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Next EDC Resolution Number SPEDC2025-012



SAN PABLO EDC
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SAN PABLO ECONOMIC DEVELOPMENT CORPORATION BOARD MEETING AGENDA

Board of Directors

Genoveva Garcia Calloway, Chair

Saman Farid, Vice Chair

Kanwar Singh, Treasurer

Patricia Ponce, Director

Stephen Baiter, Director (excused absence)

WEDNESDAY, June 25, 2025 at 6:00 PM

Copies of this agenda and non-exempt public records relating to an open session item on this agenda will be available upon request to saeidb@sanpabloedc.org. The agenda may also be viewed at www.SanPabloEDC.org.

CALL TO ORDER OF ANNUAL MEETING/ PLEDGE OF ALLEGIANCE/ ROLL CALL

PUBLIC COMMENTS: The public is encouraged to address the San Pablo EDC Board on any matter listed on the agenda or any other matter within its jurisdiction subject to the rules of decorum to be described and acted on by the Board. If you wish to address the Board, please email saeidb@sanpabloedc.org with "Speaker Form" in the subject line. The Board will hear public comments on items listed on the agenda during discussion of the matter and prior to a vote.

EXECUTIVE DIRECTOR REMARKS

CONSENT AGENDA

All matters listed in the Consent Agenda section will be considered routine by the Board and will be enacted by one motion. The disposition of the item is indicated. There will be no separate discussion of these items. If discussion is requested, that item will be removed from the section entitled Consent Agenda and will be considered separately.

CONSENT AGENDA (6 items)

1. Minutes of the May 21, 2025 regular meeting (pages 3-4)
Recommendation: Approve
2. San Pablo EDC FY24-25 Financial Statements ending April 30, 2025 (pages 5-11)
Receive and file
3. Resolution authorizing execution of the letter of engagement with Maze & Associates for fiscal year 2024-25 Audit and Tax Preparation Services and ratifying fiscal year 2025-26 budget expense not to exceed \$13,510 (pages 12-23)
Recommendation: Approve

4. Resolution authorizing execution of fiscal year 2025-26 OBRA Construction and Building Services memorandum of understanding for Mission Plaza Parking Lot Sweeping and Landscape Maintenance Services and ratifying budget expense of \$8,760 (pages 24-36)
Recommendation: Approve
5. Resolution authorizing execution of fiscal year 2025-26 Michael's Transportation Services Training Academy memorandum of understanding renewal for commercial drivers license job training services and ratify Measure S budget expense (pages 37-51)
Recommendation: Approve
6. Resolution authorizing execution of fiscal year 2025-26 CDL Instructor Trucking LLC memorandum of understanding renewal for Commercial Driver's License job training services and ratify Measure S budget expense (pages 52-66)
Recommendation: Approve

*** * * END OF CONSENT AGENDA * * ***

REGULAR AGENDA – ITEMS FOR DISCUSSION

1. Resolution adopting Fiscal Year 2025-26 Budget composed of a total income budget of \$1,737,400, a total expense budget of \$1,787,970, and Measure S fund balance allocation of \$51,000 (pages 67-74)
Recommendation: Approve & Adopt

ADJOURNMENT

Adjourn to next regular meeting scheduled for **Wednesday, July 16, 2025**, at 6:00 pm.

**MINUTES OF THE SAN PABLO ECONOMIC DEVELOPMENT CORPORATION BOARD OF
DIRECTORS REGULAR MEETING**

WEDNESDAY, MAY 22, 2025

ROLL CALL

The Board of Directors (Board) meeting was called to order at 6:12 PM in the San Pablo Economic Development Corporation (San Pablo EDC) Offices at 1000 Gateway Avenue, First Floor, San Pablo, California. Present were Chair Genoveva Calloway, Treasurer Kanwar Singh, Director Patricia Ponce and Director Stephen Baiter. Also present were Executive Director Leslay Choy and Board Secretary Saeid Babay Hosseini. Vice Chair Saman Farid had an excused absence.

PUBLIC COMMENTS

There were no public comments.

EXECUTIVE DIRECTOR REMARKS

Executive Director Choy updated the board on the hiring status for the Business and Housing Program Associate. She shared that San Pablo Police Department is helping residents obtain California Identification cards with the Department of Motor Vehicles. She also mentioned Dover Elementary School's invitation to their multicultural fair and the May 15th presentation to the Measure K & S Citizens Oversight Committee.

CONSENT AGENDA

1. Minutes of the March 19, 2025 regular meeting
Recommendation: Approve
2. Resolution authorizing fiscal year 2025-26 Contra Costa College memorandum of understanding renewal for education, training and childcare services and ratifying inclusion in Measure S budget expense
Recommendation: Approve
3. Resolution authorizing fiscal year 2025-26 Vasco Career College memorandum of understanding for healthcare career training certifications and ratifying inclusion in Measure S budget expense
Recommendation: Approve
4. Resolution authorizing execution of a two-year memorandum of understanding for fiscal years 2025-26 and 2026-27 Subrecipient Contract for \$48,000 each year with Voler Strategic Advisors for public relations, social media and video project services, contingent upon ratification of each annual budget
Recommendation: Approve

It was moved by Director Baiter, seconded by Treasurer Singh, and passed by a vote of those present to adopt the items on the Consent Agenda. The motion passed as follows:

AYES: Baiter, Calloway, Ponce, Singh

Minutes for May 22, 2025

NOES: None
ABSTAIN: None
ABSENT: Farid

REGULAR AGENDA

San Pablo EDC Fiscal Year 2024-25 Financial Statements ending March 31, 2025

Executive Director Choy introduced the item and following board discussion, it was moved by Director Ponce and seconded by Chair Calloway to receive and file the San Pablo EDC FY24-25 Financial Statements ending March 31, 2025.

AYES: Baiter, Calloway, Ponce, Singh
NOES: None
ABSTAIN: None
ABSENT: Farid

ADJOURNMENT

It was moved by Vice Chair Calloway and seconded by Director Ponce to adjourn the meeting at 6:34 PM to the next regular meeting scheduled for **Wednesday, June 25, 2025** at 6:00 PM.

Respectfully submitted,

Saeid Babay Hosseini, Board Secretary

Genoveva Calloway, Chair

SAN PABLO EDC BOARD REPORT



DATE: June 25, 2025

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TO: San Pablo EDC Board

FROM: Leslay Choy, Executive Director
Bradley Ward, Controller

A handwritten signature in blue ink, appearing to read "L. Choy", is positioned to the right of the "FROM:" field.

SUBJECT: SAN PABLO ECONOMIC DEVELOPMENT CORPORATION FISCAL YEAR 2024-25 FINANCIAL STATEMENTS THROUGH APRIL 2025

RECOMMENDED ACTION

The Executive Director recommends the Board of Directors:

1. Receive and file report.

BACKGROUND

As part of its ongoing fiduciary oversight, the San Pablo Economic Development Corporation (San Pablo EDC) Board of Directors (Board) reviews the organization's financial reports. These reports are received and reviewed in advance by Board Treasurer and Finance Committee member, Kanwar Singh. Financials compare year-to-date expenses to annual budget in a format recommended by Treasurer Singh.

ANALYSIS OF FINANCIAL REPORTS

Attached is a set of financial reports through April 2025. The lead item is the balance sheet, which shows the organization's financial position as of April 30, 2025. The April balance sheet reflects assets of \$5,147,920, liabilities of \$1,840,969 and equity of \$3,306,951. As the Board is aware, as of July 31, 2024, all COSP120 funds administered on behalf of the City of San Pablo for B2B and Mini-BIGs programs were expended. For any professional agreement where San Pablo EDC receives the lump sum up front, Account 25800 is used for the unearned portion of the agreement, and changes the month-over-month liabilities, reducing as the year advances; COSP120 YSCP is a good example. In May, the Board discussed the recognition of \$4,582.50 in bad debt due on the balance sheet to the uncollectible Nano RLF loan.

The second section of the report is the year-to-date profit and loss (P&L) statement through April 30, 2025 with comparison to budget. The P&L statements are presented as a summary of the Total Budget for Operations, Measure S and Total Grants. The first column represents year-to-date (YTD) revenue and expenses by budget item; second column represents total budget; third column represents year-to-date variance to budget. EDC recognizes income on an accrual basis.

The first part of the Total P&L statement is revenue (income). Total income through April is \$1,434,651 representing 85% of budgeted income with 83% if the fiscal year complete. Of note, Suite B at Mission Plaza is under exclusive lease negotiation and not anticipated to start earning income until 2026, which will create a larger-than-anticipated 47200 deficit. The Finance Committee has oversight and is providing direction to staff.

The second part of the P&L, which includes other expenses less depreciation, represents expenses, the bulk of which are 62100 Contract Services, 65000 Operations and 66000 Payroll. YTD expenses were \$1,149,147 or 63% of the annual budget.

Monthly non-cash depreciation of \$3,739 (year-to-date \$37,393) for the EDC's commercial building asset, Mission Plaza, is accounted for as "other expense" in account 70100, as it does not affect operations. By classifying it this way, the EDC separates operations and cash usage from non-cash activity. This is referred to as EBITDA or earnings before interest, taxes, depreciation and amortization.

Attachments

- San Pablo EDC FY24-25 Financial Statements for April 2025

San Pablo Economic Development Corporation
Balance Sheet
As of April 30, 2025

	<u>Apr 30, 25</u>
ASSETS	
Current Assets	
Checking/Savings	
10000 · SPEDC Checking Account	1,695,026
10005 · Money Market ...1115	2,166,618
10015 · TCU Checking /Savings Account	173
10100 · Petty Cash	100
Total Checking/Savings	<u>3,861,917</u>
Accounts Receivable	
11000 · Accounts Receivable	55,544
Total Accounts Receivable	<u>55,544</u>
Total Current Assets	<u>3,917,461</u>
Fixed Assets	
14100 · Buildings - Operating	1,540,000
14200 · Accumulated Depreciation	(314,104)
Total Fixed Assets	<u>1,225,896</u>
Other Assets	
18400 · Loans Receivable	4,563
Total Other Assets	<u>4,563</u>
TOTAL ASSETS	<u><u>5,147,920</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	49,409
Total Accounts Payable	<u>49,409</u>
Credit Cards	
20500 · SPEDC Credit Card	1,534
Total Credit Cards	<u>1,534</u>
Other Current Liabilities	
24000 · Payroll Liabilities	5,245
25800 · Unearned or Deferred Revenue	453,783
25810 · Repair credit for Mission Plaza	1,726
25820 · Security Deposit	3,600
25821 · 7-11 Deposit	25,672
Total Other Current Liabilities	<u>490,026</u>
Total Current Liabilities	<u>540,969</u>
Long Term Liabilities	
27100 · Notes, Mortgages, and Leases	1,300,000
Total Long Term Liabilities	<u>1,300,000</u>
Total Liabilities	<u>1,840,969</u>
Equity	
32000 · Unallocated Net Assets	291,057
32100 · Operations Net Assets	2,728,985
32500 · Meas Q Net assets	38,798
Net Income	248,111
Total Equity	<u>3,306,951</u>
TOTAL LIABILITIES & EQUITY	<u><u>5,147,920</u></u>

San Pablo Economic Development Corporation
Profit & Loss Budget vs. Actual
July 2024 through April 2025

	Total Operations			
	Jul '24 - Apr 25	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
43400 · Direct Public Support	11,260	16,000	(4,740)	70%
44400 · Government Contracts	468,750	562,500	(93,750)	83%
44500 · Government Grants				
45000 · Investments	71,092	88,500	(17,408)	80%
46400 · Other Types of Income	28,990	25,500	3,490	114%
47200 · Program Income	161,291	183,500	(22,209)	88%
Total Income	<u>741,383</u>	<u>876,000</u>	<u>(134,617)</u>	<u>85%</u>
Gross Profit	741,383	876,000	(134,617)	85%
Expense				
60300 · Awards and Grants				
60900 · Business Expenses	7,036	6,400	636	110%
62100 · Contract Services	26,065	76,300	(50,235)	34%
62800 · Facilities and Equipment	3,200	5,000	(1,800)	64%
65000 · Operations	108,257	142,500	(34,243)	76%
65100 · Other Types of Insurance	30,681	49,200	(18,519)	62%
66000 · Payroll Expenses	391,713	584,080	(192,367)	67%
66500 · Benefits	114,553	108,050	6,503	106%
68300 · Travel and Meetings	25	10,400	(10,375)	0%
69000 · Operational Contingency	2,000	5,000	(3,000)	40%
69010 · Bank Service Charges	623			
71500 · Mini-BIG's				
71600 · Back to Business				
Total Expense	<u>684,155</u>	<u>986,930</u>	<u>(302,775)</u>	<u>69%</u>
Net Ordinary Income	57,228	(110,930)	168,158	(52%)
Other Income/Expense				
Other Expense				
70100 · Depreciation & Amortization	37,393			
Total Other Expense	<u>37,393</u>			
Net Other Income	<u>(37,393)</u>			
Net Income	<u><u>19,835</u></u>	<u><u>(110,930)</u></u>	<u><u>130,765</u></u>	<u><u>(18%)</u></u>

San Pablo Economic Development Corporation
Profit & Loss Budget vs. Actual
July 2024 through April 2025

	Measure S			
	<u>Jul '24 - Apr 25</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
43400 · Direct Public Support				
44400 · Government Contracts				
44500 · Government Grants	291,667	350,000	(58,333)	83%
45000 · Investments				
46400 · Other Types of Income				
47200 · Program Income				
Total Income	<u>291,667</u>	<u>350,000</u>	<u>(58,333)</u>	<u>83%</u>
Gross Profit	291,667	350,000	(58,333)	83%
Expense				
60300 · Awards and Grants	5,000	7,500	(2,500)	67%
60900 · Business Expenses	1,792	1,700	92	105%
62100 · Contract Services	37,519	105,000	(67,481)	36%
62800 · Facilities and Equipment				
65000 · Operations	20,997	24,800	(3,803)	85%
65100 · Other Types of Insurance				
66000 · Payroll Expenses	112,101	162,000	(49,899)	69%
66500 · Benefits	41,103	62,000	(20,897)	66%
68300 · Travel and Meetings				
69000 · Operational Contingency				
69010 · Bank Service Charges				
71500 · Mini-BIG's				
71600 · Back to Business				
Total Expense	<u>218,512</u>	<u>363,000</u>	<u>(144,488)</u>	<u>60%</u>
Net Ordinary Income	73,155	(13,000)	86,155	(563%)
Other Income/Expense				
Other Expense				
70100 · Depreciation & Amortization				
Total Other Expense				
Net Other Income				
Net Income	<u><u>73,155</u></u>	<u><u>(13,000)</u></u>	<u><u>86,155</u></u>	<u><u>(563%)</u></u>

San Pablo Economic Development Corporation
Profit & Loss Budget vs. Actual
July 2024 through April 2025

	Total Grants			
	Jul '24 - Apr 25	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
43400 · Direct Public Support	89,500	104,000	(14,500)	86%
44400 · Government Contracts	312,101	365,888	(53,787)	85%
44500 · Government Grants				
45000 · Investments				
46400 · Other Types of Income				
47200 · Program Income				
Total Income	<u>401,601</u>	<u>469,888</u>	<u>(68,287)</u>	<u>85%</u>
Gross Profit	401,601	469,888	(68,287)	85%
Expense				
60300 · Awards and Grants				
60900 · Business Expenses	6,619	9,500	(2,881)	70%
62100 · Contract Services	14,475	201,000	(186,525)	7%
62800 · Facilities and Equipment				
65000 · Operations	4,806	3,750	1,056	128%
65100 · Other Types of Insurance				
66000 · Payroll Expenses	123,923	148,650	(24,727)	83%
66500 · Benefits	22,269	32,600	(10,331)	68%
68300 · Travel and Meetings				
69000 · Operational Contingency				
69010 · Bank Service Charges				
71500 · Mini-BIG's	12,000	12,000		100%
71600 · Back to Business	62,388	62,388		100%
Total Expense	<u>246,480</u>	<u>469,888</u>	<u>(223,408)</u>	<u>52%</u>
Net Ordinary Income	155,122		155,122	100%
Other Income/Expense				
Other Expense				
70100 · Depreciation & Amortization				
Total Other Expense				
Net Other Income				
Net Income	<u><u>155,122</u></u>		<u><u>155,122</u></u>	<u><u>100%</u></u>

San Pablo Economic Development Corporation
Profit & Loss Budget vs. Actual
July 2024 through April 2025

	TOTAL			
	Jul '24 - Apr 25	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
43400 · Direct Public Support	100,760	120,000	(19,240)	84%
44400 · Government Contracts	780,851	928,388	(147,537)	84%
44500 · Government Grants	291,667	350,000	(58,333)	83%
45000 · Investments	71,092	88,500	(17,408)	80%
46400 · Other Types of Income	28,990	25,500	3,490	114%
47200 · Program Income	161,291	183,500	(22,209)	88%
Total Income	<u>1,434,651</u>	<u>1,695,888</u>	<u>(261,237)</u>	<u>85%</u>
Gross Profit	1,434,651	1,695,888	(261,237)	85%
Expense				
60300 · Awards and Grants	5,000	7,500	(2,500)	67%
60900 · Business Expenses	15,447	17,600	(2,153)	88%
62100 · Contract Services	78,059	382,300	(304,241)	20%
62800 · Facilities and Equipment	3,200	5,000	(1,800)	64%
65000 · Operations	134,060	171,050	(36,990)	78%
65100 · Other Types of Insurance	30,681	49,200	(18,519)	62%
66000 · Payroll Expenses	627,737	894,730	(266,993)	70%
66500 · Benefits	177,925	202,650	(24,725)	88%
68300 · Travel and Meetings	25	10,400	(10,375)	0%
69000 · Operational Contingency	2,000	5,000	(3,000)	40%
69010 · Bank Service Charges	623		623	100%
71500 · Mini-BIG's	12,000	12,000		100%
71600 · Back to Business	62,388	62,388		100%
Total Expense	<u>1,149,147</u>	<u>1,819,818</u>	<u>(670,671)</u>	<u>63%</u>
Net Ordinary Income	285,505	(123,930)	409,435	(230%)
Other Income/Expense				
Other Expense				
70100 · Depreciation & Amortization	37,393		37,393	100%
Total Other Expense	<u>37,393</u>		<u>37,393</u>	<u>100%</u>
Net Other Income	<u>(37,393)</u>		<u>(37,393)</u>	<u>100%</u>
Net Income	<u><u>248,112</u></u>	<u><u>(123,930)</u></u>	<u><u>372,042</u></u>	<u><u>(200%)</u></u>

SAN PABLO EDC BOARD REPORT



DATE: June 25, 2025

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TO: San Pablo EDC Board

FROM: Leslay Choy, Executive Director

SUBJECT: RESOLUTION OF THE SAN PABLO ECONOMIC DEVELOPMENT CORPORATION BOARD OF DIRECTORS AUTHORIZING LETTER OF ENGAGEMENT WITH MAZE & ASSOCIATES FOR FISCAL YEAR 2024-25 AUDIT AND TAX PREPARATION SERVICES AND RATIFYING FISCAL YEAR 2025-26 BUDGET EXPENSE NOT TO EXCEED \$13,510

RECOMMENDED ACTION

The Executive Director recommends the Board of Directors:

1. Approve resolution

BACKGROUND

The San Pablo Economic Development Corporation (San Pablo EDC) Board of Directors (Board) annually considers the letter of engagement from the auditor for audit and tax preparation services, which was received May 19, 2025.

San Pablo EDC has a positive and productive relationship with Maze & Associates, a firm that has consistently produced sound audits and tax filings on behalf of the organization. Following the best practice advice discussed with the Finance Committee to change the lead auditor every few years, for fiscal year 2024-25 (FY24-25 or Tax Year 2024) services, Vikki Rodriguez, CPA, Shareholder and Audit Partner. Ms. Rodriguez has served as the EDC's lead partner before and is intimately familiar with the organization and its operations.

Maze and Associates prepares audited financial statements and tax returns for over thirty (30) non-profit organizations in the Bay Area. Their professional staff attend the Not-for-Profit Annual Conference to stay in tune with issues nonprofits face.

The financial statements Maze and Associates prepare not only comply with Generally Accepted Accounting Principles (GAAP) and pronouncements issued by the Financial Accounting Standards Board (FASB), but are also easy to read and informative.

ANALYSIS

Maze and Associates' business is to provide audit and tax preparation services that help their clients succeed. They are available when staff have accounting questions or system problems. Unique among CPA firms is that their fee includes calls for professional tax, accounting and compliance advice throughout the year. The proposed FY23-24 scope of work and outlined fees follow.

1. Audit of Financial Statements and Issuance of Memorandum on Internal Controls: \$10,590
2. Preparation of Federal IRS Form 990 & California Forms 199 and RRF-1 for San Pablo EDC: \$2,920

Should the Board approve execution of this letter of engagement, the reports would be issued no later than October 31, 2025, with tax filings before the November 15th deadline. The report will be conducted virtually with a secure exchange of files, unless in-person meetings and document review are required. The audit and tax return will be brought before the Board for discussion ahead of filing.

The Board is asked to authorize execution of the letter of engagement with Maze & Associates for fiscal year 2024-25 Audit and Tax Preparation Services and ratify fiscal year 2025-26 budget expense not to exceed \$13,510.

FISCAL IMPACT

Fiscal impact would not exceed \$13,510 and would be allocated to expense account 62110 Accounting & Audit allocated as \$4,000 Operations, \$6,500 Measure S and up to \$3,010 remainder to 60950 Indirect Costs grants class.

Attachments

1. Letter of Engagement from Maze & Associates dated May 19, 2025

RESOLUTION SPEDC2025-0

RESOLUTION OF THE SAN PABLO ECONOMIC DEVELOPMENT CORPORATION BOARD OF DIRECTORS AUTHORIZING LETTER OF ENGAGEMENT WITH MAZE & ASSOCIATES FOR FISCAL YEAR 2024-25 AUDIT AND TAX PREPARATION SERVICES AND RATIFYING FISCAL YEAR 2025-26 BUDGET EXPENSE NOT TO EXCEED \$13,510

WHEREAS, the San Pablo Economic Development Corporation (San Pablo EDC) Board of Directors (Board) annually considers the letter of engagement from the auditor for audit and tax preparation services, which was received May 19, 2025; and

WHEREAS, San Pablo EDC has a positive and productive relationship with Maze & Associates, a firm that has consistently produced sound audits and tax filings on behalf of the organization; and

WHEREAS, the financial statements Maze and Associates prepare not only comply with Generally Accepted Accounting Principles (GAAP) and pronouncements issued by the Financial Accounting Standards Board (FASB), but are also easy to read and informative; and

WHEREAS, the proposed FY23-24 scope of work and outlined fees is (1) Audit of Financial Statements and Issuance of Memorandum on Internal Controls: \$10,590; and (2) Preparation of Federal IRS Form 990 & California Forms 199 and RRF-1 for San Pablo EDC: \$2,920; and

WHEREAS, the report will be conducted virtually with a secure exchange of files, unless in-person meetings and document review are required, and the audit and tax return will be brought before the Board for discussion ahead of filing; and

WHEREAS, should the Board approve execution of this letter of engagement, the reports would be issued no later than October 31, 2025, with tax filings before the November 15th deadline; and

WHEREAS, fiscal impact would not exceed \$13,510 and would be allocated to expense account 62110 Accounting & Audit allocated as \$4,000 Operations, \$6,500 Measure S and up to \$3,010 remainder to 60950 Indirect Costs grants class.

NOW, THEREFORE, BE IT RESOLVED by the San Pablo Economic Development Corporation Board of Directors, as follows:

- 1) Authorize execution of the letter of engagement with Maze & Associates for fiscal year 2024-25 Audit and Tax Preparation Services and ratify fiscal year 2025-26 budget expense not to exceed \$13,510.

ADOPTED this 25th day of June, 2025, by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

Saeid Babay Hosseini, Board Secretary

Genoveva Calloway, Board Chair



May 19, 2025

Leslay Choy, Executive Director
San Pablo Economic Development Corporation
1000 Gateway Avenue, First Floor
San Pablo, CA 94806

Dear Leslay:

We are pleased to confirm our understanding of the services we are to provide for the San Pablo Economic Development Corporation as of and for the year ended June 30, 2025.

Audit Scope and Objectives

The services we have been engaged to provide are outlined below, but we are also available to provide additional services at your request:

- 1) Audit of Financial Statements and Issuance of Memorandum on Internal Controls
- 2) Preparation of Federal IRS Form 990 and California Forms 199 and RRF-1

We will audit the financial statements of San Pablo Economic Development Corporation, which comprise the statement of financial position as of June 30, 2025, the related statements of activities, functional expenses and cash flows for the year then ended, and the disclosures (collectively, the “financial statements”).

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor’s report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

Auditor’s Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Organization or to acts by management or employees acting on behalf of the Organization.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will obtain an understanding of the Organization and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories if applicable, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors and financial institutions. We may request written representations from your attorneys as part of the engagement, and they may bill the Organization for responding to this inquiry.

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of the financial statements does not relieve you of your responsibilities.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand that management is responsible for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America. Management is also responsible for making drafts of financial statements, all financial records, and related information available to us; for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers); and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Management is also responsible for providing us with (1) access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the Organization from whom we determine it necessary to obtain audit evidence. At the conclusion of the audit, we will require certain written representations from you about the financial statements and related matters.

Management's responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Organization involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Management is also responsible for informing us of its knowledge of any allegations of fraud or suspected fraud affecting the Organization received in communications from employees, former employees, grantors, regulators, or others. In addition, management is responsible for identifying and ensuring that the Organization complies with applicable laws and regulations. Management is responsible for the preparation of the supplementary information (if any) in conformity with accounting principles generally accepted in the United States of America. Management agrees to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. Management also agrees to include the audited financial statements with any presentation of the supplementary information that includes our report thereon.

If management intends to reproduce and publish the financial statements and our report thereon, they must be reproduced in their entirety. Inclusion of the audited financial statements in any document should be done only with our prior approval of the document. Management is responsible for providing us the opportunity to review such document before issuance.

Management is required to disclose in the financial statements the date through which subsequent events have been evaluated and whether that date is the date the financial statements were issued or were available to be issued. Management agrees not to date the subsequent event note earlier than the date of the management representation letter.

Other Services

We will prepare the Organization's federal and state informational tax returns (Forms 990, 199 and RRF-1) for the year ended June 30, 2025 for the Internal Revenue Service, Franchise Tax Board, and California State Attorney General, based on information provided by you. We will also assist in preparing the financial statements of the Organization in conformity with accounting principles generally accepted in the United States of America based on information provided by you.

We will perform the services in accordance with applicable professional standards, including the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants. The other services are limited to the financial statement and tax services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities. We will advise management with regard to tax positions taken in the preparation of the information return, but management must make all decisions with regard to those matters.

Management agrees to assume all management responsibilities for the tax services, financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Engagement Administration, Fees, and Other Considerations

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing.

Vikki Rodriguez is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. We expect to begin our audit in August 2025.

Our fees for these services are billed based on our contract/engagement letter with the Organization. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if the Organization's account becomes thirty days or more overdue and may not be resumed until the Organization's account is paid in full.

We will schedule the engagement based in part on deadlines, working conditions, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If, for whatever reason, your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate. If significant additional time is necessary, we will discuss it with management and arrive at a new fee before we incur any additional costs.

Management may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you concerning the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

Certain communications involving tax advice are privileged and not subject to disclosure to the IRS. By disclosing the contents of those communications to anyone, or by turning over information about those communications to the government, you, your employees, or agents may be waiving this privilege. To protect this right to privileged communication, please consult with us or your attorney prior to disclosing any information about our tax advice. Should you decide that it is appropriate for us to disclose any potentially privileged communication, you agree to provide us with written, advance authority to make that disclosure.

With regard to publishing the financial statements on your website, you understand that websites are a means of distributing information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the website with the original document.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

Use of Portals for Transmitting Data – OneDrive/Sharepoint is used solely to transmit data and is not intended to store San Pablo Economic Development Corporation's information. San Pablo Economic Development Corporation is responsible for downloading any records from the OneDrive/Sharepoint folder that it wishes to retain for its own records at the completion of the engagement. For multi-year engagements, such downloading should occur annually.

Upon completion of the engagement, data and other content will either be removed from the OneDrive/Sharepoint or become unavailable to San Pablo Economic Development Corporation within a reasonable time frame (30 days after issuance).

Our most recent peer review report accompanies this letter.

Reporting

We will issue a written report upon completion of our audit of San Pablo Economic Development Corporation’s financial statements. Our report will be addressed to the Board of Directors of San Pablo Economic Development Corporation. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor’s report, or if necessary, withdraw from this engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance.

If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by an error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgement prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

We appreciate the opportunity to be of service to the Organization and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return the entire copy to us.



Maze & Associates

RESPONSE:

This letter correctly sets forth the understanding of San Pablo Economic Development Corporation.

By: _____

Title: _____

Date: _____

San Pablo Economic Development Corporation
Engagement Letter
Fees Attachment

Our fees for the work as described in the attached engagement letter will be as follows:

Item	Fee
Audit of Financial Statements	\$10,590
Preparation of Tax Forms	<u>2,920</u>
Total	<u><u>\$13,510</u></u>

2025 Fees – Our recurring fees have been adjusted only for the change in the services component of the Bay Area Cost of Living Index for the San Francisco Bay Area of 3.5%.

PDF Copies of Reports – scanned copies of the above reports are available upon request at no charge. These scanned copies (300 dpi) are not high quality and the file sizes may be large, depending on the length of the report. If you would like a higher quality PDF file, please contact us for more information on the specifics and pricing of these options.

Additional Services - The above fees are for audit and assurance services described in the accompanying engagement letter. They do not include fees for assisting with closing the books nor providing other accounting services. Should the Organization require assistance beyond audit services we will provide a cost estimate before proceeding.

Report Finalization - Our fee is based on our understanding that all information and materials necessary to finalize all our reports will be provided to us during our scheduled fieldwork. In the case of financial statements, this includes all the materials and information required to complete the financial statements. Once reports have been issued and printed, any report changes you make and changes required because information was not received timely will be billed at our normal hourly rates.

Post-Closing Client Adjusting Entries - The first step in our year-end audit is the preparation of financial statement drafts from your final closing trial balance. That means any entries you make after handing us your closing trial balance must be handled as audit adjustments, or in extreme cases, by re-inputting the entire trial balance, even if the amounts are immaterial. If you make such entries and the amounts are in fact immaterial, we will bill you for the costs of the adjustments or re-input at our normal hourly rates.

Grant Programs Requiring Separate Audit - Grant programs requiring separate audits represent a significant increase in work scope, and fees for these audits vary based on the grant requirements. If you wish us to determine and identify which programs are subject to audit, we will bill you for that time at our normal hourly rates.

Changes in Organization Personnel - Our experience is that changes and /or reductions in Finance Department staff can have a pronounced impact on costs of performing the audit. If such changes occur, we will meet with you to assess their impact and arrive at a new fee before we begin the next phase of our work. However, we reserve the right to revisit this subject at the conclusion of the audit, based on your actual performance and our actual costs.

Meetings – Our fee includes engagement partner attendance for two meetings: (1) planning meeting with Audit Committee or equivalent, if requested, and (2) presentation of audit results to the Audit Committee or equivalent, or Board. Any additional meetings will incur additional fees at the Partner’s hourly rate of \$325/hour.



Report on the Firm's System of Quality Control

MAZE & ASSOCIATES ACCOUNTANCY CORPORATION and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Maze & Associates Accountancy Corporation (the firm) in effect for the year ended May 31, 2023. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act.

As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

CPAs ■ Advisors

📍 4120 Concours, Suite 100, Ontario, CA 91764
📞 909.948.9990 / 800.644.0696 / FAX 909.948.9633
✉️ gyl@gylcpa.com
🌐 www.gylcpa.com

CPAmerica
Member  Crowe Global

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Maze & Associates Accountancy Corporation in effect for the year ended May 31, 2023, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Maze & Associates Accountancy Corporation has received a peer review rating of *pass*.

GYL LLP

Ontario, California
February 6, 2024



SAN PABLO EDC BOARD REPORT



DATE: June 25, 2025

[Back to Agenda](#)

TO: San Pablo EDC Board

FROM: Leslay Choy, Executive Director

SUBJECT: **RESOLUTION OF THE SAN PABLO ECONOMIC DEVELOPMENT CORPORATION BOARD OF DIRECTORS AUTHORIZING EXECUTION OF FISCAL YEAR 2025-26 OBRA CONSTRUCTION AND BUILDING SERVICES MEMORANDUM OF UNDERSTANDING FOR MISSION PLAZA PARKING LOT SWEEPING AND LANDSCAPE MAINTENANCE SERVICES AND RATIFYING BUDGET EXPENSE OF \$8,760**

RECOMMENDED ACTION

The Executive Director recommends the Board of Directors:

1. Approve resolution

BACKGROUND

As the San Pablo Economic Development Corporation (San Pablo EDC) Board of Directors (Board) is aware, the organization has had a long-standing relationship with Green & Fair Janitorial and Maintenance (Green & Fair), a minority- and woman-owned business. Green & Fair has been transitioned to one of its partner employees and is now known as OBRA Construction and Building Services (OBRA); it remains a minority-owned firm.

Green & Fair has been a consistently strong vendor and has let us know when other issues (e.g., illegal dumping, graffiti abatement, other waste, etc.) are present at the property and need to be addressed, which has been helpful to property management staff and well received by Code Enforcement. Services are provided on a weekly basis or more often as required by prevailing conditions. Green & Fair's successor, OBRA, will continue this service excellence.

The Board is asked to authorize execution of the fiscal year 2025-26 OBRA Construction and Building Services memorandum of understanding for Mission Plaza Parking Lot Sweeping and Landscape Maintenance Services and ratifying budget expense of \$8,760.

FISCAL IMPACT

FY25-26 fiscal impact would be \$8,760 to Operations expense budget account 65060 Asset Management.

Attachments

1. MOU FY25-26 - OBRA Construction and Building Services Parking Lot Sweeping and Landscaping Services

RESOLUTION SPEDC2025-0

RESOLUTION OF THE SAN PABLO ECONOMIC DEVELOPMENT CORPORATION BOARD OF DIRECTORS AUTHORIZING EXECUTION OF FISCAL YEAR 2025-26 OBRA CONSTRUCTION AND BUILDING SERVICES MEMORANDUM OF UNDERSTANDING FOR MISSION PLAZA PARKING LOT SWEEPING AND LANDSCAPE MAINTENANCE SERVICES AND RATIFYING BUDGET EXPENSE OF \$8,760

WHEREAS, San Pablo Economic Development Corporation (San Pablo EDC) has had a long-standing relationship with Green & Fair Janitorial and Maintenance (Green & Fair), a minority- and woman-owned business; and

WHEREAS, Green & Fair has been transitioned to one of its partner employees and is now known as OBRA Construction and Building Services (OBRA); it remains a minority-owned firm; and

WHEREAS, OBRA shall provide weekly lot sweeping services and semi-monthly landscaping services, and will also provide quotes for services the organization may need; and

WHEREAS, FY25-26 fiscal impact would be \$8,760 to Operations expense budget account 65060 Asset Management.

NOW, THEREFORE, BE IT RESOLVED by the San Pablo Economic Development Corporation Board of Directors, as follows:

- 1) Authorize execution of the fiscal year 2025-26 OBRA Construction and Building Services memorandum of understanding for Mission Plaza Parking Lot Sweeping and Landscape Maintenance Services and ratifying budget expense of \$8,760.

ADOPTED this 25th day of June, 2025, by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

Saeid Babay Hosseini, Board Secretary

Genoveva Calloway, Board Chair

San Pablo Economic Development Corporation and OBRA Construction and Building Services

July 1, 2025



MEMORANDUM OF UNDERSTANDING

Memorandum of Understanding between the San Pablo Economic Development Corporation (SPEDC) and OBRA Construction and Building Services (“OBRA” or “Partner”).

Recitals

SPEDC is engaged in economic and workforce development by delivering programs, providing access to training, engaging in public-private partnerships and linking community resources.

Partner is engaged in services and activities as specified in Exhibit A.

SPEDC and Partner are entering into a Memorandum of Understanding (“MOU”) for the purpose of providing the Service as defined in Exhibit A. Both parties intend this MOU to create a relationship for their mutual benefit.

Accordingly, the parties hereby agree as follows:

1. General Provisions.

1.1. Operation. Each party shall perform the Program responsibilities set forth for that party in Exhibit A.

2. Communication.

2.1. Emergency Services. Partner shall communicate proactively to SPEDC during working and non-working hours of partner operation time to assist with resolving emergency issues.

3. Finances.

3.1. Pricing. SPEDC shall set pricing as noted in Exhibit A.

3.2. Invoices. Partner shall invoice the SPEDC according to the schedule specified in Exhibit A. Invoices need to be received within the fiscal year to which they apply.

3.3. Satisfaction of Invoices. The SPEDC shall pay Partner’s invoices within thirty business days of receipt, and shall notify Partner of questions or concerns. Partner and SPEDC shall determine time frame increments for invoicing.

4. Miscellaneous

4.1. Confidentiality. Each party shall maintain the confidentiality of information gathered and all records generated during the period of this MOU, to the extent allowed by law. Provision of financial and organizational operations records to a party’s

accountants, attorneys, auditors, board members, and other professionals or affiliated individuals is not a violation of this section. This provision does not prohibit staff from reporting suspected neglect or abuse of participants to child abuse reporting agencies as required by law.

4.2. Insurance. On or before commencement of operation of the Program pursuant to this MOU, Partner, at its own expense, shall carry, maintain for the duration of the MOU, and provide proof thereof that is acceptable to the SPEDC, the insurance described in Exhibit B with insurers and under forms of insurance satisfactory in all respects to the SPEDC. Partner shall maintain limits no less than as set forth in Exhibit B. If Partner maintains higher limits than those set forth in Exhibit B, the SPEDC shall be entitled to coverage for the higher limits maintained by Partner. Partner shall not allow any subcontractor to commence work on any subcontract in operation of the Program until all insurance required of Partner has also been obtained for the subcontractor. Partner shall require and verify that any subcontractors maintain insurance as required of Partner.

4.3. Indemnity

4.3.1. Indemnification of SPEDC. To the fullest extent permitted by law, Partner shall immediately defend, indemnify, and hold harmless the SPEDC and its directors, officers, administrators, employees, volunteers, and agents from and against all liabilities regardless of nature or type, direct or indirect, in whole or in part, arising out of or resulting from Partner's performance of services under this MOU, or in connection with any negligent or wrongful act or omission of Partner or its departments, programs, divisions, officers, employees, agents, or subcontractors, in the performance of this MOU. Liabilities subject to the duties to defend, indemnify, and hold harmless include, without limitation, such liabilities for: damage to property; injury or death of any person; and all claims, losses, damages, penalties, fines, and judgments; associated investigation and administrative expenses; defense costs, including but not limited to reasonable attorneys' fees; court costs; and costs of alternative dispute resolution. Partner's obligation to indemnify applies unless it is adjudicated that its liability was caused by the sole active negligence or sole willful misconduct of an indemnified party. If it is finally adjudicated that liability is caused by the comparative active negligence or willful misconduct of an indemnified party, Partner's indemnification obligation shall be reduced in proportion to the established comparative liability of the indemnified party.

In its sole discretion and at its own cost and expense, the SPEDC may participate in the defense of any such claim, action, or proceeding, utilizing legal counsel of its choice; however, such participation shall not relieve Partner of any obligation imposed pursuant to this MOU. The SPEDC shall

promptly notify Partner of any such claim, action, or proceeding and shall cooperate fully in the defense of same.

The review, acceptance or approval of the Partner's work or work product by any indemnified party shall not affect, relieve or reduce the Partner's indemnification or defense obligations. This Section survives completion of the services or the termination of this contract. The provisions of this Section are not limited by and do not affect the provisions of this contract relating to insurance.

The duty of Partner to indemnify and hold harmless includes the duty to defend as set forth in section 2778 of the California Civil Code. Acceptance of insurance certificates and endorsements required under this MOU does not relieve Partner from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages. The parties further agree that the provisions of this section shall survive any termination or expiration of this MOU.

4.3.2. Indemnification of Partner. To the fullest extent permitted by law, the SPEDC shall immediately defend, indemnify, and hold harmless Partner and its directors, officers, administrators, employees, volunteers, and agents against and from any liability, including for damage to property and injury or death of any person, and any claim, action, or proceeding against Partner, arising solely out of or in connection with the acts or omissions of the SPEDC in the performance of this MOU. In its sole discretion and at its sole cost and expense, Partner may participate in the defense of any such claim, action, or proceeding, utilizing legal counsel of its choice; however, such participation shall not relieve the SPEDC of any obligation imposed pursuant to this MOU. Partner shall promptly notify the SPEDC of any such claim, action, or proceeding and shall cooperate fully in the defense of same.

4.4. Effective Date & Term. This MOU shall be effective July 1, 2025 upon execution and delivery by both parties governing Program operations specified in Exhibit A through June 30, 2026 contingent upon the SPEDC Board's approval of the fiscal year 2025-26 budget.

4.5. Amendment. Amendments to this MOU are effective only if agreed upon by both parties, as indicated through execution and delivery documenting the amendment.

4.6. Termination. Either party may terminate this MOU with or without cause by providing the other party with Thirty days' written notice.

4.7. Third-party Beneficiaries. There are no third-party beneficiaries to this MOU.

4.8. Notices. Any notices required to be made or given pursuant to this MOU, shall be effective if made in writing and sent by registered or certified mail, return receipt requested to:

To SPEDC: Leslay C. Choy
San Pablo Economic Development Corporation
1000 Gateway Avenue, First Floor,
San Pablo, CA 94806

To Partner: Pablo Vazquez
OBRA Construction and Building Services
1480 10th Street,
Berkeley, CA, 94710

To evidence the parties' assent to this MOU, they have signed and delivered it on the dates set forth below.

Name: Pablo Vazquez
Title: Owner
Organization: OBRA Building Services

Leslay Choy
Executive Director
San Pablo Economic Development Corporation

Date: _____

Date: _____

EXHIBIT A

Scope of Work

1. General Description

OBRA shall provide weekly parking lot sweeping and semi-monthly landscaping maintenance services (twice per month) at Mission Plaza located at 14501 San Pablo Avenue, San Pablo, CA 94806, a commercial property owned and managed by the San Pablo Economic Development Corporation (SPEDC)

1.1. Parking Lot Sweeping (Weekly)

1.1.1. Sweep the parking lot and sidewalks.

1.1.2. Remove and haul away all trash and debris from the lot, sidewalks, and landscaped areas.

1.1.3. Provide electronic mail notice of any irregularities noted during servicing; if the item requires urgent address, Partner shall call the assigned EDC staff.

1.1.4. Upon request, Partner shall provide maintenance, such as light bulb replacement, light graffiti removal and other building maintenance. These requests will be quoted and charged at an hourly rate to be agreed upon in writing, plus materials. All work and costs will have prior written approval from management.

1.2. Landscaping Maintenance Services (Semi-Monthly)

1.2.1. Shrubs and Ground Cover

1.2.1.1. Trim and shape shrubs to a well-maintained appearance.

1.2.1.2. Trim all groundcover away from sidewalks, building, fences, water, electrical boxes, and other fixtures. This includes keeping the ivy 8-12 inches away from trees.

1.2.1.3. Prevent groundcover from growing up signs, hedges and trees.

1.2.1.4. Remove debris (i.e., paper, bottles, leaves, branches, etc.) and other landscape materials during each service.

1.2.2. Irrigation

1.2.2.1. Monitor the irrigation schedule on a monthly basis.

1.2.2.2. Check, clean, and adjust sprinkler heads to ensure proper use and to avoid water wastage.

1.2.2.3. Irrigation repairs are subject to additional charges for labor and

materials. Broken sprinklers, valves, or sprinkler lines will be reported immediately to San Pablo Economic Development Corporation.

1.2.2.4. OBRA shall start repair work upon authorization from SPEDC.

1.2.2.5. Any damages caused by OBRA shall be repaired without charge to SPEDC

1.2.2.6. SPEDC Property Manger is responsible for Providing controller keys.

1.2.2.7. There will be a \$80.00 additional charge for emergency irrigation shut-down should a malfunction occur during weekends and not other regularly scheduled times. All other work will be charged at a labor rate of \$45 per hour. Labor and material will be itemized on the billing.

1.2.3. Tree Care Services

1.2.3.1. Tree trimming is not included as a recurring service.

1.2.3.2. Any tree trimming or pruning must be separately quoted and approved by SPEDC prior to scheduling.

1.2.4. Weed Abatement

1.2.4.1. Keep the landscaped areas weed-free.

1.2.4.2. Weed control includes application of a nontoxic Chemical broadleaf weed control and/or hand removal during the spring in landscaped area; the use of Roundup or similar chemicals is not allowed.

1.2.5. Service Verification and Documentation

To ensure quality and accountability, OBRA shall implement the following service verification protocols:

1.2.5.1. Weekly invoices will include before-and-after photos of serviced areas, with timestamps.

1.2.5.2. Close-up photos of landscaped areas will be provided to show detailed maintenance work.

2. Term of the Contract

2.1. Terms

2.1.1. This contract shall remain in effect on a continuous monthly basis until canceled by either party. Should either party elect to cancel the agreement, it is understood that the party initiating cancellation shall provide the other with a thirty (30) day written notice of their intent to

cancel the agreement, and both parties shall remain bound to the terms of the contract through the thirty-day cancellation period. OBRA may terminate services without providing a thirty-day notice in the event that the Property Owner is in breach of agreement, including, but not limited to, failure to pay for services.

- 2.1.2.** The contract may be re-negotiated at any time for addendum or deletions. However, all parties to this agreement must agree, in writing, to any changes prior to such changes becoming effective.
- 2.1.3.** If either party brings an action to enforce the terms hereof or declare rights hereunder, the prevailing party in such action, at trial, arbitration or appeal, shall be entitled to attorney's fees actually incurred, all expenses necessitated by prosecuting or defending the action and all costs.
- 2.1.4.** This agreement constitutes the final and complete agreement between the parties and incorporates and supersedes all prior oral negotiations and/or agreements. Any changes and additions to, or deletions from the provisions of this contract regarding work and pricing must be made in writing and signed by an authorized representative of OBRA.

2.2. Finances

- 2.2.1.** Cost for parking lot sweeping and landscape maintenance services is \$730 per month; cost to remove dumping is an additional charge.
- 2.2.2.** Vendor shall invoice SPEDC on a monthly basis; invoices shall be payable and due within 30 days.

Notices. Any notices required to be made or given pursuant to this Agreement, shall be effective if made in writing and sent by registered or certified mail, return receipt requested to:

To SPEDC: Leslay C. Choy, Executive Director
San Pablo Economic Development Corporation
1000 Gateway Avenue, First Floor
San Pablo, CA 94806

To Vendor: Pablo Vazquez
OBRA Construction and Building Services
1480 10th Street,
Berkeley, CA, 94710

Exhibit B

Insurance Requirements

Insurance

1. General, Automotive, and Employer's Liability, and Workers' Compensation Provisions

1.1. On or before beginning any of the services or work called for by any term of this agreement, Vendor, at its own cost and expense, shall carry, maintain for the duration of the agreement, and provide proof thereof that is acceptable to SPEDC the insurance specified herein below with insurers and under forms of insurance satisfactory in all respects. This is in addition to medical malpractice insurance which must be provided by Vendor and any Vendor sub-contractors. Vendor shall not allow any subcontractor to commence work on any subcontract until all insurance required of the Vendor has also been obtained for the subcontractor. Vendor shall maintain limits no less than set forth below. If Vendor maintains higher limits than the minimums shown above, the SPEDC shall be entitled to coverage for the higher limits maintained by Vendor. If Vendor certifies students do not travel in, nor are allowed to drive, Vendor vehicles, evidence of automotive liability is not necessary.

1.1.1.1. General Liability: \$1,000,000 per occurrence for bodily injury, personal injury, and property damage.

1.1.1.2. Automotive liability: \$1,000,000 per accident for bodily injury and property damage

1.1.1.3. Workers' Compensation: As Required by the State of California. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the SPEDC for all work performed by the Vendor, its employees, agents and subcontractors.

1.1.1.4. Employers' Liability: \$1,000,000 each accident; \$1,000,000 policy limit bodily injury by disease, \$1,000,000 each employee bodily injury by disease.

2. Deductibles and Self-Insured Retentions

2.1. Any deductibles or self-insured retentions must be declared to and approved by SPEDC. At the option of SPEDC, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the SPEDC, its officers, officials, employees and volunteers; or the Vendor shall provide a financial guarantee satisfactory to the guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

3. Other Insurance Provisions

The General Liability and Automobile Liability policies are to contain, or be endorsed to contain, the following provisions:

- 3.1.** SPEDC, and their officers, officials, and employees are to be covered as insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Vendor; and with respect to liability arising out of work or operations performed by or on behalf of the Vendor including materials, parts or equipment furnished in connection with such work or operations. General Liability coverage shall be provided in the form of an Additional Insured endorsement (form CG 20 10 11 85, or forms CG2010 version 10/01 and GC 2037 versions 10/01 or equivalent) to the SPEDC's insurance policy, or as a separate owner's policy.
 - 3.1.1.** For any claims related to this project, the Vendor's insurance coverage shall be primary insurance as respects the SPEDC, its officers, officials, and employees. Any insurance or self-insurance maintained by SPEDC, its officers, officials, or employees, shall be excess of the Vendor's insurance and shall not contribute with it.
 - 3.1.2.** Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days prior written notice has been provided to the SPEDC.
 - 3.1.3.** Each of the following shall be included in the insurance coverage or added as an endorsement to the policy:
 - 3.1.3.1.** SPEDC, and its officers, officials, and employees are to be covered as insureds as respects each of the following: liability arising out of activities performed by or on behalf of Vendor, including the insured's general supervision of Vendor; products and completed operations of Vendor; premises owned, occupied or used by Vendor; or automobiles owned, leased, hired, or borrowed by Vendor. The coverage shall contain no special limitations on the scope of protection afforded to SPEDC, and its officers, officials, and employees.
 - 3.1.3.2.** The insurance shall cover on an occurrence or an accident basis, and not on a claims-made basis.
 - 3.1.3.3.** An endorsement must state that coverage is primary insurance and that no other insurance affected by SPEDC will be called upon to contribute to a loss under the coverage.
 - 3.1.3.4.** Any failure of SPEDC to comply with reporting provisions of the policy shall not affect coverage provided to SPEDC and its officers, officials, and employees.
 - 3.1.3.5.** Notice of cancellation or non-renewal must be received by SPEDC at least thirty days prior to such change.

4. Deductibles and Self Insured Retentions

4.1. Vendor shall disclose the self-insured retentions and deductibles before beginning any of the services or work called for by any term of this agreement. During the period covered by this agreement, upon express written authorization of the Executive Director, SPEDC may increase such deductibles or self-insured retentions with respect to its officers, employees, agents, and volunteers. The Executive Director may condition approval of an increase in deductible or self-insured retention levels upon a requirement that Vendor procure a bond guaranteeing payment of losses and related investigations, claim administration, and defense expenses that is satisfactory in all respects to each of them.

5. Notice of Reduction in Coverage

5.1. In the event that any coverage required under this section of the agreement is reduced, limited, or materially affected in any other manner, Vendor shall provide written notice to SPEDC at Vendor's earliest possible opportunity and in no case later than five days after SPEDC is notified of the change in coverage.

6. Waiver of Subrogation

6.1. Vendor hereby agrees to waive subrogation, which any insurer of Vendor may acquire from SPEDC by virtue of the payment of any loss. Vendor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation.

7. Acceptability of Insurers

7.1. Insurance is to be placed with insurers with a current A.M. Best rating of no less than A: VII unless otherwise acceptable to SPEDC. Exception may be made for the State Compensation Insurance Fund when not specifically rated.

8. Verification of Coverage

8.1. Vendor shall furnish SPEDC with endorsements effecting coverage required by this clause. Vendor's insurer may provide complete copies of all required insurance policies, including endorsements effecting the coverage required by the specifications. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. All endorsements are to be received and approved by SPEDC before work commences. However, failure to do so shall not operate as a waiver of these insurance requirements.

SAN PABLO EDC BOARD REPORT



DATE: June 25, 2025

[Back to Agenda](#)

TO: San Pablo EDC Board

FROM: Leslay Choy, Executive Director

SUBJECT: RESOLUTION OF THE SAN PABLO ECONOMIC DEVELOPMENT CORPORATION BOARD OF DIRECTORS AUTHORIZING EXECUTION OF FISCAL YEAR 2025-26 MICHAEL'S TRANSPORTATION SERVICES TRAINING ACADEMY MEMORANDUM OF UNDERSTANDING RENEWAL FOR COMMERCIAL DRIVERS LICENSE JOB TRAINING SERVICES AND RATIFYING MEASURE S BUDGET EXPENSE

RECOMMENDED ACTION

The Executive Director recommends the Board of Directors:

1. Approve resolution

BACKGROUND

Strategy 2: Innovate, provide and coordinate efforts to enhance workforce development impact in family-sustaining jobs and progressive-wage careers

As the San Pablo Economic Development Corporation (San Pablo EDC) Board of Directors (Board) is aware, since 2017, San Pablo EDC has worked with Michael's Transportation Services Training Academy (MTS) in Vallejo to provide Class A and Class B commercial driver's license and school bus license training to San Pablo residents and Workforce Innovation and Opportunity Act (WIOA) participants. Given the regional growth for Class A careers and nationwide shortage of Class B passenger-endorsed drivers, this relationship and success rate are positive.

ANALYSIS

MTS has decades of experience training Class A and Class B drivers. Of note, MTS has a wealth of experience successfully training and putting to work justice-impacted and Department of Rehabilitation (DOR) clients. MTS works closely with the Employment Development Department (EDD) and is on the Employer Training Panel List (ETPL).

Total possible Measure S reimbursement to the training partner is up to \$5,000 per resident. The balance of the enrollment and related fees will either be subsumed by WIOA, another grant or the enrollee's own funding. Payment milestones are as follows:

- 50% after first two weeks of attendance
- 40% after passing the California DMV Class-A or Class-B behind-the-wheel examination and attending an interview with a SPEDC staff member to be coordinated with Partner
- 10% upon placement in employment in industry; placement in an unrelated industry will render this payment void.

All Measure S job training memoranda of understanding (MOUs) are funded under expense account 62160 Job Training class Measure S. There are no guarantees of funded slots, as client demand is addressed on a first-come, first-serve basis. The MOU specifies that funding for each resident may only

be approved by San Pablo EDC staff, ensuring a well-managed Measure S budget that allows staff to leverage WIOA and other grant funds.

Approval of this MOU is contingent upon the Board's approval of the proposed fiscal year 2025-26 (FY25-26) budget, which includes funding for this partnership under expense account 62160 Job Training.

The Board is asked to authorize execution of fiscal year 2025-26 Michael's Transportation Services Training Academy memorandum of understanding renewal for commercial drivers license job training services and ratify Measure S budget expense.

FISCAL IMPACT

Fiscal impact from the FY25-26 Measure S budget expense account 62160 Job Training & Employment Support Services will depend on the number of residents enrolled.

Attachments

1. MTS Training Academy FY25-26 MOU

RESOLUTION SPEDC2025-0

RESOLUTION OF THE SAN PABLO ECONOMIC DEVELOPMENT CORPORATION BOARD OF DIRECTORS AUTHORIZING EXECUTION OF FISCAL YEAR 2025-26 MICHAEL’S TRANSPORTATION SERVICES TRAINING ACADEMY MEMORANDUM OF UNDERSTANDING RENEWAL FOR COMMERCIAL DRIVERS LICENSE JOB TRAINING SERVICES AND RATIFYING MEASURE S BUDGET EXPENSE

WHEREAS, the San Pablo Economic Development Corporation (San Pablo EDC) has had a long-term relationship with Michael’s Transportation Services Training Academy (MTS) in Vallejo to provide Class A and Class B commercial driver’s license and school bus license training to San Pablo residents and Workforce Innovation and Opportunity Act (WIOA) participants; and

WHEREAS, MTS has decades of experience training Class A and Class B drivers, works closely with the Employment Development Department (EDD) and is on the Employer Training Panel List (ETPL); and

WHEREAS, total possible Measure S reimbursement to MTS will not exceed \$5,000 per resident and MTS will assist with job placement; and

WHEREAS, approval of this MOU is contingent upon the Board’s approval of the proposed fiscal year 2025-26 budget, which includes funding for this partnership under expense account 62160 Job Training; and

WHEREAS, Fiscal impact from the FY25-26 Measure S budget expense account 62160 Job Training & Employment Support Services will depend on the number of residents enrolled.

NOW, THEREFORE, BE IT RESOLVED by the San Pablo Economic Development Corporation Board of Directors, as follows:

- 1) Authorize execution of fiscal year 2025-26 Michael’s Transportation Services Training Academy memorandum of understanding renewal for commercial drivers license job training services and ratify Measure S budget expense.

ADOPTED this 25th day of June, 2025, by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

Saeid Babay Hosseini, Board Secretary

Genoveva Calloway, Board Chair

San Pablo Economic Development Corporation & Michael's Transportation Services Training Academy

July 1, 2025



MEMORANDUM OF UNDERSTANDING

Memorandum of Understanding between Michael's Transportation Services (MTS) Training Academy ("Partner") and San Pablo Economic Development Corporation (the "SPEDC").

Recitals

SPEDC is engaged in economic and workforce development by delivering programs, providing access to training, engaging in public-private partnerships and linking community resources.

Partner is engaged in services and activities as specified in Exhibit A.

SPEDC and Partner are entering into a Memorandum of Understanding ("MOU") for the purpose of providing the Program as defined in Exhibit A. Both parties have complementary missions and share a desire to cooperate to the ends described herein. To that extent, the parties intend this MOU to create a relationship for their mutual benefit.

Accordingly, the parties hereby agree as follows:

1. General Provisions.

- 1.1. Program Operation.** Each party shall perform the Program responsibilities set forth for that party in Exhibit A.
- 1.2. Participant Eligibility.** Each party shall provide Program services only to individuals meeting the participant eligibility requirements set forth in Exhibit.

2. Communication.

- 2.1. Progress Reports.** Partner shall provide progress reports to the SPEDC on Program operation under this MOU upon request, including information regarding total participants, training completion rates, licensing success rate, and job placement; identification of challenges; information regarding any program participants' withdrawal or expulsion from the Program; and any other information required to be reported as described in Exhibit A.
- 2.2. Referrals.** SPEDC shall refer qualified participants whose documents are complete to Partner. From time to time, Partner may refer potential participants to SPEDC. In no event are participants referred to SPEDC to begin training until approved in writing by SPEDC to Partner with confirmation of start date. Enrollment of participants under this MOU by Partner without SPEDC authorization will not be compensated by SPEDC. A participant may not begin training until there is an approved SPEDC date, as it invalidates all funding that SPEDC uses.
- 2.3. Program Performance Reports.** If requested, Partner shall provide the SPEDC an annual Program performance report, containing the information required in the section 2.1 above, compiled for by fiscal year (July 1 through June 30). Partner

shall utilize the template provided by SPEDC for the annual progress report.

3. Finances.

- 3.1. Invoices.** Partner shall invoice the SPEDC according to the schedule specified in Exhibit A.
- 3.2. Satisfaction of Invoices.** The SPEDC shall pay Partner's invoices within thirty business days of receipt, and shall notify Partner if there are questions or concerns regarding submitted invoices.

4. Miscellaneous

- 4.1. Confidentiality.** Each party shall maintain the confidentiality of information gathered and all records generated during the period of this MOU, to the extent allowed by law. Provision of financial and organizational operations records to a party's accountants, attorneys, auditors, board members, and other professionals or affiliated individuals is not a violation of this section. This provision does not prohibit staff from reporting suspected neglect or abuse of participants to child abuse reporting agencies as required by law.
- 4.2. Insurance.** On or before commencement of operation of the Program pursuant to this MOU, Partner, at its own expense, shall carry, maintain for the duration of the MOU, and provide proof thereof that is acceptable to the SPEDC, the insurance described in Exhibit B with insurers and under forms of insurance satisfactory in all respects to the SPEDC. Partner shall maintain limits no less than as set forth in Exhibit B. If Partner maintains higher limits than those set forth in Exhibit B, the SPEDC shall be entitled to coverage for the higher limits maintained by Partner. Partner shall not allow any subcontractor to commence work on any subcontract in operation of the Program until all insurance required of Partner has also been obtained for the subcontractor. Partner shall require and verify that any subcontractors maintain insurance as required of Partner.
- 4.3. Indemnity**
 - 4.3.1. Indemnification of SPEDC.** To the fullest extent permitted by law, Partner shall immediately defend, indemnify, and hold harmless the SPEDC and its directors, officers, administrators, employees, volunteers, and agents from and against all liabilities regardless of nature or type, direct or indirect, in whole or in part, arising out of or resulting from Partner's performance of services under this MOU, or in connection with any negligent or wrongful act or omission of Partner or its departments, programs, divisions, officers, employees, agents, or subcontractors, in the performance of this MOU. Liabilities subject to the duties to defend, indemnify, and hold harmless include, without limitation, such liabilities for: damage to property; injury or death of any person; and all claims, losses, damages, penalties, fines, and judgments; associated investigation and administrative expenses;

defense costs, including but not limited to reasonable attorneys' fees; court costs; and costs of alternative dispute resolution. Partner's obligation to indemnify applies unless it is adjudicated that its liability was caused by the sole active negligence or sole willful misconduct of an indemnified party. If it is finally adjudicated that liability is caused by the comparative active negligence or willful misconduct of an indemnified party, Partner's indemnification obligation shall be reduced in proportion to the established comparative liability of the indemnified party.

In its sole discretion and at its own cost and expense, the SPEDC may participate in the defense of any such claim, action, or proceeding, utilizing legal counsel of its choice; however, such participation shall not relieve Partner of any obligation imposed pursuant to this MOU. The SPEDC shall promptly notify Partner of any such claim, action, or proceeding and shall cooperate fully in the defense of same.

The review, acceptance or approval of the Partner's work or work product by any indemnified party shall not affect, relieve or reduce the Partner's indemnification or defense obligations. This Section survives completion of the services or the termination of this contract. The provisions of this Section are not limited by and do not affect the provisions of this contract relating to insurance.

The duty of Partner to indemnify and hold harmless includes the duty to defend as set forth in section 2778 of the California Civil Code. Acceptance of insurance certificates and endorsements required under this MOU does not relieve Partner from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages. The parties further agree that the provisions of this section shall survive any termination or expiration of this MOU.

4.3.2. Indemnification of Partner. To the fullest extent permitted by law, the SPEDC shall immediately defend, indemnify, and hold harmless Partner and its directors, officers, administrators, employees, volunteers, and agents against and from any liability, including for damage to property and injury or death of any person, and any claim, action, or proceeding against Partner, arising solely out of or in connection with the acts or omissions of the SPEDC in the performance of this MOU. In its sole discretion and at its sole cost and expense, Partner may participate in the defense of any such claim, action, or proceeding, utilizing legal counsel of its choice; however, such participation shall not relieve the SPEDC of any obligation imposed pursuant to this MOU. Partner shall promptly notify the SPEDC of any such claim, action, or proceeding and shall cooperate fully in the defense of same.

- 4.4. Effective Date & Term.** This MOU shall be effective July 1, 2025 upon execution and delivery by both parties governing Program operations specified in Exhibit A through June 30, 2026 contingent upon the SPEDC Board’s approval of the fiscal year 2025-26 budget, with possible renewal in subsequent fiscal years.
- 4.5. Amendment.** Amendments to this MOU are effective only if agreed upon by both parties, as indicated through execution and delivery documenting the amendment.
- 4.6. Termination.** Either party may terminate this MOU with or without cause by providing the other party with sixty days’ written notice.
- 4.7. Third Party Beneficiaries.** There are no third-party beneficiaries to this MOU.
- 4.8. Notices.** Any notices required to be made or given pursuant to this MOU, shall be effective if made in writing and sent by registered or certified mail, return receipt requested to:

To SPEDC: Leslay C. Choy, Executive Director
 San Pablo Economic Development Corporation
 1000 Gateway Avenue, First Floor
 San Pablo, CA 94806

To Partner: Keith Judkins, Director
 MTS Training Academy
 140 Yolano Drive
 Vallejo, CA 94589

To evidence the parties’ assent to this MOU, they have signed and delivered it on the dates set forth below.

Name: Keith Judkins
Title: Director
Organization: MTS Training Academy

Leslay C. Choy
Executive Director
San Pablo Economic Development Corporation

Date: _____

Date: _____

EXHIBIT A

Program Description

1. Program Overview.

1.1. General Description of Program Purpose.

MTS Training Academy is a division of Michael's Transportation Services specializing in Class-A and Class-B commercial driver's training with an option to receive endorsements in transit operation or professional school bus driving. The curriculum includes a total of 120 hours for Professional School Bus Driver, 95 hours for Professional Transit Operator, 160 hours Tractor – Trailer Operator, and 80 hours Straight Truck Operator. The training covers the following topics: DMV Permit Training, Behind the Wheel Training, Air Brake, Passenger Endorsement, Medical Card and Job Placement Assistance.

This training provides students with the knowledge, practical skills, and support services to obtain a California Commercial Class-A or Class-B Driver's License. Students are required to complete 40-hours of classroom instruction and 40-120 hours of field training. Once graduates obtain their license, they have an opportunity to become an employee-owner of Michael's Transportation Services, where they will be employed in an entry-level position in the transportation industry, earning a salary with benefits and owning a share of the company.

Under this MOU, SPEDC will provide funding for pre-approved San Pablo residents, including trainees taking their behind-the-wheel examination. The number of slots made available will be contingent upon funding.

2. Program Engagement.

2.1. Marketing and Recruiting

2.1.1. Marketing Responsibilities. SPEDC and Partner shall actively participate in the marketing of the Program to potential students. Partner will be responsive and collaborative with San Pablo EDC to provide current content, images, success stories, etc., to keep collateral and messages updated. Both parties shall promote program marketing materials through all available channels, including career fairs. Both parties shall share materials with any other Program Partners and Recruitment Partners specified in Exhibit A.

2.1.2. Recruiting Responsibilities. SPEDC shall recruit San Pablo residents to the Program. Partner shall refer potential San Pablo residents to SPEDC for qualification and enrollment.

2.2. Administration

2.2.1. Partner Administrative Responsibilities.

- 2.2.1.1.** Deliver the curriculum as outlined in the scope of services.
- 2.2.1.2.** Provide monthly progress reports to the SPEDC on each student for which Partner receives SPEDC-approved funding.
- 2.2.1.3.** Provide notification within five (5) business days should a trainee covered under this agreement drop out or be expelled from training.
- 2.2.1.4.** Partner shall keep graduation, employment, and licensing data for all graduates and share data with the SPEDC.
- 2.2.1.5.** Partner shall promptly notify SPEDC if the participant does not pass the driving test. Upon notification, SPEDC shall assess the issue, develop an improvement plan, and collaborate with both the Partner and the participant to ensure successful completion on the second attempt. If the participant fails the second attempt, the same protocol established for the first attempt will be followed. Should the participant fail the driving test a third time, the Partner must immediately notify SPEDC. SPEDC shall further evaluate to determine next steps. Both Partner and SPEDC will determine, based on next steps outlined by SPEDC, any additional costs.
- 2.2.1.6.** As noted in section 2.3, Partner shall provide an annual agreement performance report if requested.
- 2.2.1.7.** Partner shall provide an updated list upon request of partner employers.
- 2.2.1.8.** Partner shall provide job placement assistance.

2.2.2. SPEDC Administration Responsibilities.

- 2.2.2.1.** SPEDC shall screen prospective participants to assess training readiness, complete WIOA and other funding applications, gather required documentation and determine qualification, as well as funding limits, prior to referral to Partner.
- 2.2.2.2.** SPEDC shall honor invoices in a timely manner and notify Partner immediately if there are issues or questions.
- 2.2.2.3.** SPEDC may visit Partner training site to conduct interviews with students and attend any graduations or events held by Partner.
- 2.2.2.4.** SPEDC shall conduct all case management & WIOA obligations, which includes request of progress reports and documentation of milestones, such as measurable skills gain, permit and license.

3. Participant Eligibility

3.1. Verification of Eligibility. Partner shall request verification from the SPEDC for San Pablo resident eligibility and approval of funding amounts and start date before enrollment in the Program.

3.1.1. To be enrolled under this program, each applicant must:

- Present a valid, government-issued photo ID
- Show proof of residency in the incorporated City of San Pablo
 - Both parties acknowledge mailing address is established by the US Postal Service and does not accurately reflect residency according to municipal jurisdictional boundaries. SPEDC shall make residency determination based on current government-issued photo ID, and if needed, a bill or statement sent to the address to verify.
- Meet in person or virtually with SPEDC staff, be pre-approved for WIOA & Measure S funding and receive financial counseling from SPEDC staff **before** enrolling at CDL Instructor Trucking LLC; failure to do so will disqualify enrollee from funding
- Complete an SPEDC Workforce Enrollment Form and supply all documentation, which includes signed WIOA documents, such as an Objective Assessment and Individual Education Plan; failure to do so will hold up payments to Partner for which enrollee will be liable if requirement is not fulfilled
- Be responsive to outreach from SPEDC staff regarding employment status and information; failure to do so may hold up the funding payments to Partner for which enrollee will be liable if requirement is not fulfilled

3.1.2. Partner shall refer potential San Pablo residents directly to SPEDC. SPEDC staff shall collect all verification documents, contact information, and baseline data prior to the student enrolling in the program.

3.1.2.1. P.O. Boxes or addresses at commercial centers will not be accepted to establish residency.

3.1.3. Partner will work directly with SPEDC staff on all verifications, data tracking, and contract- or case management-related questions.

4. Communication and Recordkeeping

4.1. Program Event Dates. Partner shall notify the SPEDC of the date of each Program graduation, along with a confirmed list of San Pablo students participating in such graduation, as well as the dates of any Program event.

4.2. Participant Data. Partner shall provide updated data to the SPEDC for all San Pablo students who receive services under this MOU, including, but not limited to, all

applicable information as follows: contact information, demographic data, current enrollment, cohort number, exit date, certification completion dates, most recent employer, and salary.

4.2.1. Partner must notify the SPEDC within five (5) business days if a San Pablo student drops, withdraws or is expelled from the program.

4.3. Graduate Data. Partner shall keep graduation, employment, certification, and licensing data, as applicable, for all students referred to Partner by the SPEDC, and Partner shall share all such data with the SPEDC.

5. Finances

5.1. Compensation. SPEDC agrees to provide Measure S funding in an amount to be determined not to exceed \$5,000 per eligible San Pablo resident, up to the limits of available funding. San Pablo residents may be eligible for additional grant funding from SPEDC, pending pre-approval and availability of funds. SPEDC and Partner agree each eligible student will pay some portion of the program expense, nominally \$500. WIOA-enrolled students may also qualify for WIOA funding. If so, the amount will be clearly outlined in the ITA and invoiced by Partner directly to the approving entity, typically the Contra Costa County Employment and Human Services Department (EHSD). WIOA-enrolled non-San Pablo residents may also be enrolled with Partner if referred by SPEDC with an approved WIOA ITA.

5.2. Participant Withdrawal. If a Program Participant drops, withdraws or is expelled, no further payments shall be made under this agreement. If a participant withdraws from the program due to an emergency, Partner shall permit SPEDC to select a replacement participant, ensuring continuity in program engagement.

5.3. Partner shall invoice the SPEDC for each eligible participant as outlined below. Provided the participant has been approved by SPEDC, Partner may elect to invoice the SPEDC after more than one milestone has passed.

- 50% after two weeks of attendance
- 40% after passing the California DMV Class-A or Class-B behind-the-wheel examination and attending an interview with a SPEDC staff member to be coordinated with Partner
- 10% upon placement in employment in industry; placement in an unrelated industry will render this payment void.

6. Term of Program Operations. This Exhibit A covers Program operations from July 1, 2025 through June 30, 2026.

Exhibit B

Insurance Requirements

Insurance

1. General, Automotive, and Employer's Liability, and Workers' Compensation Provisions

1.1. On or before beginning any of the services or work called for by any term of this agreement, Partner, at its own cost and expense, shall carry, maintain for the duration of the agreement, and provide proof thereof that is acceptable to SPEDC the insurance specified herein below with insurers and under forms of insurance satisfactory in all respects. Partner shall not allow any subcontractor to commence work on any subcontract until all insurance required of the Partner has also been obtained for the subcontractor. Partner shall maintain limits no less than set forth below. If Partner maintains higher limits than the minimums shown above, the SPEDC shall be entitled to coverage for the higher limits maintained by Partner. If Partner certifies students do not travel in, nor are allowed to drive, Partner vehicles, evidence of automotive liability is not necessary.

1.1.1.1. General Liability: \$2,000,000 per occurrence for bodily injury, personal injury, and property damage.

1.1.1.2. Automotive liability: \$1,000,000 per accident for bodily injury and property damage

1.1.1.3. Workers' Compensation: As Required by the State of California. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the SPEDC for all work performed by the Partner, its employees, agents and subcontractors.

1.1.1.4. Employers' Liability: \$1,000,000 each accident; \$1,000,000 policy limit bodily injury by disease, \$1,000,000 each employee bodily injury by disease.

2. Deductibles and Self-Insured Retentions

2.1. Any deductibles or self-insured retentions must be declared to and approved by SPEDC. At the option of SPEDC, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the SPEDC, its officers, officials, employees and volunteers; or the Partner shall provide a financial guarantee satisfactory to the SPEDC guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

3. Other Insurance Provisions

The General Liability and Automobile Liability policies are to contain, or be endorsed to contain, the following provisions:

- 3.1.** SPEDC, and their officers, officials, and employees are to be covered as insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Partner; and with respect to liability arising out of work or operations performed by or on behalf of the Partner including materials, parts or equipment furnished in connection with such work or operations. General Liability coverage shall be provided in the form of an Additional Insured endorsement (form CG 20 10 11 85, or forms CG2010 version 10/01 and GC 2037 versions 10/01 or equivalent) to the SPEDC's insurance policy, or as a separate owner's policy.
 - 3.1.1.** For any claims related to this project, the Partner's insurance coverage shall be primary insurance as respects the SPEDC, its officers, officials, and employees. Any insurance or self-insurance maintained by SPEDC, its officers, officials, or employees, shall be excess of the Partner's insurance and shall not contribute with it.
 - 3.1.2.** Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days prior written notice has been provided to the SPEDC.
 - 3.1.3.** Each of the following shall be included in the insurance coverage or added as an endorsement to the policy:
 - 3.1.3.1.** SPEDC, and its officers, officials, and employees are to be covered as insureds as respects each of the following: liability arising out of activities performed by or on behalf of Partner, including the insured's general supervision of Partner; products and completed operations of Partner; premises owned, occupied or used by Partner; or automobiles owned, leased, hired, or borrowed by Partner. The coverage shall contain no special limitations on the scope of protection afforded to SPEDC, and its officers, officials, and employees.
 - 3.1.3.2.** The insurance shall cover on an occurrence or an accident basis, and not on a claims-made basis.
 - 3.1.3.3.** An endorsement must state that coverage is primary insurance and that no other insurance affected by SPEDC will be called upon to contribute to a loss under the coverage.
 - 3.1.3.4.** Any failure of SPEDC to comply with reporting provisions of the policy shall not affect coverage provided to SPEDC and its officers, officials, and employees.

3.1.3.5. Notice of cancellation or non-renewal must be received by SPEDC at least thirty days prior to such change.

4. Deductibles and Self Insured Retentions

4.1. Partner shall disclose the self-insured retentions and deductibles before beginning any of the services or work called for by any term of this agreement. During the period covered by this agreement, upon express written authorization of the Executive Director, SPEDC may increase such deductibles or self-insured retentions with respect to its officers, employees, agents, and volunteers. The Executive Director may condition approval of an increase in deductible or self-insured retention levels upon a requirement that Partner procure a bond guaranteeing payment of losses and related investigations, claim administration, and defense expenses that is satisfactory in all respects to each of them.

5. Notice of Reduction in Coverage

5.1. In the event that any coverage required under this section of the agreement is reduced, limited, or materially affected in any other manner, Partner shall provide written notice to SPEDC at Partner's earliest possible opportunity and in no case later than five days after SPEDC is notified of the change in coverage.

6. Waiver of Subrogation

6.1. Partner hereby agrees to waive subrogation, which any insurer of Partner may acquire from SPEDC by virtue of the payment of any loss. Partner agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation.

7. Acceptability of Insurers

7.1. Insurance is to be placed with insurers with a current A.M. Best rating of no less than A:VII unless otherwise acceptable to SPEDC. Exception may be made for the State Compensation Insurance Fund when not specifically rated.

8. Verification of Coverage

8.1. Partner shall furnish SPEDC with endorsements effecting coverage required by this clause. Partner's insurer may provide complete copies of all required insurance policies, including endorsements effecting the coverage required by the specifications. The endorsements are to be signed by a person authorized by that Insurer to bind coverage on its behalf. All endorsements are to be received and approved by SPEDC before work commences. However, failure to do so shall not operate as a waiver of these insurance requirements.

SAN PABLO EDC BOARD REPORT



DATE: June 25, 2025

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TO: San Pablo EDC Board

FROM: Leslay Choy, Executive Director

SUBJECT: RESOLUTION OF THE SAN PABLO ECONOMIC DEVELOPMENT CORPORATION BOARD OF DIRECTORS AUTHORIZING EXECUTION OF FISCAL YEAR 2025-26 CDL INSTRUCTOR TRUCKING LLC MEMORANDUM OF UNDERSTANDING RENEWAL FOR COMMERCIAL DRIVER'S LICENSE JOB TRAINING SERVICES AND RATIFYING MEASURE S BUDGET EXPENSE

RECOMMENDED ACTION

The Executive Director recommends the Board of Directors:

1. Approve resolution

BACKGROUND

Strategy 2: Innovate, provide and coordinate efforts to enhance workforce development impact in family-sustaining jobs and progressive-wage careers

As the San Pablo Economic Development Corporation (San Pablo EDC) Board of Directors (Board) is aware, earlier this year, the Board approved an initial memorandum of understanding (MOU) with CDL Instructor Trucking LLC (CDL) in Hayward to provide Class A commercial driver's license training to San Pablo residents and Workforce Innovation and Opportunity Act (WIOA) participants.

While an ongoing positive relationship exists with Michael's Transportation Services Truck Driving Academy (MTS) in Vallejo, two of workforce staff's challenges has been to accommodate Spanish-speaking participants at a qualified training provider and to find a trainer willing to offer evening and weekend classes. CDL has helped San Pablo EDC eliminate these barriers for aspiring Class A drivers.

CDL has also worked faithfully with staff to be Employer Training Panel List (ETPL)-qualified and is hopeful to achieve that this year. Despite not being on the ETPL, special grant funding was released by the Workforce Development Board of Contra Costa County (WDBCCC) to support San Pablo EDC's WIOA-qualified cohort given CDL's well-above industry standard success rates.

ANALYSIS

CDL is filling a vital equity role in helping those with barriers to training stemming from schedule or language be successful. Currently, San Pablo EDC has an 8-person cohort finishing up. So far, five participants have successfully obtained their Class A license and are job searching while acquiring TWIC Cards, two participants are scheduled to take the driving test on June 20th, and the newest cohort member is scheduled to take his test on July 2nd. This demonstrates 100% completion of training. The original cohort was three participants all of whom are licensed and working in industry.

CDL Instructor Trucking LLC offers a decade of experience training Class A commercial drivers; the owner was previously a commercial truck driver and maintains his Class A license. San Pablo EDC has used non-WIOA funding to train a couple of Spanish speaking participants for whom the Class A license has the difference between no benefits, low pay and poor working conditions and a progressive-wage, fully benefitted career with choice of schedule. EDC staff has had a productive, responsive and fully successful

relationship with CDL.

Total possible Measure S reimbursement to the training partner is up to \$5,000 per resident. The balance of the enrollment and related fees will either be subsumed by WIOA, another grant or the enrollee's own funding. Payment milestones are as follows:

- 50% after first two weeks of attendance
- 40% after passing the California DMV Class-A behind-the-wheel examination and attending an interview with a SPEDC staff member to be coordinated with Partner
- 10% upon placement in employment in industry; placement in an unrelated industry will render this payment void.

All Measure S job training memoranda of understanding (MOUs) are funded under expense account 62160 Job Training class Measure S. There are no guarantees of funded slots, as client demand is addressed on a first-come, first-serve basis. The MOU specifies that funding for each resident may only be approved by San Pablo EDC staff, ensuring a well-managed Measure S budget that allows staff to leverage WIOA and other grant funds.

Approval of this MOU is contingent upon the Board's approval of the proposed fiscal year 2025-26 (FY25-26) budget, which includes funding for this partnership under expense account 62160 Job Training.

The Board is asked to authorize execution of fiscal year 2025-26 CDL Instructor Trucking LLC memorandum of understanding renewal for Commercial Driver's License job training services and ratify Measure S budget expense.

FISCAL IMPACT

Fiscal impact from the FY25-26 Measure S budget expense account 62160 Job Training & Employment Support Services will depend on the number of residents enrolled.

Attachments

1. CDL Instructor Trucking LLC Training Academy FY25-26 MOU

RESOLUTION SPEDC2025-0

RESOLUTION OF THE SAN PABLO ECONOMIC DEVELOPMENT CORPORATION BOARD OF DIRECTORS AUTHORIZING EXECUTION OF FISCAL YEAR 2025-26 CDL INSTRUCTOR TRUCKING LLC MEMORANDUM OF UNDERSTANDING RENEWAL FOR COMMERCIAL DRIVER'S LICENSE JOB TRAINING SERVICES AND RATIFYING MEASURE S BUDGET EXPENSE

WHEREAS, the San Pablo Economic Development Corporation (San Pablo EDC) has positive relationship with CDL Instructor Trucking LLC (CDL) in Hayward to provide Class A commercial driver's license training to San Pablo residents and Workforce Innovation and Opportunity Act (WIOA) participants; and

WHEREAS, CDL Instructor Trucking LLC offers a decade of experience training Class A commercial drivers; the owner was previously a commercial truck driver and maintains his Class A license; and

WHEREAS, CDL is filling a vital equity role in helping those with barriers to training stemming from schedule or language be successful; and

WHEREAS, total possible Measure S reimbursement to CDL will not exceed \$5,000 per resident and CDL will assist with job placement; and

WHEREAS, approval of this MOU is contingent upon the Board's approval of the proposed fiscal year 2025-26 budget, which includes funding for this partnership under expense account 62160 Job Training; and

WHEREAS, Fiscal impact from the FY25-26 Measure S budget expense account 62160 Job Training & Employment Support Services will depend on the number of residents enrolled.

NOW, THEREFORE, BE IT RESOLVED by the San Pablo Economic Development Corporation Board of Directors, as follows:

- 1) Authorize execution of fiscal year 2025-26 CDL Instructor Trucking LLC memorandum of understanding renewal for Commercial Driver's License job training services and ratify Measure S budget expense.

ADOPTED this 25th day of June, 2025, by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

Saeid Babay Hosseini, Board Secretary

Genoveva Calloway, Board Chair

San Pablo Economic Development Corporation & CDL Instructor Trucking LLC

July 1, 2025



MEMORANDUM OF UNDERSTANDING

Memorandum of Understanding between CDL Instructor Trucking LLC ("Partner") and San Pablo Economic Development Corporation ("SPEDC").

Recitals

SPEDC is engaged in economic and workforce development by delivering programs, providing access to training, engaging in public-private partnerships, and linking community resources.

Partner is engaged in services and activities as specified in Exhibit A.

SPEDC and Partner are entering into a Memorandum of Understanding ("MOU") for the purpose of providing the Program as defined in Exhibit A. Both parties have complementary missions and share a desire to cooperate to the ends described herein. To that extent, the parties intend this MOU to create a relationship for their mutual benefit.

Accordingly, the parties hereby agree as follows:

1. General Provisions.

- 1.1. **Program Operation.** Each party shall perform the Program responsibilities set forth for that party in Exhibit A.
- 1.2. **Participant Eligibility.** Each party shall provide Program services only to individuals meeting the participant eligibility requirements set forth in Exhibit A.

2. Communication.

- 2.1. **Progress Reports and Data.** Partner shall provide progress reports to the SPEDC on Program operation under this MOU upon request, including information regarding total participants, training completion rates, licensing success rate, and job placement; identification of challenges; information regarding any program participants' withdrawal or expulsion from the Program; and any other information required to be reported as described in Exhibit A.
- 2.2. **Referrals.** SPEDC shall refer qualified participants whose documents are complete to Partner. From time to time, Partner may refer potential participants to SPEDC. In no event are participants referred to SPEDC to begin training until approved in writing by SPEDC to Partner with confirmation of start date. Enrollment of participants under this MOU by Partner without SPEDC authorization will not be compensated by SPEDC. A participant may not begin training until there is an approved SPEDC date, as it invalidates all funding that SPEDC uses.

2.3. Program Performance Reports. If requested, Partner shall provide the SPEDC an annual Program performance report, containing the information required in the section 2.1 above, compiled for by fiscal year (July 1 through June 30). Partner shall utilize the template provided by SPEDC for the annual progress report.

3. Finances.

3.1. Invoices. Partner shall invoice the SPEDC according to the schedule specified in Exhibit A.

3.2. Satisfaction of Invoices. The SPEDC shall pay Partner's invoices within thirty business days of receipt, and shall notify Partner if there are questions or concerns regarding submitted invoices.

4. Miscellaneous

4.1. Confidentiality. Each party shall maintain the confidentiality of information gathered and all records generated during the period of this MOU, to the extent allowed by law. Provision of financial and organizational operations records to a party's accountants, attorneys, auditors, board members, and other professionals or affiliated individuals is not a violation of this section. This provision does not prohibit staff from reporting suspected neglect or abuse of participants to child abuse reporting agencies as required by law.

4.2. Insurance. On or before commencement of operation of the Program pursuant to this MOU, Partner, at its own expense, shall carry, maintain for the duration of the MOU, and provide proof thereof that is acceptable to the SPEDC, the insurance described in Exhibit B with insurers and under forms of insurance satisfactory in all respects to the SPEDC. Partner shall maintain limits no less than as set forth in Exhibit B. If Partner maintains higher limits than those set forth in Exhibit B, the SPEDC shall be entitled to coverage for the higher limits maintained by Partner. Partner shall not allow any subcontractor to commence work on any subcontract in operation of the Program until all insurance required of Partner has also been obtained for the subcontractor. Partner shall require and verify that any subcontractors maintain insurance as required of Partner.

4.3. Indemnity

4.3.1. Indemnification of SPEDC. To the fullest extent permitted by law, Partner shall immediately defend, indemnify, and hold harmless the SPEDC and its directors, officers, administrators, employees, volunteers, and agents from and against all liabilities regardless of nature or type, direct or indirect, in whole or in part, arising out of or resulting from Partner's performance of services under this MOU, or in connection with any negligent or wrongful act or omission of Partner or its departments, programs, divisions, officers, employees, agents, or subcontractors, in the performance of this MOU. Liabilities subject to the duties to defend, indemnify, and hold harmless

include, without limitation, such liabilities for: damage to property; injury or death of any person; and all claims, losses, damages, penalties, fines, and judgments; associated investigation and administrative expenses; defense costs, including but not limited to reasonable attorneys' fees; court costs; and costs of alternative dispute resolution. Partner's obligation to indemnify applies unless it is adjudicated that its liability was caused by the sole active negligence or sole willful misconduct of an indemnified party. If it is finally adjudicated that liability is caused by the comparative active negligence or willful misconduct of an indemnified party, Partner's indemnification obligation shall be reduced in proportion to the established comparative liability of the indemnified party.

In its sole discretion and at its own cost and expense, the SPEDC may participate in the defense of any such claim, action, or proceeding, utilizing legal counsel of its choice; however, such participation shall not relieve Partner of any obligation imposed pursuant to this MOU. The SPEDC shall promptly notify Partner of any such claim, action, or proceeding and shall cooperate fully in the defense of same.

The review, acceptance or approval of the Partner's work or work product by any indemnified party shall not affect, relieve or reduce the Partner's indemnification or defense obligations. This Section survives completion of the services or the termination of this contract. The provisions of this Section are not limited by and do not affect the provisions of this contract relating to insurance.

The duty of Partner to indemnify and hold harmless includes the duty to defend as set forth in section 2778 of the California Civil Code. Acceptance of insurance certificates and endorsements required under this MOU does not relieve Partner from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages. The parties further agree that the provisions of this section shall survive any termination or expiration of this MOU.

4.3.2. Indemnification of Partner. To the fullest extent permitted by law, the SPEDC shall immediately defend, indemnify, and hold harmless Partner and its directors, officers, administrators, employees, volunteers, and agents against and from any liability, including for damage to property and injury or death of any person, and any claim, action, or proceeding against Partner, arising solely out of or in connection with the acts or omissions of the SPEDC in the performance of this MOU. In its sole discretion and at its sole cost and expense, Partner may participate in the defense of any such claim, action, or proceeding, utilizing legal counsel of its choice; however, such participation shall not relieve the SPEDC of any obligation imposed

pursuant to this MOU. Partner shall promptly notify the SPEDC of any such claim, action, or proceeding and shall cooperate fully in the defense of same.

- 4.4. Effective Date & Term.** This MOU shall be effective July 1, 2025 upon execution and delivery by both parties governing Program operations specified in Exhibit A through June 30, 2026 contingent upon the SPEDC Board's approval of the fiscal year 2025-26 budget, with possible renewal in subsequent fiscal years.
- 4.5. Amendment.** Amendments to this MOU are effective only if agreed upon by both parties, as indicated through execution and delivery documenting the amendment.
- 4.6. Termination.** Either party may terminate this MOU with or without cause by providing the other party with sixty days' written notice.
- 4.7. Third Party Beneficiaries.** There are no third-party beneficiaries to this MOU.
- 4.8. Notices.** Any notices required to be made or given pursuant to this MOU, shall be effective if made in writing and sent by registered or certified mail, return receipt requested to:

To SPEDC: Leslay C. Choy, Executive Director
 San Pablo Economic Development Corporation
 1000 Gateway Avenue, First Floor
 San Pablo, CA 94806

To Partner: Ricardo Escalante, CEO
 CDL Instructor Trucking LLC
 18060 Meekland Ave,
 Hayward, CA 94541

To evidence the parties' assent to this MOU, they have signed and delivered it on the dates set forth below.

Name: Ricardo Escalante
Title: CEO
Organization: CDL Instructor Trucking LLC

Date: _____

Leslay C. Choy
Executive Director
San Pablo Economic Development Corporation

Date: _____

EXHIBIT A

Program Description

1. Program Overview.

1.1. General Description of Program Purpose.

CDL Instructor Trucking LLC Services specializes in Class-A and Class-B commercial driver's training. The Program covered by this MOU covers Class A only at this time. The Class A curriculum includes 95 hours for Professional Transit Operator, 180 hours Tractor – Trailer Operator, and 80 hours Straight Truck Operator. The training covers DMV Driving Permit Training, Behind the Wheel Training, Inspections, Skills, and Job Placement Assistance.

This training provides students with the knowledge, practical skills, and support to obtain a California Commercial Class A Driver's License. Students must complete the curriculum and hours as outlined above. Once graduates obtain their licenses, CDL Instructor Trucking Services will recommend the student to its partner employers to get a job.

Under this MOU, SPEDC will provide funding for pre-approved San Pablo residents, including trainees taking their behind-the-wheel examination. The number of slots made available will be contingent upon funding.

2. Program Engagement.

2.1. Marketing and Recruiting

2.1.1. Marketing Responsibilities. SPEDC and Partner shall actively participate in the marketing of the Program to potential students. Partner will be responsive and collaborative with San Pablo EDC to provide current content, images, success stories, etc., to keep collateral and messages updated. Both parties shall promote program marketing materials through all available channels, including career fairs. Both parties shall share materials with any other Program Partners and Recruitment Partners specified in Exhibit A.

2.1.2. Recruiting Responsibilities. SPEDC shall recruit San Pablo residents to the Program. Partner shall refer potential San Pablo residents to SPEDC for qualification and enrollment.

2.2. Administration

2.2.1. Partner Administrative Responsibilities.

2.2.1.1. Deliver the curriculum as outlined in the scope of services.

- 2.2.1.2.** Provide monthly progress reports to the SPEDC on each student for which Partner receives SPEDC-approved funding.
- 2.2.1.3.** Provide notification within five (5) business days should a trainee covered under this agreement drop out or be expelled from training.
- 2.2.1.4.** Partner shall keep graduation, employment, and licensing data for all graduates and share data with the SPEDC.
- 2.2.1.5.** Partner shall promptly notify SPEDC if the participant does not pass the driving test. Upon notification, SPEDC shall assess the issue, develop an improvement plan, and collaborate with both the Partner and the participant to ensure successful completion on the second attempt. If the participant fails the second attempt, the same protocol established for the first attempt will be followed. Should the participant fail the driving test a third time, the Partner must immediately notify SPEDC. SPEDC shall further evaluate to determine next steps. Both Partner and SPEDC will determine, based on next steps outlined by SPEDC, any additional costs.
- 2.2.1.6.** As noted in section 2.3, Partner shall provide an annual agreement performance report if requested.
- 2.2.1.7.** Partner shall provide an updated list upon request of partner employers.
- 2.2.1.8.** Partner shall provide job placement assistance.

2.2.2. SPEDC Administration Responsibilities.

- 2.2.2.1.** SPEDC shall screen prospective participants to assess training readiness, complete WIOA and other funding applications, gather required documentation and determine qualification, as well as funding limits, prior to referral to Partner.
- 2.2.2.2.** SPEDC shall honor invoices in a timely manner and notify Partner immediately if there are issues or questions.
- 2.2.2.3.** SPEDC may visit Partner training site to conduct interviews with students and attend any graduations or events held by Partner.
- 2.2.2.4.** SPEDC shall conduct all case management & WIOA obligations, which includes request of progress reports and documentation of milestones, such as measurable skills gain, permit and license.

3. Participant Eligibility

- 3.1. Verification of Eligibility.** Partner shall request verification from the SPEDC for San Pablo resident eligibility and approval of funding amounts and start date before enrollment in the Program.

3.1.1. To be enrolled under this program, each applicant must:

- Present a valid, government-issued photo ID
- Show proof of residency in the incorporated City of San Pablo
 - Both parties acknowledge mailing address is established by the US Postal Service and does not accurately reflect residency according to municipal jurisdictional boundaries. SPEDC shall make residency determination based on current government-issued photo ID, and if needed, a bill or statement sent to the address to verify.
- Meet in person or virtually with SPEDC staff, be pre-approved for WIOA & Measure S funding and receive financial counseling from SPEDC staff **before** enrolling at CDL Instructor Trucking LLC; failure to do so will disqualify enrollee from funding
- Complete an SPEDC Workforce Enrollment Form and supply all documentation, which includes signed WIOA documents, such as an Objective Assessment and Individual Education Plan; failure to do so will hold up payments to Partner for which enrollee will be liable if requirement is not fulfilled
- Be responsive to outreach from SPEDC staff regarding employment status and information; failure to do so may hold up the funding payments to Partner for which enrollee will be liable if requirement is not fulfilled

3.1.2. Partner shall refer potential San Pablo residents directly to SPEDC. SPEDC staff shall collect all verification documents, contact information, and baseline data prior to the student enrolling in the program.

3.1.2.1. P.O. Boxes or addresses at commercial centers will not be accepted to establish residency.

3.1.3. Partner will work directly with SPEDC staff on all verifications, data tracking, and contract- or case management-related questions.

4. Communication and Recordkeeping

4.1. Program Event Dates. Partner shall notify the SPEDC of the date of each Program graduation, along with a confirmed list of San Pablo students participating in such graduation, as well as the dates of any Program event.

4.2. Participant Data. Partner shall provide updated data to SPEDC for all San Pablo students who receive services under this MOU, including, but not limited to contact information, demographic data, enrollment status, exit date, certification completion dates, most recent employer, and salary.

4.2.1. Partner must notify SPEDC within five (5) business days if a San Pablo student drops, withdraws or is expelled from the program.

4.3. Graduate Data. Partner shall keep graduation, employment, certification, and licensing data, as applicable, for all students referred to Partner by the SPEDC, and Partner shall share all such data with the SPEDC.

5. Finances

5.1. Compensation. SPEDC agrees to provide Measure S funding in an amount to be determined not to exceed \$5,000 per eligible San Pablo resident, up to the limits of available funding. San Pablo residents may be eligible for additional grant funding from SPEDC, pending pre-approval and availability of funds. SPEDC and Partner agree each eligible student will pay some portion of the program expense, nominally \$500. WIOA-enrolled students may also qualify for WIOA funding. If so, the amount will be clearly outlined in the ITA and invoiced by Partner directly to the approving entity, typically the Contra Costa County Employment and Human Services Department (EHSD). WIOA-enrolled non-San Pablo residents may also be enrolled with Partner if referred by SPEDC with an approved WIOA ITA.

5.2. Participant Withdrawal. If a Program Participant drops, withdraws or is expelled, no further payments shall be made under this agreement. If a participant withdraws from the program due to an emergency, Partner shall permit SPEDC to select a replacement participant, ensuring continuity in program engagement.

5.3. Partner shall invoice the SPEDC for each eligible participant as outlined below. Provided the participant has been approved by SPEDC, Partner may elect to invoice the SPEDC after more than one milestone has passed.

- 50% after two weeks of attendance
- 40% after passing the California DMV Class-A or Class-B behind-the-wheel examination and attending an interview with a SPEDC staff member
- 10% upon placement in employment in industry; placement in an unrelated industry will render this payment void.

6. Term of Program Operations. This Exhibit A covers Program operations from July 1, 2025 through June 30, 2026.

Exhibit B

Insurance Requirements

Insurance

1. General, Automotive, and Employer's Liability, and Workers' Compensation Provisions

1.1. On or before beginning any of the services or work called for by any term of this agreement, Partner, at its own cost and expense, shall carry, maintain for the duration of the agreement, and provide proof thereof that is acceptable to SPEDC the insurance specified herein below with insurers and under forms of insurance satisfactory in all respects. Partner shall not allow any subcontractor to commence work on any subcontract until all insurance required of the Partner has also been obtained for the subcontractor. Partner shall maintain limits no less than set forth below. If Partner maintains higher limits than the minimums shown above, the SPEDC shall be entitled to coverage for the higher limits maintained by Partner. If Partner certifies students do not travel in, nor are allowed to drive, Partner vehicles, evidence of automotive liability is not necessary.

1.1.1.1. General Liability: \$2,000,000 per occurrence for bodily injury, personal injury, and property damage.

1.1.1.2. Automotive liability: \$1,000,000 per accident for bodily injury and property damage

1.1.1.3. Workers' Compensation: As Required by the State of California. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the SPEDC for all work performed by the Partner, its employees, agents and subcontractors.

1.1.1.4. Employers' Liability: \$1,000,000 each accident; \$1,000,000 policy limit bodily injury by disease, \$1,000,000 each employee bodily injury by disease.

2. Deductibles and Self-Insured Retentions

2.1. Any deductibles or self-insured retentions must be declared to and approved by SPEDC. At the option of SPEDC, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the SPEDC, its officers, officials, employees and volunteers; or the Partner shall provide a financial guarantee satisfactory to the SPEDC guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

3. Other Insurance Provisions

The General Liability and Automobile Liability policies are to contain, or be endorsed to contain, the following provisions:

- 3.1.** SPEDC, and their officers, officials, and employees are to be covered as insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Partner; and with respect to liability arising out of work or operations performed by or on behalf of the Partner including materials, parts or equipment furnished in connection with such work or operations. General Liability coverage shall be provided in the form of an Additional Insured endorsement (form CG 20 10 11 85, or forms CG2010 version 10/01 and GC 2037 versions 10/01 or equivalent) to the SPEDC's insurance policy, or as a separate owner's policy.
 - 3.1.1.** For any claims related to this project, the Partner's insurance coverage shall be primary insurance as respects the SPEDC, its officers, officials, and employees. Any insurance or self-insurance maintained by SPEDC, its officers, officials, or employees, shall be excess of the Partner's insurance and shall not contribute with it.
 - 3.1.2.** Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days prior written notice has been provided to the SPEDC.
 - 3.1.3.** Each of the following shall be included in the insurance coverage or added as an endorsement to the policy:
 - 3.1.3.1.** SPEDC, and its officers, officials, and employees are to be covered as insureds as respects each of the following: liability arising out of activities performed by or on behalf of Partner, including the insured's general supervision of Partner; products and completed operations of Partner; premises owned, occupied or used by Partner; or automobiles owned, leased, hired, or borrowed by Partner. The coverage shall contain no special limitations on the scope of protection afforded to SPEDC, and its officers, officials, and employees.
 - 3.1.3.2.** The insurance shall cover on an occurrence or an accident basis, and not on a claims-made basis.
 - 3.1.3.3.** An endorsement must state that coverage is primary insurance and that no other insurance affected by SPEDC will be called upon to contribute to a loss under the coverage.
 - 3.1.3.4.** Any failure of SPEDC to comply with reporting provisions of the policy shall not affect coverage provided to SPEDC and its officers, officials, and employees.

3.1.3.5. Notice of cancellation or non-renewal must be received by SPEDC at least thirty days prior to such change.

4. Deductibles and Self Insured Retentions

4.1. Partner shall disclose the self-insured retentions and deductibles before beginning any of the services or work called for by any term of this agreement. During the period covered by this agreement, upon express written authorization of the Executive Director, SPEDC may increase such deductibles or self-insured retentions with respect to its officers, employees, agents, and volunteers. The Executive Director may condition approval of an increase in deductible or self-insured retention levels upon a requirement that Partner procure a bond guaranteeing payment of losses and related investigations, claim administration, and defense expenses that is satisfactory in all respects to each of them.

5. Notice of Reduction in Coverage

5.1. In the event that any coverage required under this section of the agreement is reduced, limited, or materially affected in any other manner, Partner shall provide written notice to SPEDC at Partner's earliest possible opportunity and in no case later than five days after SPEDC is notified of the change in coverage.

6. Waiver of Subrogation

6.1. Partner hereby agrees to waive subrogation, which any insurer of Partner may acquire from SPEDC by virtue of the payment of any loss. Partner agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation.

7. Acceptability of Insurers

7.1. Insurance is to be placed with insurers with a current A.M. Best rating of no less than A:VII unless otherwise acceptable to SPEDC. Exception may be made for the State Compensation Insurance Fund when not specifically rated.

8. Verification of Coverage

8.1. Partner shall furnish SPEDC with endorsements effecting coverage required by this clause. Partner's insurer may provide complete copies of all required insurance policies, including endorsements effecting the coverage required by the specifications. The endorsements are to be signed by a person authorized by that Insurer to bind coverage on its behalf. All endorsements are to be received and approved by SPEDC before work commences. However, failure to do so shall not operate as a waiver of these insurance requirements.

SAN PABLO EDC BOARD REPORT



DATE: June 25, 2025

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TO: San Pablo EDC Board

FROM: Lesley Choy, Executive Director

SUBJECT: **RESOLUTION OF THE SAN PABLO ECONOMIC DEVELOPMENT CORPORATION BOARD OF DIRECTORS ADOPTING FISCAL YEAR 2025-26 BUDGET COMPOSED OF A TOTAL INCOME BUDGET OF \$1,737,400, A TOTAL EXPENSE BUDGET OF \$1,787,970 AND MEASURE S FUND BALANCE EXPENSE OF \$51,000**

RECOMMENDED ACTION

The Executive Director recommends the Board of Directors:

1. Approve resolution

BACKGROUND

Annually, the San Pablo Economic Development Corporation (San Pablo EDC) Board of Directors (Board) considers adoption of the organization's next fiscal year budget. The San Pablo EDC fiscal year 2025-2026 (FY25-26) budget was reviewed by the Finance Committee on June 17, 2025.

Through capable board guidance and sound financial practice, San Pablo EDC has operated in the black since it opened its doors in September 2012. The organization has assumed mitigated risks and continued to diversify its revenue streams.

ANALYSIS

As we move into FY25-26, there are no costs that are contracting. The EDC's ability to help defray operational costs through indirect cost grant revenue is helping to mitigate rising costs this year; however, Executive Director Choy will need to more meaningfully grow the organization's revenue streams to sustainably operate with a positive bottom line. Integrated into this budget are considerations for staff growth that will allow Executive Director Choy to delegate some operational responsibilities in order to focus more intently on sustainable revenue growth. This provides some promotional opportunities for staff, which will help with employee retention, but will also cost the organization more initially.

While the cost of insurance and benefits continues to rise, overall, spending has been kept in check. Increases for FY25-26 are prioritized in areas that support revenue growth. A conservative approach was taken in development of the FY25-26 Expense Budget, which is about \$71,000 lower than the adopted FY24-25 budget. Following are important highlights. The budget, as proposed, would keep the organization operating responsibly.

The proposed San Pablo EDC FY25-26 budget is organized as follows:

1. **Executive Summary:** illustrates expense, revenue, and variance by budget class while providing the Board with a clear view of the anticipated fiscal year end (FYE) 24-25 fund balances.
2. **Income Budget Summary:** provides account breakdown of the Income Budget by class.
3. **Expense Budget Summary:** provides account breakdown of the Expense Budget by class.

All summaries present the budgets in class order Operations, Measure S, Grants and Total.

FY25-26 Budget Executive Summary

To begin, the Board is presented with an Executive Summary which provides an overview of total budget revenue and expenses by budget class (i.e., Operations, Measure S, Grants), use of fund balance, if any, and net anticipated profit/loss.

The FY25-26 proposed **total income budget** is \$1,737,400 composed of \$882,650 Operations, \$350,000 Measure S and \$504,750 Grants.

The FY25-26 proposed **total expense budget** is 1,787,970 composed of \$882,220 Operations, \$401,000 Measure S and \$504,750 Grants.

The proposed expense budget requires use of Measure S fund balance in the amount of \$51,000 (estimated available fiscal year-end 24-25 fund balance is \$81,000).

FY25-26 Income Budget

Overall, the total income budget of \$1,737,400 represents a year-over-year increase of \$28,050. This increase reflects modest anticipated growth of unrestricted grants and income generated from home loan administration.

In terms of sub-recipient contract funding for Workforce Innovation and Opportunity Act (WIOA) funding through the Contra Costa Workforce Collaborative (CCWC) led by Rubicon Programs, this is truly in the hands of the federal government. At this time, WIOA is being discussed and it may survive, emerge as a different model altogether, or be eliminated. We simply do not know. Should the program and funding be maintained at the federal level, San Pablo EDC anticipates there will be no changes to its funding in FY25-26. Should this change, the Finance Committee would be convened to discuss necessary changes.

In the grants class budget, since \$100,000 of 43406 Direct Public Grants funding is secured for FY25-26, additional unrestricted funding will be pursued to help address operational costs, such as staff. Other grants will also be pursued; however, those will have specific uses and therefore be considered restricted grant funds. For COSP120-YSCP funding (i.e., funding for the support of the San Pablo Scholarship Pilot Program), \$246,050 currently reflected on the balance sheet as 25800 Unearned or Deferred Revenue will move from the balance sheet to the P&L statements as FY25-26 earned income.

As mentioned, growth of existing revenue streams and diversification of income will be Executive Director Choy's focus this fiscal year, which will mean expanding some staff responsibilities.

FY25-26 Expense Budget

The total expense budget of \$1,787,970 represents a year-over-year decrease of \$70,955. Cost savings are principally in the area of grants made through one-time funding and some staff expense with the elimination of the duplicate position.

Expense account group 66000 encompassing staff salary and benefits was prioritized. San Pablo EDC pays competitively for a nonprofit; however, it competes for staff with government and for-profit corporations that often offer more substantial retirement benefits. Within the staffing structure, there are two promotions anticipated, one expansion of responsibilities, some performance increases and cost-of-living adjustments (COLA) for all.

San Pablo EDC has steadily diversified revenue; however, it is not without tolerable risks. The acquisition of Mission Plaza and the opening of the Money Market Account (MMA) are examples. The MMA generates about \$84,000 in interest per year. The income generated by Mission Plaza, as well as the

valuation of the property as a portfolio asset are important; however, lease revenue bears risk and older properties require investment.

The Board is asked to adopt the Fiscal Year 2025-26 Budget composed of a total income budget of \$1,737,400, a total expense budget of \$1,787,970, and Measure S fund balance allocation of \$51,000.

FISCAL IMPACT

Should all income and expenses be realized, net fiscal impact at fiscal year-end would be a modest addition of \$500 to operations class and reduction of the Measure S fund balance, which is preferably spent and not accrued.

Attachments

1. Fiscal Year 2025-26 Budget

RESOLUTION SPEDC2025-0

RESOLUTION OF THE SAN PABLO ECONOMIC DEVELOPMENT CORPORATION BOARD OF DIRECTORS ADOPTING FISCAL YEAR 2025-26 BUDGET COMPOSED OF A TOTAL INCOME BUDGET OF \$1,737,400, A TOTAL EXPENSE BUDGET OF \$1,787,970 AND MEASURE S FUND BALANCE EXPENSE OF \$51,000

WHEREAS, the San Pablo Economic Development Corporation (San Pablo EDC) fiscal year 2025-2026 (FY25-26) budget composed of a total income budget of \$1,737,400, a total expense budget of \$1,787,970, and Measure S fund balance allocation of \$51,000 was reviewed and discussed by the Finance Committee on June 17, 2025; and

WHEREAS, annually, the San Pablo Economic Development Corporation (San Pablo EDC) Board of Directors (Board) considers adoption of the organization's next fiscal year budget; and

WHEREAS, while the cost of insurance and benefits continues to rise, overall, spending has been kept in check, and increases for FY25-26 are prioritized in areas that support revenue growth; and

WHEREAS, the Board reviewed the FY25-26 Executive Summary, Income Budget Summary, and Expense Budget Summary; and

WHEREAS, the FY25-26 proposed total income budget is \$1,737,400 composed of \$882,650 Operations, \$350,000 Measure S and \$504,750 Grants, and represents a year-over-year increase of \$28,050; and

WHEREAS, the FY25-26 proposed total expense budget is 1,787,970 composed of \$882,220 Operations, \$401,000 Measure S and \$504,750 Grants, and represents a year-over-year decrease of \$70,955; and

WHEREAS, the proposed expense budget requires use of Measure S fund balance in the amount of \$51,000; and

WHEREAS, net fiscal impact at fiscal year-end would be a modest addition of \$500 to operations class and reduction of the Measure S fund balance.

NOW, THEREFORE, BE IT RESOLVED by the San Pablo Economic Development Corporation Board of Directors, as follows:

- 1) Adopt the Fiscal Year 2025-26 Budget composed of a total income budget of \$1,737,400, a total expense budget of \$1,787,970, and Measure S fund balance allocation of \$51,000.

ADOPTED this 25th day of June, 2025, by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

Saeid Babay Hosseini, Board Secretary

Genoveva Calloway, Board Chair

FY25-26 Budget Executive Summary

Operations		Measure S		Grants		Total FY25-26 Budget	
FY24-25 est. fund balance	\$ 798,000	FY24-25 est. fund balance	\$ 81,000	Fund balance is NA			
Revenue FY25-26	\$ 882,650	Revenue FY25-26	\$ 350,000	Revenue FY25-26	\$ 504,750	Revenue FY25-26	\$ 1,737,400
Expenses FY25-26	\$ 882,220	Expenses FY25-26	\$ 401,000	Expenses FY25-26	\$ 504,750	Expenses FY25-26	\$ 1,787,970
Net income FY25-26 (projected)	\$ 430	Net income FY25-26 (projected)	\$ (51,000)	Net income FY25-26 (projected)	\$ -	Net income FY25-26 (projected)	\$ (50,570)
Fund balance	\$ (430)	Fund balance needed	\$ 51,000	Fund balance	\$ -	Fund balance	\$ 50,570
Net income	\$ -	Net income	\$ -	Net income	\$ -	Net Income	\$ -
Est. FYE fund balance	\$ 798,430	Est. FYE fund balance	\$ 30,000	Est. FYE fund balance	\$ -	Est. FYE Total fund balance	\$ 828,430

FY25-26 Income Budget Summary				Comparison		
	Operations (1)	Measure S (2)	Grants (3)	FY25-26 Total Income (1+2+3)	FY24-25 Total Income Budget	Variance
43400 · Direct Public Support						
43405 · Direct Public Grants	-	-	\$129,000	\$129,000	\$ 100,000	29,000
43410 · Corporate Contributions/Sponsorships	\$16,000	-	-	\$16,000	\$ 16,000	\$ -
43450 · Individ, Business Contributions	-	-	-	-	-	-
43490 · Direct Public Support - Other	-	-	-	-	-	\$ -
43400 · Direct Public Support Total	\$16,000	-	\$129,000	\$145,000	\$ 116,000	\$ 29,000
44400 · Government Contracts						
44410 · Agency (Government) Contracts	-	-	375,750	\$375,750	\$ 383,350	(7,600)
44420 · Federal Contracts	-	-	-	-	\$ -	-
44430 · Local Government Contracts	\$562,500	-	-	\$562,500	\$ 562,500	-
44450 · State Contracts	-	-	-	-	\$ -	-
44400 · Government Contracts - Other	-	-	-	-	-	-
44400 · Government Contracts Total	\$562,500	-	\$375,750	\$938,250	\$ 945,850	(7,600)
44500 · Government Grants						
44510 · Agency (Government) Grants	-	-	-	-	-	-
44520 · Federal Grants	-	-	-	\$0	\$ -	-
44530 · Local Government Grants	-	350,000	-	\$350,000	\$ 350,000	-
44540 · State Grants	-	-	-	\$0	\$ -	-
44500 · Government Grants - Other	-	-	-	-	-	-
44500 · Government Grants Total	-	\$350,000	-	\$350,000	\$ 350,000	-
45000 · Investments						
45030 · Interest-Savings, Short-term CD	\$84,150	-	-	\$84,150	\$ 88,500	(4,350)
45000 · Investments - Other	\$84,150	-	-	\$84,150	\$ 88,500	(4,350)
45000 · Investments Total	\$84,150	-	-	\$84,150	\$ 88,500	(4,350)
46400 · Other Types of Income						
46410 · Other Income: Advertising Sales	\$26,500	-	-	\$26,500	\$ 25,500	1,000
46400 · Other Types of Income Total	\$26,500	-	-	\$26,500	\$ 25,500	\$1,000
47200 · Program Income						
47230 · Membership Dues	\$4,500	-	-	\$4,500	\$ 4,000	500
47240 · Rental & Loan Admin Income	\$166,500	-	-	\$166,500	\$ 157,000	9,500
47250 · Program Service Fees "Other"	\$22,500	-	-	\$22,500	\$ 22,500	-
47200 · Program Income Total	\$193,500	-	-	\$193,500	\$ 183,500	10,000
GRAND TOTAL	\$882,650	\$350,000	\$504,750	\$1,737,400	\$1,709,350	\$ 28,050

FY25-26 Expense Budget Summary				Comparison		
	Operations	Measure S	Grants	FY25-26 Total	FY24-25 Total	Variance
PERSONNEL COSTS						
66000 Payroll Expenses						
66100 Executive Director Salary	189,225	15,275	-	204,500	\$194,500	\$10,000
66200 Staff Salary	335,169	137,000	191,850	664,019	\$694,855	(\$30,836)
66300 Payroll Taxes	32,000	12,950	13,200	58,150	\$60,950	(\$2,800)
66400 Worker's Comp	750	600	-	1,350	\$1,400	(\$50)
65050 Phone, Telecom, Smart Phones	5,350	-	-	5,350	\$5,400	(\$50)
66500 Other: Health Benefits & Retirement	55,000	55,000	36,300	146,300	\$137,168	\$9,132
66000 Payroll Expenses Total	617,494	220,825	241,350	1,079,669	\$1,094,273	(\$14,604)
NON-PERSONNEL COSTS						
	Operations	Measure Q	Grants	FY25-26 Total	FY24-25 Total	Variance
60300 Sponsorships, Awards & Grants						
60310 Charitable Sponsorships	-	7,500	-	\$7,500	\$7,500	\$0
60300 Sponsorships, Awards & Grants Total	-	7,500	-	\$7,500	\$7,500	\$0
60900 Business Expenses						
60910 Uniforms	-	-	-	\$0	\$0	\$0
60920 Business Membership Fees	2,350	-	-	\$2,350	\$2,800	(\$450)
60930 Subscriptions (Other)	3,900	2,500	-	\$6,400	\$5,300	\$1,100
60950 Indirect Costs/Admin Fee	-	-	8,950	\$8,950	\$9,362	(\$412)
60900 Business Expenses Total	\$6,250	\$2,500	\$8,950	\$17,700	\$17,462	\$238
62100 Professional Contract Services						
62110 Accounting/IRS/FTB	4,800	6,500	-	\$11,300	\$13,500	(\$2,200)
62120 Information Technology	1,800	-	-	\$1,800	\$1,800	-
62130 Grantwriting/Fundraising	6,500	5,000	-	\$11,500	\$11,500	\$0
62140 Legal Counsel	9,000	-	-	\$9,000	\$21,000	(\$12,000)
62150 PR Social Media, Website & Related	31,575	23,575	-	\$55,150	\$55,500	(\$350)
62160 Job Training & Employment Support Svcs	-	105,000	238,800	\$343,800	\$295,850	\$47,950
62190 Other Contract Services	2,000	2,000	1,000	\$5,000	\$3,000	\$2,000
62100 Professional Contract Services Total	\$55,675	\$142,075	239,800	\$437,550	\$402,150	\$35,400
62800 Facilities & Equipment						
62801 Office Equipment	5,000	-	-	\$5,000	\$5,000	\$0
62840 Equipment Rental & Maintenance	-	-	-	-	-	-
62850 Janitorial Services	-	-	-	-	-	-
62860 Facilities Improvement	-	-	-	-	-	-
62890 Rent & Utilities	-	-	-	-	-	-
62800 Facilities & Equipment Total	\$5,000	\$0	\$0	\$5,000	\$5,000	\$0
65000 Operations						
65030 Printing/Copying/Postage	22,400	22,050	3,350	\$47,800	\$45,200	\$2,600
65040 Program Costs and Supplies (Marketing)	7,000	6,050	11,300	\$24,350	\$13,250	\$11,100
65041 Meeting costs & General Office Supplies	4,000	-	-	\$4,000	\$4,000	\$0
65060 Asset Management Costs	107,500	-	-	\$107,500	\$107,500	\$0
65000 Operations Total	\$140,900	\$28,100	\$14,650	\$183,650	\$169,950	\$13,700
65100 Insurance - Other						
65110 Vehicle Insurance	-	-	-	-	\$0	\$0
65120 Insurance: Liability/D&O/Excess Liability	43,000	-	-	\$43,000	\$47,200	(\$4,200)
65100 Insurance - Other Total	\$43,000	\$0	\$0	\$43,000	\$47,200	(\$4,200)
68300 Training and Travel						
68301 Mileage	401	-	-	\$401	\$400	\$1
68302 Fuel	-	-	-	-	-	\$0
68310 Conferences, Conventions, etc.	1,500	-	-	\$1,500	\$1,000	-
68320 Travel costs	4,000	-	-	\$4,000	\$4,000	-
68340 Training & Development	3,000	-	-	\$3,000	\$5,000	-
68300 Training and Travel	8,901	-	-	\$8,901	\$10,400	-
69000 Operational Contingency	5,000	-	-	\$5,000	\$5,000	\$0
70000 Business Grants						
71000 Mini-BIGs (Business Improvement Grant)	-	-	-	\$0	\$20,000	NA
72000 B2B (Back to Business)	-	-	-	\$0	\$80,000	NA
70000 Business Grants	-	-	-	\$0	\$100,000	NA
Subtotal Non-Personnel Costs	264,726	180,175	263,400	\$708,301	\$764,662	(\$56,361)
	\$882,220	\$401,000	\$504,750	\$1,787,970	\$1,858,935	(\$70,965)