such as, but not limited to, emergency apparatus, commercial motor vehicles and heavy equipment. Employees authorized to drive private or City Owned Vehicles for City business are required to inform the Director of Administrative Services immediately if their driver's license becomes canceled, invalid, expired, restricted, suspended, or revoked. Such employee shall not be allowed to operate any City or Privately Owned Vehicles on City business. Failure of an employee to timely notify Director of Administrative Services may result in disciplinary action, up to and including termination.

**C. Safety Equipment Requirements:**

All operators and passengers of City Owned Vehicles will properly use the vehicle seat and lap belts if the vehicle is so equipped. Airbags shall not be rendered inoperable on vehicles so equipped. Not following these safety equipment requirements may result in disciplinary action, up to and including termination.

**D. Use of Electronic Devices:**

Employees shall refrain from operating cellular telephones, laptop computers, navigational devices and any other device that may cause vehicle operator distraction while operating a vehicle on City business. Employees shall make every attempt to properly park their vehicle or use a hands-free device when using such equipment.

**E. Altering Vehicles:**

City Owned Vehicles shall not be altered in any way without first obtaining written approval of the appropriate Department Head and the Fleet Manager. All approved alterations must be coordinated through the Fleet Manager.

No City Owned Vehicles shall have any stickers, posters, signs, or any other similar attachment placed on or affixed to them unless previous approval or directive has been issued by the City Manager or his designee.

**F. Vehicle Inspection:**

Vehicles shall be inspected by the operator prior to use to ensure all parts, equipment and accessories are in safe operating condition and free of any damage or defect. No vehicle shall be put into service until defects or safety violations have been corrected.

Any vehicle damage beyond normal wear and tear or that includes defects affecting the safe operation of the vehicle must be documented and reported to the employee's supervisor and the Fleet Manager.

No employee shall operate a vehicle on City business if such vehicle is found to be in an unsafe condition.

**G. Vehicle Collisions:**

All employees, if involved in any vehicular collision in a vehicle while on City business, shall:

- Call the appropriate law enforcement agency (9-1-1) if there is an injury or more than minor damage involved;
- Call the employee's immediate supervisor, or main department number if unable to reach supervisor;
- Allow the department supervisory personnel or the appropriate law enforcement agency to determine if the vehicle should be towed; and,
- Shall collect information about the other parties involved by completing the "Accident

Kit" located in the City Owned Vehicle's glove box, and forward a copy to the Administrative Service Department. If driving a Privately Owned Vehicle, collect as much relevant info as possible, including but not limited to: names, driver's license numbers, license plate numbers, insurance information, vehicle description, any known damage, and any information deemed relevant to the accident.

Employees may be required to submit to drug and/or alcohol testing in accordance with City Policy if they are involved in vehicle collisions where information suggests that an employee has caused, or contributed to, or been involved in an accident while at work which:

1. Caused property and/or vehicle damage; or,
2. Which resulted in an injury to an employee and/or any other person which required medical care within twenty-four (24) hours after the event.

**H. Safeguarding Issued Equipment:**

Employees are responsible for safeguarding City equipment associated with their assigned vehicles. This includes (but is not limited to) issued equipment which is normally left in the assigned vehicles. For example, if an employee leaves his or her assigned vehicle for repairs or maintenance (temporary or take-home), the employee shall ensure that all equipment is safeguarded prior to leaving the vehicle. If any equipment is subsequently stolen/missing, the employee may be subject to disciplinary action.

**I. Tobacco Products Prohibition:**

Smoking and other tobacco products are not allowed in any City Owned Vehicle.

**J. Operation of City Owned Vehicles:**

Permission to operate a City Owned Vehicle is a **privilege, not a right**. City Owned Vehicles are to be operated in a safe, responsible manner at all times. Employee responsibilities are:

1. To obey all traffic laws and regulations as defined by the State of California as well as departmental rules for public safety at all times;
2. To ensure all drivers and passengers are required to wear seat belts at all times, in accordance with California State laws; and,
3. To operate the vehicle in a manner that ensures maximum life expectancy of the vehicle.

Irresponsible use of a City Owned Vehicle may result in a revocation of driving privileges of City Owned Vehicles and disciplinary action, up to and including termination. Irresponsible use may include, but is not limited to:

1. Speeding;
2. Reckless operation or discourteous use of a City Owned Vehicle;
3. Operating a City Owned Vehicle while under the influence of alcoholic beverages and/or a controlled substance;
4. Driving without a valid license;
5. Violation of any City, State, or Federal vehicle or traffic regulation;

6. Failure to properly report vehicle damage or a vehicle accident/incident; or,
7. Inappropriate use of a City Owned Vehicle as otherwise defined in this Policy.

**K. Operation of Vehicles Out of City Limits/Service Area:**

City employees, while operating City Owned Vehicles, are required to remain within a reasonable distance from the City limits. Reasonable distance includes travel to neighboring cities such as San Clemente, Laguna Niguel, San Juan Capistrano, Laguna Beach, Mission Viejo, Laguna Hills and Aliso Viejo. Exception can be made if commuting efficiencies can be realized through brief route departures or if the City service boundaries extend beyond the City limits. All business related travel outside of the City boundaries (e.g. Santa Ana, North San Diego County, Santa Barbara, etc.) requires prior knowledge of the appropriate supervisor.

**L. Review of Driving Record:**

The City shall enroll employees that operate any vehicles on City business in the Department of Motor Vehicles (DMV) Pull Notice Program. When a vehicle operator has received a violation, the DMV assigns points according to the type of violation, and automatically sends notification to the City.

In compliance with Vehicle Code Section 1808.47, all information received from the DMV shall be used solely for the intended purpose, and kept in locked storage. Under no circumstances shall addresses or other information be given to a third party.

**M. Violation or Non-Compliance:**

Any violation or non-compliance with the requirements and responsibilities of this Policy may result in disciplinary action, up to and including termination.

**N. Acknowledgement:**

Upon receipt of this Policy, each employee shall sign a form (see attached) acknowledging that he/she is aware of this policy, including the legal issues arising out of the use of his/her Privately Owned Vehicle on City business.

Approved by:

  
\_\_\_\_\_  
**Douglas C. Chotkewys**  
City Manager

**3-17-08**  
\_\_\_\_\_  
Date



CITY OF DANA POINT  
EMPLOYEE ACKNOWLEDGEMENT OF VEHICLE USAGE POLICY

This is to acknowledge that I have received a copy of the City of Dana Point Vehicle Usage Policy (approval date 3/17/2008, and amended 05/28/08) and that I have read the policy and understand my rights and obligations under the Policy. I have also received a copy of the City requirements for personal automobile insurance coverage.

I understand that this Policy represents only current policies, procedures, rights and obligations and does not create a contract of employment. Regardless of what the Policy states or provides, the City retains the right to add, change or delete provisions of the Policy and all other working terms and conditions without obtaining another person's consent or agreement.

My signature below further signifies that I have read this Policy and that I accept and will abide by all of its provisions.

PRINT FULL NAME \_\_\_\_\_

SIGNED \_\_\_\_\_

DATE \_\_\_\_\_

DEPARTMENT DIRECTOR: \_\_\_\_\_ DATE: \_\_\_\_\_

**CITY OF DANA POINT**  
**Personal Automobile Insurance Coverage Requirements**

- A. Employees who receive a monthly vehicle allowance shall maintain coverage in an amount not less than \$100,000 per person/ \$300,000 per occurrence (or a combined single limit of \$300,000) and property damage coverage in an amount not less than \$100,000 per occurrence.
- B. Employees that do not receive a monthly vehicle allowance and are authorized to use privately owned vehicles on City business shall maintain minimum coverage in an amount not less than \$15,000 per person/\$30,000 per occurrence (or a combined single limit of \$30,000) and property damage coverage in an amount not less than \$15,000 per occurrence.
  - 1. California Insurance Code §11580.9 states that where two or more policies affording valid and collectible liability insurance apply to the same motor vehicle in an occurrence out of which a liability loss shall arise, it shall be conclusively presumed that the insurance afforded by that policy in which the motor vehicle is described or rated as an owned vehicle is primary and the insurance afforded by any other policy (e.g. the City) shall be excess.
  - 2. The City shall not be responsible for any increase in the employee's automobile insurance premium as a result of an accident.
  - 3. In the event of an accident, the employee is responsible for paying any deductibles the insurance company may require.
  - 4. If insurance coverage is canceled, terminated, lapsed, or for any other reason curtailed, the immediate supervisor must be notified by the employee and the vehicle shall not be used for City business.
  - 5. Should an employee using his/her privately owned vehicle on City business be involved in an accident with resulting injury or property damage, the employee's own insurance carrier shall respond to defend the employee. Should a claim exceed the limits of the employee's liability insurance coverage, the City's liability protection program would respond in an excess capacity if the accident qualifies as a covered occurrence.



# City of Dana Point Attorney Services Model

Financial Review Committee Meeting  
August 29, 2017

## Scope of Work

1. Review/Compare contracts from identified cities
2. Interview other cities regarding services and costs,  
including in-house and contract services
3. Review history of Dana Point City Attorney costs

Attachment I – Provided by Members Hill and Nelson

CITY	POPULATION	C A BUDGET (\$)	TOTAL OPERATING EXP (\$)	C A %	Position	Salary (\$)	Benefits (\$)	Total (\$)
Santa Ana	334,000	3,226,160	234,235,795	1.38%	City Attorney			300,000
					Chief A C A	186,798	95122	281,920
					Senior A C A	170109	77919	248,028
					Senior A C A	166867	63174	230,041
<b>NOTES:</b>					A C A	157882	81911	239,793
Total of 10 attorneys including CA and 5 support staff					A C A	154650	80086	234,736
Budget includes \$824,710 for outside contractual services					A C A	153322	61751	215,073
City Attorney is a partner with Best, Best and Krieger					Sr. Paralegal	85736	34945	120,681
CA works out of City Hall and provides 150 hrs per month plus 10 hours at \$254 (Total \$330,480)					Sr. Paralegal	87356	40758	128,114
<b>Duties include:</b>					Sr. Legal Sec.	67924	43110	111,034
Provide advisory and litigation services to land use and development agencies, boards and commissions					Salary info missing for 3 attorneys, 2 staff			
Prosecute violations of Santa Ana Municipal Code								
Provide litigation services and general counsel to Police dept, public works, management, finance, parks and Rec, and community services								
Manage all tort and civil litigation								
Support risk management division of Personnel Services								
Orange	141,000	1,523,933	107,750,188	1.41%	City Attorney	215,591	83,635	299226
<b>NOTES:</b>					Assistant C A	153697	71,695	225392
Total of 4 attorneys and 3 staff					Sr. A C A	168006	75,257	243263
<b>Duties include:</b>					Sr. A C A	152058	77,061	229119
Provide legal services to Council, Planning Commission, other advisory bodies and all city depts.					Exec. Assistant	65454	37,521	102975
Directly handle litigation and administrative proceedings					Legal Secretary	68067	33,292	101359
Manage outside legal counsel services and maintain effective cost control					Legal Secretary	67066	33,292	100358
Provide training on loss prevention, legal matters								
Draft resolutions and ordinances, attend hearings on civil matters, defend city ,								
Provide advice and representation on development projects								
Coordinate Public Record Act requests								
CITY	POPULATION	C A BUDGET (\$)	TOTAL OPERATING EXP (\$)	C A %				

FRC Hill/Nelson 8/29/17

San Juan Capistrano	36000	1,062,830	104,229,583	1.02%				
San Clemente	66,000	991,730	70,960,680	1.40%				
Laguna Niguel	66,000	360000	52,709,648	0.68%				
Newport Beach	87,000	2,444,007	270,749,404	0.90%				
Laguna Beach	23,000	750,000	78,543,500	0.95%				
Seal Beach	24,000	475,000	30,184,900	1.57%				
Huntington Beach	200,650	2,969,511	225,878,625	1.31%				
Anaheim	351,000	7,679,039	198,941,295	3.86%				
Palos Verdes Estates	16,000	222,000	11,876,922	1.87%				
Redondo Beach	68,000	3,428,217	90,897,838	3.77%				
Rancho Palos Verdes	42,000	925,000	25,604,300	3.61%				
Manhattan Beach	35,741	647,142	114,350,560	0.57%				
Carlsbad	114000	1,514,588	250,146,253	0.61%				
Rancho Santa Margarita	49,000	350,000	31,050,455	1.13%				
Mission Viejo	268,000	620,000	68,617,337	0.90%				
<b>CITY</b>	<b>POPULATION</b>	<b>C A BUDGET (\$)</b>	<b>TOTAL OPERATING EXP (\$)</b>	<b>C A %</b>				

FRC Hill/Nelson 8/29/17



**CITY OF DANA POINT**  
**CITY ATTORNEY CONTRACT**

	<b>Estimated</b>	
	<b>Retainer/mo.</b>	<b>Hourly rate</b>
7/1/2007	8600	220 per 7/1/07 contract
CPI % change	3.9	3.9
7/1/2008	8935	229
CPI % change	-0.1	-0.1 *
7/1/2009	8926	228
CPI % change	1.8	1.8
7/1/2010	9087	232
CPI % change	1.8	1.8
7/1/2011	9251	237
CPI % change	2.1	2.1
7/1/2012	9445	242
CPI % change	2.0	2.0
7/1/2013	9634	246
CPI % change	0.8	0.8
7/1/2014	9711	248
CPI % change	-0.1	-0.1 *
7/1/2015	9701	248
CPI % change	3.1	3.1
7/1/2016	10002	256
CPI % change	2.1	2.1
7/1/2017	10212	261

Current retainer is \$122,544 annually (may be off slightly due to rounding).

Hourly rate outside retainer is approximately \$261 per hour

CPI change equals the percentage change in the CPI for all Urban Consumers for the Los Angeles Riverside and Orange County area, for the 12 month period ending January of the same year.  
 Bureau of Labor Statistics, BLS.gov

\* Not sure if the contract would allow a decrease in fees for negative CPI

FRC - Nelson 8/29/17

**DANA POINT CASH BALANCES BY FUND****Fiscal Year 2017**

<b>FUND #</b>	<b>FUND TITLE</b>	<b>Actual Cash 6/30/2016</b>	<b>Treasurer's Report Actual Cash 5/31/2017</b>	<b>FY 17 Budget Total Fund Bal. 6/30/2017</b>	<b>Treasurer's ACTUAL Cash Fund Bal. 6/30/2017</b>	<b>VARIANCE ACTUAL vs BUDGET 6/30/2017</b>
<b>Usable by Dana Point</b>						
1	<b>General Fund Unrestricted Cash</b>	\$ 5,683,559	\$ 5,707,169	\$ 2,890,102	\$ 5,216,010	\$ 2,325,908
2	Gasoline Tax	\$ 63,936	\$ 824,775	\$ 68,185	\$ 8,495	\$ (59,690)
4	Measure M	\$ -	\$ 531,405	\$ 98,038	\$ 29,822	\$ (68,216)
5	Clean Air	\$ 347,649	\$ 380,090	\$ 55,335	\$ 391,177	\$ 335,842
11	Capital improvements	\$ 6,582,357	\$ 6,447,211	\$ 3,732,026	\$ 7,222,568	\$ 3,490,542
12	Facilities Improvement	\$ 172,926	\$ 511,522	\$ -	\$ 455,562	\$ 455,562
21	Park Development	\$ 133,500	\$ 133,500	\$ 53,500	\$ 53,500	\$ -
<b>Tightly Restricted</b>						
6	Coastal Transit	\$ 1,174,050	\$ 879,078	\$ 960,729	\$ 855,402	\$ (105,327)
27	CFD 2006-1 Maintenance	\$ 669,501	\$ 619,977	\$ 336,817	\$ 568,313	\$ 231,496
25	Supplemental Law enforcement	\$ 35,674	\$ 93,527	\$ 600	\$ 72,285	\$ 71,685
1	Art In Public Places	\$ 117,954	\$ 117,954	\$ 117,954	\$ 117,954	\$ -
1	Cash Flow Reserve	\$ 3,287,380	\$ 3,377,000	\$ 3,377,000	\$ 3,755,100 Est	\$ 378,100
1	Emergency Reserve	\$ 6,574,760	\$ 6,754,000	\$ 6,754,000	\$ 7,510,200 Est	\$ 756,200
1	CIP Reserve	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ -
<b>Dana Point Total Spendable Funds</b>		<b>\$ 27,343,246</b>	<b>\$ 28,877,208</b>	<b>\$ 20,944,286</b>	<b>\$ 28,756,388</b>	<b>\$ 7,812,102</b>
<b>Custodial Funds - Not Usable by Dana Point</b>						
7	TBID	\$ 1,849,749	\$ 1,769,911	\$ 1,680,768	\$ 1,856,410	\$ 175,642
9	CFD ESHA	\$ 221,815	\$ 232,417	\$ 229,565	\$ 232,417	\$ 2,852
31	Agency Trust	\$ 3,837,242	\$ 4,488,552	\$ 4,500,000 Est	\$ 4,538,119	\$ 38,119
33	CFD Bondholder Fund	\$ -	\$ 154,200	\$ -	\$ -	\$ -
<b>TOTAL CASH AND INVESTMENTS</b>						
98	Pooled Cash Fund	\$ 33,323,329	\$ 35,552,280	\$ 27,354,619	\$ 35,383,336	\$ 8,028,717
1 to 33	Total Cash From Funds Listed	\$ 33,252,052	\$ 35,522,288	\$ 27,354,619	\$ 35,383,334	\$ 8,028,715
1	<b>General Fund Total Cash</b>	<b>\$ 18,143,929</b>	<b>\$ 18,456,123</b>	<b>\$ 15,639,056</b>	<b>\$ 19,099,264</b>	<b>\$ 3,460,208</b>
	2016 CAFR	\$ 18,381,521				
7	Unidentified Funds Cash	\$ 71,277	\$ 29,992	\$ -	\$ -	

Buck Hill 8/15/2017

**Dana Point Actual FY 2017 Estimated -vs- FY 2017 Budget  
GENERAL FUND**

Dollars in 000's

	Account	May 2017 Actual	June Estimate with Accruals	FY 2017 Actual with Accruals Est	FY 2017 Budget	Variance	Basis of Estimated June
<b>Revenue</b>							
Transient Occupancy Tax	6109+6110	11,700	1,200	12,900	12,160	740	Average of 2015 + 2016 June with Accruals
Property Tax	6101+6107	7,647	135	7,782	7,085	697	Average of 2015 + 2016 June with Accruals
Sales Tax	6111	3,862	1,565	5,427	5,600	(173)	Average of 2015 + 2016 June with Accruals
In-Lieu Property tax	6113	3,756	-	3,756	3,500	256	2015+2016 Average
Franchise Fees	6105+6106	1,025	315	1,340	1,257	83	Average of 2015 + 2016 June with Accruals
Property Transfer Tax	6103	499	117	616	500	116	Average of 2015 + 2016 June with Accruals
<b>Total Type 10</b>		<b>28,489</b>	<b>3,332</b>	<b>31,821</b>	<b>30,102</b>	<b>1,719</b>	
Licenses and Permits	Type 20	1,629	190	1,819	1,776	43	Average of 2015+2016+May run Rate
Fines and Forfeitures	Type 30	277	39	316	290	26	Average of 2015+2016+May run Rate
Use of Money & Property	Type 40	318	35	353	251	102	Average of 2015+2016+1/2 of May run Rate
Intergovernmental trans	Type 50	309	81	390	378	12	Average of 2015+2016
Charges for Services	Type 60	1,672	325	1,997	1,740	257	Average of 2015+2016+May run Rate
Other	Type 70	211	19	230	236	(6)	Average of 2015+2016+May run Rate
Transfers In From Gas Tax Funds	Type 90, 6903	-	625	625	625	-	Budget plan
<b>Total Revenue</b>		<b>32,905</b>	<b>4,646</b>	<b>37,551</b>	<b>35,398</b>	<b>2,153</b>	
<b>Expenses</b>							
Personnel Costs	Type 10	7,795	890	8,685	8,475	210	2 payrolls + 13 days @ May payroll rate
Materials & Services	Type 20	21,290	3,409	24,699	26,934	(2,235)	2016 act + accrual
Capital Outlays	Type 30	284	29	313	473	(160)	Average of 2015+2016
Insurances + Litigation	Type 40	810	176	986	923	63	Average of 2015+2016+May run Rate
Transfers Out to CIP, CFD Maint, Facilities	Type 90	2,916	-	2,916	2,916	-	Transfers planned complete in May
<b>Total Expenses</b>		<b>33,095</b>	<b>4,504</b>	<b>37,599</b>	<b>39,722</b>	<b>(2,122)</b>	
<b>General Fund Surplus (Deficit)</b>		<b>(190)</b>	<b>142</b>	<b>(48)</b>	<b>(4,324)</b>	<b><u>4,276</u></b>	<b><u>Variance From Budget</u></b>

Buck Hill 8/9/2017

## Dana Point Fund Balance

Historical Budget Accuracy (\$ 000's)

Fiscal Year	Budgeted Total Governme nt Funds	Actual Total Governme nt Funds	Variance Budget vs Actual	Source of Budget Data	Source of Actual Data
FY00	21,120	35,524	14,404	FY00-01 Bud.	2006 CAFR pg 65
FY01	21,919	42,653	20,734	FY00-01 Bud.	
FY02	31,133	47,505	16,372	FY02-03	
FY03	32,596	50,803	18,207	FY02-03	
FY04	20,395	45,897	25,502	FY04-05	
FY05	14,230	46,825	32,595	FY04-05	
FY06	26,610	45,955	19,345	FY06-07	
FY07	26,024	47,591	21,567	FY06-07	
FY08	27,206	55,011	27,805	FY08-09	2016 CAFR pg 83
FY09	26,396	43,339	16,943	FY08-09	
FY10	29,938	36,350	6,412	FY10-11	
FY11	30,332	33,693	3,361	FY10-11	
FY12	26,733	32,154	5,421	FY12-13	
FY13	25,842	33,677	7,835	FY12-13	
FY14	16,763	35,359	18,596	FY14-15	
FY15	15,828	33,234	17,406	FY14-15	
FY16	22,084	30,668	8,584	FY16-17	
FY17	18,757	35,383	16,626	FY16-17	Cash Balance 8-15-2017

Buck Hill 8-15-2017



**Dana Point has reported excellent results for cash balances at the end of 2017: See spreadsheet on Actual Cash Balances by Fund 2017:**

**Dana Point now has a choice:**

- (1) Enhance Financial Budgeting and Reporting reports to support council decision making and act as a major management tool to create an efficiently run city government:**
- **Provide for monthly reporting of costs incurred and revenue received**
  - **Split out budgets to allow comparisons to actuals on a quarterly or monthly basis**
  - **Answer questions “Are we achieving our plan or are we falling behind our budget”**
  - **Delegate responsibility to manage costs to departmental managers**
  - **Use financial reporting to enable the city council make informed decisions, assess performance and inform residents**

**OR**

**(2) Maintain the Financial Budgeting and Reporting status quo:**

- **OK Budgets can miss by 10% for the last 2 months of the year**
- **Cash forecasts can miss by \$8 million out of \$25 to \$35 million**
- **Comparison Reports on actual income and expenses are only needed once a year**
- **Results for 2017 will not be reported until the CAFR is published in late December for a year than ended 6 months ago**

**Dana Point can accomplish these changes to alternative (1):**

- **Creating budgets and plans by month can quarter is a very easy task for our Assistant City Manager and his 4 person team**
- **The FRC and other volunteers could assist to accomplish this in 1 to 2 weeks**
- **Define clear easy to understand reports that show performance by period (month) that show on or behind budget and highlight successes and problems**
- **Report progress on major capital projects monthly: dollars spent, estimate to complete, steps and actions achieved this period (B) Completion reports with final status including costs vs budget**