# CITY OF BELMONT
# CITY COUNCIL AND BELMONT FIRE PROTECTION DISTRICT BOARD OF DIRECTORS

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**CITY COUNCIL REGULAR MEETING AGENDA**
**Tuesday, November 22, 2022**
**7:00 PM**
City Council Chambers
City Hall, One Twin Pines Lane, Belmont, California

**TELECONFERENCE PARTICIPANTS**
Some Members may Participate Virtually
Being held under Gov. Code 54953(e)

The meeting will be broadcast live to Belmont residents on Comcast Cable Channel 27, streamed live via the City's website at www.Belmont.gov. The public may also attend the meeting in the Chambers and address the Council from the Chambers. Social distancing must be practiced, and seating will be limited.

**PUBLIC COMMENT:**
To maximize time for live public comment, we encourage members of the public to provide comments by joining the Committee meeting via Zoom : For web, visit https://belmont-gov.zoom.us/ select "Join" and enter Meeting ID: 95745673035. Use the Raise Hand feature to request to speak. You may rename your profile if you wish to remain anonymous.

For dial- in comments, call *67 1-(669) 900-6833 (your phone number will appear on the live broadcast if *67 is not dialed prior to the phone number), enter Meeting ID: 95745673035, and press *9 to request to speak. All public comments are subject to a 3-minute time limit unless otherwise determined by the Committee Chair.

If you wish to submit written public comment, you may send an email to cclerk@belmont.gov before the council considers the item. Please indicate the agenda item topic or agenda item number you wish to comment on in your email's subject line. Any public comment regarding agenda items that are received from the publication of the agenda through the meeting date will be made part of the meeting record but will not be read during the Council meeting.

**1. ROLL CALL**

**2. PLEDGE OF ALLEGIANCE**

**3. REPORT FROM CLOSED SESSION**

**4. SPECIAL PRESENTATIONS**

**A. Belmont Community Foundation**

## 5. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

*This portion of the meeting is reserved for persons wishing to address the Body on any City matter not on the agenda. The period for public comment at this point in the agenda is limited to 15 minutes, with a maximum of 3 minutes per speaker. Speakers who requested but did not receive an opportunity to speak during this comment period will be given an opportunity to address the Body later in the meeting. State law prohibits the Body from acting on non-agenda items.*

## 6. COUNCILMEMBER ANNOUNCEMENTS

## 7. CONSENT BUSINESS

*Consent business items are considered to be routine in nature and will be enacted by one motion. There will be no separate discussion on these items unless a member or staff request specific items to be removed for separate action. The City Attorney will read the title of ordinances to be adopted.*

**A. Approval of Minutes**

*Recommendation:* Approve 2021 Meeting Minutes of Belmont Fire Protection District, Meeting Minutes of Special and Regular Meeting September 27, 2022, Minutes of Regular Meeting of October 11, 2022 and Meeting Minutes of Adjourned Meeting November 8, 2022 as presented

*Attachment(s):*

BFPD 2021 Meeting Minutes
September 27, 2022 Special and Regular Meeting Minutes
October 11, 2022 Regular Meeting Minutes
November 11, 2022 Adjourned Meeting Minutes

**B. Ralston Avenue Segment 3 Cold In-place Recycled Pavement Project Design**

*Recommendation:* Adopt a resolution (1) authorizing the City Manager to execute a Task Order with Wilsey Ham to provide design services for the Ralston Avenue Segment 3 Cold In-place Recycled Pavement Project for an amount not to exceed $129,636

*Attachment(s):*

Staff Report
Resolution
Attachment B - Wilsey Ham Proposal

**C. Americans with Disability Act Title II Fiscal Year 2021-2022 Update**

*Recommendation:* Information only, no action required

*Attachment(s):*

Staff Report
Attachment A - List of ADA Related Improvements

**D. Recommended Parking Changes on 900 Block of Old County Road**

*Recommendation:* Adopt a resolution approving conversion of the 20-Minute Parking zone in front of 940 Old County Road to a 4-Hour Parking, 7 am to 6 pm, except Sundays and Holidays

*Attachment(s):*

Staff Report
Resolution

**E. Report from Measure I Advisory Committee for Fiscal Year Ended June 30, 2022**
*Recommendation:* Receive Annual Measure I Advisory Committee Report for the fiscal year ended June 30, 2022

*Attachment(s):*
Staff Report
Measure I Fund Financial Statements

**F. Annual Report on Receipt and Use of Development Impact Fees, In-Lieu Fees, and Linkage Fees for Fiscal Year 2022**
*Recommendation:* Adopt a Resolution to make certain findings and accept the annual report on receipt and use of development impact fees, in-lieu fees, and linkage fees for the fiscal year ended June 30, 2022

*Attachment(s):*
Staff Report
Resolution
Exhibit A - Development Fees Annual Report FY 2022
Exhibit B - Public Improvement Project Expenditures Five-Year Plan

**G. Rebid for the San Juan Pump Station Slope Repair Project, CCN 2019-579**
*Recommendation:* Approve plans, specifications, and authorize advertisement for sealed bids, and authorize the City Manager to execute a contract with the lowest responsible bidder for an amount not to exceed $375,000, plus a fifteen percent construction contingency for the San Juan Sewer Pump Station Slope Repair Project

*Attachment(s):*
Staff Report
Resolution

**H. 2820 Ponce Avenue Easement Dedication & Vacation**
*Recommendation:* Adopt a resolution to 1) accept the dedication of an ingress and egress easement (IEE) and 2) approve the vacation of an existing IEE on the property at 2820 Ponce Avenue (APN 043-290-620)

*Attachment(s):*
Staff Report
Resolution
Exhibit A & B to Irrevocable Offer to Dedicate Easement - Plat & Legal (5)
Attachment C - 1985 Parcel Map
Attachment D - Project Plan Sheet
Irrevocable Offer of Dedication

**I. 2022 Pavement Project, CCN 2022-607, Notice of Completion**
*Recommendation:* Adopt a resolution accepting work and authorizing the issuance of a Notice of Completion for the 2022 Pavement Project, City Contract Number 2022-607, for a final contract cost of $1,797,266.22

*Attachment(s):*
Staff Report
Resolution

**8. PUBLIC HEARINGS**

**A. Revise Maximum Rates for Solid Waste Collection Services for Calendar Year 2023**
*Recommendation:* Adopt a resolution revising the maximum rates that may be charged by Recology of San Mateo County for solid waste, recyclable materials, and organic materials collection services effective January 1, 2023

*Attachment(s):*
Staff Report
Resolution
Recology 2023 Rate Application
HDR Engineering Report
Prop 218 Rate Notice

## 9. GENERAL BUSINESS

*General Business items are considered separately, typically in the order listed. The chair will call for public comment on each item when the body considers the item.*

**A. Report from Audit Committee Regarding Annual Financial Report for Fiscal Year Ending June 30, 2022**
*Recommendation:* Receive the financial reports and recommendations of the City's independent auditor

*Attachment(s):*
Staff Report
FY 2022 ACFR
Memorandum on Internal Control
Required Communications
Financial Policy Updates Memorandum

**B. 2022 California Building, Residential, Mechanical, Plumbing and Electrical Codes with local Amendments, and the 2022 California Fire Code as Amended by the San Mateo Consolidated Fire Department**
*Recommendation:* Introduce an ordinance adopting the 2022 California Building Standards Codes with local amendments (First Reading), set a public hearing date for the ordinance for January 10, 2023, and adopt the findings necessary for the local amendments by resolution.

*Attachment(s):*
Staff Report
Adoption Ordinance introduction

## 10. BRIEF VERBAL REPORTS FROM MEMBERS AND STAFF

A. Verbal report from Councilmembers on Intergovernmental (IGR) and Subcommittee Assignments
B. Verbal report from City Manager

## 11. MATTERS OF INTEREST/CLARIFICATION

*Items in this category are for discussion and direction to staff only. However, Council/Board may take final action on an item if there is no need for additional staff analysis.*

## 12. ADJOURNMENT

*If you need assistance to participate in this meeting, please contact the City Clerk at (650) 595-7413. Notification in advance of the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. Meeting information can also be accessed via the internet at: www.belmont.gov. All staff reports will be posted to*

*the web in advance of the meeting, and any writings or documents provided to a majority of the City Council/District Board or Commission regarding any item on this agenda will be made available for public inspection in the City Clerk's Office, One Twin Pines Lane, during normal business hours and at the Council Chambers at City Hall, Second Floor, during the meeting.*

**REGULAR MEETING OF**
**DIRECTORS OF BELMONT FIRE PROTECTION DISTRICT**
**Tuesday, January 12, 2021**
**ONE TWIN PINES LANE**
**BELMONT, CALIFORNIA**

(Note: Regular Fire Protection District Meetings held concurrent with City Council meetings.)

Due to technical difficulties with televising and live streaming the meeting the Mayor explained that some time sensitive items on the agenda will be addressed while other items will be continued to the next meeting.

**CALL TO ORDER 7:08 PM**

**ROLL CALL**
BOARDMEMBERS PRESENT: Lieberman, Hurt, McCune, Mates, Stone, (all remotely via Zoom webinar)
BOARDMEMBERS ABSENT:

No Belmont Fire Protection District action on this agenda.

**ADJOURNMENT** at this time, being 8:07pm.

**Jozi Plut**
**District Secretary**

DRAFT

**REGULAR MEETING OF**
**DIRECTORS OF BELMONT FIRE PROTECTION DISTRICT**
**Tuesday, January 26, 2021**
**ONE TWIN PINES LANE**
**BELMONT, CALIFORNIA**

(Note: Regular Fire Protection District Meetings held concurrent with City Council meetings.)

**CALL TO ORDER 7:07 PM**

**ROLL CALL**
BOARDMEMBERS PRESENT: McCune, Stone, Hurt, Mates, Lieberman (all remotely via Zoom webinar)
BOARDMEMBERS ABSENT: none

**ACTION ITEMS**
none

**ADJOURNMENT** at this time, being 8:45 PM

**Jozi Plut**
**District Secretary**

DRAFT

**REGULAR MEETING OF**
**DIRECTORS OF BELMONT FIRE PROTECTION DISTRICT**
**Tuesday, February 9, 2022**
**ONE TWIN PINES LANE**
**BELMONT, CALIFORNIA**

(Note: Regular Fire Protection District Meetings held concurrent with City Council meetings.)

**CALL TO ORDER 7:00 P.M._**

**ROLL CALL**
BOARDMEMBERS PRESENT: Lieberman, Hurt, McCune, Mates, Stone, (all remotely via Zoom webinar)
BOARDMEMBERS ABSENT: None

**ITEMS OF BUSINESS**
None

**ADJOURNMENT** at this time, being 8:26 P.M.

**Jozi Plut**
**District Secretary**

DRAFT

**REGULAR MEETING OF**
**DIRECTORS OF BELMONT FIRE PROTECTION DISTRICT**
**Tuesday, February 23, 2021**
**ONE TWIN PINES LANE**
**BELMONT, CALIFORNIA**

(Note: Regular Fire Protection District Meetings held concurrent with City Council meetings.)

**CALL TO ORDER: 7:03 P.M.**

**ROLL CALL**
BOARDMEMBERS PRESENT: McCune, Hurt, Lieberman, Mates Stone (all remotely via Zoom webinar)
BOARDMEMBERS ABSENT: None

**ITEMS APPROVED ON OTHER BUSIBNESS**

**Report on Mid-Year Financial Results at December 31, 2020**
(For details regarding this discussion, see City Council Minutes of same date.)

**ACTION:** On a motion made by Councilmember Lieberman and seconded by Councilmember Mates **Resolution 2021-001** of The Board Of Directors Of The Belmont Fire Protection District Amending The Fiscal Year 2021 Budget By Approving Revisions To Revenue And Reducing Appropriations,

**Resolution 2021-002** of The Board Of Directors Of The Belmont Fire Protection District Amending The FY 2021 Budget To Reflect The Covid-19 Action Plan Strategies That Have Been Implemented By The District Manager And Previously Approved By The Board Of Directors, and

**Resolution 2021-003** of The Board Of Directors Of The Belmont Fire Protection District Authorizing The District Manager To Implement Fiscal Strategies To Respond To Money Taken By Sacramento And To Amend The Fiscal Year 2021 Budget were unanimously approved.

**ADJOURNMENT** at this time, being 9:35 PM

**Jozi Plut**
**District Secretary**

**REGULAR MEETING OF**
**DIRECTORS OF BELMONT FIRE PROTECTION DISTRICT**
**Tuesday, March 9, 2021**
**ONE TWIN PINES LANE**
**BELMONT, CALIFORNIA**

(Note: Regular Fire Protection District Meetings held concurrent with City Council meetings.)

**CALL TO ORDER: 7:00 P.M.**

**ROLL CALL**
BOARDMEMBERS PRESENT: McCune, Hurt, Lieberman, Mates Stone (all remotely via Zoom webinar)
BOARDMEMBERS ABSENT: None

**ACTION ITEMS**
None

**ADJOURNMENT** at this time, being 9:50 PM

**Jozi Plut**
**District Secretary**

DRAFT

**REGULAR MEETING OF**
**DIRECTORS OF BELMONT FIRE PROTECTION DISTRICT**
**Tuesday, March 9, 2021**
**ONE TWIN PINES LANE**
**BELMONT, CALIFORNIA**

(Note: Regular Fire Protection District Meetings held concurrent with City Council meetings.)

**CALL TO ORDER: 7:28 PM**
(Note Successor Agency to the Former RDA Governing Board Meeting held prior to regular meeting.)

**ROLL CALL**
BOARDMEMBERS PRESENT: Lieberman, Hurt, McCune, Mates, Stone (all participated via ZOOM)
BOARDMEMBERS ABSENT: None

**ACTION ITEMS**
None

**ADJOURNMENT** at this time, being 10:43 PM

**Jozi Plut**
**District Secretary**

DRAFT

**REGULAR MEETING OF**
**DIRECTORS OF BELMONT FIRE PROTECTION DISTRICT**
**Tuesday, April 13, 2021**
**ONE TWIN PINES LANE**
**BELMONT, CALIFORNIA**

(Note: Regular Fire Protection District Meetings held concurrent with City Council meetings.)

**CALL TO ORDER: 7:28 PM**

**ROLL CALL**
BOARDMEMBERS PRESENT: Lieberman, Hurt, McCune, Mates, Stone (all participated via ZOOM)
BOARDMEMBERS ABSENT: None

**ACTION ITEMS**
None

**ADJOURNMENT** at this time, being 9:40 PM

**Jozi Plut**
**District Secretary**

DRAFT

**REGULAR MEETING OF**
**DIRECTORS OF BELMONT FIRE PROTECTION DISTRICT**
**Tuesday, April 13, 2021**
**ONE TWIN PINES LANE**
**BELMONT, CALIFORNIA**

(Note: Regular Fire Protection District Meetings held concurrent with City Council meetings.)

**CALL TO ORDER: 7:28 PM**

**ROLL CALL**
BOARDMEMBERS PRESENT: Lieberman, Hurt, McCune, Mates, Stone (all participated via ZOOM)
BOARDMEMBERS ABSENT: None

**ACTION ITEMS**
None

**ADJOURNMENT** at this time, being 9:40 PM

**Jozi Plut**
**District Secretary**

DRAFT

**REGULAR MEETING OF**
**DIRECTORS OF BELMONT FIRE PROTECTION DISTRICT**
**Tuesday, May 11, 2021**
**ONE TWIN PINES LANE**
**BELMONT, CALIFORNIA**

(Note: Regular Fire Protection District Meetings held concurrent with City Council meetings.)

**CALL TO ORDER: 7:00 PM**

**ROLL CALL**
BOARDMEMBERS PRESENT: Lieberman, Hurt, McCune, Mates, Stone (all participated via ZOOM)
BOARDMEMBERS ABSENT: None

**ACTION ITEMS**
None

**ADJOURNMENT** at this time, being 8:45 PM

**Jozi Plut**
**District Secretary**

DRAFT

**REGULAR MEETING OF**
**DIRECTORS OF BELMONT FIRE PROTECTION DISTRICT**
**Tuesday, May 25, 2021**
**ONE TWIN PINES LANE**
**BELMONT, CALIFORNIA**

(Note: Regular Fire Protection District Meetings held concurrent with City Council meetings.)

**CALL TO ORDER: 7:10 PM**

**ROLL CALL**
BOARDMEMBERS PRESENT: McCune, Hurt, Lieberman, Mates (all remotely via Zoom webinar)
BOARDMEMBERS ABSENT: Mayor Stone

**ACTION ITEMS**
None

**ADJOURNMENT** at this time, being 8:46 PM

**Jozi Plut**
**District Secretary**

DRAFT

**REGULAR MEETING OF**
**DIRECTORS OF BELMONT FIRE PROTECTION DISTRICT**
**Tuesday, June 8, 2021**
**ONE TWIN PINES LANE**
**BELMONT, CALIFORNIA**

(Note: Regular Fire Protection District Meetings held concurrent with City Council meetings.)

**CALL TO ORDER: 7:10 PM**

**ROLL CALL**
BOARDMEMBERS PRESENT: McCune, Hurt, Lieberman, Mates (all remotely via Zoom webinar)
BOARDMEMBERS ABSENT:

**PUBLIC HEARINGS**
**Adoption of Budget and Related Items for Fiscal Year 2022**
(For details regarding this discussion, see City Council Minutes of same date.)

**ACTION:** On a motion made by Councilmember Mates and seconded by Councilmember McCune **Resolution 2021-04** Of The Board Of Directors Of The Belmont Fire Protection District Adopting FY 2021-2022 Revenue And Appropriations Budgets, And Permanent Staffing Plan For The District, and

**Resolution 2021-05** Of The Board Of Directors Of The Belmont Fire Protection District Establishing The District's Appropriation Limit For FY 2021-2022 were unanimously approved by a roll call vote.

**ADJOURNMENT** at this time, being 8:10 PM

**Jozi Plut**
**District Secretary**

DRAFT

**REGULAR MEETING OF**
**DIRECTORS OF BELMONT FIRE PROTECTION DISTRICT**
**Tuesday, June 22, 2021**
**ONE TWIN PINES LANE**
**BELMONT, CALIFORNIA**

(Note: Regular Fire Protection District Meetings held concurrent with City Council meetings.)

**CALL TO ORDER: 7:15 PM**

**ROLL CALL**
BOARDMEMBERS PRESENT: McCune, Lieberman, Hurt, Mates, Stone (all remotely via Zoom webinar)
BOARDMEMBERS ABSENT: none

**ACTION ITEMS**
None

**ADJOURNMENT** at this time, being 9:30 PM

**Jozi Plut**
**District Secretary**

DRAFT

**REGULAR MEETING OF**
**DIRECTORS OF BELMONT FIRE PROTECTION DISTRICT**
**Tuesday, July 13, 2021**
**ONE TWIN PINES LANE**
**BELMONT, CALIFORNIA**

(Note: Regular Fire Protection District Meetings held concurrent with City Council meetings.)

**CALL TO ORDER: 7:05 PM**

**ROLL CALL**
BOARDMEMBERS PRESENT: McCune, Lieberman, Hurt, Mates, Stone (all remotely via Zoom webinar)
BOARDMEMBERS ABSENT: none

**ACTION ITEMS**
None

**ADJOURNMENT** at this time, being 9:05 PM

**Jozi Plut**
**District Secretary**

DRAFT

**REGULAR MEETING OF**
**DIRECTORS OF BELMONT FIRE PROTECTION DISTRICT**
**Tuesday, July 27, 2021**
**ONE TWIN PINES LANE**
**BELMONT, CALIFORNIA**

(Note: Regular Fire Protection District Meetings held concurrent with City Council meetings.)

**CALL TO ORDER: 7:05 PM**

**ROLL CALL**
BOARDMEMBERS PRESENT: McCune, Lieberman, Hurt, Mates, Stone (all remotely via Zoom webinar)
BOARDMEMBERS ABSENT: none

**ACTION ITEMS**
None

**ADJOURNMENT** at this time, being 8:50 PM

**Jozi Plut**
**District Secretary**

DRAFT

**REGULAR MEETING OF**
**DIRECTORS OF BELMONT FIRE PROTECTION DISTRICT**
**Tuesday, September 14, 2021**
**ONE TWIN PINES LANE**
**BELMONT, CALIFORNIA**

(Note: Regular Fire Protection District Meetings held concurrent with City Council meetings.)

**CALL TO ORDER: 7:00 PM**

**ROLL CALL**
BOARDMEMBERS PRESENT: Stone, Mates, Hurt, Lieberman, McCune (all remotely via Zoom webinar)
BOARDMEMBERS ABSENT: none

**ACTION ITEMS**
None

**ADJOURNMENT** at this time, being 8:30 PM

**Jozi Plut**
**District Secretary**

DRAFT

**REGULAR MEETING OF**
**DIRECTORS OF BELMONT FIRE PROTECTION DISTRICT**
**Tuesday, September 28, 2021**
**ONE TWIN PINES LANE**
**BELMONT, CALIFORNIA**

(Note: Regular Fire Protection District Meetings held concurrent with City Council meetings.)

**CALL TO ORDER: 7:05 PM**

**ROLL CALL**
BOARDMEMBERS PRESENT: McCune, Lieberman, Hurt, Mates, Stone (all remotely via Zoom webinar)
BOARDMEMBERS ABSENT: none

**ACTION ITEMS**
None

**ADJOURNMENT** at this time, being 9:00 PM

**Jozi Plut**
**District Secretary**

DRAFT

**REGULAR MEETING OF**
**DIRECTORS OF BELMONT FIRE PROTECTION DISTRICT**
**Tuesday, October 12, 2021**
**ONE TWIN PINES LANE**
**BELMONT, CALIFORNIA**

(Note: Regular Fire Protection District Meetings held concurrent with City Council meetings.)

**CALL TO ORDER: 7:00 PM**

**ROLL CALL**
BOARDMEMBERS PRESENT: McCune, Lieberman, Hurt, Mates, Stone (all remotely via Zoom webinar)
BOARDMEMBERS ABSENT: none

**ACTION ITEMS**
None

**ADJOURNMENT** at this time, being 9:55 PM

**Jozi Plut**
**District Secretary**

DRAFT

**REGULAR MEETING OF**
**DIRECTORS OF BELMONT FIRE PROTECTION DISTRICT**
**Tuesday, October 26, 2021**
**ONE TWIN PINES LANE**
**BELMONT, CALIFORNIA**

(Note: Regular Fire Protection District Meetings held concurrent with City Council meetings.)

**CALL TO ORDER: 7:00 PM**

**ROLL CALL**
BOARDMEMBERS PRESENT: McCune, Lieberman, Hurt, Mates, Stone (all remotely via Zoom webinar)
BOARDMEMBERS ABSENT: none

**ACTION ITEMS**
None

**ADJOURNMENT** at this time, being 8:25 PM

**Jozi Plut**
**District Secretary**

DRAFT

**REGULAR MEETING OF**
**DIRECTORS OF BELMONT FIRE PROTECTION DISTRICT**
**Tuesday, November 9, 2021**
**ONE TWIN PINES LANE**
**BELMONT, CALIFORNIA**

(Note: Regular Fire Protection District Meetings held concurrent with City Council meetings.)

**CALL TO ORDER: 7:05 PM**

**ROLL CALL**
BOARDMEMBERS PRESENT: McCune, Mates, Stone (all remotely via Zoom webinar)
BOARDMEMBERS ABSENT: Councilmember Hurt and Councilmember Lieberman (for part of the meeting)

**ACTION ITEMS**
None

**ADJOURNMENT** at this time, being 8:15 PM

**Jozi Plut**
**District Secretary**

DRAFT

**REGULAR MEETING OF**
**DIRECTORS OF BELMONT FIRE PROTECTION DISTRICT**
**Tuesday, November 23, 2021**
**ONE TWIN PINES LANE**
**BELMONT, CALIFORNIA**

(Note: Regular Fire Protection District Meetings held concurrent with City Council meetings.)

**CALL TO ORDER: 7:08 PM**

**ROLL CALL**
BOARDMEMBERS PRESENT: McCune, Mates, Stone (all remotely via Zoom webinar)
BOARDMEMBERS ABSENT: Councilmember Hurt and Councilmember Lieberman (for part of the meeting)

**ACTION ITEMS**
None

**ADJOURNMENT** at this time, being 9:35 PM

**Jozi Plut**
**District Secretary**

DRAFT

**SPECIAL and REGULAR MEETINGS OF**
**DIRECTORS OF BELMONT FIRE PROTECTION DISTRICT**
**Tuesday, December 14, 2021**
**ONE TWIN PINES LANE**
**BELMONT, CALIFORNIA**

(Note: Regular Fire Protection District Meetings held concurrent with City Council meetings.)

**CALL TO ORDER: 6:00 PM**

**ROLL CALL**
BOARDMEMBERS PRESENT: McCune, Mates, Stone (all remotely via Zoom webinar)
BOARDMEMBERS ABSENT: Councilmember Hurt and Councilmember Lieberman (for part of the meeting)

**ACTION ITEMS**
None

**ADJOURNMENT** at this time, being 8:03 PM

**Jozi Plut**
**District Secretary**

DRAFT

**Minutes Of Regular and Special Meetings of the Belmont City Council and Belmont Fire Protection District Board of Directors, September 27, 2022**

**SPECIAL MEETING**

**ITEMS OF BUSINESS**

**CALL TO ORDER 6:19 PM**

**COUNCILMEMBERS PRESENT:** Lieberman, Hurt, McCune, Mates, Stone joined at 6:20 pm
**ABSENT:** None

**CLOSED SESSION**

1. Conference with Labor Negotiators Government Code Section 54957.6
   Unrepresented Employees: City Manager, City Attorney
   Designated Representatives: Warren Lieberman and Charles Stone

2. Public Employee Performance Evaluations Government Code Section 54957(b)
   Titles: City Manager, City Attorney

3. Conference with Legal Counsel - Existing Litigation Government Code Section 54956.9(d)(1)) Coleman v. City of Belmont, San Mateo Superior Court No. CIV 523248

**ADJOURNMENT** at this time being 6:52 PM

**Jozi Plut**
**City Clerk**

**CALL TO ORDER: 7:00 PM**

**ROLL CALL**
COUNCILMEMBERS PRESENT: Lieberman (virtual), Stone, Hurt, McCune, Mates,
COUNCILMEMBERS: None

**PLEDGE OF ALLEGIANCE**
Led by City Historian Karl Mittelstadt.

**REPORT FROM CLOSED SESSION**
City Attorney Rennie stated that no reportable action was taken at an earlier held closed session.

**SPECIAL PRESENTATIONS**
**National Hispanic Month**
Mayor Mates read the proclamation and presented it to Rocsana Escobar, Belmont Planning Commissioner and Latinx Community leader and advocate.

**Presentation From Belmont Historian**
City Historian Karl Mittelstadt provided a presentation on the History of Belmont Schools.

**National Emergency Preparedness Month**
Mayor Mates read the proclamation.

Jim Yoke, San Mateo Consolidated Emergency Services Manager thanked the Council for recognizing the importance of emergency preparedness.

**National Night Out Recap**
Police Chief Stenquist provided a brief recap of the August 2nd National Night Out community events throughout Belmont. Councilmembers drew names for winners of the NNO raffle.

**Belmont Age Friendly Task Force Accomplishments**
Cynthia Nakayama, Deputy Director Center for Age Friendly Excellence (CAFE), provided an update on the efforts and accomplishments of the Age Friendly Task and stated that the City recently received Age-Friendly designation from AARP.

**Belmont Summer Camp Program Recap**
Parks and Recreation Supervisor Moran provided and overview of the successful return of the Summer Camp program after the COVID Pandemic.

**PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA**
Lindsey Rake commented on the San Mateo Sutter Health Michelson Therapy Pool.
Marybeth Witkowski, Insurance Commission commented on insurance regulations.
Written communication received from Tim Strinden.

**COUNCILMEMBER ANNOUNCEMENTS**
Councilmember McCune commented on his Mother's 100th Birthday.

Councilmember Stone commented on the successful San Mateo Consolidated chili cook-off, he noted his attendance at the unveiling of CalTrain EMU - Electric Module Unites. He reminded the community of the upcoming Water Dog Run.

Councilmember Hurt recapped the Star Vista, Mental Health Emergency Response event.

Mayor Mates announced upcoming City Halloween events. She stated that September is National Suicide Presentation Month and noted that the Belmont Police will hold a Mental Health Symposium on November 16th.

**CONSENT BUSINESS 2022-091**
Approval Off **Minutes** of Special and Regular Meeting March 8, 2022 Minutes of Special and Regular Meeting April 26, 2022 Minutes of Special And Regular Meeting May 10, 2022 Minutes of Special Meeting September 19, 2022
Motion To Receive July 2022 **Monthly Financial** Reports

**Resolution 2022-091** approving a permanent encroachment agreement to allow construction of a necessary fence and retaining wall within the public right-of-way fronting 3213 Longfellow drive (APN: 043-221-070)
**Resolution 2022-092** (1) authorizing the city manager to execute a task order with pavement engineering, inc. To provide design services for the Davey Glen ADA upgrade project for an amount not to exceed $89,085, (2) transferring $89,085 budget funding from project #3107 to fund the design phase, and (3) appropriating $350,000 from Measure I fund to fund the construction phase of the Davey glen ADA upgrade project
**Ordinance 2022-1169** amending the conceptual development plan (CPD) for 401 island parkway to allow research and development laboratory, life sciences, and related light industrial uses subject to several limitations, subject to conditions of approval
**Resolution 2022-093** approving the city's revised master employee pay schedule in accordance with California public employees retirement system (CalPERS) regulations

Councilmember Stone requested to remove resolution approving a Permanent Encroachment Agreement to allow construction of a pergola and fencing for outdoor seating within the public right-of-way at 1301 6th Avenue (Farm House Restaurant).

City Attorney read the title of the ordinance on the consent agenda.

**ACTION:** On a motion made by Councilmember Stone and Seconded by Councilmember Hurt the consent business was unanimously approved as amended by a roll call vote. (5-0)

**ITEMS REMOVED FROM CONSENT BUSINESS**
**Adopt a resolution approving a Permanent Encroachment Agreement to allow construction of a pergola and fencing for outdoor seating within the public right of way at 1301 6th Avenue (Farm House Restaurant)**
Public Works Director Brown provided a background on the permanent encroachment agreement and the construction a pergola at 1301 6th Avenue. He noted that the structure encroaches on the public right-of-way and requires Council approval for construction. He explained the city is requiring a sound attenuation wall to reduce noise from patrons of the restaurant tension in the surrounding neighborhood.

Community Development Director stated that the property is zoned commercial in a mixed used zone dating back to the 1970's and current use of the property as a restaurant is since 2017. He noted that the property is within in legal permits and operation of a restaurant.

Public Comment
The following individuals provided comments on the proposed permit, Eliza Stern, Patti Smith, Laure Meyer, Nicki Fox, MaryBeth Jones, Ruy Zhang, Fernando Vasquez, Sue Arabaki,
Written Correspondence also received on this item.

City Attorney Rennie noted that the application is to allow an encroachment within the excess right-of-way that fronts the property. He further noted that changing the time of operation is not in the application.

Council concurred to table the item for more information on sound attenuation to a consecutive Council meeting agenda.

**RECESS 8:56 PM**
**RCONVENE: 9:00 PM**

**PUBLIC HEARINGS**

**Appeal Of Planning Commission Approval Of Application No. 2021-0037 For a Single Family Design Review (SFDR) and Tree Removal Permit At 1513 Folger Drive (CEQA Exemption: Section 15301)**

Exparte Communication, Councilmembers Hurt, Lieberman, Stone, McCune stated that they conducted site visits. Councilmembers Mates and Stone viewed the Planning Commission meeting when the item was presented.

Email correspondence received in support and opposition of the project.

Belmont Associate Planner Shek provided an overview and stated that staff made findings in the affirmative for the single-family design review and tree removal permit at 1513 Folger Drive and recommends approval.

Anna Felver and Jamie Mathern, designer and architect for the applicant provided a project summary and outlined revisions made to the application.

Yadong Yu, Appellant presented details of his appeal, he stated that the applicants design is in contrast with existing architecture in the area. He stated concern with the buildings bulk and the removal of the existing tree line.

Council discussion ensued regarding floor area ratio (FAR). Community Development Director noted that the home is a large lot home, and the application is within the limits. City Attorney Rennie clarified that, and auxiliary unit (ADU) are state exempt and may not be counted in the FAR.

Mayor Mates opened the public hearing, the following came forward; Tina Saparia, Aice, Karina L, Erica, Xiaobin, Vinay, Ryan Lewis, Lee Boman, Saul Gerdus, Sue Arabaki, Fernando Vasrez

Mayor Mates closed the public hearing.

**ACTION**: on a motion made by Councilmember Stone and seconded by Councilmember Hurt the meeting was extended by 30 minutes to 11 pm.

Council concurred to support the Planning Commission findings.

**ACTION:** On a motion made by Councilmember and seconded by Councilmember **Resolution 2022-094** Approving Application No. 2021-0037 for the Single-Family Design Review and Tree Removal Permit For 1513 Folger Drive was unanimously approved by a roll call vote. (5-0)

**GENERAL BUSINESS**

**Appointment To a Vacant Parks and Recreation Commission Non-Voting Seat**

City Clerk Plut explained that the Parks and Recreation Commission has an ongoing recruitment for two non-voting youth members. She noted that the Council received one application and conducted an interview on September 19th. She explained that Council may consider appointing applicant Edward Kogan for the remainder of the term ending in February 2022.

**ACTION:** on a motion made by Councilmember Hurt and seconded by Councilmember Lieberman **Resolution 2022-095** Appointing Edward Kogan to a Vacant Parks and Recreation Commission Non-Voting Seat for an appointment period from September 2022 through February 2022 was unanimously approved by roll call vote. (5-0)

**Affordable Housing Funds Loan Request For 800-803 Belmont Avenue**

Economic Development and Housing Manager Rose provided background on the request from ROEM Development Corporation to provide up to $2.5 million of Belmont affordable housing funds for construction of a 125-unit affordable housing project. She briefly described the 125-unit project at various affordability levels. She explained that the applicant ROEM, included a range of funding sources in their proposal including local Belmont funds, San Mateo County affordable housing funds and tax credit financing. She explained that as part of that plan ROEM is requesting a loan from Belmont. She further noted that findings for this loan include the affordable housing needs, she noted that the project can assist the City in meeting its Reginal Housing Needs Allocation (RHNA) housing needs.

In response to Councilmember Lieberman, Ms. Rose stated that interest rate on the loan is not yet negotiated. She concurred that the loan term is fifty years.

City attorney Rennie stated that the funds are not a request against City's general fund and only affordable housing funds may be used affordable housing projects.

Public Comment

Lorring Di Martini commented in support of the project.

**ACTION:** On a motion made by Councilmember Hurt and seconded by Councilmember McCune **Resolution 2022-095** Authorizing the City Manager To Negotiate and Enter Into a Loan Funding Agreement with ROEM Development Corporation To Provide Up To $2.5 Million Of Belmont Affordable Housing Funds For Construction Of A 125-Unit Affordable Housing Project At 800-803 Belmont Avenue was unanimously approved by a roll call vote. (5-0)

**ACTION:** On a motion made by Councilmember Stone and seconded by Councilmember McCune the meeting was unanimously extended by 30 minutes to 11:30 by a roll call vote. (5-0)

**BRIEF VERBAL REPORTS FROM MEMBERS AND STAFF**

**Verbal Report from Councilmembers on Intergovernmental (IGR) and Subcommittee Assignments**

none

**Verbal Report from City Manager**

none

**MATTERS OF INTEREST/CLARIFICATION**

**ADJOURNMENT** at this time being 11:00 PM

**Jozi Plut**
**City Clerk**

DRAFT

**MINUTES OF REGULAR AND SPECIAL MEETINGS OF THE BELMONT CITY COUNCIL AND BELMONT FIRE PROTECTION DISTRICT BOARD OF DIRECTORS, October 11, 2022**

**CALL TO ORDER: 7:00 PM**

**ROLL CALL:**
COUNCILMEMBERS PRESENT: Lieberman, Stone, Hurt, McCune, Mates
COUNCILMEMBERS ABSENT: None

**PLEDGE OF ALLEGIANCE**
Led by Mary Morrissey Parden

**REPORT FROM CLOSED SESSION**
City Attorney Rennie stated that a closed session was not held this evening.

**SPECIAL PRESENTATIONS**

**Fire Prevention Week Proclamation**
Mayor Mates read the proclamation.
Fire Marshal Martin, San Mateo Consolidated thanked the Council for recognizing Fire Prevention. He outlined resources available to the public for fire prevention and safety.

**PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA**
Mary Morrissey Parden commented on the Water Dog Run.
Max Reinhardt commented on a vacant parcel on Alhambra Drive.

**COUNCILMEMBER ANNOUNCEMENTS**
Councilmember Lieberman stated that with the aide of Congresswoman Spierer Belmont was awarded a five hundred thousand grant for fire prevention.

Mayor Mates added that the grant monies will be shared with San Bruno, Filoli and Peninsula Open Space. She thanked the sponsors and participants for a successful Water Dog Run Event. She invited the community to a Placemaking Guidelines Meeting. She announced the mailing of the election ballots, she also announced the upcoming Mental Health Symposium.

Councilmember Hurt announced recycling events at the ReThink Waste.

**CONSENT BUSINESS**
**Resolution 2022- 097** finding that the COVID-19 statewide emergency remains in effect and that state and local officials continue to recommend measures to promote social distancing and directing the Council's Citizen Advisory Bodies to make consistent findings
**Approval** Minutes Of Special and Regular Meeting May 24, 2022 Special and Regular Meeting June 14, 2022 Minutes of Special Meeting June 21, 2022
**Resolution 2022- 098** authorizing the City Manager to execute a 3-year renewal of the rental agreement with the City of Redwood City for the use of its firearms training facility

**Resolution 2022-099** updating the City's Conflict of Interest Code to account for the addition, deletion, and modification of positions listed as "designated employees"
**Received** an update on the 2022 Strategic Plan Objectives and Projects

**ACTION:** On a motion made by Councilmember McCune and seconded by Councilmember Hurt the Consent Business was approved by a roll call vote (4-1 Councilmember Stone experienced technical issues).

**PUBLIC HEARINGS** (none)

**GENERAL BUSINESS**

**Ralston Avenue Adaptive Traffic Control Technology Project Update**

Public Works Director Brown made a presentation on the history of the project and functionality of the newly installed traffic controls. He noted that the system utilizes artificial intelligence and is based on volume demand providing precedence to real travel time. He noted that the goal of the project amongst others is to reduce congestion, improve access to school and work and reduce pollution and GHG's by decreasing vehicle engine run time.

*Public Comment*

Michael Craig commented on traffic at Old County Road (OCR) and Road.

Mr. Brown stated that a construction of dedicated left turn pocket at southbound OCR and Ralston and the adaptive signal technology are planned for the area.

Council discussion ensued; the item was informational, and no action taken.

**Citywide Pavement Condition Report Update**

Public Works Director Brown provided the biannual Pavement Management Program (PMP) required by the Metropolitan Traffic Control (MTC) for eligibility of local grant monies. He outlined Belmont owned and maintained streets. He provided an overview of the citywide pavement condition and noted that the asset replacement value is $213.8 million. He outlined the 5-year pavement plan and funding scenarios. Mr. Brown stated that Measure I monies provide significant PCI improvements.

*Public Comment*

Written correspondence received from Tim Strinden on this item.

Council discussion ensued; no action taken.

**Amended Services Agreement with WRA, Inc. and Additional Budget Authorization**

Parks and Recreation Director Shearer requested Council authorization for the City Manage to negotiate an agreement with WRA, Inc the City's Open Space Management Consultant to advance the Parks and Recreation Open Space Plan (PROS). She explained that an initial study which details analysis of which recommendations of the PROS Plan are and are not addressed under the City's previous CEQA analysis addressed in the 2017 General Plan update. Areas not addressed would require further environmental review and WRA would recommend which form that review,

and final document should take. She noted that the Initial Study, is expected to take 3-6 months to complete and recommends that City Council authorize the City Manager to negotiate a proposal with WRA, Inc.

Council discussion ensued. City Attorney Rennie clarified Council questions stating that proposed initial plan will examine environmental effects and will not address policy. He stated that the initial study examines areas previously studied and determine whether the thresholds for further environmental review are met and study what additional review may be required. He further explained that in this scenario the CEQA analysis may provide information to help inform decisions on policy.

*Public Comment*
Written Correspondence received on this item.

**ACTION**: On a motion made by Councilmember Hurt and seconded by Councilmember McCune **Resolution 2022-100** (1) authorizing the City Manager to negotiate a contract amendment with WRA, Inc., for services related to the Parks, Recreation and Open Space Master Plan (Plan)in the additional amount of $82,500 ($75,000 plus a 10% contingency), for a total not-to-exceed amount of $231,220 and (2) authorizing a supplemental budget appropriation of $74,250 from the Open Space Fund's fund balance and a transfer of $8,250 from the Belmont Fire Protection District Fund to the Open Space Management Plan Project #8096 for this purpose was unanimously approved by a roll call vote (5-0).

**BRIEF VERBAL REPORTS FROM MEMBERS AND STAFF**

**Verbal report from Councilmembers on Intergovernmental (IGR) and Subcommittee Assignments**
Councilmembers reported on their IGR assignments.

**Verbal report from City Manager**
City Manager Oskoui thanked City Departments involved with the Water Dog Run event. He invited the public to the various upcoming Halloween events. He invited the community to an upcoming Belmont Talks presentation on Belmont schools.

**MATTERS OF INTEREST/CLARIFICATION**
**Regulating And Banning The Sale Of Flavored Tobacco And Electronic Smoking Devices**
Councilmembers Hurt and Stone request Council consideration of an ordinance regulating the sale of flavored tobacco and electronic devices, reducing access to products that have public health implications especially to the youth demographic.

*Public Comment*
Tricia Barr commented in support of a Belmont ordinance banning the sale of flavored tobacco and electronic smoking devices.

Council discussion ensued regarding the structure of the ordinance and relation to other state and local regulations.

Councilmember McCune suggested an exception to stop smoking aides.

Council concurred to direct the Council subcommittee of Hurt and Stone to move forward with drafting a draft ordinance.

**ADJOURNMENT** at this time being 8:50 pm

**Jozi Plut**
**City Clerk**

DRAFT

**Minutes of Adjourned November 8, 2022 Meeting of the Belmont City Council and Belmont Fire Protection District Board of Directors, November 9, 2022**

**City Council Chambers City Hall, One Twin Pines Lane, Belmont, California**

**CALL TO ORDER 2:00 PM**

**ROLL CALL**
COUNCILMEMBERS PRESENT: Lieberman, Stone, McCune, Mates,
COUNCILMEMBERS: Hurt

**PLEDGE OF ALLEGIANCE**
Led by City Clerk Jozi Plut

**REPORT FROM CLOSED SESSION**
City Attorney Rennie stated that a closed session was not on the agenda.

**SPECIAL PRESENTATIONS**
**Proclamation Recognizing Water Dog Run and Presentation**
Presentation made by the Water Dog Race organizers Mary Morrisey Parden, Huan Phan, Terri Cook.
Mayor Mates read and presented the proclamation,

**Native American Heritage Month Proclamation**
Mayor Mates read the proclamation.

**San Mateo County Library Annual Report**
Anna Koch, Belmont Library Manager provided an overview of the library's annual report.

**PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA**
None

**COUNCILMEMBER ANNOUNCEMENTS**
Mayor Mates commented on the previous days General Election. She announced upcoming events.

**CONSENT BUSINESS**
**Resolution 2022-104** finding that the COVID-19 statewide emergency remains in effect and that state and local officials continue to recommend measures to promote social distancing and directing the Council's Citizen Advisory Bodies to make consistent findings
**Approved** Monthly Financial Reports - September 2022

**ACTION:** On a motion made by Councilmember Stone and seconded by Councilmember Lieberman the Consent Business was approved by a roll call vote. (4-1 Hurt, absent)

**PUBLIC HEARINGS**
None

**GENERAL BUSINESS**

**Restated Employment Agreement between the City of Belmont and City Attorney Scott**

City Manager Rennie introduced the item noting that Council formed a subcommittee of Councilmembers Lieberman and Stone as negotiators to update Mr. Rennie's employment contract and commensurate salary provisions. He noted that the Mr. Rennie's contract was initiated in 2011 and the committee recommended updates to current terms and practices of the City and laws regulating public employment. He explained that the restated contract establishes a base pay effective October 2021 with commensurate increases similar to what is offered to the City's labor groups.

**ACTION:** On a motion made by Councilmember McCune and seconded by Councilmember Stone **Resolution 2022-105** establishing compensation for the City Attorney; and authorizing the Mayor to execute a restated City Attorney employment agreement was approved by a roll call vote (4-1 Hurt absent).

**First Amendment to the Employment Agreement Between the City of Belmont and City Manager Afshin Oskoui**

City Manager Oskoui stated the contract negotiation is similar to the that of the City Attorney and was also vetted by the Council Subcommittee of Councilmembers Lieberman and Stone. He explained that the agreement establishes a base pay effective September 2021 and merit increases in September 2022 and 2023, all other terms remain same.

**ACTION:** On a motion made by Councilmember McCune and seconded by Councilmember Lieberman **Resolution 2022-106** establishing compensation for the City Manager; and authorizing the Mayor to execute Amendment No. 1 to the City Manager employment agreement was approved by a roll call vote (4-1 Hurt absent).

**Revised City Council Benefits Plan**

City Manager Oskoui stated the Council benefit plan is adjusted to reflect changes that the City made to employee benefits including conversion from self-insurance plan to VSP vision insurance and aligning the plan with the City's Miscellaneous group related to the cash in lieu benefits caping the limit to $389 per month when choosing cash in lieu of health benefits.

**ACTION:** On a motion made by Councilmember Stone and seconded by Councilmember McCune **Resolution 2022-107** approving revision to the Benefits Plan for the City of Belmont Councilmembers effective January 1, 2023, was approved by a roll call vote (4-1 Hurt absent).

**Revised Unrepresented Management Group Compensation and Benefits Program**

City Manager Oskoui stated that this program consists of the Department Heads and City Clerk, he noted that the salary control point was adjusted based on a salary survey compatible with the market median last adjusted in 2019. He noted that the plan does not adjust to the top range salary rather to a benchmark to ensure competitiveness and retention of staff. He noted that the plan includes the conversion to the VSP vision insurance and the cash in lieu cap of $389 per month.

**ACTION:** On a motion made by Councilmember Stone and seconded by Councilmember McCune **Resolution 2022-108** approving revisions to the Compensation and Benefits Program for the Unrepresented Management Employees was approved by a roll call vote (4-1 Hurt absent).

**Revised Master Pay Schedule**

City Manager Oskoui stated that the pay schedule summarizes the earlier actions and approval will update the City's Master Pay Schedule as presented.

**ACTION:** On a motion made by Councilmember Stone and seconded by Councilmember McCune **Resolution 2022-109** approving the City's revised Master Employee Pay Schedule in accordance with California Public Employees Retirement System (CalPERS) regulations was approved by a roll call vote (4-1 Hurt absent).

**Belmont Village Specific Plan (BVSP) Streetscape Design Guidelines**

Community Development Director de Melo provided an overview of the Belmont Village Specific Plan (BVSP) Streetscape Design Guidelines. He noted that the streetscape guidelines are critical to defining the pedestrian level finishing touches including sidewalks, trees, side furnishing, and street parking layout. He explained that developing a City Public Art Master Plan adopted in September 2020, adopting the BVSP Guidelines and a Signage and Wayfinding Program are key to the placemaking outcome. He outlined previous outreach efforts for the Belmont Village Specific Plan (BVSP) Streetscape Design Guidelines. He noted that Council provided feedback at an September Council meeting and is was incorporated in document, he recommend approval of the guidelines.

**ACTION:** on a motion made by Councilmember Stone and seconded by Councilmember McCune **Resolution 2022-110** Approving The Belmont Village Specific Plan (BVSP) Streetscape Design Guidelines Were Approved By A Roll Call Vote (4-1 Hurt Absent)

**Update to Council Protocols**

City Attorney Rennie stated that the last update to the protocols was in 2020 and with the transition to District Elections some technical changes are needed as related to the elected rather than appointed Mayor process and clean-up on appointing the Vice Mayor. He explained that staff recommends that a councilmember serve at least one year before eligible to serve as Vice Mayor. He noted that audience decorum provisions were aligned with Brown Act statues passed this year. He also noted the adjustment of providing the Mayor the authority to make temporary appointments to vacancies on intergovernmental assignments when both the primary and secondary seats are vacant.

Council discussion regarding teleconference and virtual option for meetings and concurred to continue providing remote meeting opportunities for public participation.

Mayor Mates noted that since the City is in newly formed districts the protocols might include language stating to the effect that the City Council intends to govern with a City-wide perspective that the City Council acts as a body not as individuals. Council concurred.

City Attorney stated that the language will be added to the Protocols and will return for approval at a future 2022 meeting agenda for approval.

**ACTION:** On a motion made by Councilmember McCune and seconded by Councilmember Stone **Resolution 2022-111** amending the protocols was approved as presented by roll call vote. (4-1).

**BRIEF VERBAL REPORTS FROM MEMBERS AND STAFF**

**Verbal report from Councilmembers on Intergovernmental (IGR) and Subcommittee Assignments**
Councilmembers reported on their assignments.

**Verbal report from City Manager**
City Manager Oskoui announced the recruitment for the Mosquito Vector Control representative and the ongoing City Commission and Board recruitment.
He noted that November is National Gratitude Month, he voiced his gratitude to the efforts of the Council.

**MATTERS OF INTEREST/CLARIFICATION**
None

**ADJOURNMENT** at this time being 3:25 PM

**Jozi Plut**
**City Clerk**

DRAFT

# STAFF REPORT

| | |
|---|---|
| **Meeting Date:** | November 22, 2022 |
| **Agency:** | City of Belmont |
| **Staff Contact:** | Jared Barrilleaux, Public Works, (650) 595-7469, jbarrilleaux@belmont.gov |
| **Agenda Title:** | Ralston Avenue Segment 3 Cold In-place Recycled Pavement Project Design |
| **Agenda Action:** | Resolution |

## Recommendation

Adopt a resolution (1) authorizing the City Manager to execute a Task Order with Wilsey Ham to provide design services for the Ralston Avenue Segment 3 Cold In-place Recycled Pavement Project for an amount not to exceed $129,636.

## Strategic Focus Area

Infrastructure and Mobility

## Background

The City recently completed improvements on Ralston Avenue between South Drive and Villa Avenue as part of the Ralston Avenue Corridor Improvements project – Segment 3. The improvements installed to date include modifications to the curb, gutter, sidewalk and new pedestrian crossings. The improvement plans also included pavement section base repairs followed by slurry seal and striping improvements. However, during construction it was realized that the condition of the pavement had deteriorated further than was initially identified during the design process and therefore the pavement digouts and slurry seal would not provide suitable pavement rehabilitation prior to the placement of the pavement markings. After discussions with the contractor and additional research, the City determined that the Ralston Avenue pavement should be rehabilitated using Cold-In-Place Recycling (CIPR) method.

Near the end of the project in May 2022 Council authorized additional funding (Measure I) to augment existing grant funds to reconstruct the pavement, focusing the project benefits on the long-term investment to the roadway using CIPR. However, since Council approval in May, the contractor was unable to commit to the schedule for work to occur during summer of 2022 and before start of school fall schedules, and more problematically, they did not honor the originally estimated cost to complete the cold in-place recycled pavement rehabilitation. As a result, and to prevent cost overruns and disruptions to the heavily traveled corridor, the pavement work is proposed for construction in summer 2023 under a separate contract to complete pavement rehabilitation and restriping work along the Ralston Segment 3 project corridor.

## Analysis

Staff solicited proposals from three qualified civil engineering firms under its on-call agreements to provide design, and construction support services. One proposal was received in a timely manner and after reviewing the proposal, staff recommends proceeding with Wilsey Ham to provide design and

construction support services for this project. Staff has negotiated a task order proposal with Wilsey Ham to develop the plans, specifications, and construction cost estimate package for the Ralston Segment 3 CIPR. The Scope of Work includes the following major items:

- Site evaluation, topographic survey, and base mapping.
- Assessment and design of 3" cold in-place recycled pavement overlaid with 1.5" Hot Mix Asphalt.
- Preparation of 65%, 95% and 100% Design Packages including plan set, specifications, and engineer's estimate for review.
- Bid and Construction Support Services

Staff will bring this project back to Council for authorization to bid and award a construction contract after design is completed by early March 2023.

**Alternatives**

1. Take no action.
2. Refer back to staff for more information

**Attachments**

A. Resolution
B. Wilsey Ham Proposal

**Fiscal Impact**

☐ No Fiscal Impact

☒ Funding Source Confirmed: Ralston Segment 3 Re-Pavement Project #3116 in the Measure I Fund (Account# 102-3-730-3116-9030)

| **Source:** | **Purpose:** | **Public Outreach:** |
|---|---|---|
| Staff | Statutory/Contractual Requirement | Posting of Agenda |

# RESOLUTION NO. 2022 –

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELMONT AUTHORIZING THE CITY MANAGER TO EXECUTE TASK ORDER #1 WITH WILSEY HAM, INC. TO PROVIDE DESIGN SERVICES FOR THE RALSTON AVENUE SEGMENT 3 COLD IN-PLACE RECYCLED PAVEMENT PROJECT**

WHEREAS, on May 10th, 2022, City Council authorized staff to pursue a Cold In-place Recycled Pavement solution for Ralston Avenue between South Road and Villa Avenue in lieu of the previously approved slurry seal treatment for this segment; and,

WHEREAS, Staff solicited proposals from three qualified civil engineering firms under existing on-call agreements to design the Cold In-place Recycled Pavement solution; and,

WHEREAS, Wilsey Ham was selected to provide the City with pavement design services for an amount not to exceed $129,636.

WHEREAS, there is existing funding available in Project #3116 (Measure I Account 102-3-730-3116-9030) for the project design in the amount of $129,636.

NOW, THEREFORE, the City Council of the City of Belmont resolves as follows:

SECTION 1. The City Manager is authorized to negotiate and execute Task Order #1 with Wilsey Ham to provide Design services for the Ralston Avenue Segment 3 Cold In-place Recycled Pavement project for an amount not to exceed $129,636.

* * *

ADOPTED November 22, 2022 by the City of Belmont City Council by the following vote:

Ayes:

Noes:

Absent:

Abstain:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

City Attorney

WILSEY HAM
Engineering, Surveying & Planning

October 14 2022

Jared Barrilleaux, P.E.
Assistant Public Works Director/City Engineer
City of Belmont
1 Twin Pines Lane
Suite 385
Belmont, CA 94002

Re: Proposal for Engineering Design Services for the Ralston CIPR Paving Project

Dear Mr. Barrilleaux,

On behalf of Wilsey Ham, I am pleased to submit this proposal to the City of Belmont for preparation of construction documents and construction services for the Ralston CIPR Paving Project.

**Background**

We understand that the City of Belmont recently installed improvements on Ralston Avenue between South Drive and Villa Avenue as part of the Ralston Avenue Corridor Improvements project. The improvements installed to date include modifications to the curb, gutter, sidewalk and new RRFB's. The improvement plans also included pavement section base repairs followed by slurry seal and striping improvements. However, during construction it was realized that the condition of the pavement had deteriorated further than was initially identified during the design process and therefore the pavement digouts and slurry seal would not provide suitable pavement rehabilitation prior to the placement of the pavement markings. After discussions with the contractor and additional research, the City determined that the Ralston Avenue pavement should be rehabilitated using Cold-In-Place Recycling (CIPR) method.

Through the City's work to date, a pavement rehabilitation section has been determined which consists of a 3" section of existing rehabilitated A.C. using CIPR, overlaid with 1.5" of Hot Mix Asphalt. A relatively minor amount of pavement digouts for some areas with severe base failure will still be needed prior to the CIPR work. Two areas with new mid-block crosswalks will require grading modifications to conform with ADA due to the steep existing centerline crown of the street. In addition, the bulb-out curb & gutter on Ralston at Villa Ave was installed above the pavement surface so the pavement elevation will need to be raised and conformed on the westerly side of the intersection. This will require a grading design for this crosswalk as well. The new curb and gutter pan was installed above the existing pavement surface in some other locations, so this will need to be taken into consideration for grinding and grading conforms at side-streets and on each end of the project.

The original Ralston Avenue Corridor project included the plans for pavement markings and signage, so there is no need for additional design of signing and striping. These striping & signage plans from the previous project will be included in the plan set for use on this paving project.

The City is in need of assistance in designing the grading modifications and preparing the plans, specifications, engineer's estimate and bid package for the CIPR improvements as well as providing engineering support during construction. Those services are the subject of this proposal.

Localized topographic survey will be needed to collect existing elevations in areas where grading design is needed. This survey will be based on the project bench mark and datum identified by the City. Grading improvements will be shown on the project plan views. The project base sheets will utilize the existing project base sheets provided to us by the City in AutoCAD. The locations of curb improvements, pavement widths and other important features will be field checked by our engineers to verify that the base sheets are accurate. Elevations picked up by our surveyors will be added to the base sheets where applicable.

Wilsey Ham will perform/verify the digout marking areas in the field. We understand this is subset of the digout areas previously included on the Ralston Avenue Corridor Improvements project, so our staff will need determining the most critical areas.

Wilsey Ham will prepare the improvement plans to show the project limits for the CIPR rehabilitation, pavement rehabilitation sections and details, grading for ADA areas and conforms, and digout repair locations. The project specifications and full contract book will also be prepared. An estimate of quantities will be calculated for the project including the emulsified recycling agent and additives for CIPR. An engineer's estimate of probable construction costs will be developed using the most recent available bid pricing that is available, adjusted for inflation.

Construction services will be provided including assisting with the bid process, evaluation of bids, pre-construction meeting, review of submittals, response to RFIs, review of change order requests, performance of the substantial completion inspection and preparation of record drawings.

PS&E submittals will be made at the 65%, 95% and 100% complete stages of the project. The City needs to advertise the project for bid no later than February of 2023 to position themselves for the best bid prices possible. The project construction is anticipated to last approximately 5 weeks, starting in late June, 2023 and completing no later than mid-August before the new school year begins. A proposed schedule is included at the end of this proposal.

Based on the approach above, the following scope of work is proposed for this project.

## ***Scope of Work***

### Task 1 – Site Evaluation, Topographic Survey and Base Mapping

The following work is included in this task.

- Attend kickoff meeting with the City to go over our approach, verify submittal contents and dates, and establish project communication channels.
- Set up project base sheets using AutoCAD files from the City.
- Perform site visitsto review the site, identify ADA and conform grading areas, and check base sheet accuracy. Identify utility manholes and vaults to be lowered and raised and note

on base sheets. Identify locations of traffic signal loops and note on base sheets. Prepare a survey request form.
- Tie into City of Belmont Project Bench Mark and perform Topographic Mapping of ADA and conform grading areas.
- Add elevations and topo information from site survey walk to the base sheets.
- Project coordination with the City

**Deliverables:** Base mapping with localized elevation information based on City Bench Mark.

**Task 2 – Prepare 65% Plans, Specifications and Engineer's Estimate**
The following work is included in this task.
- Prepare title sheet, notes sheet and key map.
- Prepare grading design of ADA compliance areas and conforms.
- Perform field marking of pavement digout areas.
- Prepare pavement rehabilitation plans showing conform limits, digout repair areas and utility vaults and manholes to be lowered/raised.
- Prepare road sections and sections & details sheet.
- Calculate preliminary bid schedule quantities.
- Prepare technical specifications using technical specification format provided by the City.
- Prepare engineers estimate of probable construction costs.
- Perform quality control review and revisions.
- Project coordination with the city
- Submit to City for review in pdf format.

**Deliverables:** 65% plans, specifications and estimate.

**Task 3 – Prepare 95% & 100% Plans, Specifications, Engineer's Estimate and Contract Book**
The following work is included in this task.
- Attend meeting with City to go over City comments on PS&E submittal.(1 assumed)
- Address City comments on plans and develop to 95% complete.
- Address City comments on specifications and develop to 95% complete.
- Address City comments engineer's estimate and develop to 95% complete.
- Prepare draft contract book including invitation, City contract documents, bid schedule, measurement and payment, City Special and General Provisions.
- Perform quality control review and revisions.
- Project coordination with the City
- Submit 95% PS&E to City for review.
- Attend meeting with City to go over City comments on PS&E submittal.(1 assumed)
- Address City comments on plans and finalize to 100%
- Address City comments on specifications and contract book and finalize to 100%
- Address City comments engineer's estimate and finalize to 100%.
- Address City comments on contract book and finalize to 100%.
- Perform quality control review and revisions.
- Submit 100% PS&E bid set to City for review.

**Deliverables:** 95% and 100% plans, specifications, estimate & contract book.

**Task 4 – Bid and Construction Services**

The following work is included in this task.

- Attend pre-bid meeting with City.
- Respond to bidder questions.
- Issue one bid addendum.
- Attend pre-construction meeting.
- Review and approve submittals.(15 included)
- Review and respond to RFIs (10 included)
- Review and respond to change order requests (1 assumed)
- Prepare minor plan revision to address unknown field conditions (1 assumed)
- Project coordination with City
- Perform substantial completion inspection (1 site visit assumed)
- Prepare record drawings from city provided redlines, QC review & submit

**Deliverables:** 1-Bid addendum, pre-construction meeting minutes, submittal approvals, RFI responses, minor plan revision, punch list, record drawings.

**Assumptions and Exclusions**

1. We have included four in-person meetings at the City of Belmont in our scope of work. If additional meetings are requested, additional fees may be required.
2. The attendance of progress meetings with the contractor during construction is not included in this proposal.
3. Only the localized ADA and conform grading areas will be surveyed and mapped. This proposal does not include an overall survey of the street.
4. This proposal assumes that the City will provide the base mapping from the previous project in AutoCAD. This will be used and verified for the current project. If AutoCAD base mapping is not available from the previous project, additional fees will e required to create base mapping.
5. No potholing or utility locating is part of this proposal, if requested additional fees will be required.
6. No FDR design or cement treated base design work is included with this proposal.
7. The City will provide the title block for the plan & detail sheets in Autocad.
8. The City will provide the striping design plan sheets in Autocad.
9. The City will provide a Word version of past project specifications, front end contract documents, special provisions, etc.which we will revise for this project.
10. ADA ramp design is excluded from this proposal.
11. We assume all submittals to the City will be digital files for inclusion in their bid package.
12. Wilsey Ham's involvement during construction is assumed to last no more than 6 weeks. If construction extends for a longer duration, additional fees may be required.
13. Excavation work for replacement/installation of the ramps is not expected to be deeper than 12" +/-, therefore only surface features of existing utilities will be shown on the topographic map.

14. Our scope of work includes only those tasks specifically described above. Any other requested work can be performed for an additional fee.

**Fee and Schedule**

Wilsey Ham's fee for the Scope of Services is estimated to be approximately **$129,636** on a time and materials basis in accordance with the attached Charge Rate Fee Schedule. We will not exceed these amounts without your prior authorization.

**Schedule**

The following schedule is proposed for preparation of the ADA improvements bid package.

| | | |
|---|---|---|
| City Council approval of design contract | 10/25/22 | |
| Notice to Proceed for design | 10/31/22 | |
| Site evaluation, survey, 65% PS&E prep | 10/31/22 - 12/9/22 | 6 weeks |
| Submit 65% PS&E | 12/9/22 | |
| City review | 12/12/22 - 12/30/22 | 3 weeks |
| Prepare 95% PS&E | 1/3/23 - 1/24/23 | 3 weeks |
| City Review | 1/24/23 - 2/7/23 | 2 weeks |
| Prepare (100%) Final PS&E Bid Set | 2/8/23 - 2/22/23 | 2 weeks |
| Advertise for Bidding | 2/27/23 | |

**Authorization**

You may authorize Wilsey Ham to proceed in accordance with this proposal and the attached Charge Rate Fee Schedule and our On-call Agreement by executing the City's contract with Wilsey Ham. Work will commence upon receipt of your written authorization.

We appreciate the opportunity to participate on your project.

Very truly yours,

Jeff Peterson

Jeff Peterson
President
RCE: C41385

Attachments: Fee Proposal,
2022 Charge Rate Fee Schedule

City of Belmont

**Ralston CIPR Pavements Rehabilitation Project**

Fee Proposal

10/14/2022

| | TASK DESCRIPTION | PRINCIPAL ENGR./SRVR. $275 | HRS | SUPERVISING ENG/SURV $247 | HRS | SENIOR ENGINEER $221 | HRS | ENGINEER II $197 | HRS | ENGINEER I $186 | HRS | SR DSGNR/ SRVR TECH $183 | HRS | SENIOR DESIGNER $173 | HRS | 2 PERSON SURVEY CREW $284 | HRS | REIM-BURSABLE EXPENSES | TOTAL WH LABOR $ | TOTAL ALL $ | TOTAL WH LABOR HOURS |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **1.** | **Site Eval, Topo Survey & Base Mapping** | | | | | | | | | | | | | | | | | | | | |
| 1 | Attend kickoff meeting | | | 494 | 2 | 442 | 2 | | | | | | | | | | | 25 | 936 | 961 | 4 |
| 2 | Set up project base sheets using CAD files | | | | | | | 197 | 1 | | | | | 692 | 4 | | | | 889 | 889 | 5 |
| 3 | Perf site visits, chck ex. conds, prep surv request | | | | | 1,326 | 6 | 1,970 | 10 | | | | | | | | | 40 | 3,296 | 3,336 | 16 |
| 4 | Perf field control, tie into BMs, perf topo | | | 494 | 2 | | | | | | | 366 | 2 | | | 5,680 | 20 | 288 | 6,540 | 6,828 | 24 |
| 5 | Add elevations, topo to base sheets | | | | | | | 394 | 2 | | | | | 2,076 | 12 | | | | 2,470 | 2,470 | 14 |
| 6 | Project coordination with City | | | | | 663 | 3 | | | | | | | | | | | | 663 | 663 | 3 |
| | Subtotal | | | 988 | 4 | 2,431 | 11 | 2,561 | 13 | | | 366 | 2 | 2,768 | 16 | 5,680 | 20 | 353 | 14,794 | 15,147 | 66 |
| **2.** | **Prepare 65% PS&E** | | | | | | | | | | | | | | | | | | | | |
| 1 | Prep title sheet & notes sheet | | | | | 221 | 1 | 788 | 4 | | | | | 1,384 | 8 | | | | 2,393 | 2,393 | 13 |
| 2 | Prep grading design for ADA & conform areas | | | | | 1,326 | 6 | 6,304 | 32 | | | | | 4,152 | 24 | | | | 11,782 | 11,782 | 62 |
| 3 | Perf field marking pavement digouts, check grinds | | | | | 442 | 2 | 3,152 | 16 | 2,976 | 16 | | | | | | | 50 | 6,570 | 6,620 | 34 |
| 4 | Prep pavement rehab plans | | | | | 1,326 | 6 | 4,728 | 24 | | | | | 3,460 | 20 | | | | 9,514 | 9,514 | 50 |
| 5 | Prepare sections & details | | | | | 442 | 2 | 1,182 | 6 | | | | | 1,384 | 8 | | | | 3,008 | 3,008 | 16 |
| 6 | Prep prelim bid quantities | | | | | 442 | 2 | 788 | 4 | 1,116 | 6 | | | | | | | | 2,346 | 2,346 | 12 |
| 7 | Prep technical specs | | | | | 884 | 4 | 3,940 | 20 | | | | | | | | | | 4,824 | 4,824 | 24 |
| 8 | Prep engrs estimate | | | | | 442 | 2 | 1,182 | 6 | | | | | | | | | | 1,624 | 1,624 | 8 |
| 9 | Perf QC review and revs | | | 988 | 4 | 1,326 | 6 | 1,182 | 6 | | | | | 1,038 | 6 | | | | 4,534 | 4,534 | 22 |
| 10 | Submit to City | | | | | 221 | 1 | 394 | 2 | | | | | 346 | 2 | | | 250 | 961 | 1,211 | 5 |
| 11 | Project coordination with City | | | | | 884 | 4 | | | | | | | | | | | | 884 | 884 | 4 |
| | Subtotal | | | 988 | 4 | 7,956 | 36 | 23,640 | 120 | 4,092 | 22 | | | 11,764 | 68 | | | 300 | 48,440 | 48,740 | 250 |



WILSEY HAM
Engineering, Surveying & Planning

City of Belmont

# Ralston CIPR Pavements Rehabilitation Project

Fee Proposal

10/14/2022

| | TASK DESCRIPTION | PRINCIPAL ENGR./SRVR. $275 HRS | SUPERVISING ENG/SURV $247 HRS | SENIOR ENGINEER $221 HRS | ENGINEER II $197 HRS | ENGINEER I $186 HRS | SR DSGNR/ SRVR TECH $183 HRS | SENIOR DESIGNER $173 HRS | 2 PERSON SURVEY CREW $284 HRS | REIM-BURSABLE EXPENSES | TOTAL WH LABOR $ | TOTAL ALL $ | TOTAL WH LABOR HOURS |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **3.** | **Prepare 95% & 100% (Final) PS&E** | | | | | | | | | | | | |
| 1 | Mtg with City to review /City comments | | | 442 2 | 394 2 | | | | | 25 | 836 | 861 | 4 |
| 2 | Address City comments on plans, dev to 95% | | | 1,326 6 | 3,152 16 | | | 2,768 16 | | | 7,246 | 7,246 | 38 |
| 3 | Address City comments on specs, dev to 95% | | | 884 4 | 1,576 8 | | | | | | 2,460 | 2,460 | 12 |
| 4 | Addr City comments on engrs estim, dev to 95% | | | 221 1 | 591 3 | | | | | | 812 | 812 | 4 |
| 5 | Prep draft contract book | | | 884 4 | 4,728 24 | | | | | | 5,612 | 5,612 | 28 |
| 6 | Perform QC review and revs | | 988 4 | 1,326 6 | 1,182 6 | | | 1,038 6 | | | 4,534 | 4,534 | 22 |
| 7 | Project cootdination with City | | | 884 4 | | | | | | | 884 | 884 | 4 |
| 8 | Submit 95% PS&E to City | | 247 1 | 221 1 | 394 2 | | | 346 2 | | 250 | 1,208 | 1,458 | 6 |
| 9 | Attend mtg with City to go over City comments | | | 442 2 | 394 2 | | | | | 25 | 836 | 861 | 4 |
| 10 | Addr City comments on plans, finalize to 100% | | | 1,326 6 | 2,364 12 | | | 2,076 12 | | | 5,766 | 5,766 | 30 |
| 11 | Addr. City comments on specs, finalize to 100% | | | 442 2 | 1,182 6 | | | | | | 1,624 | 1,624 | 8 |
| 12 | Addr City cmmnts on engrs estim, finalize to 100% | | | 221 1 | 394 2 | | | | | | 615 | 615 | 3 |
| 13 | Addr City cmmnts on contract bk, finalize to 100% | | | 884 4 | 1,576 8 | | | | | | 2,460 | 2,460 | 12 |
| 14 | Perform QC of PS&E, revs | | 988 4 | 1,326 6 | 1,182 6 | | | 1,038 6 | | | 4,534 | 4,534 | 22 |
| 15 | Submit 100% PS&E to City for Bidding | | 247 1 | 442 2 | 394 2 | | | 173 1 | | 250 | 1,256 | 1,506 | 6 |
| | Subtotal | | 2,470 10 | 11,271 51 | 19,503 99 | | | 7,439 43 | | 550 | 40,683 | 41,233 | 203 |
| | **Subtotal of PS&E Preparation** | | 4,446 18 | 21,658 98 | 45,704 232 | 4,092 22 | 366 2 | 21,971 127 | 5,680 20 | 1,203 | 103,917 | **105,120** | 519 |
| **4.** | **Bid & Construction Services** | | | | | | | | | | | | |
| 1 | Attend pre-bid meeting | | | 442 2 | 394 2 | | | | | 25 | 836 | 861 | 4 |
| 2 | Respond to bidder questions | | | 221 1 | 591 3 | | | | | | 812 | 812 | 4 |
| 3 | Issue one bid addendum | | | 442 2 | 788 4 | | | | | | 1,230 | 1,230 | 6 |
| 4 | Attend pre-construction meeting | | | 442 2 | 394 2 | | | | | 25 | 836 | 861 | 4 |
| 5 | Review and approve submittals ( 15 included) | | | 1,768 8 | 4,728 24 | | | | | | 6,496 | 6,496 | 32 |
| 6 | Review and respond to RFIs (10 assumed) | | | 1,105 5 | 3,940 20 | | | | | | 5,045 | 5,045 | 25 |
| 7 | Review and respond to C.O. requests (1 incl.) | | | 442 2 | 985 5 | | | | | | 1,427 | 1,427 | 7 |
| 8 | Prepare minor plan revision to address field cond | | | 442 2 | 788 4 | | | 692 4 | | | 1,922 | 1,922 | 10 |
| 9 | Project coord with City | | | 1,326 6 | | | | | | 25 | 1,326 | 1,351 | 6 |
| 10 | Perform substant compl insp | | | 1,105 5 | 1,182 6 | | | | | 25 | 2,287 | 2,312 | 11 |
| 11 | Prepare record drawings | | | 221 1 | 394 2 | | | 1,384 8 | | 200 | 1,999 | 2,199 | 11 |
| | Subtotal | | | 7,956 36 | 14,184 72 | | | 2,076 12 | | 300 | 24,216 | 24,516 | 120 |
| | **GRAND TOTAL** | | 4,446 18 | 29,614 134 | 59,888 304 | 4,092 22 | 366 2 | 24,047 139 | 5,680 20 | 1,503 | 128,133 | **129,636** | 639 |

**Notes:**
1. The amounts may vary between tasks and individuals but the Grand Total amount will not be exceeded without approval of the Client.
2. Total All$ includes subconsultants and reimbursable costs.
3. Hourly rates effective through December 31, 2022 and subject to revision annually thereafter.
4. All positions may not be shown. If a position is not shown the Charge Rate Fee Schedule will govern.



WILSEY HAM
Engineering, Surveying & Planning

WILSEY HAM
Engineering, Surveying & Planning

# 2022 Charge Rate Fee Schedule

## I. Charge Rate Fee Schedule

The compensation of Wilsey Ham for work done will be on the basis of an hourly charge rate, plus incurred expenses and will be the sum of all the items set forth below:

## A. Personnel Services Hourly Range of Rates

| | | | | | |
|---|---|---|---|---|---|
| Principal/Sr. Prgm Mgr | $260 | $337 | Designer/Survey Tech I | $143 | $155 |
| Supervising Eng/Surv/Prgm Mgr | 247 | 292 | Jr Engineer | 143 | 155 |
| Managing Eng/Surveyor | 235 | 249 | CAD Op/Drafter II | | 140 |
| Sr. Engineer/Proj Manager | 203 | 221 | Designer/Survey Tech/Drafter | 121 | 127 |
| Associate Eng/Surveyor/Eng III | | 210 | Senior Admin Staff/Contracts | | 182 |
| Engineer II | | 197 | Admin Assist/Proj Coord. | 94 | 105 |
| Engineer I/Project Eng | 186 | 187 | Tech Asst/Repro, File Clerk | 81 | 83 |
| Assistant Eng/Staff Eng | 168 | 171 | 2 Person Survey Crew | | 284 |
| Senior Designer/Survey Tech | 173 | 193 | Outside Survey Specialist | | 197 |
| Designer/Survey Tech II | | 168 | Construction Mgmt CM 1,2,3,4 | 170 | 246 |

**Effective through December 31, 2022 and subject to revision annually thereafter.*

## B. Reimbursable Expenses

### 1. Travel & Transportation Expenses:

a) Reimbursement for actual travel and subsistence expenses paid to or on behalf of employees on business connected with the project, plus a handling charge of 15%.

b) Sixty-two cents ($0.62) per mile, or the current rate allowable set by the Internal Revenue Service for use of company passenger vehicles, and eighteen dollars ($18.00) per hour for use of vehicles carrying field survey equipment and supplies or used for field inspection and supervision.

### 2. Miscellaneous Expenses:

a) The cost of materials, supplies, reproduction work, agency filing fees, and other services, including communication expenses, plus a handling charge of 15%.

## C. Outside Services

a) Invoice cost of services and expenses charged to Wilsey Ham by outside consultants, professional, or technical firms engaged in connection with the order, plus a handling charge of 15%.

Table 20188

# STAFF REPORT

| | |
|---|---|
| **Meeting Date:** | November 22, 2022 |
| **Agency:** | City of Belmont |
| **Staff Contact:** | Bozhena Palatnik, Public Works, (650) 595-7463, bpalatnik@belmont.gov |
| **Agenda Title:** | Americans with Disability Act Title II Fiscal Year 2021-2022 Update |
| **Agenda Action:** | For Information Only |

## Recommendation
Information only, no action required.

## Strategic Focus Area
Infrastructure and Mobility

## Background
On July 26, 1990, Congress enacted Title II of the Americans with Disabilities Act (ADA). This Federal Law requires the City to provide disabled persons access to its services, programs, and activities. Regulations implementing the law set forth standards for what constitutes discrimination on the basis of mental or physical disability, provide a definition of disability and qualified individual with a disability, and establish a complaint mechanism for resolving allegations of discrimination (28 CFR 35).

On July 31, 2009, Caltrans revised their requirements for annual reporting of ADA information. The required submittals include designation of ADA Coordinator; certification of an updated self-evaluation and transition plans; and certification of adoption of a grievance procedure. This information must be submitted for each Federal fiscal year.

To comply with the requirements for accessibility to City programs, services and activities, the City performs an annual Self-Evaluation of its policies, procedures and practices and to identify physical barriers in its facilities, parks, parking lots and public right of way. In March 2018, access compliance surveys of the City's facilities, parks and public right of way were completed. In November 2019, the City completed a Self-Evaluation of City policies, procedures, and practices for FY 2018-19. The City is completing such Self-Evaluation every fiscal year.

## Analysis
The City of Belmont is committed to providing accessible services to the community. Pedestrian improvements, building renovations, and the delivery of services have been accomplished with consideration of the needs of people with disabilities. This report covers Program activities during the fiscal year 2021-22, as the City continued making progress in updating its annual ADA Self Evaluation and the Transition Plan. This work is presented in Attachment A.

The City is working to improve accessibility of its public rights of way, public facilities and permitted work. All projects that include pedestrian facilities undergo an ADA review to determine the need for

accessibility upgrades to existing facilities and/or addition of new accessible elements. Project design documents include accessibility upgrades to pedestrian facilities within each project. Design documents receive multiple reviews for safety and accessible elements. Construction projects include in-house and consultant inspections to ensure accessible features are built correctly.

Additionally, one of the purposes of the Transition Plan Update is to identify physical barriers that may limit access to City programs and services. Many of the potential barriers identified are associated with facilities that have accessible features such as designated parking, accessible restrooms, access ramps, accessible door hardware, and other code compliant and usable features. The needs of the community of persons with disabilities inform the removal of barriers and are incorporated into the work to create more access.

The Transition Plan Update is intended to provide a framework for the continuous improvement of City facilities for people with disabilities. This is a living document, regularly updated as barriers are removed, and existing facilities are renovated.

**Alternatives**

1. Refer back to staff for further information.

**Attachments**

A. List of ADA related improvements

**Fiscal Impact**

☒ No Fiscal Impact

☐ Funding Source Confirmed:

| **Source:** | **Purpose:** | **Public Outreach:** |
|---|---|---|
| Staff | Statutory/Contractual Requirement | Posting of Agenda |

ATTACHMENT A

| List of ADA Related Improvements | |
|---|---|
| **Project/Item** | **Project/Item Description** |
| 2022 Pavement Project | 1 curb ramp at the northwest corner of Old County Road/Ralston Avenue intersection |
| | 2 curb ramps at northwest and northeast corners of Old County Road/Sterling View Ave intersection |
| | 2 curb ramps at northwest and northeast corners of Old County Road/Dale View Ave intersection |
| | 2 curb ramps at northwest and northeast corners of Old County Road/Crest View Ave intersection |
| | 1 curb ramp at the northeast corner of Old County Road/Mountain View Avenue intersection |
| | 2 curb ramps at northwest and northeast corners of Old County Road/Marine View Ave intersection |
| | 3 curb ramps at northeast, northwest, and southwest corners of Old County Rd/Masonic Way |
| | 2 curb ramps on Masonic Way at Sterling Condominium Driveway |
| | 1`ramp on the north side of Mezes Avenue/Alameda de las Pulgas |
| | 4 ramps at the intersection of Masonic Way/Granada Street |
| Ralston Avenue Corridor Improvements Project - Segment 3 | 1 curb ramp at northwest corner of Chula Vista Drive and Ralston Avenue intersection |
| | 1 curb ramp installed at northeast corner of Ralston Avenue and Chevy Street |
| | 1 ramp at northwest corner of Notre Dame de Namur Entrance and Ralston Avenue |
| | 1 ramp at northeast corner of Maywood Drive and Ralston Avenue |
| Belmont Twin Pines Park | Installation of ADA inclusive swing set |
| Belmont Belameda Park | Installation of ADA inclusive swing set |
| Notre Dame de Namur Tennis Courts | Installation of temporary ADA restroom |
| 2290 Ralston Avenue | Installation of 1 ramp near driveway at sidewalk |
| 530 El Camino Real | Review & issuance of Building Permit with private accessibility improvements |
| 1086 Alameda de las Pulgas | Review & issuance of Building Permit with private accessibility improvements |
| 1888 Ralston Avenue | Review & issuance of Building Permit with private accessibility improvements |
| 815 Old County Road | Review & issuance of Building Permit with private accessibility improvements |

## ATTACHMENT A

| | |
|---|---|
| 1011 Alameda de las Pulgas | Review & issuance of Building Permit with private accessibility improvements |
| 390 El Camino Real, Suite G | Review & issuance of Building Permit with private accessibility improvements |
| 2710 Ralston Avenue | Review & issuance of Building Permit with private accessibility improvements |
| 1365 5th Avenue at Broadway | Review & issuance of Building Permit with private accessibility improvements |
| 1100 El Camino Real | Review & issuance of Building Permit with private accessibility improvements |
| 401 Island Parkway | Review & issuance of Building Permit with private accessibility improvements |
| 800 El Camino Real | Review & issuance of Building Permit with private accessibility improvements |
| 2040 Ralston Avenue, Suite B | Review & issuance of Building Permit with private accessibility improvements |
| 1200 6th Avenue | Review & issuance of Building Permit with private accessibility improvements |
| 1141 Old County Road | Review & issuance of Building Permit with private accessibility improvements |
| 1000 El Camino Real | Review & issuance of Building Permit with private accessibility improvements |
| 844 Old County Road | Review & issuance of Building Permit with private accessibility improvements |
| 522 El Camino Real | Review & issuance of Building Permit with private accessibility improvements |

# STAFF REPORT

| | |
|---|---|
| **Meeting Date:** | November 22, 2022 |
| **Agency:** | City of Belmont |
| **Staff Contact:** | Elizabeth Wada, Public Works, (650) 595-7468, ewada@belmont.gov |
| **Agenda Title:** | Recommended Parking Changes on 900 block of Old County Road |
| **Agenda Action:** | Resolution |

## Recommendation

Adopt a resolution approving conversion of the 20-Minute Parking zone in front of 940 Old County Road to a 4-Hour Parking, 7 am to 6 pm, except Sundays and Holidays.

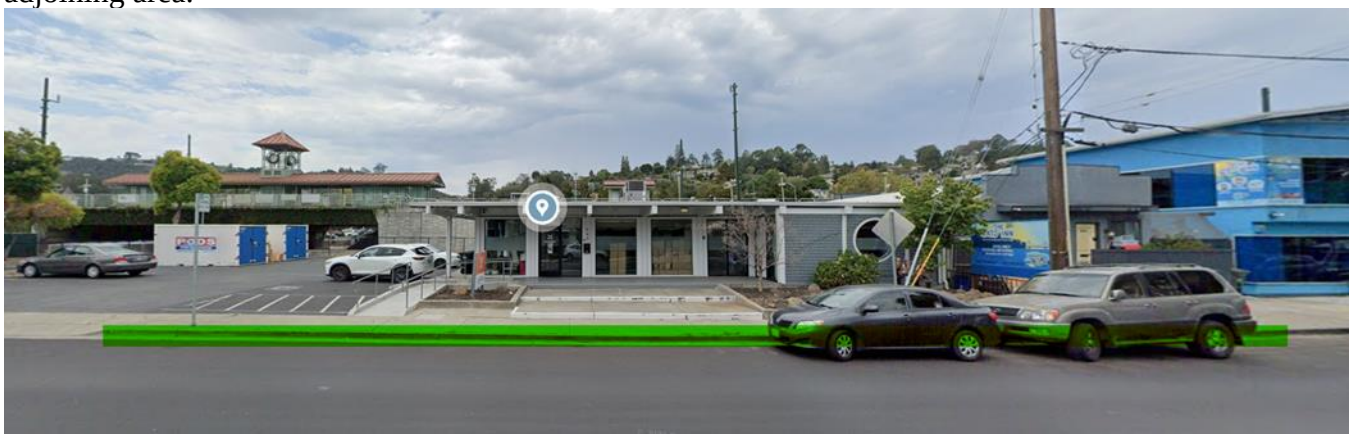
## Strategic Focus Area

Infrastructure and Mobility

## Background

As part of development review process for the housing project at 815 Old County Road (OCR) a traffic study was performed to analyze circulation along OCR. As a result, recommendations were made to revise the striping along the OCR segment from Masonic Way to Ralston Avenue to improve traffic circulation in the area. The recommended striping included a dedicated left-turn pocket from southbound OCR onto Masonic Way and elimination of up to 4 on street parking spaces. To avoid re-striping the road segment upon completion of the 815 OCR project, the revised striping plan was completed with the 2022 Pavement Project earlier this summer.

As the restriping work was completed there was a concern raised by the business owner at 940 OCR. Due to the addition of red curb at the left turn pocket on Old County Road, the business owner requested that a 20-Minute Parking zone be converted to a 4-Hour Parking zone. The approximate location is shown in green in figure shown below. The proposed change will create “4 Hour Parking, 7 am to 6 pm except Sundays and Holidays” along that frontage. This would match the existing 4 Hour Parking similar to the adjoining area.



## Analysis

The City staff worked with the effected property owner to address their concerns and held a Parking and Traffic Safety Committee (PTSC) meeting to review the requested change at its October 18, 2022, meeting.

Residents and businesses within a 300-foot radius of the requests were notified of the PTSC meeting. There were two objections to the Old County Road red curb, one show of support for the red curb, and a few calls for support from residents who were unable to make the meeting. The PSTC concluded that the circulation and safety improvements outweighed the concerns raised by some to the removal of on-street parking. No objections were noted for the proposed time limit change in front of 940 OCR.

The Public Works Department will also monitor parking along OCR between Masonic Way and Marine View Avenue to determine if any other changes may be warranted and provide additional recommendations if needed.

## Alternatives

1. Take no action
2. Refer to staff for further information

## Attachments

A. Resolution

## Fiscal Impact

☐ No Fiscal Impact

☒ Funding Source Confirmed: Expenditures have been incorporated in the Street Maintenance Fund in the current fiscal year budget for the PTSC recommended improvements.

| Source: | Purpose: | Public Outreach: |
|---|---|---|
| Staff | Discretionary Action | Other* |

*Notices were sent out to residents and businesses within a 300' radius of the proposed changes regarding the items being on the PTSC agenda. The public PTSC meeting was also listed on the City's website Calendar events and City Manager's Weekly Update.

# RESOLUTION NO. 2022 –

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELMONT TO ADOPT A RESOLUTION APPROVING CONVERSION OF THE 20-MINUTE PARKING ZONE IN FRONT OF 940 OLD COUNTY ROAD TO A 4-HOUR PARKING, 7 AM TO 6 PM, EXCEPT SUNDAYS AND HOLIDAYS**

WHEREAS, red curb, "No Parking" signs, and a left turn pocket were installed at the intersection of Old County Road and Masonic Way with the 2022 Pavement Project, per the 815 Old County Road development's project conditions that resulted from a traffic study; and,

WHEREAS, the Parking and Traffic Safety Committee (PTSC) brought the improvements to a public meeting to receive resident feedback; and,

WHEREAS, residents and businesses within a 300-foot radius of the requests were notified of and invited to the PTSC meeting held on October 18, 2022; and,

WHEREAS, a resident requested for the limited time zone parking to be converted from 20 minutes to 4 hours to offset the loss of parking due to the new red curb.

NOW, THEREFORE, the City Council of the City of Belmont resolves as follows:

SECTION 1. Approves the conversion of the 20-minute parking zone in front of 940 Old County Road to a 4-hour parking zone, 7 am to 6 pm, except Sundays and Holidays, and the 2-hour parking zone to a 4-hour parking zone along Old County Road between Masonic Way and Marine View Ave, if deemed necessary by Public Works.

* * *

ADOPTED November 22, 2022 by the City of Belmont City Council by the following vote:

Ayes:

Noes:

Absent:

Abstain:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

City Attorney

# STAFF REPORT

| | |
|---|---|
| **Meeting Date:** | November 22, 2022 |
| **Agency:** | City of Belmont |
| **Staff Contact:** | Afshin Oskoui, City Manager, (650) 595-7410, aoskoui@belmont.gov |
| **Agenda Title:** | Report from Measure I Advisory Committee for Fiscal Year Ended June 30, 2022 |
| **Agenda Action:** | Motion |

## Recommendation
Receive Annual Measure I Advisory Committee Report for the fiscal year ended June 30, 2022.

## Strategic Focus Area
Fiscal and Organizational Sustainability

## Background
Measure I, the one-half cent transaction and use tax, is a locally controlled funding source that was approved by Belmont voters in November 2016 and became effective beginning on April 1, 2017.

Measure I was passed as a general tax, and therefore the funds may be used for any valid governmental purpose. However, based on input received through community meetings and numerous surveys, the City Council has continued to direct that Measure I fund be utilized towards streets and storm drains infrastructure improvements.

Measure I provides that, by no later than December 31st of each year, the City's independent auditor shall complete a report to verify that the taxes levied under Measure I have been properly applied, exempted, collected, and remitted in accordance with the law for the prior fiscal year.

The Belmont City Code establishes the duties of the Measure I Advisory Committee ("the Committee"), which are to monitor and report on how the tax levied by Measure I has been spent, to review the annual audit prepared by the City's independent auditor related to the prior fiscal year's collection and expenditure of Measure I funds, and to transmit a report annually regarding the accuracy of the auditor's findings. To preserve the integrity and independence of the advisory process, the Committee members shall not have a role in determining the use of revenue generated by Measure I.

The Committee understands that its role is to review and evaluate Measure I annual reports and the general scope of the associated audit work, and to give reasonable assurance that the Measure I funds are being properly spent and reported on.

## Analysis

For fiscal year ended June 30, 2022, the Measure I financial statements have been audited by the City's independent auditor who issued a report on the financial statements and a report on Measure I compliance. The financial statements and the auditor's reports are attached, and hard copies have been provided to the Council under separate cover.

During the fiscal year, the City recognized revenues totaling $2,275,183 in Measure I transactions and use tax. $1,674,062 was expended for street improvements and $35,325 for storm drain improvements leaving a fund balance as of June 30, 2022 at $2,938,455 for future project expenditures.

The Committee met on November 14th and, based on the Committee's review of information made available by City staff, including the Measure I financial statements and the audit opinions of the independent auditor, gained reasonable assurance that the Measure I funds are being properly spent and reported on. The Committee directed the Chair to transmit this report through the City Manager's Office and, by doing so, has discharged its duties and met its responsibilities for the year ended June 30, 2022, as required by the Belmont City Code.

The Committee noted that they continue to review supplemental materials provided by the Public Works Department regarding the nature of ongoing and planned improvements to streets and the storm drainage system.

The Committee wishes to express its appreciation to the City's management, the staff members of the Finance and Public Works Departments, for the information they have provided for the Committee to compile this report.

By:

*Joseph McDonough*
Measure I Advisory Committee Chair

## Alternatives

1. Take No Action

## Attachments

A. Measure I Fund Financial Statements

| Source: | Purpose: | Public Outreach: |
|---|---|---|
| Staff | Discretionary Action | Posting of Agenda |

**City of Belmont, California**
**Measure I Fund**
**Financial Statements**
**For the Year Ended June 30, 2022**

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**CITY OF BELMONT**
**Measure I Fund**
**Financial Statements**
**For the Fiscal Year Ended June 30, 2022**

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MAZE & ASSOCIATES

**INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and Members of the City Council
City of Belmont, California

**Report on the Audit of the Financial Statements**

***Opinion***

We have audited the accompanying financial statements of the Measure I Fund (Fund) of the City of Belmont, California (City), as of and for the year ended June 30, 2022, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fund as of June 30, 2022, and the change in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. 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, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Emphasis of a Matter***

The financial statements referred to above present only the Fund and are not intended to present fairly the financial positions of the City or the results of its operations in accordance with accounting principles generally accepted in the United States of America.

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the Statistical Section listed in the Table of Contents, but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exits, we are required to describe it in our report.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Maze & Associates

Pleasant Hill, California
November 3, 2022

CITY OF BELMONT
MEASURE I FUND

BALANCE SHEET
JUNE 30, 2022

| | |
|---|---|
| Assets: | |
| Cash and investments | $3,159,994 |
| Due from the State of California | 377,851 |
| Total Assets | $3,537,845 |
| Liabilities: | |
| Accounts payable | $599,390 |
| Total Liabilities | 599,390 |
| Fund Balance: | |
| Committed for Infrastructure | 2,938,455 |
| Total Liabilities and Fund Balance | $3,537,845 |

See accompanying notes to financial statements

CITY OF BELMONT
MEASURE I FUND

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2022

| | |
|---|---|
| Revenues: | |
| Measure I Sales Tax | $2,275,183 |
| Interest Earnings | 7,361 |
| Total Revenues | 2,282,544 |
| Expenditures: | |
| Measure I Projects: | |
| Street Improvements | 1,674,062 |
| Storm Drain Improvements | 35,325 |
| Transfer to Infrastructure Projects | 1,385,864 |
| Total Expenditures | 3,095,251 |
| Net Change in Fund Balance | (812,707) |
| Fund Balance - July 1, 2021 | 3,751,162 |
| Fund Balance - June 30, 2022 | $2,938,455 |

See accompanying notes to financial statements

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**CITY OF BELMONT, CALIFORNIA**
**MEASURE I FUND**
**NOTES TO FINANCIAL STATEMENTS**
**For the Fiscal Year Ended June 30, 2022**

## NOTE 1 – BACKGROUND

The Belmont Streets and Services Measure (Measure I) was approved by the voters in November 2016, with 55 percent of the vote. The collection of the half cent general sales tax started in the first week of April 2017. The stated objective of the City Council for Measure I is to pay for the City's infrastructure for the next 30 years. The City of Belmont administers the program and distributes the funds.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Reporting Entity** – All transactions of the Measure I Program of the City of Belmont, California (City), are reported as a part of the General Fund in the basic financial statements of the City. The Measure I Fund is used to account for the City's share of revenues earned and expenditures incurred pursuant to the Belmont Streets and City Services Measure. The accompanying financial statements include Measure I Funds only and are not intended to fairly present the financial position, results of operations and cash flows of the City in conformity with accounting principles generally accepted in the United States of America.

**Basis of Accounting** – The accompanying financial statements are prepared on the modified accrual basis of accounting. Revenues are generally recorded when measurable and available, and expenditures are recorded when the related liabilities are incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a "*current financial resources*" measurement focus, wherein only current assets and current liabilities generally are included on the balance sheets. Operating statements of governmental funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

**Description of Funds** – The accounts are maintained on the basis of fund accounting. A fund is a separate accounting entity with a self-balancing set of accounts. The City uses a subfund of the General Fund to account for the proceeds of specific revenues (other than for capital projects) that are legally restricted to be expended for specified purposes.

**Use of Estimates** – Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

## NOTE 3 – CASH AND INVESTMENTS

Cash and investments are maintained on a pooled basis with those of other funds of the City. Pooled cash and investments consist of money market funds investing in such obligations and the State Treasurer's investment pool (Local Agency Investment Fund). All investments are stated at fair value. Pooled investment earnings are allocated based on the average cash and investment balances of the various funds and related entities of the City.

See the City's Annual Comprehensive Financial Report for disclosures related to cash and investments and the related custodial risk categorization. The Annual Comprehensive Financial Report may be obtained from the City of Belmont, 1 Twin Pines Lane, Belmont, CA, 94002.

**INDEPENDENT AUDITOR'S REPORT ON**
**INTERNAL CONTROL OVER FINANCIAL REPORTING**
**AND ON MEASURE I COMPLIANCE AND OTHER MATTERS BASED ON AN**
**AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE**
**WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable Members of the City Council
City of Belmont, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Measure I Fund (Fund) of the City of Belmont, California, as of and for the year ended June 30, 2022, and have issued our report thereon dated November 3,2022.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Fund's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Fund's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. Our procedures included tests of compliance with the applicable provisions of Section 23-114, Annual Audit, of Chapter 23 of the Belmont City Code (Ordinance No, 2016-1109). However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We have also issued a separate Memorandum on Internal Control dated November 3, 2022 which is an integral part of our audit and should be read in conjunction with this report.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements specified in Section 23-114, Annual Audit, of Chapter 23 of the Belmont City Code (Ordinance No, 2016-1109), and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

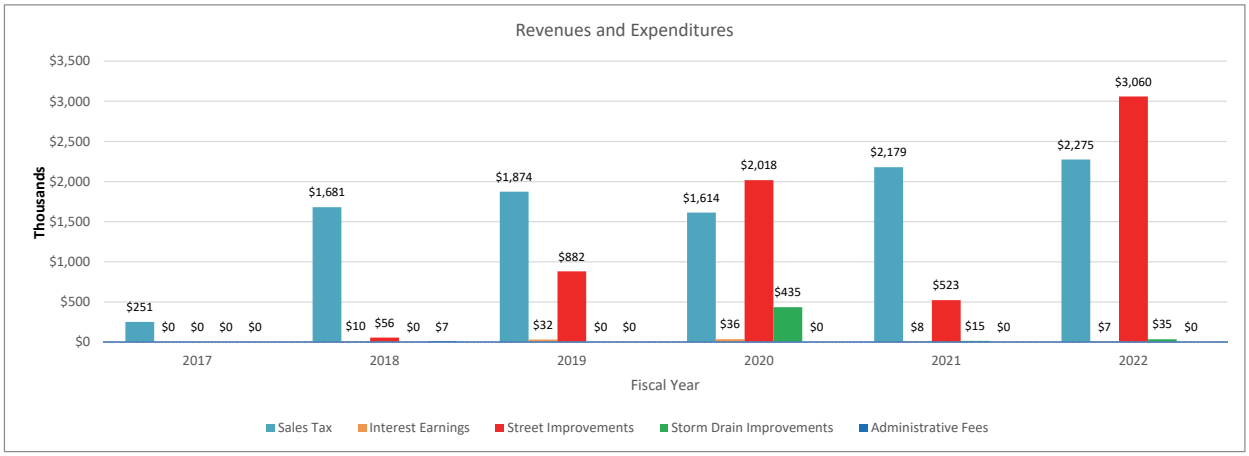
This report is intended solely for the information and use of management, City Council, others within the City, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties; however, this restriction is not intended to limit the distribution of this report, which is a matter of public record.

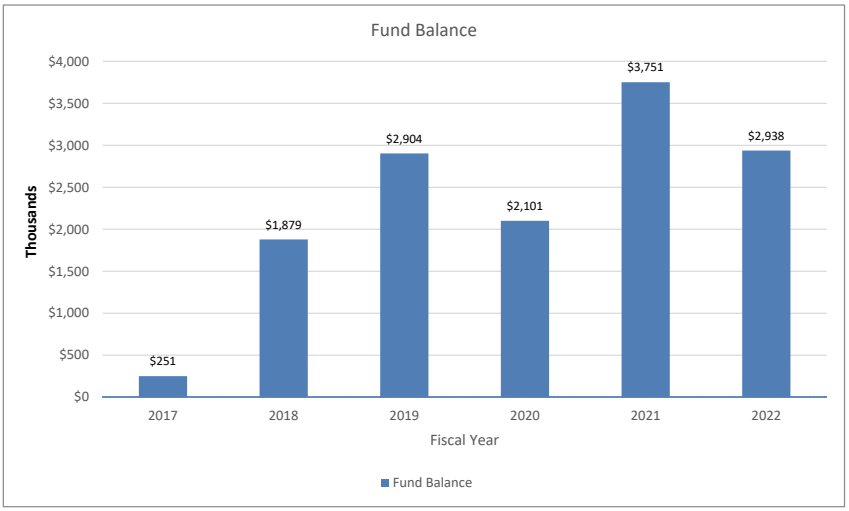
Maze & Associates

Pleasant Hill, California
November 3, 2022

**CITY OF BELMONT**
**MEASURE I FUND**
**REVENUES AND PROJECT EXPENDITURES**

**Last Ten Fiscal Years***




| | Fiscal Year Ended June 30, | | | | | |
|---|---|---|---|---|---|---|
| | **2017*** | **2018** | **2019** | **2020** | **2021** | **2022** |
| Revenues: | | | | | | |
| Measure I Sales Tax | $251,095 | $1,681,041 | $1,874,155 | $1,614,275 | $2,179,340 | $2,275,183 |
| Interest Earnings | 89 | 10,194 | 31,712 | 35,707 | 8,318 | 7,361 |
| Total Revenues | $251,184 | $1,691,235 | $1,905,867 | $1,649,982 | $2,187,658 | $2,282,544 |

| | Fiscal Year Ended June 30, | | | | | | |
|---|---|---|---|---|---|---|---|
| | **2017*** | **2018** | **2019** | **2020** | **2021** | **2022** | |
| | **Actual** | **Actual** | **Actual** | **Actual** | **Actual** | **Budget** | **Actual** |
| Expenditures: | | | | | | | |
| Projects: | | | | | | | |
| Street Improvements | $0 | $56,440 | $881,593 | $1,058,939 | $523,150 | $3,769,200 | $1,674,062 |
| Storm Drain Improvements | 0 | 0 | 0 | 434,613 | 14,638 | 0 | 35,325 |
| Transfer to Measure A Projects | 0 | 0 | 0 | 958,744 | 0 | 580,000 | 0 |
| Transfer to Infrastructure Projects | 0 | 0 | 0 | 0 | 0 | 800,000 | 1,385,864 |
| State of California District Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Administrative Fee | 0 | 6,647 | 0 | 0 | 0 | 0 | 0 |
| Total Expenditures | $0 | $63,087 | $881,593 | $2,452,296 | $537,788 | $5,149,200 | $3,095,251 |
| Fund Balance | $251,184 | $1,879,332 | $2,903,606 | $2,101,292 | $3,751,162 | | $2,938,455 |

*Measure I was effective April 1, 2017.

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# STAFF REPORT

| | |
|---|---|
| **Meeting Date:** | November 22, 2022 |
| **Agency:** | City of Belmont |
| **Staff Contact:** | Jennifer Rose, Finance Department, jrose@belmont.gov |
| **Agenda Title:** | Annual Report on Receipt and Use of Development Impact Fees, In-Lieu Fees, and Linkage Fees for Fiscal Year 2022 |
| **Agenda Action:** | Resolution |

## Recommendation

Adopt a Resolution to make certain findings and accept the annual report on receipt and use of development impact fees, in-lieu fees, and linkage fees for the fiscal year ended June 30, 2022.

## Strategic Focus Area

Fiscal and Organizational Sustainability

## Background

*Development Impact Fees*

The City of Belmont assesses two development impact fees – Park Improvement Impact Fee and Transportation Impact Fee. Local governments often charge fees as a condition of approval for development projects to fund public improvements to compensate for the demands that the developments have on public resources. These fees are commonly known as development impact fees. In 1989, the State Legislature passed Assembly Bill 1600 (AB 1600), which added Sections 66000 et seq. to the California Government Code, commonly known as the Mitigation Fee Act.

Government Code Section 66006 requires that the City make available to the public the following information regarding development impact fees within 180 days after the end of each fiscal year:

1. A brief description of the type of fee.
2. The amount of the fee.
3. The fee's beginning and ending balances for the fiscal year.
4. Total fees collected and the interest earned, if applicable.
5. Identification of each public improvement on which impact fees were expended and the amount of expenditure on each improvement, including the total percentage of the cost of the public improvement that was funded with impact fees.
6. Identification of an approximate date by which the construction of a public improvement will commence, if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement.
    a. This information is listed in Exhibit A to the Resolution. Exhibit A shows the five-year plan for public improvement projects and their anticipated expenditures related to the Mitigation Fee Act and Quimby Act. Specific details on each of the projects listed in

Exhibit A can be found in the five-year capital improvement program section in the City's FY 2022 Adopted Budget.

7. Description and uses for transfers or loans of fees, if applicable.
8. Amounts of any refunds and allocations.

Further, the Mitigation Fee Act requires that findings describing the continuing need for impact fees be made every five years specifying the intended use of any unexpended impact fees, regardless of whether the fees are committed or uncommitted. If findings are not presented as scheduled, the City may be subjected to go through a refunding procedure. The City is opting to make such findings every year.

*In-Lieu Fees*

In-lieu fees are fees that are collected by the City instead of requiring developers to provide or construct specified improvements or amenities with their projects. The City of Belmont assesses three in-lieu fees – Park In-Lieu Fee, Inclusionary Housing In-Lieu Fee, and Public Art In-Lieu Fee.

Park In-Lieu Fees are assessed pursuant to the Quimby Act under Government Code Section 66477. The other in-lieu fees do not have statutory reporting requirements but are included in this report for informational purposes. Under the Quimby Act, local governments may require the dedication of land for parks or the payment of fees in-lieu of land dedication as a condition of subdivision map approval. While park in-lieu fees are exempt from the reporting requirements included in the Mitigation Fee Act, these fees have separate Quimby Act reporting requirements, specifically:

1. The City must develop a schedule specifying the use of land or fees to develop park or recreational facilities to serve the residents of the subdivision.
2. Any Quimby fees collected must be committed within five years after the payment of the fees or the issuance of building permits on one-half of the lots created by the subdivision, whichever occurs later.
3. If not committed, the fees shall be distributed and paid to the record owners of the subdivision in the same proportion that the size of the lot bears to the total area of lots within the subdivision (Gov. Code section 66477(a)(6)).

*Linkage Fees*

Linkage fees are exactions for social needs indirectly related to development projects. The City of Belmont assesses one linkage fee –Affordable Housing Commercial Linkage Fee. While these are linkage fees, they are included in this report with reporting requirements under the Mitigation Fee Act for informational purposes and to make sure that information is available in the event that a court rules in the future that linkage fees are subject to the reporting requirements of the Mitigation Fee Act.

This report complies with requirements of the Mitigation Fee Act and the Quimby Act outlined above.

## Analysis

For fiscal year 2022, the City of Belmont is required to report on the following two development impact fees, pursuant to the Mitigation Fee Act.

*Park Improvement Impact Fees* – The purpose of park impact fees is to ensure that the City can construct park and recreation facilities needed for the population growth created by new development. The Development Fees Annual Report (Attachment B) includes current fee information, a summary of revenues and expenditures, and opening and closing fund balance for the Park Impact Fees Fund (Fund 342).

The Council is asked to make the following findings regarding park improvement impact fees collected but not expended – these findings are detailed in the resolution provided as Attachment A:

1. Development impact fees are collected to mitigate direct and indirect impacts from development.
2. These funds are expended in a timely manner to fund continued improvements to public facilities related to the increased demand on the facilities resulting from development.
3. There is a reasonable relationship between these impact fees and their purpose.
4. These impact fees continue to be required to fund applicable improvements, and as such, these fees will continue to be collected for utilization solely for their intended purpose.

*Transportation Impact Fees* – The City of Belmont transportation impact fee program requires new development to contribute funding for future transportation system improvements. The Development Fees Annual Report (Attachment B) includes current fee information, a summary of revenues and expenditures, and opening and closing fund balance for the Transportation Impact Fee (Fund 237) in which the transportation impact fees are accounted for.

The Council is asked to make the following findings regarding transportation impact fees collected but not expended – these findings are detailed in the resolution provided as Attachment A:

1. Development impact fees are collected to mitigate direct and indirect impacts from development.
2. These funds are expended in a timely manner to fund continued improvements to public facilities related to the increased demand on the facilities resulting from development.
3. There is a reasonable relationship between these impact fees and their purpose.
4. These impact fees continue to be required to fund applicable improvements, and as such, these fees will continue to be collected for utilization solely for their intended purpose.

For fiscal year 2022, Belmont is providing financial reporting information for three in-lieu or linkage fees:

*Housing Mitigation Fees* – Housing mitigation fees include both the inclusionary housing in-lieu fee, and the affordable housing commercial linkage fee. The purpose of the housing mitigation fees is to mitigate the burdens created by new residential and non-residential development projects on the need for extremely low, very low, low, and moderate-income housing. The Development Fees Annual Report (Attachment B) includes current fee information, a summary of revenues and expenditures, and opening and closing fund balance for the Inclusionary Housing Fund (Fund 277), in which the inclusionary housing in-lieu fee and affordable housing commercial linkage fee are accounted for.

The Council is asked to make the following findings regarding housing mitigation fees collected but not expended – these findings are detailed in the resolution provided as Attachment A:

1. Development impact fees are collected to mitigate direct and indirect impacts from development.
2. These funds are expended in a timely manner to fund continued improvements to public facilities related to the increased demand on the facilities resulting from development.
3. There is a reasonable relationship between these impact fees and their purpose.
4. These impact fees continue to be required to fund applicable improvements, and as such, these fees will continue to be collected for utilization solely for their intended purpose.

*Park In-Lieu (Quimby) Fees*
The park in-lieu fee program is offered in-lieu of the City's parkland dedication requirement for new residential subdivisions; this fee ensures that the City's existing ratio of parkland acreage to 1,000 residents is maintained when new subdivision development occurs. The Development Fees Annual Report (Attachment B) includes current fee information, a summary of revenues and expenditures, and opening and closing fund balance for the Planned Park Fund (Fund 341) in which the park in-lieu fee are accounted for.

*Public Art In-Lieu Fees* – The City of Belmont adopted a public art requirement for private development so that development of cultural and artistic assets is financed by those whose development diminishes the availability of the community's resources for those opportunities and contributes to community urbanization. The City requires certain private development projects to contribute not less than one percent of the building development costs towards acquisition and installation of public art or contribute an equivalent amount to the City's public art in-lieu fund.

**Alternatives**
1. Request additional information on Development Fees.

**Attachments**
A. Resolution
B. Exhibit A - Development Fees Annual Report FY 2022
C. Exhibit B - Public Improvement Project Expenditures Five-Year Plan

**Fiscal Impact**
☒ No Fiscal Impact
☐ Funding Source Confirmed:

| **Source:** | **Purpose:** | **Public Outreach:** |
|---|---|---|
| Staff | Statutory/Contractual Requirement | Other* |

*In accordance with Government Code Section 66006, this information was made available to the public 15 days before the public meeting. A notice of availability was published in a general circulation newspaper on November 4, 2022.

# RESOLUTION NO. 2022 –

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELMONT ACCEPTING THE ANNUAL REPORT ON RECEIPT AND USE OF DEVELOPMENT IMPACT FEES, IN-LIEU FEES, AND LINKAGE FEES FOR THE FISCAL YEAR ENDED JUNE 20, 2022 AND MAKING FINDINGS REGARDING DEVELOPMENT IMPACT FEES COLLECTED BUT NOT EXPENDED**

WHEREAS, Government Code Sections 66000 et seq., commonly known as the Mitigation Fee Act, regulate the imposition, collections, expenditure, and reporting of development impact fees; and,

WHEREAS, Government Code Section 66001 requires that certain information be made available to the public regarding development impact fees on an annual basis; and,

WHEREAS, Government Code Section 66001 requires the City Council to make findings describing the continuing need for impact fees every five years specifying the intended use of any unexpended impact fees; and,

WHEREAS, the City of Belmont assesses two development impact fees subject to Mitigation Fee Act reporting requirements – Park Impact Fee and Transportation Impact Fee; and,

WHEREAS, the City of Belmont also collects in-lieu fees and linkage fees, including Inclusionary Housing In-Lieu Fee, Public Art In-Lieu Fee, and Affordable Housing Commercial Linkage Fee; and,

WHEREAS, the City of Belmont adheres to the Mitigation Fee Act requirements for in-lieu fees and linkage fees in addition to development impact fees; and,

WHEREAS, the City Council of the City of Belmont has read and considered the Development Impact Fees, In-Lieu Fees, and Linkage Fees Annual Report for the Year Ended June 30, 2022, and all accompanying attachments.

NOW, THEREFORE, the City Council of the City of Belmont resolves as follows:

SECTION 1. Acceptance of this report is not a project subject to CEQA review because it is an organizational or administrative activity that will not result in direct or indirect physical changes to the environment pursuant to CEQA Guidelines section 15378(b)(5).

SECTION 2. The City Council accepts the Development Impact Fees, In-Lieu Fees, and Linkage Fees Annual Report for the Year Ended June 30, 2022, included as Exhibit A to this resolution.

SECTION 3. Based on the Report and the schedule for expenditure of improvements attached as Exhibit B to this resolution, the City Council makes the following findings with regard to the development impact fees and linkage fees collected but not expended in Fiscal Year 2022 and listed below:

*Park Improvement Impact Fee*

1. This fee is used to develop parkland and parkland improvements that are necessary to serve new development.
2. There is a reasonable relationship between the fee and its purpose, because the amount of the fee is determined based on the need for parkland and parkland improvements that will be generated by new development.
3. The sources and amounts of funding anticipated to complete the planned projects are shown in Exhibit A.
4. The approximate dates on which the necessary funding is expected to be deposited are shown in Exhibit A.

*Transportation Impact Fee*

1. This fee is used to develop transportation and transportation improvements that are necessary to serve new development.
2. There is a reasonable relationship between the fee and its purpose, because the amount of the fee is determined based on the need for transportation and transportation improvements that will be generated by new development.
3. The sources and amounts of funding anticipated to complete the planned projects are shown in Exhibit A.
4. The approximate dates on which the necessary funding is expected to be deposited are shown in Exhibit A.

*Affordable Housing Commercial Linkage Fee*

1. This fee will be used to support affordable housing that are necessary in order to serve new development.
2. There is a reasonable relationship between the fee and its purpose, because the amount of the fee is determined based upon the anticipated need for affordable housing that will be generated by new commercial development.
3. The sources and amounts of funding expected to complete the anticipated projects are shown in Exhibit A.
4. The approximate dates on which the necessary funding is expected to be deposited are shown in Exhibit A.

* * *

ADOPTED November 22, 2022 by the City of Belmont City Council by the following vote:

Ayes:
Noes:
Absent:
Abstain:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

City Attorney

**City of Belmont**
**Annual Report on Park Impact Fees (Fund 342)**
**Fiscal Year Ending June 30, 2022**

**Purpose and Authority for Collection**

The purpose of park impact fees is to ensure that the City can construct park and recreation facilities needed for the population growth created by new development. Existing park and recreational facilities are insufficient in number, size, location, and the kinds of recreational opportunities which they present to meet the needs of both the City's existing and projected service population. The City's goal is to provide five acres of neighborhood and community park facilities for every one thousand new residents, consistent with the City's General Plan and the Park's and Open Space Master Plan. City Council Resolution 2014-148, adopted October 28, 2014, authorizes assessment of Park Impact Fees in connection with the issuance of any building permit for residential or non-residential development within the City of Belmont.

| | |
|---|---|
| **Fee Enactment** | 10/28/2014 |
| **Initial Fee Collection** | FY 2017 |
| **Next AB-1600 Five Year Review** | FY 2026 |
| | |
| **Amount of Fee FY2022** | |
| Residential Development (fee per dwelling unit): | |
| Single-Family Detached Housing | $13,117 |
| Single-Family Attached Housing | $13,117 |
| Multifamily Housing | $8,745 |
| Second Dwelling Unit | Varies in proportion to size of primary residence. |
| | |
| Non-Residential Development (per square foot): | |
| Retail & Other Commerical | $2.37 |
| Office | $0.71 |
| Industrial | $0.95 |
| Lodging, per room | $427.00 |
| | |
| **BEGINNING BALANCE, 7/1/2021** | $1,397,020 |
| | |
| **Revenues** | |
| Fees Collected | $1,553,490 |
| Interest Earned | $4,549 |
| | |
| **TOTAL REVENUES** | $1,558,039 |
| | |
| **Expenditures** | |
| Transfer to Planned Park | 2,500,000 |
| Capital Improvements | 128,384 |
| | |
| **TOTAL EXPENDITURES** | 2,628,384 |
| | |
| **Other Commitments/Appropriations** | 0 |
| | |
| **Ending Fund Balance, 6/30/2022** | $326,675 |

**City of Belmont**
**Annual Report on Transporation Impact Fees (Fund 237)**
**Fiscal Year Ending June 30, 2022**

**Purpose and Authority for Collection**

The purpose of the transportation impact improvement fee is to mitigate the negative impacts that new development has on the citywide transportation system and to accommodate construction of new transportation infrastructure that expands and upgrades the Belmont transportation system. The transportation impact fee program requires new development to contribute funding for future transportation system improvements in Belmont that will maintain the existing proportionate levels of investment in the City's transportation infrastructure. City Council resolution No. 2020-103, adopted on November 24, 2020, authorizes assessment of Transportation Impact Fees in connection with the issuance of any building permit for residential or non-residential development within the City of Belmont.

| | |
|---|---|
| **Fee Enactment** | 1/25/2021 |
| **Initial Fee Collection** | FY 2022 |
| **Next AB-1600 Five Year Review** | FY 2027 |

**Amount of Fee FY2022**

| | |
|---|---|
| Residential Mtigation and In-Lieu Fees (fee per square foot): | |
| Single-Family Detached Housing | $7,035.00 |
| Single-Family Attached Housing | $7,035.00 |
| Multifamily Housing | $5,460.00 |
| Second Dwelling Unit | Varies in proportion to size of primary residence. |
| Non-Residential Mitigation Fees (per square foot): | |
| Retail/commerical | $16.64 |
| Office/Other | $10.57 |
| Industrial | $4.59 |
| Lodging, per room | $9,625.00 |

| | |
|---|---|
| **BEGINNING BALANCE, 7/1/2021** | $0 |
| **Revenues** | |
| Fees Collected | $200,000 |
| Interest earned | $429 |
| **TOTAL REVENUES** | $200,429 |
| **Expenditures** | |
| Capital Outlay | $0 |
| **TOTAL EXPENDITURES** | $0 |
| **Other Commitments/Appropriations** | $0 |
| **Ending Fund Balance, 6/30/2022** | $200,429 |

**City of Belmont**
**Annual Report on Park In-Lieu Fees (Fund 341)**
**Fiscal Year Ending June 30, 2022**

**Purpose and Authority for Collection**

The Quimby Act allows California jurisdictions to establish parkland dedication requirements for new subdivisions of land. Pursuant to Belmont City Code Chapter 17, Article IV, *Parkland Dedication Requirements and In-Lieu Fees* , Developers wishing to create new residential parcels may meet the Quimby Act requirements either through direct land dedication, or payment of an equivalent in-lieu fee. The equivalent in-lieu fee level is calculated based on the parkland service standard per 1,000 residents, current per-acre land values, and number of persons per household. Revenue shall be used to acquire parkland or fund park improvements.

| | |
|---|---|
| **Fee Enactment** | 10/28/2014 |
| **Initial Fee Collection** | FY 2015 |
| | |
| **Amount of Fee FY2022** | |
| Residential Subdivision (fee per dwelling unit): | |
| Single-Family Detached Housing | $41,043 |
| Single-Family Attached Housing | $41,043 |
| Multifamily Housing | $27,362 |
| | |
| **BEGINNING BALANCE, 7/1/2021** | $357,457 |
| | |
| **Revenues** | |
| Transfer from Park Impact (342) | 2,500,000 |
| In-Lieu Fees Collected | $0 |
| Contributions & Donations | $0 |
| Interest Earned | ($500) |
| | |
| **TOTAL REVENUES** | $2,499,500 |
| | |
| **Expenditures** | |
| Capital Outlay | 115,005 |
| Debt Service Principle | 560,035 |
| Interest and Fiscal Charges | 107,965 |
| Administrative Support | 63,667 |
| Transfer to Open Space Fund | 20,900 |
| | |
| **TOTAL EXPENDITURES** | 867,572 |
| | |
| **Other Commitments/Appropriations** | 0 |
| | |
| **Ending Fund Balance, 6/30/2022** | $1,989,385 |

**City of Belmont**
**Annual Report on Housing Mitigation Fees (Fund 277)**
**Fiscal Year Ending June 30, 2022**

**Purpose and Authority for Collection**

The purpose of the housing mitigation fees is to mitigate the burdens created by new residential and non-residential development projects on the need for extremely low, very low, low, and moderate-income housing. All housing mitigation fees collected shall be deposited into the City's Affordable Housing Fund to be used to increase and preserve the supply of housing affordable to households of extremely low, very low, low, median, and moderate incomes (including necessary administrative costs). City Council Resolution 2017-005, adopted January 10, 2017, authorizes assessment of a Housing Impact Fee in connection with the issuance of any building permit for residential or non-residential development within the City of Belmont, consistent with the affordable housing goals, objectives, policies and programs of the City's Housing Element. Belmont Ordinance 2017-1115, adopted January 24, 2017, created Section 29 of the Belmont Zoning Ordinance which establishes inclusionary housing requirements and provides for payment of housing impact fees in-lieu of housing untis for certain projects.

| | |
|---|---|
| **Fee Enactment** | 1/10/2017 |
| **Initial Fee Collection** | FY 2018 |
| **Next AB-1600 Five Year Review** | FY 2022 |
| | |
| **Amount of Fee FY2022** | |
| Residential Mitigation and In-Lieu Fees (fee per square foot): | |
| Single-Family Detached Housing | $22.45 |
| Single-Family Attached Housing | $22.45 |
| Multifamily Housing | $22.45 |
| Second Dwelling Unit | $0.00 |
| Non-Residential Mitigation Fees (per square foot): | |
| Retail/commerical | $5.61 |
| Office/Industrial/Other | $13.47 |
| Hotel | $4.50 |
| | |
| **BEGINNING BALANCE, 7/1/2021** | $2,385,199 |
| | |
| **Revenues** | |
| Inclusionary Housing Fees | $0 |
| Commercial Linkage Fees | $0 |
| Interest Earned | $67,058 |
| | |
| **TOTAL REVENUES** | $67,058 |
| | |
| **Expenditures** | |
| Loans or Other Project Subsidies | $0 |
| | |
| **TOTAL EXPENDITURES** | $0 |
| | |
| **Other Commitments/Appropriations** | $0 |
| | |
| **Ending Fund Balance, 6/30/2022*** | $2,452,257 |

* Total Fund Balance Includes Affordable Housing Loans Receivable Totaling $2,289,147

**City of Belmont**
**Annual Report on Public Art In-Lieu Fees (Fund 239)**
**Fiscal Year Ending June 30, 2022**

**Purpose and Authority for Collection**

The City of Belmont adopted a public art requirement for private development so that development of cultural and artistic assets are financed by those whose development diminishes the availability of the community's resources for those opportunities and contributes to community urbanization. Through the inclusion of public art or payment of an in lieu fee, developers of private land uses help to address at least a portion of the impact of their developments on aesthetics. The City requires certain private development projects to contribute not less than one percent of the building development costs towards aquisition and installation of public art, or contribute an equivalent amount to the City's public art in-lieu fund.

| | |
|---|---|
| **Fee Enactment** | 1/7/2020 |
| **Initial Fee Collection** | FY 2022 |
| | |
| **Amount of Fee FY 2022** | |
| Non-residential or Mixed Use Development equal to or rgeater than 10,000 s.f. | 1% |
| Residential development of 5 or more new dwelling units | 1% |
| | |
| **BEGINNING BALANCE, 7/1/2021** | $0 |
| | |
| **Revenues** | |
| In-Lieu Fees Collected | $395,227 |
| Contributions & Donations | $0 |
| Interest Earned | $349 |
| | |
| **TOTAL REVENUES** | $395,576 |
| | |
| **Expenditures** | |
| Capital Outlay | 0 |
| | |
| **TOTAL EXPENDITURES** | 0 |
| | |
| **Other Commitments/Appropriations** | 0 |
| | |
| **Ending Fund Balance, 6/30/2022** | $395,576 |

**Exhibit B**

City of Belmont
Public Improvement Project Expenditures Related to the Mitigation Fee Act and Quimby Act
Five-Year Plan Per Fiscal Year (FY) 2023 Capital Improvement Project Budget

| Fund | Project | Description (See Note) | Funding Sources | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
|---|---|---|---|---|---|---|---|---|
| 341 | 8052 | Park and Open Space Master Plan | Park In-Lieu | $ 30,000 | | | | |
| 342 | 8103 | Cipriani Park Design and Construction | Park Impact | | $ 250,000 | $ 3,000,000 | | |
| | 8104 | Twin Pines Park Master Plan Implementation Projects | Park Impact | $ 125,000 | $ 125,000 | $ 125,000 | | |
| | 8105 | Meadow Stage Improvements | Park Impact | | | | | |
| | 8106 | Twin Pines Oval Dog Park | Park Impact | | | | | |
| | 8109 | PROS Plan Phase 1 Implementation | Park Impact | $ 125,000 | $ 125,000 | $ 125,000 | $ 125,000 | |
| 277 | n/a | Affordable Housing Development Contributions | Housing Mitigation | *Fee Expenditures subject to project negotiations and City Council approval; All Housing Mitigation Fees will be spend over the next five years.* | | | | |

*Note: Details about each of these projects can be found in the five-year capital improvement program section of the City's FY 2023 Adopted Budget.*

# STAFF REPORT

| | |
|---|---|
| **Meeting Date:** | November 22, 2022 |
| **Agency:** | City of Belmont |
| **Staff Contact:** | Nima Mazhari, Public Works, (650) 730-5706, NMazhari@belmont.gov |
| **Agenda Title:** | Rebid for the San Juan Pump Station Slope Repair Project, CCN 2019-579 |
| **Agenda Action:** | Resolution |

## Recommendation

Approve plans, specifications, and authorize advertisement for sealed bids, and authorize the City Manager to execute a contract with the lowest responsible bidder for an amount not to exceed $375,000, plus a fifteen percent construction contingency for the San Juan Sewer Pump Station Slope Repair Project.

## Strategic Focus Area

Infrastructure and Mobility

## Background

On February 2019, during a period of prolonged and intense rainfall, 1,200 square feet of the East Laurel Creek bank below the San Juan Sewer Pump Station failed. The bank became saturated and one tree that was helping to stabilize the slope was uprooted. The slope has been tarped since the incident to avoid further slippage. The creek bank adjacent to the pump station is steeply sloped along the edge of the pump station. The City initiated a geotechnical and structural assessment of the creek bank wall subsequent to the slope failure. The pump station is a critical facility as one of Belmont's largest volume sanitary sewer lift stations.

## Analysis

On February 22, 2022, the City Council approved the project plans and specification and authorized advertising and awarding the project for an amount up to the engineer's estimate of $275,000.

On August 4, 2022, City conducted a bid opening. Only one bid ($363,252) was received for construction of this project. This bid was significantly higher than the engineer's estimate. Due to various environmental and permitting constraints along East Laurel Creek, this repair is only allowed to take place in the dry season (April-October).

On September 13, 2022, the City Council rejected the submitted bid. Since then, staff has modified the constructions plans and specifications to provide additional details based on the project constraints and constructability evaluation. The engineer's estimate has been updated to $375,000 to reflect current costs.

Upon City Council approval, the project will be readvertised and awarded to the lowest responsible bidder to begin construction upon lifting of the construction moratorium in April 2023.

**Alternatives**

1. Take No Action
2. Refer back to staff for further information

**Attachments**

A. Resolution

**Fiscal Impact**

☐ No Fiscal Impact

☒ Funding Source Confirmed: $431,250 ($375,000 + $56,250 contingency) has been budgeted in the current fiscal year in the Sewer Collections Fund, Project 7036, Account 503-3-730-7036-9030 San Juan Pump Station Slide Repair.

| **Source:** | **Purpose:** | **Public Outreach:** |
|---|---|---|
| Staff | Discretionary Action | Posting of Agenda |

# RESOLUTION NO. 2022 –

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELMONT APPROVING PLANS AND SPECIFICATIONS, AUTHORIZING RE-ADVERTISEMENT FOR SEALED BIDS, AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH THE LOWEST RESPONSIBLE BIDDER FOR AN AMOUNT NOT TO EXCEED $375,000, PLUS 15% CONSTRUCTION CONTINGENCY FOR THE SAN JUAN PUMP STATION SLOPE REPAIR PROJECT, CCN 2019-579.**

WHEREAS, the department of Public Works has prepared plans and specifications for the San Juan Sewer Pump Station Slope Repair Project, City Contract Number 2019-579, to repair and restore the East Laurel Creek bank below the San Juan Pump that failed during storms of 2019; and,

WHEREAS, it is recommended to install a retaining wall, stabilize the bank, and plant native, riparian vegetation in the repair area; and,

WHEREAS, the total estimate for the construction is $375,000 plus a fifteen percent construction contingency, and will be funded from Account 503-3-730-7036-9030 San Juan Pump Station Slide Repair.

NOW, THEREFORE, the City Council of the City of Belmont resolves as follows:

SECTION 1. Approves plans, specifications, authorizes advertisement for sealed bids, authorizes the City Manager to execute a contract with the lowest responsible bidder for an amount not to exceed $375,000, plus a fifteen percent construction contingency for the San Juan Sewer Pump Station Slope Repair Project.

* * *

ADOPTED November 22, 2022 by the City of Belmont City Council by the following vote:

Ayes:

Noes:

Absent:

Abstain:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

City Attorney

# STAFF REPORT

| | |
|---|---|
| **Meeting Date:** | November 22, 2022 |
| **Agency:** | City of Belmont |
| **Staff Contact:** | Selena Lau, Public Works, (650) 226-6901, slau@belmont.gov |
| **Agenda Title:** | 2820 Ponce Avenue Easement Dedication & Vacation |
| **Agenda Action:** | Resolution |

## Recommendation

Adopt a resolution to 1) accept the dedication of an ingress and egress easement (IEE) and 2) approve the vacation of an existing IEE on the property at 2820 Ponce Avenue (APN 043-290-620).

## Strategic Focus Area

Economic Development and Housing

## Background

The Planning Commission approved the construction of a new building, an addition to the existing structure, and various site improvements at Serendipity School (2820 Ponce Avenue) on December 18, 2018. The building permit is conditionally approved as of August 12, 2019. The applicant is applying for the dedication of an IEE to allow access to Cipriani Park, located at 2525 Buena Vista Avenue. The property has an existing IEE running through the property which is to be vacated after the new IEE is dedicated.

The original IEE over the property at 2820 Ponce Avenue was created in 1985 by a Parcel Map recorded on July 25, 1985, in Volume 56 of Parcel Maps, Page14, in the office of the County Recorder of San Mateo County and consists of the 20-foot IEE.

## Analysis

The property owner of 2820 Ponce Avenue filed an application with the City to 1) accept a 20-foot right of way dedication for ingress and egress and 2) vacate the existing IEE. The dedication of the proposed IEE allows access to 2525 Buena Vista Avenue. The existing IEE must be vacated due to the new building that encroaches into the existing easement.

Council may summarily vacate a public service easement in accordance with the provisions of "Section 8333 Easements," subparagraph (a) of Chapter 4 of Part 3 of Division 9 of the Streets and Highways Code of the State of California, if the following findings are made:

1. The easement has not been used for the purpose for which it was dedicated or acquired for five consecutive years immediately preceding the proposed vacation.
2. The date of dedication or acquisition is less than five years, and more than one year, immediately preceding the proposed vacation, and the easement was not used continuously since the date.
3. The easement has been superseded by relocation, or determined to be excess by the easement holder, and there are no other public facilities located within the easement.

In this case, the IEE is being superseded by relocation.

Additionally, the property owner has submitted an "Irrevocable Offer to Dedicate Easement for Public Purposes" (Attachment B), offering to dedicate a new ingress and egress easement as described in Exhibit A and shown on Exhibit B attached to the Irrevocable Offer. Staff recommends that the Council accept the offer of dedication contained in Attachment B to the staff report, "Irrevocable Offer to Dedicate Easement for Public Purposes."

**Alternatives**

1. Take no actions.
2. Refer to staff for additional information.

**Attachments**

A. Resolution
B. Irrevocable Offer to Dedication Easement for Public Purposes
C. 1985 Parcel Map
D. Project Plan Sheet

**Fiscal Impact**

☒ No Fiscal Impact
☐ Funding Source Confirmed:

| **Source:** | **Purpose:** | **Public Outreach:** |
|---|---|---|
| Staff | Discretionary Action | Posting of Agenda |

# RESOLUTION NO. 2022 –

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELMONT ACCEPTING THE DEDICATION OF A RELOCATED INGRESS AND EGRESS EASEMENT AND VACATING THE EXISTING INGRESS AND EGRESS EASEMENT ON THE PROPERTY AT 2820 PONCE AVENUE (APN 043-290-620)**

WHEREAS, on December 18, 2018, the Planning Commission approved the construction of a new building, an addition to the existing structure, and various site improvements at Serendipity School (2820 Ponce Avenue); and,

WHEREAS, on August 12, 2019 the Building Permit was conditionally approved; and,

WHEREAS, the property has an existing ingress and egress easement (IEE) running through the property which is to be vacated after a new IEE is dedicated; and,

WHEREAS, the original IEE over the property was created in 1985 by a Parcel Map recorded on July 25, 1985, in Volume 56 of Maps, Page 14 in the office of the County Recorder of San Mateo County, attached hereto as Attachment "B", and consists of the 20-foot IEE; and,

WHEREAS, the original IEE must be vacated due to the new building that encroaches into the existing IEE; and,

WHEREAS, the property owner filed an application to relocate the IEE by dedicating a new IEE and vacating the original IEE; and,

WHEREAS, the property owner has submitted an "Irrevocable Offer to Dedicate Easement For Public Purposes", made Attachment A hereto, offering to dedicate a new ingress and egress easement as described in Exhibit A and shown on Exhibit B attached to the Irrevocable Offer; and,

WHEREAS, the Council may summarily vacate a public service easement under California Streets and Highways Code Section 8333, subdivision (c) when the easement has been superseded by relocation, or determined to be excess by the easement holder, and there are no other public facilities located within the easement.

NOW, THEREFORE, the City Council of the City of Belmont resolves as follows:

SECTION 1. The Council accepts the offer to dedicate the easement contained in Attachment A, "Irrevocable Offer to Dedicate Easement For Public Purposes" as shown on Exhibits A and B thereto.

SECTION 2. The 20-foot ingress and egress easement shown on Attachment "B" running across a portion of Parcel 1 of that certain Parcel Map, filed for record on July 25, 1985, in Volume 56 of Parcel Maps at page 14, of Official Records of San Mateo County, has been superseded by relocation, and that there are no public utility facilities that are in use and that would be affected by vacation of the easement.

SECTION 3. The Council hereby vacates the easement described in Section 2 and shown on Attachment "B" under Streets and Highways Code Division 9, Part 3, Chapter 4, and from and after the date this resolution is recorded the easement vacated no longer constitutes a public service easement.

* * *

ADOPTED November 22, 2022 by the City of Belmont City Council by the following vote:

Ayes:

Noes:

Absent:

Abstain:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

City Attorney

October 07, 2019
BKF Project No. 20179168

**EXHIBIT A**
**LEGAL DESCRIPTION**
**INGRESS & EGRESS EASEMENT**
**LANDS OF CARR FAMILY TRUST**

All that certain real property situate in the City of Belmont, County of San Mateo, State of California, being a portion of Parcel I as shown on that certain Parcel Map, filed for record on July 25, 1985, in Volume 56 of Parcel Maps at page 14, of Official Records of said County, and being more particularly described as follows:

**BEGINNING** at the easterly terminus of that curve shown on the northerly right of way line of Ponce Avenue, as shown on said map, labeled as "C1", said point being the beginning of a curve to the right, whose radius point bears North 17°27'00" East;

Thence continuing along said right of way line, northwesterly along said curve having a radius of 40.00 feet, through a central angle of 19°35'03", for an arc length of 13.67 feet to the **TRUE POINT OF BEGINNING** of this description;

Thence continuing along said right of way line, northwesterly along said curve through a central angle of 06°43'57", for an arc length of 4.70 feet;

Thence continuing along said right of way line, northwesterly, 16.17 feet along a reverse curve to the left having a radius of 50.00 feet and a central angle of 18°31'40";

Thence leaving said right of way line, North 20°07'17" East, 44.89 feet; to the beginning of a tangent curve to the right;

Thence along said curve having a radius of 48.00 feet, through a central angle of 04°52'01", for an arc length of 4.08 feet;

Thence North 24°59'19" East, 70.13 feet; to the beginning of a tangent curve to the right;

Thence along said curve having a radius of 48.00 feet, through a central angle of 08°09'22", for an arc length of 6.83 feet;

Thence North 33°08'41" East, 74.07 feet; to the beginning of a tangent curve to the left;

Thence along said curve having a radius of 28.00 feet, through a central angle of 64°51'53", for an arc length of 31.70 feet;

Thence North 31°43'12" West, 14.21 feet; to the beginning of a tangent curve to the right;

Thence along said curve having a radius of 98.00 feet, through a central angle of 32°32'48", for an arc length of 55.67 feet;

Thence northerly, 150.12 feet along a reverse curve to the left having a radius of 280.00 feet and a central angle of 30°43'09" to the northerly line of said Parcel I;

Thence along said northerly line, North 72°11'17" East, 20.42 feet to the beginning of a non-tangent curve concave westerly, whose radius point bears South 60°55'26" West;

Thence leaving said northerly line, southerly along said curve having a radius of 300.00 feet, through a central angle of 29°54'10", for an arc length of 156.57 feet;

Thence southerly, 44.31 feet along a reverse curve to the left having a radius of 78.00 feet and a central angle of 32°32'48";

Thence South 31°43'12" East, 14.21 feet to the beginning of a tangent curve to the right;

Thence along said curve having a radius of 48.00 feet, through a central angle of 64°51'53", for an arc length of 54.34 feet;

Thence South 33°08'41" West, 74.07 feet to the beginning of a tangent curve to the left;

Thence along said curve having a radius of 28.00 feet, through a central angle of 08°09'22", for an arc length of 3.99 feet;

Thence South 24°59'19" West, 70.13 feet; to the beginning of a tangent curve to the left;

Thence along said curve having a radius of 28.00 feet, through a central angle of 04°52'02", for an arc length of 2.38 feet;

Thence South 20°07'17" West, 50.52 feet to the **TRUE POINT OF BEGINNING**.

Containing 9,211 square feet, more or less.

A plat showing the above described area is attached hereto and made a part hereof.

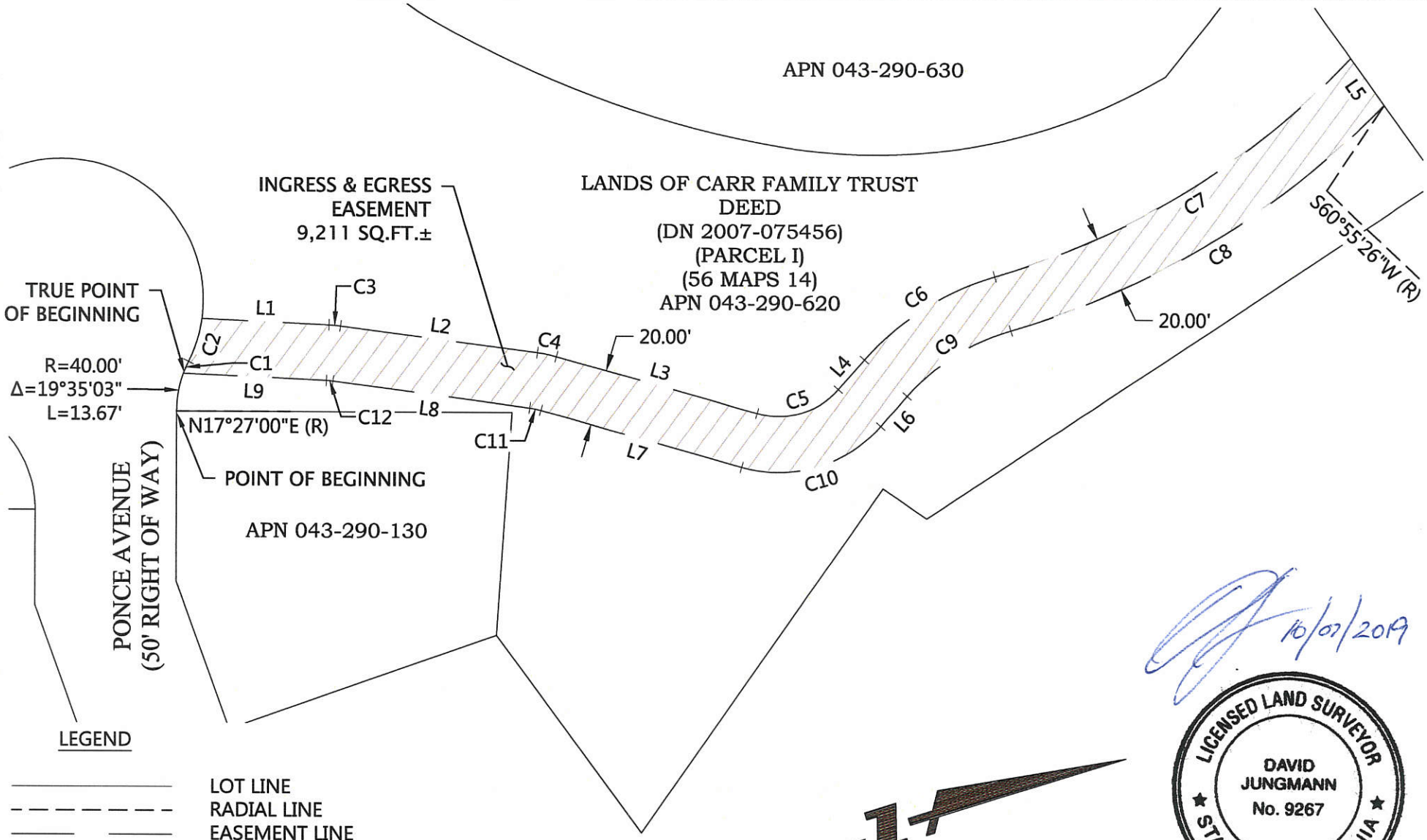
This legal description was prepared by me or under my direction in conformance with the requirements of the Professional Land Surveyors' Act.




David Jungmann, PLS 9267

10/07/2019
Date

**END OF DESCRIPTION**




LEGEND

| | |
|---|---|
| ——— | LOT LINE |
| - - - - - - - | RADIAL LINE |
| ——— ——— | EASEMENT LINE |
| (R) | DENOTES RADIAL BEARING |
| ▨ | DESCRIPTION AREA |

NOTE: LINE AND CURVE DATA SHOWN ON THE FOLLOWING PAGE

GRAPHIC SCALE
0 50 100

10/07/2019

LICENSED LAND SURVEYOR
DAVID JUNGMANN
No. 9267
STATE OF CALIFORNIA

BkF 100+ YEARS
ENGINEERS . SURVEYORS . PLANNERS
255 SHORELINE DR., SUITE 200
REDWOOD CITY, CA 94065
(650) 482-6300
www.bkf.com

# EXHIBIT B

PLAT TO ACCOMPANY LEGAL DESCRIPTION

Subject INGRESS/EGRESS EASEMENT
LANDS OF CARR FAMILY TRUST
Job No. 20179168
By BDF Chkd. DCJ Date 10/07/2019
4 OF 5

© BKF Engineers

| LINE TABLE | | |
|---|---|---|
| LINE NO. | DIRECTION | LENGTH |
| L1 | N20°07'17"E | 44.89' |
| L2 | N24°59'19"E | 70.13' |
| L3 | N33°08'41"E | 74.07' |
| L4 | N31°43'12"W | 14.21' |
| L5 | N72°11'17"E | 20.42' |
| L6 | S31°43'12"E | 14.21' |
| L7 | S33°08'41"W | 74.07' |
| L8 | S24°59'19"W | 70.13' |
| L9 | S20°07'17"W | 50.52' |

| CURVE TABLE | | | |
|---|---|---|---|
| CURVE NO. | RADIUS | DELTA | LENGTH |
| C1 | 40.00' | 6°43'57" | 4.70' |
| C2 | 50.00' | 18°31'40" | 16.17' |
| C3 | 48.00' | 4°52'01" | 4.08' |
| C4 | 48.00' | 8°09'22" | 6.83' |
| C5 | 28.00' | 64°51'53" | 31.70' |
| C6 | 98.00' | 32°32'48" | 55.67' |
| C7 | 280.00' | 30°43'09" | 150.12' |
| C8 | 300.00' | 29°54'10" | 156.57' |
| C9 | 78.00' | 32°32'48" | 44.31' |
| C10 | 48.00' | 64°51'53" | 54.34' |
| C11 | 28.00' | 8°09'22" | 3.99' |
| C12 | 28.00' | 4°52'02" | 2.38' |

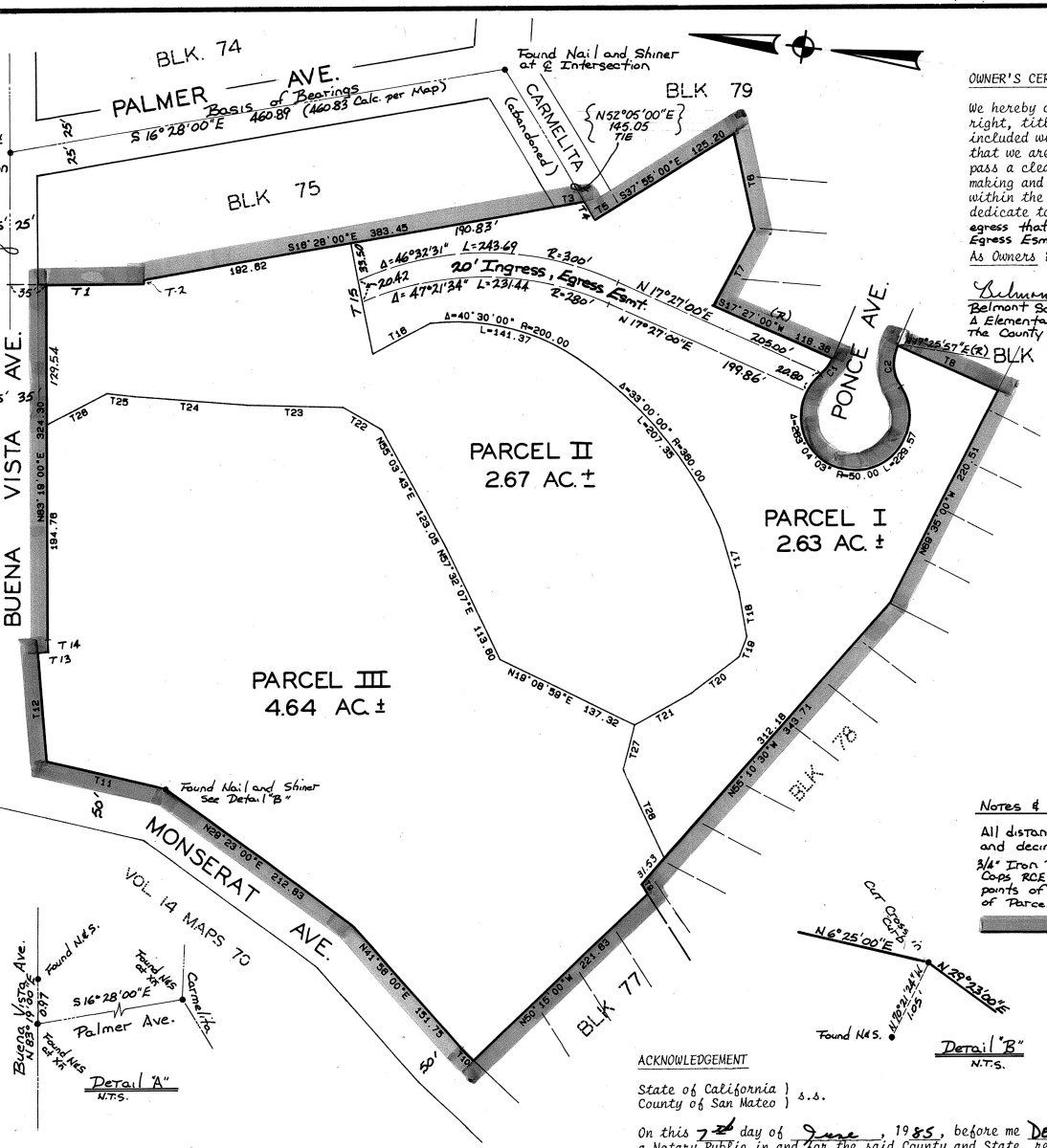
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255 SHORELINE DR.,
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REDWOOD CITY, CA 94065
(650) 482-6300
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# EXHIBIT B

PLAT TO ACCOMPANY LEGAL DESCRIPTION

Subject INGRESS/EGRESS EASEMENT
LANDS OF CARR FAMILY TRUST
Job No. 20179168
By BDF Chkd. DCJ Date 10/07/2019
5 OF 5

© BKF Engineers




| NO. | BEARING | DISTANCE |
|---|---|---|
| T1 | S08°41'00"E | 90.00 |
| T2 | N83°19'00"E | 3.83 |
| T3 | S16°28'00"E | 26.88 |
| T4 | S52°05'00"W | 18.86 |
| T5 | S37°55'00"E | 25.00 |
| T6 | S71°18'00"W | 87.38 |
| T7 | N68°50'00"W | 79.82 |
| T8 | S17°27'00"W | 101.08 |
| T9 | S49°17'00"W | 9.75 |
| T10 | N37°21'00"E | 15.00 |
| T11 | N06°25'00"E | 111.28 |
| T12 | N78°52'00"E | 100.00 |
| T13 | S11°08'00"E | 10.00 |
| T14 | N78°52'00"E | 13.90 |
| T15 | S72°11'17"W | 103.35 |
| T16 | S34°48'50"E | 80.07 |
| T17 | S86°55'35"W | 81.00 |
| T18 | S73°13'55"W | 41.00 |
| T19 | N74°59'02"W | 20.00 |
| T20 | N43°45'45"W | 55.42 |
| T21 | N35°32'51"W | 59.28 |
| T22 | N23°49'28"E | 41.73 |
| T23 | N05°21'33"W | 88.20 |
| T24 | N02°08'47"W | 103.47 |
| T25 | N00°19'50"W | 25.59 |
| T26 | N34°14'47"W | 82.32 |
| T27 | N82°09'58"W | 42.31 |
| T28 | S58°42'33"W | 90.83 |

| NO. | DELTA | RADIUS | LENGTH |
|---|---|---|---|
| C1 | 28°19'00" | 40.00 | 18.37 |
| C2 | 56°44'00" | 40.00 | 39.61 |

## OWNER'S CERTIFICATE

We hereby certify that we are the Owners of, or have some right, title, or interest, in and to the real property included within the subdivision shown upon this map and that we are the only persons whose consent is necessary to pass a clear title to said property, and we consent to the making and recording of said map and subdivision as shown within the distinctive border line, and that we hereby dedicate to public use for the purpose of public ingress and egress that certain easement designated as "20' Ingress, Egress Esmt."

As Owners ;

Belmont School District by Catherine Mason June 7, 1985

Belmont School District, A Elementary School District of The County of San Mateo

By: Catherine Mason President of the Board of Trustees

## CIVIL ENGINEER'S CERTIFICATE

I hereby state that this map correctly represents a survey made by me or under my direction during the month of May, 1985; that the survey is true and complete as shown and that all monuments are of the character indicated and are sufficient to enable the survey to be retraced.

Date: 6/6/85 Theodore C Cannis

Theodore C. Cannis, R.C.E. 11051

## CITY ENGINEER'S CERTIFICATE

I, Adel N. Nepomuceno, City Engineer of the City of Belmont, hereby certify that I have examined this map; that the subdivision as shown hereon is substantially the same as it appears on the tentative map and any approved alternations thereof; that all provisions of the California "Subdivision Map Act," as amended, and of the City of Belmont Subdivision Ordinance applicable at the time of approval of the Tentative map, have been complied with and that I am satisfied that said map is technically correct.

Date: 6/11/85 Adel N. Nepomuceno

Adel N. Nepomuceno, R.C.E. #21203
City Engineer, City of Belmont

## CITY CLERK'S CERTIFICATE

I, James S. McLaughlin, City Clerk of the City of Belmont, hereby certify that the City Council of the City of Belmont, at its regular meeting held on the 11TH day of JUNE, 1985, duly approved the map shown hereon and authorized its recordation, and accepted on behalf of the public all parcels of land offered for dedication for public use, in conformity with the terms of the offer of dedication.

Date: June 26, 1985 James W. Mc Laughlin

James W. McLaughlin, City Clerk of the City of Belmont

## BASIS OF BEARINGS

The bearing South 16°28'00" East of the Right of Way Line of Palmer Avenue as shown on that certain map entitled, "Map of Subdivision No. 5, Belmont Country Club Properties, Belmont, San Mateo County, California", recorded in Book 12 of Maps at Pages 67-71, was used as the Basis of Bearings upon this map.

## Notes & Legend

All distances shown hereon are in feet and decimals thereof.

3/4" Iron Pipes and Plugs or 1/2" Rebar and Caps RCE 7548 were placed at all angle points of the boundary and at angle points of Parcels I, II & III

SUBDIVISION BOUNDARY

## ACKNOWLEDGEMENT

State of California )
County of San Mateo ) s.s.

On this 7th day of June, 1985, before me DEANNA M. CAVALLI a Notary Public in and for the said County and State, residing therein; duly commissioned and sworn personally appeared, CATHERINE MASON, known to me to be President of the Board of Trustees of Belmont School District, and known to me (proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument on behalf of said public corporation, agency or political subdivision, and acknowledged to me that such Belmont School District executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year in this certificate first above written.

My Commission Expires: FEB 24, 1989

OFFICIAL SEAL
DEANNA M CAVALLI
NOTARY PUBLIC - CALIFORNIA
SAN MATEO COUNTY
My comm. expires FEB 24, 1989

Deanna M. Cavalli

Notary Public in and for the County of San Mateo, State of California

## RECORDER'S CERTIFICATE

File No. 85074895 Fee $ 6.00

Filed at the request of First American Title Company, this 25 th day of JULY, 1985, at 3:11 P.M. in Volumne 56 of Maps at Pages 14, Records of San Mateo County, California.

MARVIN CHURCH, COUNTY RECORDER

By: Susan Maxwell

# PARCEL MAP

of Lands known as Cipriani School being Lots 1-12 Blk. 75; Lots 1-15 Blk. 77; Lots 18-27 Blk. 78; Lots 1-4 Blk. 79 as shown on "Map of Subdivision No. 5, Belmont Country Club Properties, Belmont, San Mateo Co." which map is filed in Book 12 of Maps at pages 67-71 and those lands described in that certain "Resolution of Abandonment" recorded in Book 2047 O.R. 227 Records of San Mateo Co., California

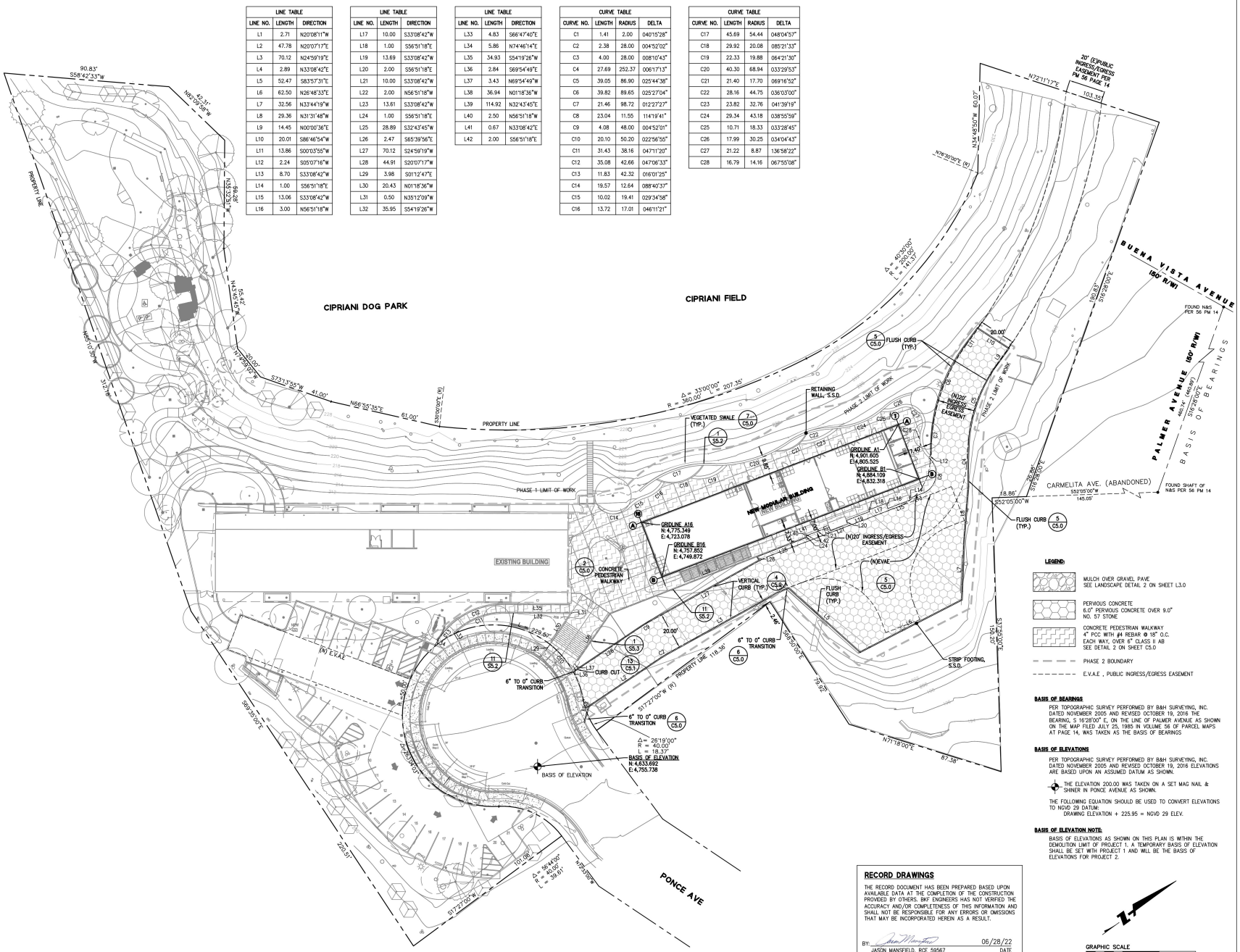
SAN MATEO COUNTY, CALIFORNIA

SCALE: 1"=80' June 1985

FRAHM · EDLER · CANNIS
CONSULTING ENGINEERS
REDWOOD CITY CALIFORNIA

First American Title Co.

SHEET ONE OF ONE




| LINE TABLE | | |
|---|---|---|
| LINE NO. | LENGTH | DIRECTION |
| L1 | 2.71 | N20°08'11"W |
| L2 | 47.78 | N20°07'17"E |
| L3 | 70.12 | N24°59'19"E |
| L4 | 2.89 | N33°08'42"E |
| L5 | 52.47 | S83°57'31"E |
| L6 | 62.50 | N26°48'33"E |
| L7 | 32.56 | N33°44'19"W |
| L8 | 29.36 | N31°31'48"W |
| L9 | 14.45 | N00°00'36"E |
| L10 | 20.01 | S86°46'54"W |
| L11 | 13.86 | S00°03'55"W |
| L12 | 2.24 | S05°07'16"W |
| L13 | 8.70 | S33°08'42"W |
| L14 | 1.00 | S56°51'18"E |
| L15 | 13.06 | S33°08'42"W |
| L16 | 3.00 | N56°51'18"W |

| LINE TABLE | | |
|---|---|---|
| LINE NO. | LENGTH | DIRECTION |
| L17 | 10.00 | S33°08'42"W |
| L18 | 1.00 | S56°51'18"E |
| L19 | 13.69 | S33°08'42"W |
| L20 | 2.00 | S56°51'18"E |
| L21 | 10.00 | S33°08'42"W |
| L22 | 2.00 | N56°51'18"W |
| L23 | 13.61 | S33°08'42"W |
| L24 | 1.00 | S56°51'18"E |
| L25 | 28.89 | S32°43'45"W |
| L26 | 2.47 | S65°39'56"E |
| L27 | 70.12 | S24°59'19"W |
| L28 | 44.91 | S20°07'17"W |
| L29 | 3.98 | S01°12'47"E |
| L30 | 20.43 | N01°18'36"W |
| L31 | 0.50 | N35°12'09"W |
| L32 | 35.95 | S54°19'26"W |

| LINE TABLE | | |
|---|---|---|
| LINE NO. | LENGTH | DIRECTION |
| L33 | 4.83 | S66°47'40"E |
| L34 | 5.86 | N74°46'14"E |
| L35 | 34.93 | S54°19'26"W |
| L36 | 2.84 | S69°54'49"E |
| L37 | 3.43 | N69°54'49"W |
| L38 | 36.94 | N01°18'36"W |
| L39 | 114.92 | N32°43'45"E |
| L40 | 2.50 | N56°51'18"W |
| L41 | 0.67 | N33°08'42"E |
| L42 | 2.00 | S56°51'18"E |

| CURVE TABLE | | | |
|---|---|---|---|
| CURVE NO. | LENGTH | RADIUS | DELTA |
| C1 | 1.41 | 2.00 | 040°15'28" |
| C2 | 2.38 | 28.00 | 004°52'02" |
| C3 | 4.00 | 28.00 | 008°10'43" |
| C4 | 27.69 | 252.37 | 006°17'13" |
| C5 | 39.05 | 86.90 | 025°44'38" |
| C6 | 39.82 | 89.65 | 025°27'04" |
| C7 | 21.46 | 98.72 | 012°27'27" |
| C8 | 23.04 | 11.55 | 114°19'41" |
| C9 | 4.08 | 48.00 | 004°52'01" |
| C10 | 20.10 | 50.20 | 022°56'55" |
| C11 | 31.43 | 38.16 | 047°11'20" |
| C12 | 35.08 | 42.66 | 047°06'33" |
| C13 | 11.83 | 42.32 | 016°01'25" |
| C14 | 19.57 | 12.64 | 088°40'37" |
| C15 | 10.02 | 19.41 | 029°34'58" |
| C16 | 13.72 | 17.01 | 046°11'21" |

| CURVE TABLE | | | |
|---|---|---|---|
| CURVE NO. | LENGTH | RADIUS | DELTA |
| C17 | 45.69 | 54.44 | 048°04'57" |
| C18 | 29.92 | 20.08 | 085°21'33" |
| C19 | 22.33 | 19.88 | 064°21'30" |
| C20 | 40.30 | 68.94 | 033°29'53" |
| C21 | 21.40 | 17.70 | 069°16'52" |
| C22 | 28.16 | 44.75 | 036°03'00" |
| C23 | 23.82 | 32.76 | 041°39'19" |
| C24 | 29.34 | 43.18 | 038°55'59" |
| C25 | 10.71 | 18.33 | 033°28'45" |
| C26 | 17.99 | 30.25 | 034°04'43" |
| C27 | 21.22 | 8.87 | 136°58'22" |
| C28 | 16.79 | 14.16 | 067°55'08" |

**LEGEND:**

- MULCH OVER GRAVEL PAVE SEE LANDSCAPE DETAIL 2 ON SHEET L3.0
- PERVIOUS CONCRETE 6.0" PERVIOUS CONCRETE OVER 9.0" NO. 57 STONE
- CONCRETE PEDESTRIAN WALKWAY 4" PCC WITH #4 REBAR @ 18" O.C. EACH WAY, OVER 6" CLASS II AB SEE DETAIL 2 ON SHEET C5.0
- PHASE 2 BOUNDARY
- E.V.A.E , PUBLIC INGRESS/EGRESS EASEMENT

**BASIS OF BEARINGS**

PER TOPOGRAPHIC SURVEY PERFORMED BY B&H SURVEYING, INC. DATED NOVEMBER 2005 AND REVISED OCTOBER 19, 2016 THE BEARING, S 16°28'00" E, ON THE LINE OF PALMER AVENUE AS SHOWN ON THE MAP FILED JULY 25, 1985 IN VOLUME 56 OF PARCEL MAPS AT PAGE 14, WAS TAKEN AS THE BASIS OF BEARINGS

**BASIS OF ELEVATIONS**

PER TOPOGRAPHIC SURVEY PERFORMED BY B&H SURVEYING, INC. DATED NOVEMBER 2005 AND REVISED OCTOBER 19, 2016 ELEVATIONS ARE BASED UPON AN ASSUMED DATUM AS SHOWN.

THE ELEVATION 200.00 WAS TAKEN ON A SET MAG NAIL & SHINER IN PONCE AVENUE AS SHOWN.

THE FOLLOWING EQUATION SHOULD BE USED TO CONVERT ELEVATIONS TO NGVD 29 DATUM:
DRAWING ELEVATION + 225.95 = NGVD 29 ELEV.

**BASIS OF ELEVATION NOTE:**

BASIS OF ELEVATIONS AS SHOWN ON THIS PLAN IS WITHIN THE DEMOLITION LIMIT OF PROJECT 1. A TEMPORARY BASIS OF ELEVATION SHALL BE SET WITH PROJECT 1 AND WILL BE THE BASIS OF ELEVATIONS FOR PROJECT 2.

**RECORD DRAWINGS**

THE RECORD DOCUMENT HAS BEEN PREPARED BASED UPON AVAILABLE DATA AT THE COMPLETION OF THE CONSTRUCTION PROVIDED BY OTHERS. BKF ENGINEERS HAS NOT VERIFIED THE ACCURACY AND/OR COMPLETENESS OF THIS INFORMATION AND SHALL NOT BE RESPONSIBLE FOR ANY ERRORS OR OMISSIONS THAT MAY BE INCORPORATED HEREIN AS A RESULT.

BY: _____ 06/28/22
JASON MANSFIELD, RCE 59567 DATE

GRAPHIC SCALE
20 0 20 40


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planning
interiors

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[ F ] 408.588.3805
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ARCHITECT: LICENSED ARCHITECT, BRIAN P. WHITNEY, No. C 30345, Ren.: 9/30/21, STATE OF CALIFORNIA
ENGINEER: REGISTERED PROFESSIONAL ENGINEER, JASON CONRAD MANSFIELD, No. C 59567, CIVIL, STATE OF CALIFORNIA

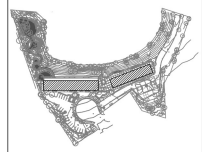
GENERAL NOTES
1. This sheet is part of a set and is not to be used alone.
2. This sheet is not to be used for construction unless the architect's stamp and signature appear on the drawings and the status box indicates drawings have been released for construction.
3. These plans and prints thereof, as instruments of service, are owned by the architect and are for use on this project only.
4. Reproduction and/or distribution without the prior written consent of the architect is forbidden.
5. Copyright Burton Clifford Associates, 2019

REVISION HISTORY

| NO. | REMARKS | DATE |
|---|---|---|
| A | City of Belmont Resubmittal | 09/04/2019 |
| B | City of Belmont Resubmittal | 10/03/2019 |
| C | Post Approval Revisions | 10/09/2020 |
| /2\ | Pre-Bid RFI 13 Response | 11/25/2020 |
| | Record Drawings | 06/28/2022 |

DRAWING STATUS

| | DATE |
|---|---|
| BUILDING PERMIT SUBMITTAL | 6/13/2019 |
| BUILDING PERMIT RE-SUBMITTAL | 9/4/2019 |
| BUILDING PERMIT APPROVAL SUBMITTAL | 10/3/2019 |
| BID SET | 10/9/2020 |
| CONSTRUCTION | DATE |



SERENDIPITY SCHOOL
2820 PONCE AVENUE
BELMONT, CA 94002

CONSTRUCTION DOCUMENTS

SERENDIPITY SCHOOL
PROJECT 2
2820 PONCE AVE.
BELMONT, CA 94002

# HORIZONTAL CONTROL PLAN

Date: JUNE 28, 2022
Scale: AS NOTED
Project Number: 18045.1
Drawing Number: C2.0

Recording requested by:

**THE CITY OF BELMONT**

When recorded mail to:

**City Clerk**
**City of Belmont**
**One Twin Pines Lane, Suite 340**
**Belmont, California 94002-3893**

Originating Dept: Public Works

*(This space for Recorder's use only)*

APN: 043-290-620

Exempt from recording fee (Gov't Code §§ 27381 and 27388.1)
Exempt from documentary transfer tax under (R&T Code § 11922)

# IRREVOCABLE OFFER TO DEDICATE EASEMENT FOR PUBLIC PURPOSES

(Gov't Code § 7050)

The undersigned Offerors hereby state that we are the owners of, or have some right, title, or interest in and to the real property described herein and that we are the only persons whose consent is necessary to pass a clear title to said real property. The real property described below is dedicated as an easement for the public purposes stated below.

The undersigned Offerors hereby irrevocably offer to dedicate for the public purposes of

**Ingress and Egress Easement for public access purposes**

on, over, under and across that real property situated in the City of Belmont, County of San Mateo, State of California, as described on the following attachments made a part hereof:

**Exhibit A, Legal Description**
**Exhibit B, Plat**

This irrevocable offer of dedication is made under Government Code Section 7050 and may be accepted at any time by the City Council of the City of Belmont. This irrevocable offer of dedication is binding on the Offerors, their heirs, executors, administrators, successors, and assigns.

Dated: 11-10-2022

IN WITNESS WHEREOF, the undersigned Offerors have executed this document on the date(s) set forth below:

Eben H. Carr, Trustee of the Carr Family Trust Dated May 9, 2007
*Print Name Here*

Eben H Carr Trustee
*Signature Here*

Sandra R. Carr, Trustee of the Carr Family Trust Dated May 9, 2007

Sandra R. Carr Trustee

SIGNATURE(S) MUST BE NOTARIZED

SEE ATTACHED
NOTARY DOCUMENTATION

## ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of San Mateo )

On November 10, 2022 before me, Dmitrii Ponomarev
(insert name and title of the officer)

personally appeared Eben H. Carr, Sandra R. Carr,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

DMITRII PONOMAREV
COMM. # 2403440
NOTARY PUBLIC - CALIFORNIA
SAN MATEO COUNTY
MY COMM. EXP. MAY 6, 2026

Signature _____ (Seal)

October 07, 2019
BKF Project No. 20179168

**EXHIBIT A**
**LEGAL DESCRIPTION**
**INGRESS & EGRESS EASEMENT**
**LANDS OF CARR FAMILY TRUST**

All that certain real property situate in the City of Belmont, County of San Mateo, State of California, being a portion of Parcel I as shown on that certain Parcel Map, filed for record on July 25, 1985, in Volume 56 of Parcel Maps at page 14, of Official Records of said County, and being more particularly described as follows:

**BEGINNING** at the easterly terminus of that curve shown on the northerly right of way line of Ponce Avenue, as shown on said map, labeled as "C1", said point being the beginning of a curve to the right, whose radius point bears North 17°27'00" East;

Thence continuing along said right of way line, northwesterly along said curve having a radius of 40.00 feet, through a central angle of 19°35'03", for an arc length of 13.67 feet to the **TRUE POINT OF BEGINNING** of this description;

Thence continuing along said right of way line, northwesterly along said curve through a central angle of 06°43'57", for an arc length of 4.70 feet;

Thence continuing along said right of way line, northwesterly, 16.17 feet along a reverse curve to the left having a radius of 50.00 feet and a central angle of 18°31'40";

Thence leaving said right of way line, North 20°07'17" East, 44.89 feet; to the beginning of a tangent curve to the right;

Thence along said curve having a radius of 48.00 feet, through a central angle of 04°52'01", for an arc length of 4.08 feet;

Thence North 24°59'19" East, 70.13 feet; to the beginning of a tangent curve to the right;

Thence along said curve having a radius of 48.00 feet, through a central angle of 08°09'22", for an arc length of 6.83 feet;

Thence North 33°08'41" East, 74.07 feet; to the beginning of a tangent curve to the left;

Thence along said curve having a radius of 28.00 feet, through a central angle of 64°51'53", for an arc length of 31.70 feet;

Thence North 31°43'12" West, 14.21 feet; to the beginning of a tangent curve to the right;

Thence along said curve having a radius of 98.00 feet, through a central angle of 32°32'48", for an arc length of 55.67 feet;

Thence northerly, 150.12 feet along a reverse curve to the left having a radius of 280.00 feet and a central angle of 30°43'09" to the northerly line of said Parcel I;

Thence along said northerly line, North 72°11'17" East, 20.42 feet to the beginning of a non-tangent curve concave westerly, whose radius point bears South 60°55'26" West;

Thence leaving said northerly line, southerly along said curve having a radius of 300.00 feet, through a central angle of 29°54'10", for an arc length of 156.57 feet;

Thence southerly, 44.31 feet along a reverse curve to the left having a radius of 78.00 feet and a central angle of 32°32'48";

Thence South 31°43'12" East, 14.21 feet to the beginning of a tangent curve to the right;

Thence along said curve having a radius of 48.00 feet, through a central angle of 64°51'53", for an arc length of 54.34 feet;

Thence South 33°08'41" West, 74.07 feet to the beginning of a tangent curve to the left;

Thence along said curve having a radius of 28.00 feet, through a central angle of 08°09'22", for an arc length of 3.99 feet;

Thence South 24°59'19" West, 70.13 feet; to the beginning of a tangent curve to the left;

Thence along said curve having a radius of 28.00 feet, through a central angle of 04°52'02", for an arc length of 2.38 feet;

Thence South 20°07'17" West, 50.52 feet to the **TRUE POINT OF BEGINNING**.

Containing 9,211 square feet, more or less.

A plat showing the above described area is attached hereto and made a part hereof.

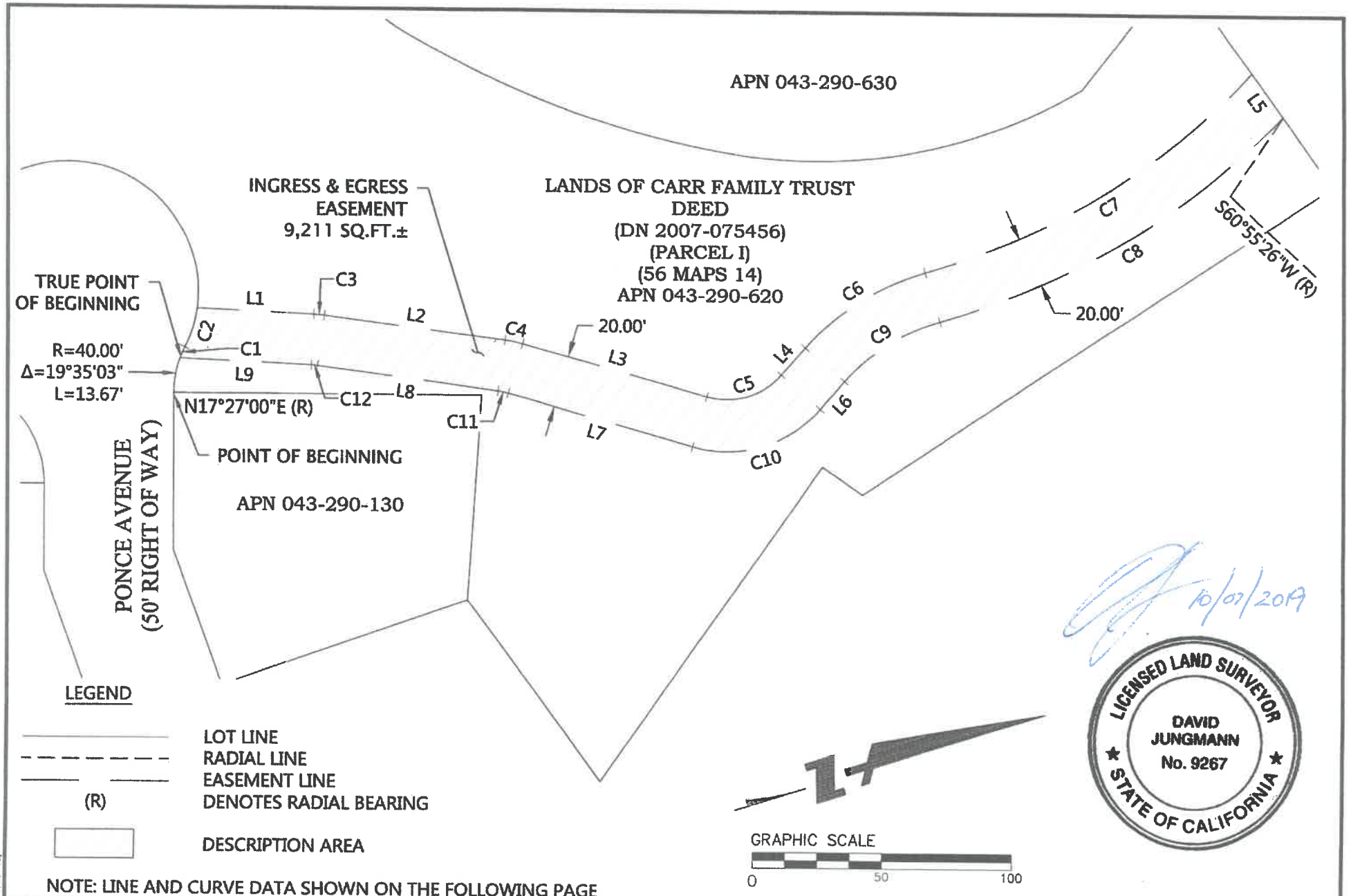
This legal description was prepared by me or under my direction in conformance with the requirements of the Professional Land Surveyors' Act.




David Jungmann, PLS 9267

10/07/2019
Date

**END OF DESCRIPTION**




NOTE: LINE AND CURVE DATA SHOWN ON THE FOLLOWING PAGE


BKF 100+ YEARS
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255 SHORELINE DR., SUITE 200
REDWOOD CITY, CA 94065
(650) 482-6300
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# EXHIBIT B

PLAT TO ACCOMPANY LEGAL DESCRIPTION

Subject INGRESS/EGRESS EASEMENT
LANDS OF CARR FAMILY TRUST
Job No. 20179168
By BDF Chkd. DCJ Date 10/07/2019
4 OF 5

© BKF Engineers

| LINE TABLE | | |
|---|---|---|
| LINE NO. | DIRECTION | LENGTH |
| L1 | N20°07'17"E | 44.89' |
| L2 | N24°59'19"E | 70.13' |
| L3 | N33°08'41"E | 74.07' |
| L4 | N31°43'12"W | 14.21' |
| L5 | N72°11'17"E | 20.42' |
| L6 | S31°43'12"E | 14.21' |
| L7 | S33°08'41"W | 74.07' |
| L8 | S24°59'19"W | 70.13' |
| L9 | S20°07'17"W | 50.52' |

| CURVE TABLE | | | |
|---|---|---|---|
| CURVE NO. | RADIUS | DELTA | LENGTH |
| C1 | 40.00' | 6°43'57" | 4.70' |
| C2 | 50.00' | 18°31'40" | 16.17' |
| C3 | 48.00' | 4°52'01" | 4.08' |
| C4 | 48.00' | 8°09'22" | 6.83' |
| C5 | 28.00' | 64°51'53" | 31.70' |
| C6 | 98.00' | 32°32'48" | 55.67' |
| C7 | 280.00' | 30°43'09" | 150.12' |
| C8 | 300.00' | 29°54'10" | 156.57' |
| C9 | 78.00' | 32°32'48" | 44.31' |
| C10 | 48.00' | 64°51'53" | 54.34' |
| C11 | 28.00' | 8°09'22" | 3.99' |
| C12 | 28.00' | 4°52'02" | 2.38' |

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# EXHIBIT B

PLAT TO ACCOMPANY LEGAL DESCRIPTION

Subject INGRESS/EGRESS EASEMENT
LANDS OF CARR FAMILY TRUST
Job No. 20179168
By BDF Chkd. DCJ Date 10/07/2019
5 OF 5

© BKF Engineers

# STAFF REPORT

**Meeting Date:** November 22, 2022

**Agency:** City of Belmont

**Staff Contact:** Matt Hoang, Public Works, (650) 637-2998, mhoang@belmont.gov

**Agenda Title:** 2022 Pavement Project, CCN 2022-607, Notice of Completion

**Agenda Action:** Resolution

## Recommendation

Adopt a resolution accepting work and authorizing the issuance of a Notice of Completion for the 2022 Pavement Project, City Contract Number 2022-607, for a final contract cost of $1,797,266.22.

## Strategic Focus Area

Infrastructure and Mobility

## Background

On December 14, 2021, the City Council approved the project plans and specification and authorized advertising and awarding the 2022 Street Reconstruction Project for an amount up to the engineer's estimate of $2,175,000. The work included road reconstruction (which brings PCI up to 100), minor drainage improvements, curb ramp installation, adjustment to grade of manholes and utility boxes, and striping on the following street segments:

| STREET | FROM: | TO: | 2022 PCI |
|---|---|---|---|
| Hillman Avenue | Terrace Drive | Notre Dame Avenue | 27 |
| Holly Road | South Road | South Road | 18 |
| Masonic Way | Old County Road | Granada Street | 20 |
| Mezes Avenue | Alameda de las Pulgas | North End | 40 |
| Old County Road | Ralston Avenue | North City Limit | 58 |

On February 10, 2022, staff conducted a successful bid opening where City received six bids for the construction of the project, with low bid received at $1,798,285.13.

## Analysis

The construction started on April 11, 2022 and was completed ahead of schedule in September 2022 and 17.4% below the approved budget of $2,175,000. During construction there were numerous unforeseen conditions that were hindering the construction but were resolved by the project team. The project is now complete to the satisfaction of the City in accordance with the construction plans and specifications. The total cost of construction is $1,797,266.22, which is within the approved budget.

The City is retaining 5% from the contractor to ensure that all subcontractors and suppliers are paid. If there are no claims filed within 35 days of recording the Notice of Completion, final payment will be released to the contractor.

**Alternatives**

1. Take No Action
2. Refer back to staff for further information

**Attachments**

A. Resolution

**Fiscal Impact**

☐ No Fiscal Impact

☒ Funding Source Confirmed:

The following expenditures took place during project construction:

- $470,000 from RMRA Account 232-3-730-3113-9030
- $577,266.22 from Infrastructure Account 310-3-760-3220-9030
- $750,000 from Measure I Account 102-3-730-3107-9030

Unspent balance from these budgeted accounts will be returned to its respective fund balance and available for future infrastructure investments.

| **Source:** | **Purpose:** | **Public Outreach:** |
|---|---|---|
| Staff | Statutory/Contractual Requirement | Posting of Agenda |

# RESOLUTION NO. 2022 –

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELMONT ACCEPTING WORK AND AUTHORIZING THE ISSUANCE OF A NOTICE OF COMPLETION FOR THE 2022 PAVEMENT PROJECT, CITY CONTRACT NUMBER 2022-607, FOR A FINAL CONTRACT COST OF $1,797,266.22**

WHEREAS, on December 14, 2021, the City Council approved the project plans and specifications and authorized advertising and awarding the 2022 Pavement Project for an amount up to the engineer's estimate of $2,175,000; and,

WHEREAS, on February 10, 2022, staff conducted a successful bid opening where City received six bids for the construction of the project, with low bid received at $1,798,285.13; and,

WHEREAS, the construction started on April 11, 2022, and was completed on September 16, 2022, ahead of schedule and below budget; and,

WHEREAS, the final project construction cost is $1,797,266.22.

NOW, THEREFORE, the City Council of the City of Belmont resolves as follows:

SECTION 1. Accepts the work as complete.

SECTION 2. Authorizes the City Clerk to issue the Notice of Completion to G. Bortolotto & Co., Inc.

SECTION 3. Authorizes the City Clerk to file Notice of Completion with the San Mateo County Clerk-Record's office for the 2022 Pavement Project, CCN 2022-607.

* * *

ADOPTED November 22, 2022 by the City of Belmont City Council by the following vote:

Ayes:

Noes:

Absent:

Abstain:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

City Attorney

# STAFF REPORT

**Meeting Date:** November 22, 2022
**Agency:** City of Belmont
**Staff Contact:** Peter Brown, Public Works Dept., (650) 595-7459, pbrown@belmont.gov
Alberto Espinoza, Public Works Dept., (650) 595-7465, aespinoza@belmont.gov
**Agenda Title:** Revise Maximum Rates for Solid Waste Collection Services for Calendar Year 2023
**Agenda Action:** Resolution

## Recommendation

Adopt a resolution revising the maximum rates that may be charged by Recology of San Mateo County for solid waste, recyclable materials, and organic materials collection services effective January 1, 2023.

## Strategic Focus Area

Fiscal and Organizational Sustainability

## Background

Recology of San Mateo County (Recology) provides solid waste, recyclable materials, and organic materials collection services in the City of Belmont under a 15-year franchise agreement between Recology and the City ending in 2035. Recology sets its own rates for collection services under the franchise agreement, but Recology may not charge Belmont residential and commercial customers more than the maximum rates approved by the City Council. This rate setting process is particular to Belmont.

Belmont is a member of the South Bayside Waste Management Authority. The Authority assists member agencies with various matters related to the collection and disposal of wastes and recyclables, including the selection of a collection services provider (Recology) serving all members and the development of a model franchise agreement. Unlike the compensation provisions in the other members' franchise agreements with Recology, Belmont's agreement is based on a maximum rate formula that limits what Recology may charge and is not subject to a revenue reconciliation process at the end of each rate year.

### Public Participation

In order to promote public participation in setting the maximum rates, Section 11.09 of the franchise agreement contemplates that the City will follow the notice and protest hearing procedures of Proposition 218 as set forth in California Constitution Article XIIID, Section 6(a), and Government Code Section 53755. Those procedures require mailing a notice of a public hearing on the setting of maximum rates to solid waste customers (Attachment D) at least forty-five days before the hearing. Belmont customers and property owners may submit written protests against the proposed rates and may do so by mail or in person to the City Clerk no later than the conclusion of the public hearing. If written protests against the rate changes are presented by owners of a majority of the affected parcels, the City Council will not impose the new maximum rates.

On September 13, 2022, the City Council adopted Resolution No. 2022-090 stating its intent to revise the maximum rates for 2023 and set the public hearing for November 22, 2022. Notices of the hearing were mailed to solid waste customers as provided for in the resolution.

**Analysis**

The maximum rates that Recology may charge for scheduled and additional services are determined by a formula described in Article 11 of the franchise agreement. In simple terms, the formula takes the existing maximum rates and multiplies each rate by an 'adjustment multiplier'. The adjustment multiplier is essentially a cost index with three principal adjustment components: changes in the consumer price index or "CPI" for certain cost elements that make up the Base Contractor Compensation, changes in passthrough disposal costs and agency payments, and performance incentive/disincentive adjustments. The sum of all the adjustments is the Total Target Revenue for that year. Each year, Recology submits information and calculations for the adjustments and proposes changes to the maximum rates based on the information and calculations. City staff and the City's solid waste consultant, HDR Engineering Inc. (HDR), then analyze Recology's submissions for accuracy and consistency with the franchise agreement.

Recology's information and calculations indicate a Total Target Revenue of $8,773,496 for 2023. The percentage change between the 2023 Total Target Revenue of $8,773,496 and the 2022 Target Revenue of $8,464,059 results in the adjustment multiplier rate of 3.66%, which staff and HDR have determined is consistent with methodology of the agreement. The adjustment multiplier rate of 3.66% is the proposed 2023 rate increase to the residential and commercial carts and bins and accounts for CPI cost increases to fuel and service levels from April 2021 to April 2022. The proposed 3.66% increase is considerably lower than the 7.29% change last year, and is a significant achievement given current and recent inflation rates.

HDR has prepared the attached report (Attachment C), which provides the bases of City's review of the rate adjustment application and the accompanying maximum rate schedules submitted by Recology conforming to the requirements of the franchise agreement.

**Residential Rates**

Recology charges a flat monthly rate per cart size. Residential service is comprised of four different cart sizes which range from 20 gallons to 96 gallons. Table 1 is a summary of the present and calculated residential solid waste rates for the for the different cart sizes. The price per cart size is expected to increase by 3.66% for all cart sizes.

Table 1
Summary of the Present and Calculated Maximum Residential Solid Waste Rates
(Regularly Scheduled - $/Month)

| RESIDENTIAL CARTS | | | | |
|---|---|---|---|---|
| Schedule | Schedule Description | Present Monthly 2022 Rate | Calculated Maximum 2023 Rate | $/Month Change |
| R20G | Residential Waste - 20 Gallons | $34.94 | $36.22 | $1.28 |

| | | | | |
|---|---|---|---|---|
| R32G | Residential Waste - 32 Gallons | $41.68 | $43.21 | $1.53 |
| R64G | Residential Waste - 64 Gallons | $82.06 | $85.06 | $3.00 |
| R96G | Residential Waste - 96 Gallons | $123.08 | $127.59 | $4.51 |

**Commercial Rates**

Commercial customers have similar service to residential customers, but they have the option to adjust the number of pickups per week. In 2023, commercial rate schedules are expected to increase by 3.66%. To see a complete listing of all commercial rates please see the attached Resolution. Table 2 below is a summary of the calculated maximum commercial solid waste rates for 2023 by cart size. Some minor rounding of the rates may occur for purposes of ease of administration.

Table 2
Summary of Calculated Maximum Commercial Solid Waste Rates
(By Gallon Cart Size; Regularly Scheduled - $/Month)

**COMMERCIAL CARTS**

| # of Pickups Per Week | Cart Size (in Gallons) 20 | 32 | 64 | 96 |
|---|---|---|---|---|
| 1 | $46.21 | $51.31 | $99.22 | $143.41 |
| 2 | 95.06 | 105.63 | 200.21 | 293.76 |
| 3 | 141.53 | 157.23 | 303.77 | 445.79 |
| 4 | 194.31 | 215.89 | 408.45 | 603.02 |
| 5 | 245.84 | 273.13 | 519.19 | 762.38 |
| 6 | 307.60 | 341.77 | 632.69 | 959.67 |
| 7 | 374.71 | 416.33 | 740.66 | 1,119.60 |

The monthly rate above includes the following:
One (1) Garbage Cart
Recycling Cart

**COMMERCIAL CARTS ORGANICS**

| # of Pickups Per Week | Cart Size (in Gallons) 32 | 64 | 96 |
|---|---|---|---|
| 1 | $35.94 | $69.47 | $100.39 |
| 2 | 73.94 | 140.15 | 205.62 |
| 3 | 110.06 | 212.63 | 312.05 |
| 4 | 151.14 | 285.93 | 422.10 |
| 5 | 191.20 | 363.44 | 533.66 |
| 6 | 239.26 | 442.85 | 671.76 |
| 7 | 291.45 | 518.46 | 783.72 |

**Note:** Organics containers are charged at seventy percent (70%) of the similar Garbage commercial cart rate above container size and service levels for Garbage, representing a thirty percent (30%) discount

Some commercial customers have larger bins which range in size from 1 yard to 6 yards. Commercial waste customers also have the option of different levels of service and can select the number of pick-ups per week. Table 3 is a summary of the calculated maximum commercial solid waste rates for 2023 for the larger bin sizes. It is estimated that the rates (Schedule L) will increase by 3.66% for all bin sizes.

Table 3
Summary of Calculated Maximum Commercial Solid Waste
Rates (By Bin Size in Yards; Regularly Scheduled - $/Month)

**COMMERCIAL BINS**

| # of Pickups Per Week | Bin Size (in Cubic Yards) 1 | 2 | 3 | 4 | 6 |
|---|---|---|---|---|---|
| 1 | $240.64 | $484.06 | $730.04 | $996.57 | $1,532.65 |
| 2 | 489.93 | 976.06 | 1,468.88 | 2,010.36 | 3,108.45 |
| 3 | 743.49 | 1,472.71 | 2,212.06 | 3,024.18 | 4,672.53 |
| 4 | 1,000.01 | 1,972.97 | 2,957.46 | 4,049.52 | 6,223.29 |
| 5 | 1,258.59 | 2,480.30 | 3,705.43 | 5,079.19 | 7,796.16 |
| 6 | 1,570.78 | 2,928.14 | 4,498.23 | 6,151.58 | 9,424.87 |
| 7 | 1,853.33 | 3,467.88 | 5,296.56 | 7,246.41 | 11,038.73 |

The monthly rate above includes the following:
One (1) Garbage Bin
Recycling container at customer's requested size

**COMMERCIAL BINS ORGANICS**

| # of Pickups Per Week | Bin Size (in Cubic Yards) 1 | 2 | 3 | 4 | 6 |
|---|---|---|---|---|---|
| 1 | $168.46 | $338.85 | $511.02 | $697.60 | $1,072.86 |
| 2 | 342.94 | 683.23 | 1,028.25 | 1,407.25 | 2,175.92 |
| 3 | 520.43 | 1,030.90 | 1,548.45 | 2,116.92 | 3,270.75 |
| 4 | 700.01 | 1,381.07 | 2,070.22 | 2,834.67 | 4,356.31 |
| 5 | 881.02 | 1,736.18 | 2,593.79 | 3,555.42 | 5,457.32 |
| 6 | 1,099.56 | 2,049.69 | 3,148.77 | 4,306.14 | 6,597.40 |
| 7 | 1,297.34 | 2,427.52 | 3,707.59 | 5,072.49 | 7,727.11 |

**Note:** Organics containers are charged at seventy percent (70%) of the similar garbage container size above and service level for garbage, representing a thirty percent (30%) discount

| GARBAGE COMPACTORS | |
|---|---|
| Commercial Waste 3 Yard Compactor | $1,753.01 |
| Solid Waste Compactor Rate Per Yard | $134.87 |

The monthly fee above includes the following:
Recycling container at customer's requested size

**Additional Services**

Recology also provides several "additional services" that are not considered regularly scheduled services. Those miscellaneous charges are itemized in Exhibit A, Attachment Q of the attached Resolution. In summary, an overall CPI rate increase of 5% is indicated. However, this rate increase does not apply to the vast majority of Belmont residents.

**Alternatives**

1. Take no action.
2. Direct staff to adjust rates differently while meeting the revenue requirements in accordance with the franchise agreement.

**Attachments**

A. Resolution
B. Recology 2023 Rate Application
C. HDR Final Report
D. Proposition 218 Public Notice

**Fiscal Impact**

☐ No Fiscal Impact

☒ Funding Source Confirmed: If approved, the maximum rate schedules listed under Exhibit A of the Resolution will become effective January 1, 2023.

| **Source:** | **Purpose:** | **Public Outreach:** |
|---|---|---|
| Staff | Statutory/Contractual Requirement | Posting of Agenda<br>Other* |

* 45-day notice mailed to customers as required under Proposition 218

# RESOLUTION NO. 2022 –

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELMONT REVISING THE MAXIMUM RATES FOR SOLID WASTE, RECYCLABLE MATERIALS, AND ORGANIC MATERIALS COLLECTION SERVICES EFFECTIVE JANUARY 1, 2023**

WHEREAS, Recology San Mateo County (Recology) provides solid waste, recyclable materials, and organic materials collection services in the City of Belmont under a franchise agreement with the City; and,

WHEREAS, the franchise agreement provides for an annual review of the maximum rates that Recology may charge Belmont residential and commercial customers; and,

WHEREAS, Recology provided the City a letter and detailed worksheet outlining their calculation of the maximum rates for 2023; and,

WHEREAS, on September 13, 2022, the City Council adopted a resolution stating the City's intention to adjust the maximum rates that may be charged for solid waste, recyclable materials, and organic materials collection services effective January 1, 2023, and setting the date of a public hearing for November 22, 2022.

NOW, THEREFORE, the City Council of the City of Belmont resolves as follows:

SECTION 1. The City Council approves the maximum rates as set forth in Exhibit A to this resolution.

SECTION 2. The City Council finds that:

(a) The City has followed the procedures in California Constitution Article XIIID, Section 6 in approving the maximum rates.

(b) The rates approved by this Resolution do not exceed the amounts permissible under Article XIIID if that article applied, and the solid waste charge is not a tax.

(c) A majority protest, as defined Article XIIID, Section 6(b) does not exist with respect to the revision of the schedule of solid waste maximum rates.

(d) Although the City Council, in the interest of public participation, has chosen as a matter of policy to follow the procedures set forth in Article XIIID, nothing in this Resolution is be interpreted as an admission by the City that the provisions of Article XIIID apply to the actions taken herein.

(e) The City Council would take the action set forth in Section 1 of this Resolution regardless of whether Article XIIID applies to the action.

* * *

ADOPTED November 22, 2022 by the City of Belmont City Council by the following vote:

Ayes:

Noes:

Absent:

Abstain:

ATTEST:

_____
City Clerk

_____
Mayor

APPROVED AS TO FORM:

_____
City Attorney

**EXHIBIT A**

**Attachment L**
**Maximum Rate Schedule**
**Effective January 1, 2023 to December 31, 2023**
**Monthly Rate**

## RESIDENTIAL CARTS

| | Cart Size (in Gallons) | | | |
|---|---|---|---|---|
| | **20** | **32** | **64** | **96** |
| 1 Pickup Per Week | $36.22 | $43.21 | $85.06 | $127.59 |

Residential customers are billed based on their Garbage Cart size.
The monthly rate above includes the following:

One (1) Garbage Cart provided to customer
Curbside Household Hazardous Waste Collection
One (1) 64-Gallon Recycling Cart and (1) 96-Gallon Yard Waste Cart

**Attachment L (continued)**
**Maximum Rate Schedule**
**Effective January 1, 2023 to December 31, 2023**
**Monthly Rate**

## COMMERCIAL CARTS

| # of Pickups Per Week | Cart Size (in Gallons) | | | |
|---|---|---|---|---|
| | 20 | 32 | 64 | 96 |
| 1 | $46.21 | $51.31 | $99.22 | $143.41 |
| 2 | 95.06 | 105.63 | 200.21 | 293.76 |
| 3 | 141.53 | 157.23 | 303.77 | 445.79 |
| 4 | 194.31 | 215.89 | 408.45 | 603.02 |
| 5 | 245.84 | 273.13 | 519.19 | 762.38 |
| 6 | 307.60 | 341.77 | 632.69 | 959.67 |
| 7 | 374.71 | 416.33 | 740.66 | 1,119.60 |

The monthly rate above includes the following:
One (1) Garbage Cart
Recycling Cart

## COMMERCIAL CARTS ORGANICS

| # of Pickups Per Week | Cart Size (in Gallons) | | |
|---|---|---|---|
| | 32 | 64 | 96 |
| 1 | $35.94 | $69.47 | $100.39 |
| 2 | 73.94 | 140.15 | 205.62 |
| 3 | 110.06 | 212.63 | 312.05 |
| 4 | 151.14 | 285.93 | 422.10 |
| 5 | 191.20 | 363.44 | 533.66 |
| 6 | 239.26 | 442.85 | 671.76 |
| 7 | 291.45 | 518.46 | 783.72 |

**Note:** Organics containers are charged at seventy percent (70%) of the similar Garbage commercial cart rate above container size and service levels for Garbage, representing a thirty percent (30%) discount

**Attachment L (continued)**
**Maximum Rate Schedule**
**Effective January 1, 2023 to December 31, 2023**
**Monthly Rate**

## COMMERCIAL BINS

| # of Pickups Per Week | Bin Size (in Cubic Yards) | | | | |
|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 6 |
| 1 | $240.64 | $484.06 | $730.04 | $996.57 | $1,532.65 |
| 2 | 489.93 | 976.06 | 1,468.88 | 2,010.36 | 3,108.45 |
| 3 | 743.49 | 1,472.71 | 2,212.06 | 3,024.18 | 4,672.53 |
| 4 | 1,000.01 | 1,972.97 | 2,957.46 | 4,049.52 | 6,223.29 |
| 5 | 1,258.59 | 2,480.30 | 3,705.43 | 5,079.19 | 7,796.16 |
| 6 | 1,570.78 | 2,928.14 | 4,498.23 | 6,151.58 | 9,424.87 |
| 7 | 1,853.33 | 3,467.88 | 5,296.56 | 7,246.41 | 11,038.73 |

The monthly rate above includes the following:
One (1) Garbage Bin
Recycling container at customer's requested size

## COMMERCIAL BINS ORGANICS

| # of Pickups Per Week | Bin Size (in Cubic Yards) | | | | |
|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 6 |
| 1 | $168.46 | $338.85 | $511.02 | $697.60 | $1,072.86 |
| 2 | 342.94 | 683.23 | 1,028.25 | 1,407.25 | 2,175.92 |
| 3 | 520.43 | 1,030.90 | 1,548.45 | 2,116.92 | 3,270.75 |
| 4 | 700.01 | 1,381.07 | 2,070.22 | 2,834.67 | 4,356.31 |
| 5 | 881.02 | 1,736.18 | 2,593.79 | 3,555.42 | 5,457.32 |
| 6 | 1,099.56 | 2,049.69 | 3,148.77 | 4,306.14 | 6,597.40 |
| 7 | 1,297.34 | 2,427.52 | 3,707.59 | 5,072.49 | 7,727.11 |

**Note:** Organics containers are charged at seventy percent (70%) of the similar garbage container size above and service level for garbage, representing a thirty percent (30%) discount

**Attachment L (continued)**
**Maximum Rate Schedule**
**Effective January 1, 2023 to December 31, 2023**
**Monthly Rate**

## GARBAGE COMPACTORS

| | |
|---|---|
| Commercial Waste 3 Yard Compactor | $1,753.01 |
| Solid Waste Compactor Rate Per Yard | $134.87 |

The monthly fee above includes the following:
Recycling container at customer's requested size

## Schedule Q
## Additional Services

The following table specifies Maximum Allowable Rates for Additional Services. These Maximum Rates shall be adjusted annually in accordance with Article 11.

| No. | Additional Service Category | Reference | Agency-Approved Maximum Rate | Description |
|---|---|---|---|---|
| 1 | Single-Family Dwelling Backyard Collection Service | Section 5.02.A | See Maximum Rate in the table at the end of this Attachment | See Maximum Rate in the table at the end of this Attachment |
| 2 | Long Distance Service for MFD, Mixed Use, and Commercial Accounts (Note: only applicable to Containers with wheels) | Section 5.02.B, 5.02.C; 8.02 B | A - No more than 10% of base monthly Maximum Rate of the Collection Rate for each Container requiring Long Distance Service<br>B - 25% of base monthly Rate of the Collection Rate for each Container requiring Long Distance Service | A - Distance greater than 50 feet and less than or equal to 100 feet<br>B - Distance greater than 100 feet<br>Distance shall be measured from the face of the curb, or from the edge of the roadway nearest the closest edge of the Container, if there is no curb. |
| | | | | |
| **No.** | **Additional Service Category** | **Reference** | **Agency-Approved Maximum Rate** | **Description** |
| 3 | Container Relocation Service | Section 5.02.B and 8.02.B | A - 12% of base monthly Rate of the Collection Rate for each Container requiring Container Relocation Service<br>B - 27% of base monthly Rate of the Collection Rate for each Container requiring Container Relocation Service | A - Distance greater than 50 feet and less than or equal to 100 feet<br>B - Distance greater than 100 feet<br>Distance shall be measured from the face of the curb, or from the edge of the roadway nearest the closest edge of the Container, if there is no curb. |
| 4 | On-Call, Pick-up for SFD, MFD, Mixed Use, and Commercial Customers | Section 5.02.A, 5.02.B, and 5.02.C | 25% of the base monthly Rate for the size of Container Collected once per week. | Per Collection event per Container for Collection requested by Customer |

## Schedule Q
## Additional Services (Continued)

| No. | Additional Service Category | Reference | Agency-Approved Maximum Rate | Description |
|---|---|---|---|---|
| 5 | Return Trip (SFD, MFD, Mixed Use, or Commercial) | Sections 5.02.A, B, C; 5.03.A, B, C; 5.04.A, B, C | $19.35 for SFD<br>$19.35 for Commercial, Mixed Use, and MFD | Per Collection event (i.e. request to return and provide Collection service after the Customer failed to properly set out their Container(s) for regularly scheduled Collection) |
| 6 | Additional Targeted Recyclable Materials or Organic Materials Cart Service for SFD | Sections 5.03.A and 5.04.A | $1.27 per Recycling Cart<br>$3.85 per Organic Materials Cart | Per Cart month (any Cart size). Six month minimum charge required. Includes one-time Cart delivery upon start of service and removal of Cart when service is discontinued by Customer. |
| 7 | Additional On-Call Bulky Item Collection | Sections 5.05, 5.06 | $105.20 | Per Bulky Item Collection event (in addition to the events provided at no charge to Customer pursuant to Section 5.12) |
| 8 | Collect Contaminated Targeted Recyclable Materials or Organic Materials Container | Section 6.03.A and 8.02.F | 25% of base monthly Solid Waste Rate for the size of Container Collected once per week<br>plus<br>Return Trip Fee if applicable | Per Collection event for Container with Contamination Level greater than the maximum level pursuant to Table 1 in Section 6.02.B |
| 9 | Lock Service (Key Service) | Section 8.02.B | A - $10.96 per usage<br>B - $12.25 per usage | Monthly cost:<br>A-Residential Customers<br>B-Commercial Customers |
| 10 | Lock Purchase | Section 8.02.B | $21.93 per lock | Per lock |

**Schedule Q**
**Additional Services** (Continued)

| No. | Additional Service Category | Reference | Agency-Approved Maximum Rate | Description |
|---|---|---|---|---|
| 11 | Overage Service | Section 8.02.G | 100% of the base monthly Solid Waste Collection Rate | Per Collection event (after the first two events) |
| 12 | Overage Bags Cost | Section 8.02.G | 50% of the base monthly Solid Waste Collection Rate or $10.31 minimum | Per bag |
| 13 | Container Cleaning Service | Section 8.05.D | A - $64.50<br>B - $109.64 | A - per Cart<br>B - per Bin or Drop-Box<br>Charge only applies to cleaning or Container exchange in addition to the service to be provided at no charge to the Customer pursuant to Section 8.05.D. |
| 14 | Dirty Cart Replacement (Exchange) Service | Section 8.05.D | A - $83.85<br>B - $96.74<br>C - $109.64 | A - per 32 gallon Cart<br>B - per 64 gallon Cart<br>C - per 96 gallon Cart<br>Charge only applies to cleaning or Container exchange in addition to the service to be provided at no charge to the Customer pursuant to Section 8.05.D. |
| 15 | Additional Confidential Document Destruction Service Event | Section 5.07 | $1,547.84 | Per event |

## Schedule Q
## Additional Services (Continued)

| No. | Additional Service Category | Reference | Agency-Approved Maximum Rate | Description |
|---|---|---|---|---|
| 16 | Additional Compost Material Delivery | Section 5.11 | A - $161.22 per delivery<br>B - $322.47 per delivery | A - "one-way" only delivery by Contractor where Contractor delivers to and unloads compost at an Agency-approved location<br>B- "Round-trip" delivery by Contractor where Contractor delivers compost in a Drop Box to an Agency-approved location and returns at a later time or date to pick up the Drop Box and any remaining compost (charge includes the delivery of and later pick-up of the Drop Box) |
| 17 | Community Drop-Off Events | Section 5.13 | $26,313.47 per event or day | Per event or day targeting 5,000 households. Does not include disposal or public education expenses. |
| | | | | |
| **No.** | **Additional Service Category** | **Reference** | **Agency-Approved Maximum Rate** | **Description** |
| 18 | Collection for Agency-Sponsored and Non-Agency sponsored Community Events | Section 5.08 | A - $3,869.62<br>B - $6,449.37<br>C - $9,674.07 | A - One day event with a projected 2,500 or fewer attendees<br>B - One (1) or two (2) day events with a projected 2,501 to 7,500 attendees per day C - One (1) or two (2) day events with a projected 7,501 to 10,000 attendees per day. |

| Backyard Collection Service Charge for Single Family Dwellings (Section 5.02.A) | | | | |
|---|---|---|---|---|
| **Distance from Curb**** | **One (1) Solid Waste Cart** | **Two (2) Solid Waste Carts** | **Three (3) Solid Waste Carts** | **Four (4) Solid Waste Carts** |
| Distance <= 50 feet | $23.20 | $37.03 | $74.10 | $111.13 |
| 50 < Distance <= 100 feet | 27.09 | 40.92 | 77.96 | 115.02 |
| 100 < Distance <= 150 feet | 30.94 | 44.78 | 81.81 | 118.88 |
| 150 < Distance <= 200 feet | 34.83 | 48.66 | 85.69 | 122.76 |
| 200 < Distance <= 250 feet | 38.69 | 52.52 | 89.58 | 126.63 |
| 250 < Distance <= 300 feet | 42.57 | 56.39 | 93.44 | 130.48 |
| 300 < Distance <= 350 feet | 46.44 | 60.25 | 97.32 | 134.35 |
| Each additional 50 foot increment over 350 feet | Amount equal the difference between the Charge for 250 to 300 feet and 300 to 350 feet | | | |

* Backyard Collection Service Charges are charges added to the base monthly Rate for Single-Family Collection service, and cover the provision of Backyard Collection Service for all Customer's Solid Waste, Recyclable Materials, and Organic Materials Carts.

** Distance shall be measured from the face of the curb, or from the edge of the roadway nearest the closest edge of the Cart, if there is no curb.

Recology
San Mateo County
WASTE ZERO

July 31, 2022

Mr. Peter Brown
Public Works Director
City of Belmont
One Twin Pines Lane, Suite 320
Belmont, CA 94002

Re: Rate Year 2023 Rate Application

Dear Mr. Brown:

Enclosed is our Rate Year 2023 Rate Application, Calculation of Actual Disposal Expense (April 2021 through March 2022), Calculation of Projected Disposal Costs (April 2022 – March 2023), Performance Incentive/Disincentive schedule, Attachment L for 2023, CPI index data from the Bureau of Labor Statistics, and Attachment Q schedule for 2023.

In accordance with Article 11 of the Franchise Agreement for Recyclable Materials, Organic Materials and Solid Waste Collection Services, we applied the following methodology to our calculations:

- **Wages for CBAs Component** – Multiplied the Wage Component of $1,310,584 by the CPI-W-Wages Index for April 2022 (322.021) and divided that by the CPI-W-Wages Index for April 2020 (290.304). The calculated Wages for CBAs Component for Rate Year 2023 is $1,453,771.

- **Benefits for CBAs Component** – Multiplied the Benefits Component of $608,287 by the CPI-W-Medical Index for April 2022 (573.254) and divided that by the CPI-W-Medical Index for April 2020 (548.136). The calculated Benefits for CBAs Component for Rate Year 2023 is $636,161.

- **Payroll Taxes Component** – Multiplied the Wages for CBAs Component of $1,453,771 by the effective payroll tax rate of 8.1%. The calculated Payroll Taxes Component for Rate Year 2023 is $117,755.

- **Workers Compensation Insurance Component** – Multiplied the Workers Compensation Insurance Component of $93,961 by the CPI-W-Wages Index for April 2022 (322.021) and divided that by the CPI-W-Wages Index for April 2020 (290.304). The calculated Workers Compensation Insurance Component for Rate Year 2023 is $104,227.

- **Direct Fuel Component** - Multiplied the Direct Fuel Component of $169,992 by CPI-U-Motor Fuel Index for April 2022 (414.030) and divided that by the CPI-U-Motor Fuel Index for April 2020 (209.994). The calculated Direct Fuel Component for Rate Year 2023 is $335,161.

- **General Expenses Direct Component** – Multiplied the General Expenses Direct Component of $191,163 by the CPI-U-General Index for April 2022 (324.878) and divided that by the CPI-U-General Index for April 2020 (298.074). The calculated General Expenses Direct Component for Rate Year 2023 is $208,353.

- **General Expenses Indirect Component** – Multiplied the General Expenses Indirect Component of $1,020,220 by the CPI-U-General Index for April 2022 (328.878) and divided that by the CPI-U-General Index for April 2020 (298.074). The calculated General Expenses Indirect Component for Rate Year 2023 is $1,111,962.

- **Disposal Costs Component** – The Disposal Costs Component equals (i) Contractor's reasonable good faith projection of Disposal Costs for the period from April 1 of the Current Year through March 31 of the Adjustment Year ($1,745,620), *plus* (ii) Contractor's actual Disposal Costs for the period from April 1 of the Prior Year through March 31 of the Current Year ($1,772,859), *minus* (iii) Contractor's previous projection of Disposal Costs for the period described in clause (ii) ($1,789,017). The calculation of projected disposal costs used in (i) assumed volumes delievered to the Designated Disposal Site using actual volumes delivered during the quarter April 1, 2022 through June 30, 2022, then duplicating those volumes for the next three quarters. The disposal rates are the anticipated rates for 2022 and 2023 at the Designated Disposal Site. The total Disposal Component equals $1,729,462 ($1,745,620 + $1,772,859 - $1,789,017).

- **Performance-Based Component** – Incentives and disincentives were reviewed by RRS consultants and are included in the rate year 2023 compensation application. Incentives total $0 and disincentives total $ 5,459 for a combined disincentive amount of $5,459.

Based on the calculations described above, the Total Target Revenue increase for Rate Year 2023 is 3.66%. The Rate Year 2023 Rate Application includes a calculation of the Potential Cap Carry Forward of $93,565. The Attachment L for 2023 is calculated at 3.66% without regard to any Potential Cap Carry Forward amount.

If you have any questions, or need any additional information, please call me at (650) 595-3900.

Sincerely,

Evan E. Boyd
General Manager
Recology San Mateo County

## Recology San Mateo County
### City of Belmont
### Refuse Rate Index Calculation

| Cost Description | Basis for Adjustment | SBWMA-Adjusted 2021 Values | April 2020 CPI Index | April 2022 CPI Index | Adjusted 2023 Rate Year Compensation |
|---|---|---|---|---|---|
| Direct Labor Related | | | | | |
| Wages for CBA's | CPI-W: CWURS49BSA0 | 1,310,584 | 290.304 | 322.021 | 1,453,771 |
| Benefits for CBA's | CPI-W-Medical: CUURS49BSAM | 608,287 | 548.136 | 573.254 | 636,161 |
| Payroll Taxes | Effective Rate: 8.1% | 109,005 | na | na | 117,755 |
| Workers Compensation | CPI-W: CWURS49BSA0 | 93,961 | 290.304 | 322.021 | 104,227 |
| Direct Fuel Costs | CPI-U-Motor Fuel: CUURS49BSE | 169,992 | 209.994 | 414.030 | 335,161 |
| General Expenses Direct | CPI-U: CUURS49BSA0 | 191,163 | 298.074 | 324.878 | 208,353 |
| General Expenses Indirect | CPI-U: CUURS49BSA0 | 1,020,220 | 298.074 | 324.878 | 1,111,962 |
| General Expenses Depreciation | Fixed | 281,317 | na | na | 281,317 |
| Profit Calculation | Operating Ratio of 90.5% | 397,271 | na | na | 445,997 |
| Interest | Fixed | 73,679 | na | na | 73,679 |
| Performance Incentives | Based on Annual Report | - | na | na | - |
| Performance Disincentives | Based on Annual Report | - | na | na | (5,459) |
| **Base Contractor's Compensation** | | **4,255,478** | | | **4,762,925** |
| Disposal Cost Component (i) | Projected Next Rate Year | 1,732,663 | | | 1,745,620 |
| Disposal Cost Component (ii) | Actual Prior Year | | | | 1,772,859 |
| Disposal Cost Component (iii) | Less Projected Prior Year | | | | (1,789,017) |
| Agency Payments | | 2,051,120 | | | 2,281,109 |
| **Total Contractor Compensation** | | **8,039,261** | | | **8,773,496** |

| | **2023** |
|---|---|
| Total Contractor Compensation | 8,773,496 |
| Cap Carry Forward 11.11 | - |
| Total Target Revenue | **8,773,496** |
| 2022 Target Revenue | 8,464,059 |
| Adjustment Multiplier | 3.66% |

| 5% Cap Calculation 11.11 | |
|---|---|
| Adjusted Contractor's Compensation 2023 | 4,768,384 |
| Adjusted Contractor's Compensation 2022 | 4,452,208 |
| difference | 316,176 |
| 5 % of Adjusted Contractor's Compensation 2022 | 222,610 |
| Potential Cap Carry Forward | 93,565 |

## Recology San Mateo County

**City of Belmont**

**Actual Disposal Calculation (Apr 2021 - Mar 2022)**

**Rate Year 2023**

**BELMONT CITY VEHICLES**

| | Solid Waste | Green/Org | Food | Bulky Items | Solid Waste | Green/Org | Dirt | C&D | Concrete | Water Heater Appliances |
|---|---|---|---|---|---|---|---|---|---|---|
| APR | 633.87 | 391.50 | 33.11 | 1.11 | 28.34 | 5.94 | 0.00 | 0.00 | 2.80 | 0.00 |
| MAY | 599.32 | 368.33 | 36.95 | 1.36 | 47.08 | 0.00 | 10.40 | 0.00 | 36.50 | 0.00 |
| JUN | 624.24 | 404.65 | 39.25 | 2.49 | 47.71 | 6.75 | 28.13 | 2.80 | 42.28 | 0.00 |
| JUL | 628.11 | 360.34 | 36.59 | 1.85 | 56.03 | 11.02 | 0.00 | 0.00 | 30.47 | 0.00 |
| AUG | 602.61 | 362.00 | 38.69 | 3.15 | 48.42 | 3.43 | 0.00 | 0.00 | 7.93 | 0.00 |
| SEP | 617.50 | 351.65 | 40.09 | 1.53 | 32.50 | 1.84 | 0.00 | 0.44 | 17.50 | 0.00 |
| OCT | 602.23 | 361.29 | 40.45 | 1.91 | 5.95 | 8.71 | 35.45 | 0.00 | 20.47 | 0.00 |
| NOV | 639.97 | 428.87 | 44.39 | 2.46 | 45.34 | 2.19 | 47.96 | 0.00 | 0.00 | 0.00 |
| DEC | 684.33 | 413.94 | 46.68 | 4.98 | 40.83 | 7.94 | 117.87 | 0.78 | 10.85 | 0.00 |
| subtotal Apr - Dec 2021 | 5632.18 | 3442.57 | 356.20 | 20.84 | 352.20 | 47.82 | 239.81 | 4.02 | 168.80 | 0.00 |
| JAN | 600.65 | 380.43 | 37.54 | 0.00 | 47.46 | 1.85 | 1.52 | 0.00 | 18.12 | 0.00 |
| FEB | 537.70 | 326.16 | 36.66 | 4.63 | 34.00 | 6.61 | 41.25 | 0.25 | 1.81 | 0.00 |
| MAR | 622.25 | 350.44 | 40.47 | 2.94 | 55.90 | 2.04 | 3.03 | 0.00 | 30.77 | 0.00 |
| subtotal Jan - Mar 2022 | 1760.60 | 1057.03 | 114.67 | 7.57 | 137.36 | 10.50 | 45.80 | 0.25 | 50.70 | 0.00 |
| SBWMA Total | 7392.78 | 4499.60 | 470.87 | 28.41 | 489.56 | 58.32 | 285.61 | 4.27 | 219.50 | 0.00 |
| Rate Apr 2021 - Dec 2021 | $127.00 | $139.00 | $141.00 | $127.00 | $127.00 | $139.00 | $113.00 | $127.00 | $113.00 | $15.00 |
| Rate Jan 2022 - Mar 2022 | $130.00 | $143.00 | $144.00 | $130.00 | $130.00 | $143.00 | $115.00 | $130.00 | $115.00 | $15.00 |
| Per Item Cost | $944,164.86 | $629,672.52 | $66,736.68 | $3,630.78 | $62,586.20 | $8,148.48 | $32,365.53 | $543.04 | $24,904.90 | $0.00 |
| Total Disposal | $1,772,858.99 | | | | | | | | | |

## Recology San Mateo County

**City of Belmont**

**Projected Disposal Calculation (Apr 2022 - Mar 2023)**

**Rate Year 2023**

| | | | | | **BELMONT CITY VEHICLES** | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Solid Waste | Green/Org | Food | Bulky Items | Solid Waste | Wood Green/Org | Dirt | C&D | Concrete | Each Refrigerator |
| APR (Actual) | 581.16 | 383.67 | 43.48 | 1.39 | 33.82 | 4.15 | 0.00 | 0.00 | 0.00 | 0.00 |
| MAY (Actual) | 602.14 | 350.61 | 46.82 | 3.18 | 49.58 | 3.56 | 5.10 | 0.00 | 8.89 | 0.00 |
| JUN (Actual) | 626.36 | 377.36 | 45.81 | 2.70 | 24.57 | 6.57 | 0.00 | 0.00 | 0.00 | 0.00 |
| JUL | 581.16 | 383.67 | 43.48 | 1.39 | 33.82 | 4.15 | 0.00 | 0.00 | 0.00 | 0.00 |
| AUG | 602.14 | 350.61 | 46.82 | 3.18 | 49.58 | 3.56 | 5.10 | 0.00 | 8.89 | 0.00 |
| SEP | 626.36 | 377.36 | 45.81 | 2.70 | 24.57 | 6.57 | 0.00 | 0.00 | 0.00 | 0.00 |
| OCT | 581.16 | 383.67 | 43.48 | 1.39 | 33.82 | 4.15 | 0.00 | 0.00 | 0.00 | 0.00 |
| NOV | 602.14 | 350.61 | 46.82 | 3.18 | 49.58 | 3.56 | 5.10 | 0.00 | 8.89 | 0.00 |
| DEC | 626.36 | 377.36 | 45.81 | 2.70 | 24.57 | 6.57 | 0.00 | 0.00 | 0.00 | 0.00 |
| subtotal Apr - Dec | 5428.98 | 3334.92 | 408.33 | 21.81 | 323.91 | 42.84 | 15.30 | 0.00 | 26.67 | 0.00 |
| JAN | 581.16 | 383.67 | 43.48 | 1.39 | 33.82 | 4.15 | 0.00 | 0.00 | 0.00 | 0.00 |
| FEB | 602.14 | 350.61 | 46.82 | 3.18 | 49.58 | 3.56 | 5.10 | 0.00 | 8.89 | 0.00 |
| MAR | 626.36 | 377.36 | 45.81 | 2.70 | 24.57 | 6.57 | 0.00 | 0.00 | 0.00 | 0.00 |
| subtotal Jan - Mar | 1809.66 | 1111.64 | 136.11 | 7.27 | 107.97 | 14.28 | 5.10 | 0.00 | 8.89 | 0.00 |
| SBWMA Total | 7238.64 | 4446.56 | 544.44 | 29.08 | 431.88 | 57.12 | 20.40 | 0.00 | 35.56 | 0.00 |
| Rates Apr 2022 - Dec 2022 | $130.00 | $143.00 | $144.00 | $130.00 | $130.00 | $143.00 | $115.00 | $130.00 | $115.00 | $53.00 |
| Rates Jan 2023 - Mar 2023 | $137.00 | $145.00 | $145.00 | $130.00 | $137.00 | $145.00 | $115.00 | $120.00 | $115.00 | $53.00 |
| Per Item Cost | $ 953,690.82 | $ 638,080.92 | $ 78,535.92 | $ 3,780.40 | $ 56,900.19 | $ 8,196.72 | $ 2,346.00 | $ - | $ 4,089.40 | $ - |
| Total Disposal | $ 1,745,620.36 | | | | | | | | | |

Recology San Mateo County
Incentives and Disincentives
Year 2021

## Performance Incentive/Disincentive Payments 2021

| | Performance Incentives and Disincentives | | | | |
|---|---|---|---|---|---|
| Member Agency | SFD and Commercial Missed P/U Events | Average Speed of Answer | 90 Second Max Hold Time | Diversion | Maximum Incentives and Disincentives[1] |
| Belmont | $750 | $3,328 | $1,941 | $6,513 | $5,459 |
| Burlingame | $1,650 | $7,431 | $4,335 | $14,544 | $12,166 |
| East Palo Alto | $450 | $5,398 | $3,149 | $10,565 | $8,089 |
| Foster City | $550 | $4,357 | $2,542 | $8,528 | $6,716 |
| Hillsborough | $450 | $1,243 | $725 | $2,433 | $2,209 |
| Menlo Park | $700 | $6,616 | $3,860 | $12,949 | $10,063 |
| North Fair Oaks | $700 | $2,534 | $1,479 | $4,961 | $4,287 |
| Redwood City | $2,750 | $14,806 | $8,638 | $28,980 | $23,704 |
| San Carlos | $1,600 | $5,388 | $3,144 | $10,547 | $9,226 |
| San Mateo | $4,600 | $17,062 | $9,954 | $33,395 | $28,746 |
| County Franchised Area | $450 | $1,753 | $1,023 | $3,432 | $2,931 |
| WBSD | $700 | $745 | $435 | $1,458 | $1,754 |
| Total | $15,350 | $70,660 | $41,224 | $138,305 | $115,350 |

Negative number in parenthesis denotes Incentive payment due to Recology.

[1]In accordance with Attachment I, the maximum annual incentive or disincentive, except for Single-Family and Commercial Missed Pick-up Events is $100,000 or ($100,000).

# Recology San Mateo County

## City of Belmont

## Attachment L

## Rate Year 2023

Adjustment Multiplier 3.66%

**RESIDENTIAL RATES**

| | | |
|---|---|---|
| R20G | RES WASTE 20G | 36.22 |
| R32G | RES WASTE 32 GAL | 43.21 |
| R64G | RES WASTE 64 GAL | 85.06 |
| R96G | RES WASTE 96 GAL | 127.58 |

**COMMERCIAL/MULTI FAMILY RATES**

| | | Times Per Week | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| C1YG | COMML WASTE 1 YD | 240.64 | 489.93 | 743.49 | 1,000.01 | 1,258.59 | 1,570.78 | 1,853.33 |
| C1YO | COMML ORGANICS 1 YD | 168.46 | 342.94 | 520.43 | 700.01 | 881.02 | 1,099.56 | 1,297.34 |
| C15CG | COMML WASTE 1.5 YD COMPACTOR | 876.67 | 1,753.36 | 2,630.03 | 3,506.67 | 4,383.35 | 5,260.01 | 6,136.68 |
| C15CO | COMML ORGANICS 1.5 YD COMPACTOR | 613.67 | 1,227.33 | 1,841.00 | 2,454.67 | 3,068.34 | 3,682.00 | 4,295.67 |
| C20G | COMML WASTE 20 GALLON | 46.21 | 95.06 | 141.53 | 194.31 | 245.84 | 307.60 | 374.71 |
| C2YG1 | COMML WASTE 2 YD | 484.06 | 976.06 | 1,472.71 | 1,972.97 | 2,480.30 | 2,928.14 | 3,467.88 |
| C2YO | COMML ORGANICS 2 YD | 338.85 | 683.23 | 1,030.90 | 1,381.07 | 1,736.18 | 2,049.69 | 2,427.52 |
| C32G | COMML WASTE 32 GALLON | 51.31 | 105.63 | 157.23 | 215.89 | 273.13 | 341.77 | 416.33 |
| C32O | COMML ORGANICS 32 GAL | 35.94 | 73.94 | 110.06 | 151.14 | 191.20 | 239.26 | 291.45 |
| C3CG | COMML WASTE 3 YD COMPACTOR | 1,753.01 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| C3YG | COMML WASTE 3 YD | 730.04 | 1,468.88 | 2,212.06 | 2,957.46 | 3,705.43 | 4,498.23 | 5,296.56 |
| C3YO | COMML ORGANICS 3 YD | 511.02 | 1,028.25 | 1,548.45 | 2,070.22 | 2,593.79 | 3,148.77 | 3,707.59 |
| C4YG1 | COMML WASTE 4 YD | 996.57 | 2,010.36 | 3,024.18 | 4,049.52 | 5,079.19 | 6,151.58 | 7,246.41 |
| C4YO | COMML ORGANICS 4 YD | 697.60 | 1,407.25 | 2,116.92 | 2,834.67 | 3,555.42 | 4,306.14 | 5,072.49 |
| C64G | COMML WASTE 64 GALLON | 99.22 | 200.21 | 303.77 | 408.45 | 519.19 | 632.69 | 740.66 |
| C64O | COMML ORGANICS 64 GAL | 69.47 | 140.15 | 212.63 | 285.93 | 363.44 | 442.85 | 518.46 |
| C6YG1 | COMML WASTE 6 YD | 1,532.65 | 3,108.45 | 4,672.53 | 6,223.29 | 7,796.16 | 9,424.87 | 11,038.73 |
| C6YO | COMML ORGANICS 6 YD | 1,072.86 | 2,175.92 | 3,270.75 | 4,356.31 | 5,457.32 | 6,597.40 | 7,727.11 |
| C96G | COMML WASTE 96 GALLON | 143.41 | 293.76 | 445.79 | 603.02 | 762.38 | 959.67 | 1,119.60 |
| C96O | COMML ORGANICS 96 GAL | 100.39 | 205.62 | 312.05 | 422.10 | 533.66 | 671.76 | 783.72 |

| | |
|---|---|
| SOLID WASTE COMPACTOR RATE PER YARD | 134.87 |

## CPI for Urban Wage Earners and Clerical Workers (CPI-W)
## Original Data Value

**Series Id:** CWURS49BSA0
**Not Seasonally Adjusted**
**Series Title:** All items in San Francisco-Oakland-Hayward, CA, urban wage earners and clerical workers, not seasonally adjusted
**Area:** San Francisco-Oakland-Hayward, CA
**Item:** All items
**Base Period:** 1982-84=100
**Years:** 2012 to 2022

| Year | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Annual | HALF1 | HALF2 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **2012** | | 234.648 | | 236.626 | | 236.890 | | 238.445 | | 240.864 | | 236.454 | 237.097 | 235.572 | 238.622 |
| **2013** | | 240.262 | | 241.764 | | 243.052 | | 242.903 | | 243.711 | | 242.602 | 242.125 | 241.141 | 243.109 |
| **2014** | | 245.148 | | 247.932 | | 250.085 | | 249.877 | | 250.508 | | 247.680 | 248.326 | 247.097 | 249.555 |
| **2015** | | 249.809 | | 252.875 | | 254.736 | | 256.060 | | 256.107 | | 255.492 | 253.910 | 252.041 | 255.780 |
| **2016** | | 257.141 | | 259.386 | | 261.017 | | 262.326 | | 264.026 | | 263.222 | 260.830 | 258.715 | 262.946 |
| **2017** | | 265.569 | | 268.896 | | 269.508 | | 269.827 | | 271.272 | | 271.342 | 268.990 | 267.426 | 270.555 |
| **2018** | | 275.699 | | 278.039 | | 280.219 | | 281.536 | | 283.183 | | 283.278 | 279.572 | 277.035 | 282.110 |
| **2019** | | 284.758 | | 288.266 | | 288.581 | | 288.514 | | 291.707 | | 289.456 | 288.192 | 286.615 | 289.770 |
| **2020** | | 292.010 | | 290.304 | | 292.420 | | 293.062 | | 294.442 | | 295.687 | 292.601 | 291.297 | 293.906 |
| **2021** | | 297.170 | | 302.294 | | 304.971 | | 307.423 | | 309.656 | | 312.019 | 304.602 | 300.275 | 308.928 |
| **2022** | | 316.463 | | 322.021 | | 328.137 | | | | | | | | 320.408 | |

## CPI for All Urban Consumers (CPI-U)
## Original Data Value

**Series Id:** CUURS49BSAM
**Not Seasonally Adjusted**
**Series Title:** Medical care in San Francisco-Oakland-Hayward, CA, all urban consumers, not seasonally adjusted
**Area:** San Francisco-Oakland-Hayward, CA
**Item:** Medical care
**Base Period:** 1982-84=100
**Years:** 2012 to 2022

| Year | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Annual | HALF1 | HALF2 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **2012** | | 403.519 | | 404.765 | | 404.597 | | 409.331 | | 409.023 | | 408.341 | 406.387 | 404.188 | 408.585 |
| **2013** | | 416.539 | | 412.620 | | 425.278 | | 425.098 | | 426.542 | | 431.700 | 421.983 | 416.722 | 427.243 |
| **2014** | | 440.573 | | 448.951 | | | | | | | | | | | |
| **2016** | | | | | | | | 486.042 | | 486.894 | | 488.508 | | | 486.068 |
| **2017** | | 485.741 | | 491.228 | | 493.123 | | 489.826 | | 493.957 | | 493.055 | 490.720 | 489.198 | 492.241 |
| **2018** | | 500.434 | | 504.092 | | 511.465 | | 508.677 | | 510.198 | | 539.595 | 508.623 | 502.138 | 515.108 |
| **2019** | | 519.339 | | 537.178 | | 538.854 | | | | 551.902 | | 554.645 | 541.173 | 532.698 | 549.647 |
| **2020** | | 545.970 | | 548.136 | | 549.438 | | 548.733 | | 549.432 | | 545.016 | 548.802 | 549.120 | 548.484 |
| **2021** | | 555.065 | | 555.675 | | 551.518 | | 550.215 | | 556.119 | | 561.352 | 553.445 | 552.681 | 554.209 |
| **2022** | | 567.774 | | 573.254 | | 583.038 | | | | | | | | 571.613 | |

## CPI for All Urban Consumers (CPI-U)
## Original Data Value

**Series Id:** CUURS49BSETB
**Not Seasonally Adjusted**
**Series Title:** Motor fuel in San Francisco-Oakland-Hayward, CA, all urban consumers, not seasonally adjusted
**Area:** San Francisco-Oakland-Hayward, CA
**Item:** Motor fuel
**Base Period:** 1982-84=100
**Years:** 2012 to 2022

| Year | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Annual | HALF1 | HALF2 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **2012** | 280.517 | 302.724 | 327.962 | 317.962 | 325.378 | 301.192 | 285.891 | 310.778 | 316.030 | 336.090 | 288.389 | 268.569 | 305.124 | 309.289 | 300.958 |
| **2013** | 274.605 | 306.602 | 309.846 | 300.682 | 306.012 | 303.270 | 301.401 | 291.569 | 299.931 | 284.084 | 273.022 | 270.990 | 293.501 | 300.170 | 286.833 |
| **2014** | 273.919 | 279.844 | 297.341 | 313.061 | 315.401 | 312.578 | 308.499 | 297.489 | 287.115 | 268.189 | 242.194 | 216.165 | 284.316 | 298.691 | 269.942 |
| **2015** | 193.209 | 209.050 | 250.324 | 240.323 | 269.479 | 253.019 | 257.434 | 247.551 | 223.945 | 208.973 | 202.552 | 196.642 | 229.375 | 235.901 | 222.850 |
| **2016** | 195.010 | 178.296 | 191.074 | 202.420 | 208.843 | 213.139 | 209.663 | 197.818 | 204.532 | 207.138 | 200.994 | 200.151 | 200.757 | 198.130 | 203.383 |
| **2017** | 208.379 | 212.552 | 223.591 | 224.219 | 229.642 | 227.099 | 218.805 | 221.035 | 233.253 | 227.464 | 236.297 | 232.445 | 224.565 | 220.914 | 228.217 |
| **2018** | 239.938 | 248.958 | 254.538 | 264.816 | 276.100 | 277.231 | 275.852 | 273.651 | 274.578 | 284.833 | 278.051 | 264.929 | 267.790 | 260.264 | 275.316 |
| **2019** | 255.355 | 251.375 | 259.552 | 290.028 | 297.662 | 280.364 | 272.104 | 263.865 | 268.181 | 300.258 | 286.954 | 261.728 | 273.952 | 272.389 | 275.515 |
| **2020** | 254.945 | 251.171 | 235.263 | 209.994 | 208.040 | 220.382 | 229.239 | 236.785 | 239.082 | 236.633 | 236.201 | 237.489 | 232.935 | 229.966 | 235.905 |
| **2021** | 246.145 | 253.600 | 277.844 | 289.079 | 301.702 | 310.278 | 315.657 | 322.785 | 321.903 | 330.112 | 343.726 | 342.260 | 304.591 | 279.775 | 329.407 |
| **2022** | 340.187 | 343.538 | 408.338 | 414.030 | 435.497 | 464.377 | | | | | | | | 400.995 | |

## CPI for All Urban Consumers (CPI-U)
## Original Data Value

**Series Id:** CUURS49BSA0
**Not Seasonally Adjusted**
**Series Title:** All items in San Francisco-Oakland-Hayward, CA, all urban consumers, not seasonally adjusted
**Area:** San Francisco-Oakland-Hayward, CA
**Item:** All items
**Base Period:** 1982-84=100
**Years:** 2012 to 2022

| Year | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Annual | HALF1 | HALF2 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **2012** | | 236.880 | | 238.985 | | 239.806 | | 241.170 | | 242.834 | | 239.533 | 239.650 | 238.099 | 241.201 |
| **2013** | | 242.677 | | 244.675 | | 245.935 | | 246.072 | | 246.617 | | 245.711 | 245.023 | 243.894 | 246.152 |
| **2014** | | 248.615 | | 251.495 | | 253.317 | | 253.354 | | 254.503 | | 252.273 | 251.985 | 250.507 | 253.463 |
| **2015** | | 254.910 | | 257.622 | | 259.117 | | 259.917 | | 261.019 | | 260.289 | 258.572 | 256.723 | 260.421 |
| **2016** | | 262.600 | | 264.565 | | 266.041 | | 267.853 | | 270.306 | | 269.483 | 266.344 | 263.911 | 268.777 |
| **2017** | | 271.626 | | 274.589 | | 275.304 | | 275.893 | | 277.570 | | 277.414 | 274.924 | 273.306 | 276.542 |
| **2018** | | 281.308 | | 283.422 | | 286.062 | | 287.664 | | 289.673 | | 289.896 | 285.550 | 282.666 | 288.435 |
| **2019** | | 291.227 | | 294.801 | | 295.259 | | 295.490 | | 298.443 | | 297.007 | 295.004 | 293.150 | 296.859 |
| **2020** | | 299.690 | | 298.074 | | 300.032 | | 300.182 | | 301.736 | | 302.948 | 300.084 | 299.109 | 301.059 |
| **2021** | | 304.387 | | 309.419 | | 309.497 | | 311.167 | | 313.265 | | 315.805 | 309.721 | 306.724 | 312.718 |
| **2022** | | 320.195 | | 324.878 | | 330.539 | | | | | | | | 323.408 | |

# ATTACHMENT Q
# SCHEDULE OF CONTRACTOR'S MAXIMUM RATES FOR ADDITIONAL SERVICES

For Rate Years Eleven (2021) through the remaining Rate Years in the Term, the Maximum Rate for additional services specified in Attachment Q shall be adjusted annually in accordance with Section 11.05.

The Maximum Rate for additional services for Rate Year Ten (2020) shall be the Maximum Rates for Rate Year Ten (2020) as determined under the 2009 Franchise Agreement. These amounts will be adjusted as provided in Section 11.05 of this Agreement to determine the Maximum Rates for Rate Year Eleven (2021).

Two additional services are included in this Attachment Q there were not in Attachment Q of the 2009 Franchise Agreement. The two new services are Container Relocation Service and Agency-Specific Reporting for Abandoned Waste Collections. Maximum Rates for these services are presented in the table below.

Charges for Additional Services may not exceed the Maximum Rates approved by the City for the respective Rate Year.

| | Service | Reference | Agency-Approved Maximum Rate | Description |
|---|---|---|---|---|
| | **Additional Services for Customers** | | | |
| 1 | Single-Family Dwelling Backyard Collection Service | Section 5.02.A | See Maximum Rate in the table at the end of this Attachment | See Maximum Rate in the table at the end of this Attachment |
| 2 | Long Distance Service for MFD, Mixed Use, and Commercial Accounts (Note: only applicable to Containers with wheels) | Sections 5.02.B, 5.02.C; and 8.02.B | A – No more than 10% of base monthly Maximum Rate of the Collection Rate for each Container requiring Long Distance Service<br>B – 25% of base monthly Rate of the Collection Rate for each Container requiring Long Distance Service | A – Distance greater than 50 feet and less than or equal to 100 feet<br>B – Distance greater than 100 feet<br>Distance shall be measured from the face of the curb, or from the edge of the roadway nearest the closest edge of the Container, if there is no curb. |

# ATTACHMENT Q
# SCHEDULE OF CONTRACTOR'S MAXIMUM RATES FOR ADDITIONAL SERVICES

| | Service | Reference | Agency-Approved Maximum Rate | Description |
|---|---|---|---|---|
| 3 | Container Relocation Service | Sections 5.02B and 8.02B | A – 12% of base monthly rate of the Collection Rate for each Container requiring Container Relocation Service<br>B – 27% of base monthly Rate of the Collection Rate for each Container requiring Container Relocation Service | A – Distance greater than 50 feet and less than or equal to 100 feet<br>B – Distance greater than 100 feet<br>Distance shall be measured from the face of the curb, or from the edge of the roadway nearest the closest edge of the Container, if there is no curb. |
| 4 | On-Call Pick-up for SFD, MFD, Mixed Use, and Commercial Customers | Sections 5.02.A, 5.02.B, and 5.02.C | 25% of the base monthly Rate for the size of Container Collected once per week | Per Collection event per Container for Collection requested by Customer |
| 5 | Return Trip (SFD, MFD, Mixed Use, or Commercial) | Sections 5.02.A, B, C; 5.03.A, B, C; 5.04.A, B, C | $19.35 for SFD<br>$19.35 for Commercial, Mixed Use, and MFD | Per Collection event (i.e., request to return and provide Collection service after the Customer failed to properly set out their Container(s) for regularly scheduled Collection) |
| 6 | Additional Targeted Recyclable Materials or Organic Materials Cart Service for SFD | Sections 5.03.A and 5.04.A | $1.27 per Recycling Cart<br>$3.85 per Organic Materials Cart | Per Cart per month (any Cart size). Six month minimum charge required. Includes one-time Cart delivery upon start of service and removal of Cart when service is discontinued by Customer. |
| 7 | Additional On-Call Bulky Item Collection | Sections 5.05, 5.06 | $105.20 | Per Bulky Item Collection event (in addition to the events provided at no charge to Customer pursuant to Section 5.12) |

# ATTACHMENT Q
# SCHEDULE OF CONTRACTOR'S MAXIMUM RATES FOR ADDITIONAL SERVICES

| | Service | Reference | Agency-Approved Maximum Rate | Description |
|---|---|---|---|---|
| 8 | Collect Contaminated Targeted Recyclable Materials or Organic Materials Container | Section 6.03.A and 8.02.F | 25% of the base monthly Solid Waste Rate for the size of Container Collected once per week<br>plus<br>Return Trip Fee if applicable | Per Collection event for Container with Contamination Level greater than the maximum level pursuant to Table 1 in Section 6.02.B |
| 9 | Lock Service (Key Service) | Section 8.02.B | A – $10.96 per usage<br>B – $12.25 per usage | Monthly cost:<br>A – Residential Customers<br>B – Commercial Customers |
| 10 | Lock Purchase | Section 8.02.B | $21.93 per lock | Per lock |
| 11 | Overage Service | Section 8.02.G | 100% of the base monthly Solid Waste Collection Rate | Per Collection event (after the first two events) |
| 12 | Overage Bags Cost | Section 8.02.G | 50% of the base monthly Solid Waste Collection Rate or $10.31 minimum | Per bag |
| 13 | Container Cleaning Service | Section 8.05.D | A – $64.50<br>B – $109.64 | A – per Cart<br>B – per Bin or Drop-Box<br>Charge only applies to cleaning or Container exchange in addition to the service to be provided at no charge to the Customer pursuant to Section 8.05.D |

# ATTACHMENT Q
# SCHEDULE OF CONTRACTOR'S MAXIMUM RATES FOR ADDITIONAL SERVICES

| | Service | Reference | Agency-Approved Maximum Rate | Description |
|---|---|---|---|---|
| 14 | Dirty Cart Replacement (Exchange) Service | Section 8.05.D | A – $83.85<br>B – $96.74<br>C – $109.64 | A – per 32 gallon Cart<br>B – per 64 gallon Cart<br>C – per 96 gallon Cart<br>Charge only applies to cleaning or Container exchange in addition to the service to be provided at no charge to the Customer pursuant to Section 8.05.D |
| | **Additional Services for Agency** | | | |
| 15 | Additional Confidential Document Destruction Service Event | Section 5.07 | $1,547.84 | Per event |
| 16 | Additional Compost Material Delivery | Section 5.11 | A – $161.22 per delivery<br>B – $322.47 per delivery | A – "one-way" only delivery by Contractor where Contractor delivers to and unloads compost at an Agency-approved location<br>B – "Round-trip" delivery by Contractor where Contractor delivers compost in a Drop Box to an Agency-approved location and returns at a later time or date to pick up the Drop Box and any remaining compost (charge includes the delivery of and later pick-up of the Drop Box) |
| 17 | Community Drop-Off Events | Section 5.13 | $26,313.47 per event or day | Per event or day targeting 5,000 households. Does not include disposal or public education expenses. |
| 18 | Collection for Agency-Sponsored and Non-Agency sponsored Community Events | Section 5.08 | A – $3,869.62<br>B – $6,449.37<br>C – $9,674.07 | A – One day event with a projected 2,500 or fewer attendees<br>B – One (1) or two (2) day events with a projected 2,501 to 7,500 attendees per day<br>C – One (1) or two (2) day events with a projected 7,501 to 10,000 attendees per day |

# ATTACHMENT Q
# SCHEDULE OF CONTRACTOR'S MAXIMUM RATES FOR ADDITIONAL SERVICES

| Backyard Collection Service Charge for Single-Family Dwellings* (Section 5.02.A) | | | | |
|---|---|---|---|---|
| **Distance from Curb**** | **Backyard Charge for Customers with One (1) Solid Waste Cart** | **Backyard Charge for Customers with Two (2) Solid Waste Carts** | **Backyard Charge for Customers with Three (3) Solid Waste Carts** | **Backyard Charge for Customers with Four (4) Solid Waste Carts** |
| Distance <= 50 feet | $23.20 | $37.03 | $74.10 | $111.13 |
| 50 < Distance <= 100 feet | $27.09 | $40.92 | $77.96 | $115.02 |
| 100 < Distance <= 150 feet | $30.94 | $44.78 | $81.81 | $118.88 |
| 150 < Distance <= 200 feet | $34.83 | $48.66 | $85.69 | $122.76 |
| 200 < Distance <= 250 feet | $38.69 | $52.52 | $89.58 | $126.63 |
| 250 < Distance <= 300 feet | $42.57 | $56.39 | $93.44 | $130.48 |
| 300 < Distance <= 350 feet | $46.44 | $60.25 | $97.32 | $134.35 |
| Each additional 50 foot increment over 350 feet | Amount equals the difference between the Charge for 250 to 300 feet and 300 to 350 feet | | | |

* Backyard Collection Service Charges are charges added to the base monthly Rate for Single-Family Collection service, and cover the provision of Backyard Collection Service for all of Customer's Solid Waste, Recyclable Materials, and Organic Materials Carts.

** Distance shall be measured from the face of the curb, or from the edge of the roadway nearest the closest edge of the Cart, if there is no curb.

Fiscal & Organizational Sustainability

Draft Report





# Review of the 2023 Solid Waste Rates

*City of Belmont*

*August 2022*

August 29, 2022

Mr. Peter Brown
Public Works Director
City of Belmont
One Twin Pines Lane Suite 385
Belmont, California 94002

Subject: Review of the 2023 Solid Waste Rates Draft Report

Dear Mr. Brown:

HDR Engineering, Inc. (HDR) was retained by the City of Belmont (City) to provide professional and technical rate services as they relate to the City's solid waste utility. The City is a member of the South Bayside Waste Management Authority (SBWMA) and has a franchise agreement with Recology of San Mateo County (Recology) for solid waste collection services, including the collection of recycling and organic materials. Through the franchise agreement, the annual compensation for Recology's services is contractually determined. Recology has provided to the City their calculation of the maximum rates for both regularly scheduled services, and additional services, for Rate Year 2023, based on their July 31st rate year 2023 application letter. The franchise agreement calls for the City to establish solid waste retail rates, but not at a level which exceeds the Contractor's "Maximum Rates for Regularly Scheduled Services".

HDR and the City have reviewed Recology's calculations and this report summarizes our findings, conclusions, and recommendations. This report and HDR's technical review were developed utilizing the City's and Recology's accounting, operating, and management records. HDR has relied upon this information to conduct our limited review, which provides the basis for our findings, conclusions, and recommendations contained in this report.

We appreciate the assistance provided by City staff, management, and City Council. More importantly, we appreciate the opportunity to work with City on this project.

Sincerely yours,
HDR Engineering, Inc.

Shawn Koorn
Associate Vice President

929 108th Ave NE, Suite 1300
Bellevue, WA 98004

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# Executive Summary

## Introduction

The City of Belmont (City) is a member of the South Bayside Waste Management Authority (SBWMA) and on August 28, 2018, finalized an Amended and Restated Franchise Agreement (Agreement) with Recology of San Mateo County (Recology) for solid waste collection services, including the collection of recycling and organic materials. The Agreement is for the 15-year period of 2021 to 2035. Through the Agreement (i.e., 7.01.A.5, 11.01.A, 11.06), the annual compensation for Recology's collection and recycling services is contractually determined. At the same time, the Agreement calls for the City to adopt solid waste rates, but not at a level which exceeds the Contractor's "Maximum Rates for Regularly Scheduled and Additional Services". Ultimately, Recology bills the City's customers for the solid waste services at the rates established and formally adopted by the Belmont City Council.

As a part of the overall rate setting process, Recology's data and information is reviewed by an outside party prior to its use within the calculation of the City's maximum rates. Once that data and information is confirmed, Recology calculates the "maximum rates for regularly scheduled and additional services" and provides a copy of those calculations to the City for their review and acceptance. This review and rate setting process is similar to the reviews that HDR has provided to the City annually since 2013. The City has requested that HDR conduct a formal review of Recology's solid waste rate calculations for rate year 2023. This will be the third rate year reviewed under the terms and conditions of the current Agreement.

The Agreement contains specific language and exhibits related to the development of the maximum rates for a given year for both regularly scheduled services (Schedule L) and additional services (Schedule Q). Rate year 2021, the first year of the current Agreement, serves as the base year for adjusting rates in future years. HDR has reviewed the applicable portions of the Agreement as they pertain to the 2023 rate year[1]. From our understanding of the current Agreement and the rate setting requirements, HDR reviewed Recology's submittal for the 2023 rate year. This study discusses the review undertaken by HDR for the 2023 rate year.

## Limitations of HDR's Review

HDR has provided a limited review of Recology's maximum rate calculations for the 2023 rate year. As noted above, the data and information used by Recology to calculate the City's maximum rates were independently reviewed by another outside firm. Given the outside review of Recology's data and information, HDR and the City have assumed that the data and information input into Recology's rate calculations are reasonable and appropriate. As part of the review, HDR did cross-check and verify the inputs into Recology's model from the database of previously reviewed basic input data and information.

Within HDR's review, four key items have been reviewed and verified. These included:

[1] HDR assisted the City in negotiating a current franchise agreement with Recology and is very familiar with the requirements of the current agreement as it relates to rate setting (Article 11).

- A review of Recology's methodology for compliance with our understanding of the required methodology specific for the 2023 rate year based on the current Agreement.
- A review of the data inputs and information used within the methodology to confirm that the costs and any other adjustments comply with the methodology for regularly scheduled services (Schedule L) for rate year 2023 as required in the current Agreement.
- A review of the data inputs and methodology used to adjust additional services (Schedule Q) for the 2023 rate year to confirm the use of the appropriate cost index, as specified in the current Agreement.
- Confirmation/verification of the calculations (formulas) within the methodology as they apply to the 2023 rate year based on the current Agreement.

## Overview of the Agreement

The current Agreement with Recology is intended to continue to provide the Belmont community with high-quality waste collection, waste reduction, recycling, and composting programs. In order to maximize the quality of services and waste-diversion potential, the City granted to Recology an exclusive right to provide these services within the City. In order to balance that exclusive right to provide these solid waste services against the costs/rates associated with that program, the parties needed to develop an approach or methodology that fairly compensated (and limited) the charges that Recology could charge the City's customers. To address this requirement, Article 11 of the Agreement contains specific language, and a methodology, for annually establishing the maximum rates for the up-coming calendar year for both regularly scheduled (Schedule L) and additional services (Schedule Q).

The Agreement provides for an orderly process and approach to establish rates for the City and compensation for Recology. The review being undertaken by the City and HDR is a part of that orderly process, and the City is performing its due diligence to verify and confirm that the maximum rates calculated by Recology are in accordance with the Agreement. The agreement stipulates this as follows:

**The review being undertaken by the City and HDR is a part of that orderly process, and the City is performing its due diligence to verify and confirm that the maximum rates calculated by Recology are in accordance with the Agreement.**

*Article 11, "The Contractor's Compensation, Pass-Through Costs and Rates" determines the annual compensation for Recology's collection and recycling services. This calculation of annual compensation sets the Contractor's "Maximum Rates for Regularly Scheduled Services" (Attachment L) and "Additional Services" (Attachment Q). Within the franchise agreement, Attachment L is established in 11.04 of Article 11, Annual Adjustment of Maximum Rates for Schedule Services. Attachment Q is established in 11.05 of Article 11, Annual Adjustment of Maximum Rates for Additional Services.*

## Regularly Scheduled Service (Attachment L) – Review of Recology's Calculated Maximum

On July 31, 2022, Recology provided to the City a letter outlining their calculation of the rates for rate year 2023. The City retained HDR Engineering, Inc. (HDR) to provide the rate review of the proposed 2023 rates as has been performed annually since 2013, which was to confirm that the overall methodology is in conformance with the current Agreement. In addition, HDR also verified or confirmed that the proper cost data appeared to be used within the analysis, and that the mathematical calculations are correct. In providing this review, HDR also attempted to independently calculate the rate index used for Schedule Q rates (e.g., consumer price index (CPI-U General)). This report details the City's process to revise the maximum rates that may be charged for solid waste, recyclable materials, and organic materials collection services for rate year 2023.

The rates that Recology charges its customers include Recology (contractor) compensation, SBWMA costs to operate the Shoreway transfer facility, waste disposal costs, franchise fees, and other related charges. Article 11 of the Agreement provides the framework or methodology for the determination of the maximum rate for the upcoming year. In very simple terms, the Agreement calls for Recology to annually take the existing maximum rate that is in effect and multiply each rate by an "adjustment multiplier". The adjustment multiplier is essentially a cost index to develop Total Target Revenue for the rate year.

The rate adjustment multiplier is composed of three elements; the 2023 Base Contractor's Compensation based on CPI cost adjustments, the 2022 Performance Incentive/Disincentive adjustment, and the 2023 pass through costs which comprise both disposal and agency payments. In addition is a fourth element this year which is the reversal of the prior year disincentive for 2021. For 2023 these elements are a total rate index adjustment of 3.66% as shown in Table ES-1.

**Table ES – 1**
**Summary of 2023 Rate Adjustment to 2022 Rates**

| Cost Component | 2022 Target Revenue | 2023 Target Revenue | $ Difference | % Adjustment to 2022 Rates |
|---|---|---|---|---|
| Total Base Compensation | $4,452,207 | $4,768,384 | $316,177 | 3.74% |
| Performance (Inc.)./Dis. | 2,122 | (5,459) | (7,581) | (0.09%) |
| Pass Thru Costs | 4,002,879 | 4,010,571 | 7,692 | 0.09% |
| Plus Disincentive Payable 2021 | 6,849 | 0 | (6,849) | (0.08%) |
| **Total Target Revenue** | **$8,464,058** | **$8,773,496** | **$309,439** | **3.66%** |

In the review of Recology's Total Target Revenue for the 2023 rate year, HDR concluded that the Total Target Revenue used the appropriate data and information for the time period and the calculations within the methodology were correct. As a result of our review, HDR concluded that based upon the current Agreement, the City's maximum solid waste rates for 2022 should be

increased by 3.66% to rate year 2023 proposed rates. Provided in this report is a more detailed discussion of each of the elements of the calculation of the 2023 maximum rate calculation and the basis for HDR's summary conclusion.

Presented below in Table ES-2 are the present monthly residential rate and the proposed residential rates for 2023.

**Table ES – 2**
**Summary of the Present and Proposed Residential Solid Waste Rates**
**(Regularly Scheduled - $/Month)**

| Schedule | Schedule Description | Present Monthly Rate | Proposed 2023 Rates | $/Month Change |
|---|---|---|---|---|
| R20G | Residential Waste - 20 Gallons | $34.94 | $36.22 | $1.28 |
| R32G | Residential Waste - 32 Gallons | $41.68 | $43.21 | $1.53 |
| R64G | Residential Waste - 64 Gallons | $82.06 | $85.06 | $3.00 |
| R96G | Residential Waste - 96 Gallons | $123.08 | $127.59 | $4.50 |

In addition to the above residential rates for regularly scheduled service, the City and Recology have a number of other rate schedules for regularly scheduled solid waste services. These include the following:

- Commercial Waste Carts (20 gallons to 96 gallons)
- Commercial Waste Bins (1 yard to 6 yards; 1 day to 7 days per week pickup)
- Commercial Organics (1 yard to 6 yards; 1 day to 7 days per week pickup)
- Commercial Organics Carts (20 gallons to 96 gallons; 1 day to 7 days per week pickup)
- Commercial Waste 3 Yard Compactor
- Solid Waste Compactor (per yard)

Each of these commercial rate schedules were increased by the overall 3.66% rate increase. A more detailed discussion of these other regularly scheduled services can be found in Section 4 of the report and also within the Technical Appendices as Attachment L rate schedules.

## Additional Services (Attachment Q) – Review of Recology's Calculated Maximum

In addition to the regularly scheduled rates, there are also rates for "additional services". The rates for additional services are contained in Attachment Q of the Agreement and are annually updated in accordance with the Agreement. Attachment Q is established in 11.05 of Article 11, Annual Adjustment of Maximum Rates for Additional Services.

The Maximum Rate set forth in Attachment Q is adjusted annually by multiplying the then effective April CPI-U General for the year in which rates are set and divided by the April CPI-U from the year prior to the year in which rates are set. For example, the April CPI-U-General is 324.878 for 2022 and the April CPI-U-General for 2021 is 309.419. Therefore, each Maximum

Rate is multiplied by the April CPI-U-General for 2022 and divided by the April CPI-U-General for 2021. This resulted in an overall rate increase of 5.00% (324.878 / 309.419) for Attachment Q rates effective in 2023 for the additional services.

A more detailed discussion of these additional services can be found in Section 4 of the report and also within the Technical Appendices as Attachment Q rate schedules.

## Summary Conclusions and Recommendations

Based on the limited review undertaken, it was the conclusion of HDR that the maximum rates, as calculated by Recology, were in conformance with the City's current Agreement. In reaching this conclusion, HDR has relied upon the data and information as supplied by the City and Recology. Given that conclusion, HDR would recommend that the City revise the residential and commercial rates based on the proposed rates provided in Table ES-1. Finally, the additional services (Attachment Q), as calculated by Recology and as reviewed within this report, should also be adopted for 2023 based on the CPI increase of 5.00%.

## City Council Review

On September 13, 2022, HDR will present to the City of Belmont City Council the proposed 3.66% rate adjustment for 2023 rates for the scheduled services, Schedule L, and a 5.00% rate adjustment for additional services, Schedule Q.

## Summary of the Review of Solid Waste Rates

This completes the summary review and analysis for the City's solid waste rates. A full and complete discussion of the review of Recology's solid waste rates can be found in the following sections of this report.

# 1.0 Introduction and Overview of the Report

## 1.1 Introduction

The City of Belmont (City) is a member of the South Bayside Waste Management Authority (SBWMA). In 2018, the signed an Agreement with Recology of San Mateo County (Recology) for solid waste collection services, including the collection of recycling and organic materials. Through the Agreement (i.e., 7.01.A.5, 11.01.A, 11.06), the annual compensation for Recology's collection and recycling services is contractually determined. At the same time, the Agreement calls for the City to adopt solid waste rates, but not at a level which exceeds the Contractor's "Maximum Rates for Regularly Scheduled or Unscheduled Services". Ultimately, Recology bills the City's customers for the solid waste services at the rates established by the City of Belmont City Council.

The 2018 Agreement is for a 15-year term, for rate years 2021 through 2035. This solid waste rate review represents the third year under the current Agreement. While the current Agreement is similar to the 2010 agreement, there are certain differences. Both franchise agreements contain specific language and exhibits related to the development of the maximum rates for a given year.

The general approach for rate adjustments (2022 – 2035) is based on changes in specific cost indices for the primary cost categories outlined by Recology for the base contractor's compensation. For example, in 2023 the costs, will be adjusted by the change in the specific cost indices from 2021 to 2023. These cost indices include CPI-U, CPI-U-Motor Fuel, CPI-W, etc. The agreement has outlined each of the specific cost indices that will be used in escalating the base costs for future year rate adjustments. The total target revenues for rate year 2023 will be compared to the total target revenues in the prior year rate year 2022. This comparison will result in the rate multiplier to be used on 2022 rates to establish the proposed 2023 rates.

## 1.2 Limitations of HDR's Review

It is important to understand that HDR has provided a limited review of Recology's maximum rate calculations for the 2023 rate year. The data and information used by Recology to calculate the City's maximum rates were reviewed by another outside firm. HDR did not provide a review of this basic input data as a part of this study. Therefore, HDR and the City have assumed that the data and information input into Recology's rate calculations are reasonable and appropriate. Having said that, HDR did a limited cross-check to verify the inputs into Recology's model, from the database of previously reviewed basic input data and information.

Within HDR's review, the three key items reviewed were the overall methodology, compliance to the agreed upon methodology, and verification of the data inputs. First, the overall methodology is generally well-laid out within Article 11 of the current Agreement. Given that, HDR reviewed Recology's methodology for compliance with our understanding of the required methodology for the 2023 rate year. At the same time, HDR also reviewed the data inputs and information used within the methodology as applied to the 2022 rate year. While the data and information were previously reviewed, the selection and use of the appropriate costs and

adjustment factors must comply with the methodology. Finally, HDR confirmed/verified the calculations (formulas) used within the methodology as applied to the 2023 rate year were accurate. As a part of HDR's review, these three aspects of Recology's rate filing were reviewed and verified.

## 1.3 Organization of the Report

This report is organized in a manner that reflects the general approach used by HDR to review Recology's maximum rates for "Regularly Scheduled" and "Additional Services". The next section of this report provides a brief overview of the relevant portions of the Agreement. Section 3 then provides a discussion and overview of the technical review undertaken by HDR of the Recology rate calculations. From that review, HDR was then able to review and verify the proposed maximum rates for Regularly Scheduled and Additional Services. The proposed maximum rates are discussed and shown in Section 4. Finally, Section 5 provides a summary of HDR's findings, conclusions, and recommendations from this study.

# 2.0 Overview of the Agreement

## 2.1 Introduction

An important starting point for reviewing the City's solid waste rates is to gain an understanding of the current Agreement which is an extension of the original 2010 franchise agreement. This section of the report is intended to provide a brief overview of the relevant portions of the City's current Agreement with Recology to help the reader better understand the basis for this review of the rates.

The review and discussion contained herein is not intended to be comprehensive in nature, nor provide any legal interpretation or opinion regarding the relevant portions of this Agreement as it relates to this study.

## 2.2 Overview of the Agreement

As noted, the agreement was extended in 2018 for an additional 15-year term for rate years 2021 through 2035. This is the third rate year under the current, extended, Agreement. The Agreement is very similar to the 2010 franchise agreement but does contain some relevant changes to Article 11 which determines Recology's compensation and the City's solid waste rates. Similar to the 2010 agreement, for 2021 and beyond, Recology's annual compensation for collection and recycling services is outlined in the Agreement and contractually determined. The Agreement calls for the City to establish and adopt their own solid waste rates, but not at a level which exceeds the Contractor's "Maximum Rates for Regularly Scheduled Services" referred to as Attachment L and "Maximum Rates for Additional Services", referred to as Attachment Q[2]. The Agreement between the parties contains specific language and exhibits related to the development of the maximum rates for a given year for both Attachments L and Q.

**. . . and the City is performing its due diligence to verify and confirm that the maximum rates calculated by Recology are in accordance with the Agreement for the 2023 rate year.**

The Agreement provides for an orderly process and approach to establish rates for the City and compensation for Recology. The review being undertaken by the City and HDR is a part of that orderly process, and the City is performing its due diligence to verify and confirm that the maximum rates calculated by Recology are in accordance with the Agreement for rate year 2023.

More specific to the Agreement, *Article 11 – "The Contractor's Compensation, Pass-Through Costs and Rates"* provides the analytical framework for determining the annual compensation for Recology's collection and recycling services. This calculation of annual compensation sets the Contractor's "Maximum Rates for Regularly Scheduled Services" known as Attachment L and "Additional Services" known as Attachment Q. Attachment L is established in 11.04 of Article 11,

[2] Under the 2010 franchise agreement, Regularly Scheduled services were referred to as Attachment R and Additional Services was referred to as Schedule Q.

Annual Adjustment of Maximum Rates for Schedule Services. Attachment Q is established in 11.05 of Article 11, Annual Adjustment of Maximum Rates for Additional Services.

## 2.3 Regularly Scheduled Services (Attachment L)

As noted above, Article 11 of the Agreement provides the analytical framework or methodology for the determination of the maximum rates for the upcoming year. In very simple terms, the Agreement calls for Recology to annually take the existing maximum rate that is in effect and multiply each rate by an "adjustment multiplier". The adjustment multiplier is essentially a "cost index" based on CPI value adjustments to arrive at Total Target Revenue for the rate year. The Total Target Revenue for the current year is divided by the prior year Total Target Revenue per 11.04.A. as follows:

> *" . . . Beginning with the adjustment for Rate Year 2022, each Maximum Rate set forth in Attachment L shall be adjusted annually by multiplying the then-effective Maximum Rate by the Adjustment Multiplier. The Adjustment Multiplier used to calculate the Maximum Rates that will be effective in a given Rate Year (the "Adjustment Year") shall be calculated by dividing Total Target Revenue for the Adjustment Year (calculated pursuant to Table 2 below) by Total Target Revenue for the Rate Year prior to the Adjustment Year (the "Current Year")."*[3]

However for only Rate Year 2022 the "prior" year will be the 2021 adjusted Total Target Revenue of $7,888,920 as follows in 11.04A.

> *" . . . For purposes of determining Maximum Rates for Rate Year 2022, Total Target Revenue for Rate Year 2021 shall be the same as Total Contractor's Compensation for that year (i.e. $7,888,920)."*[4]

Going forward in rate year 2023 to 2035 the adjustment multiplier will be the current year Total Target Revenue divided by the prior year Total Target Revenue. In rate year 2023 the Total Target Revenue for 2023 rate year will be divided by the prior 2022 Total Target.

The franchise agreement provides the cost index for the various components to calculate Total Target Revenue. The Total Target Revenue is stated in total dollars. For example, the Total Target Revenue for 2022 was $8,464,058. Going forward, for each year the cost index is calculated by adding together the various component costs which are composed of the following cost elements:

- Direct Labor (Wages for CBA's, Benefits for CBA's, Payroll Taxes, Worker's Compensation)
- Direct Fuel Costs
- General Expenses Direct and Indirect
- General Expenses Depreciation
- Profit Calculation
- Interest
- Performance Incentives/Performance Disincentives
- Pass Through Costs

[3] Franchise Agreement, Section 11.04(A), Adjustment Multiplier for Regularly Scheduled Services, p. 99.

[4] Franchise Agreement, Section 11.04(A), Adjustment Multiplier for Regularly Scheduled Services, p. 99.

- Disposal Costs (i) Projected Next Year, (ii) Actual Prior Year, (iii) less Prior Projected Year)
- Agency Payments

The general approach for future year rate adjustments (2023 – 2035) is based on changes in specific cost indices for the primary cost categories outlined by Recology for the base contractor's compensation. For example, in 2023 the costs will be adjusted by the change in the specific cost indices from 2022 to 2023. These cost indices include CPI-U, CPI-U-Motor Fuel, CPI-W, etc. The current Agreement outlines each of the specific cost indices that will be used in escalating the base costs (adjusted 2021 Total Target Revenue) for future year rate adjustments. For rate year 2023, the 2023 Total Target Revenue is compared to the 2022 Total Target Revenue of $8,464,058. For rate year 2023, the specific cost indices will compare for the current year index to the 2020 index and the 2022 adjusted Total Target Revenue.

Finally, the disposal costs are calculated separately from base contractor's compensation. The current franchise agreement uses a similar approach to establishing the annual adjustments to the disposal costs. Essentially, all increases or changes in disposal costs are passed through as direct rate adjustments to the customer.

## 2.4 Additional Services (Attachment Q)

The rates for additional services are addressed in the current franchise agreement and are annually updated in accordance with the Agreement. Rates for Additional Services are discussed and established in 11.05 of Article 11, Annual Adjustment of Maximum Rates for Additional Services.

> **11.05 – Annual Adjustment of Maximum Rates for Additional Services**
> *A. The Maximum Rates for Rate Year 2021 for the additional services described in Attachment Q shall be the charges for those services determined under the SBWMA-wide methodology, adjusted as necessary to pass through the Franchise Fee and any other Agency fees under this Agreement. Beginning with the adjustment for Rate Year 2022, each Maximum Rate set forth in Attachment Q shall be adjusted annually by multiplying the then-effective Maximum Rate by April CPI-U-General for the year in which the calculation is made and dividing the result by April CPI-U-General for the year prior to the year in which the calculation is made. For example, to calculate the Maximum Rates set forth in Attachment Q effective in 2025, each such Maximum Rate effective in 2024 shall be multiplied by CPI-U-General for April 2024 and divided by CPI-U-General for April 2023.*

The adjustment to Schedule Q is based upon a cost-indexing approach and a CPI for general inflation is used. For example, assume the April 2025 CPI-U-General is 300.000 and the April 2024 CPI-U-General is 295.000. This would result in an adjustment to the Additional Services rates of 1.7%. (300.000 / 295.000 = 1.017 or 1.7%).

## 2.5 Summary

This section of the report has provided a brief overview of the relevant portions of the current Agreement with Recology. While this overview of the Agreement has been necessarily abbreviated, it does provide a good understanding of the basic framework or methodology used to calculate the maximum rates for Regularly Scheduled Services and Additional Services.

# 3.0 Review of Recology's Calculated Maximum Rates for Regularly Scheduled Services

## 3.1 Introduction

As a part of the Agreement, Recology calculates the maximum rates for the up-coming calendar year. The calculated maximum rates are formula driven, and as noted in the prior section of the report, there is relatively clear language and numeric examples of the rate process. The purpose of this section of the report is to provide an overview of Recology's rate filing to the City for the 2023 rate year, along with HDR's technical review of that filing. Article 11.04 specifically outlines the establishment of maximum rates for 2023 and after for regularly scheduled services.

## 3.2 Overview of Recology's 2023 Rate Application

On July 31, 2022, Recology provided to the City a letter and the detailed worksheets outlining their calculation of the maximum rates for rate year 2023. The rate application letter indicated a maximum increase adjustment of 3.66%. HDR reviewed that calculation and determined based upon the information provided that it appears to be in agreement with the current Agreement.

For 2023, the adjustment multiplier is based on CPI cost adjustment by component. HDR conducted a review of Recology's calculations and determined, based on the information provided, that it appears to be in compliance with the Agreement. Provided below in Table 3-1 is an overview of Recology's Total Target Revenue calculation for rate year 2023

**Table 3 – 1**
**Overview of Recology's Total Target Revenue Calculation Rate Year 2023**

| Cost Component | Adj. 2021 Target Revenue | April 2020 CPI Index | April 2022 CPI Index | Change 2020 to 2023 | 2023 Target Revenue |
|---|---|---|---|---|---|
| Direct Labor Related | | | | | |
| Wages for CBA'a | $1,310,584 | 290.304 | 322.0210 | 1.109 | $1,453,771 |
| Benefits for CBA's | 608,287 | 548.136 | 573.254 | 1.046 | 636,161 |
| Payroll Taxes | 109,005 | N/A | N/A | | 117,755 |
| Workers Compensation | 93,961 | 290.304 | 322.021 | 1.109 | 104,227 |
| Direct Fuel Costs | 169,992 | 209.994 | 414.03 | 1.972 | 335,161 |
| General Expense Direct & Indirect | 1,211,383 | 298.074 | 324.848 | 1.090 | 1,320,296 |
| Depreciation | 281,317 | N/A | N/A | | 281,317 |
| Profit | 397,271 | N/A | N/A | | 445,995 |
| Interest | 73,679 | N/A | N/A | | 73,679 |
| Performance Inc./Disincentives | 0 | N/A | N/A | | (5,459) |
| **Base Contractor's Compensation** | **$4,255,479** | | | | **$4,762,925** |
| Agency Components | 2,051,120 | | | | $2,281,102 |
| Disposal Projected Cost (i) | | | | | $1,745,620 |
| Disposal Actual Prior Year Cost (ii) | | | | | 1,772,859 |
| Disposal Prior Projected Cost (iii) | | | | | -1,789,017 |
| Disposal Cost Component | $1,732,664 | | | | $1,729,462 |
| **Total Target Revenue** | **$8,039,263** | | | | **$8,773,496** |

(i) The Contractor's projected costs for April 1 of that calendar year through March 31 of the following year plus
(ii) The Contractors' actual costs April 1 of the year prior through March 31 of the calendar year minus
(iii) The contractor's previous projection.

As noted above, the City retained HDR to review the Recology calculations (Table 3-1) to confirm that the proper data appeared to be used within the analysis, and that the mathematical calculations were correct for the 2023 rate year. While Table 3-1 appears rather simple and straight-forward, the calculations are, in some cases, much more complex with other detailed worksheets behind them.

Provided below is a more detailed discussion of the analytical steps taken to review the Recology calculations and the results of our review.

## 3.3 Overview of General Approach Used to Review Costs

As noted in Section 2, an important starting point for reviewing Recology's compensation is understanding the Agreement. HDR reviewed the documents, then independently reviewed the rate year 2023 maximum rate calculations. HDR developed spreadsheets to review and attempt to duplicate the Recology calculations for 2023. In this way, HDR could review the data sources

used and verify their appropriateness, while at the same time, verifying the formulas used within the calculations.

## 3.4 Summary Conclusions of HDR's Review of the Maximum Rate Calculations

Based on HDR's review of Recology's 2023 rate application, HDR concluded that the costs contained in Table 3-1 used appropriate cost data and information for the time period and the calculations within the methodology were correct. As a result of our independent review HDR concluded that based upon the existing Agreement, the maximum rates should be calculated based on the increase in rates of 3.66%.

## 3.5 HDR's Detailed Review of the Total Target Revenue Calculations

As previously discussed, the focus of HDR's review was on the calculations used to establish the total target revenue for rate year 2023 or the "Maximum Rates for Regularly Scheduled Services". Article 11 of the Agreement form the basis for the calculations. As shown in Table 3-1, there is one primary calculation component to the maximum rate calculation, the CPI value adjustment.

### 3.5.1 CPI Value Adjustment

The general approach for future year rate adjustments (2023 – 2035) is based on changes in specific cost indices for the primary cost categories outlined by Recology for the base contractor's compensation. For example, in 2023 the 2021 adjusted base target revenue will be adjusted by the change in the specific cost indices from 2020 to 2022. These cost indices include CPI-U, CPI-U-Motor Fuel, CPI-W, etc. The current Agreement outlines each of the specific cost indices that will be used in escalating the base adjusted target revenue for future year rate adjustments. For Rate Year 2023 and thereafter the specific cost indices will compare for the current year index to the 2020 index and the 2021 adjusted Total Target Revenue. In simplified terms, general operating costs are adjusted annually by the use of a CPI value. The CPI value index is segregated into nine main components. They are as follows:

- **Direct Labor -** The direct labor includes wages for CBA's, benefits for CBA's, payroll taxes, and worker's compensation. Wages for CBA's, benefits for CBA's, and worker's compensation for base year 2021 is multiplied by the difference between the 2020 base year CPI for that component and the current year (2021) CPI for that component. In very simplified terms, the agreement uses the wages for CBAs at the start of the agreement of 2021 and then simply adjusts wages for CBAs by a CPI amount based on 2020 CPI and the current year CPI. Payroll tax is a formula based on the wages times 8.1%.
- **Direct Fuel –** The fuel for base year 2021 is multiplied by the difference between the 2020 average price per gallon and the average price per gallon of fuel for the twelve month period ending March 31 of the Calendar Year.
- **General Expense Direct and Indirect –** The general expense base for 2021 is multiplied by the difference between the 2020 base year Consumer Price Index and the current year Consumer Price Index.
- **Depreciation Vehicles, Containers, Indirect –** The vehicle deprecation remains fixed at $193,109 for rate year 2022-2026. Values for rate years 2027-2035 shall be determined as part of the SBWMA-wide rate application for rate year 2027. The container

depreciation remains fixed at $77,090 for rate years 2022-2035 unless additional containers are purchased. The indirect remains fixed at $7,409 for rate years 2022-2035.

- **Profit Calculation** – The profit is calculated by taking the sum of direct labor, direct fuel, general expenses direct and indirect, and the depreciation vehicles, containers and indirect for the current rate year, divide by 0.905, and subtract from the result the sum of direct labor, direct fuel, general expenses direct and indirect, and the depreciation vehicles, containers and indirect for the current rate year components for the rate year. This calculation represents application of the 90.5% operating ratio to Contractor's calculated total annual cost of operations.
- **Disposal Costs** – (i) The Contractor's projected costs for April 1 of that calendar year through March 31 of the following year plus (ii) the Contractors' actual costs April 1 of the year prior through March 31 of the calendar year minus (iii) the contractor's previous projection.
- **Interest** – The value remains fixed at $72,732 for rate years 2022-2035 unless additional vehicles or containers are purchased.
- **Performance-Based** – Is the sum of incentives and disincentives the year immediately preceding the Calendar Year of the Cost Index. The determination of incentives and disincentives is independently determined by another outside party.
- **Agency Payment** – The anticipated amount of total Agency payments as detailed in Article 11 (direct labor, direct fuel, general expenses direct and indirect, depreciation, profit, interest, performance incentives & disincentives, and disposal costs, divided by (1 – 0.26) then multiplying the result by 0.26.

For each of the above components, HDR reviewed the source data and information used within Recology's calculations. As a part of Recology's packet of information, the source data used by Recology was attached to the application letter. While much of the cost data and information had previously been audited by another outside independent consultant, in those cases where other key assumptions to the analysis were needed (e.g., CPI index), HDR attempted to independently review them.

Based on the changes from the 2022 total target revenue to the 2023 total target revenue the costs increased by $309,439 or 3.66% overall ($8,773,496 - $8,464,058 = $309,439 or $309,439/$8,464,058 = 3.66%). The majority of the components are based on specific cost indexes and/or formulas as explained previously. Disposal costs are based on projections and actuals and are made of three components the (i) Contractor's projected costs, (ii) the Contractors' actual costs of the year prior, and the (iii) Contractor's previous projection. Provided below in Table 3-2 is a summary of the changes in target revenue compared from 2022 to 2023.

## Table 3 – 2
## Summary of Changes in Total Target Revenue from 2022 to 2023

| Cost Component | 2022 Target Revenue | 2023 Target Revenue | $ Difference | % Difference |
|---|---|---|---|---|
| **Base Contractor Compensation** | | | | |
| Direct Labor Related | $2,189,750 | $2,311,915 | $122,165 | 5.58% |
| Direct Fuel Costs | 234,012 | 335,161 | 101,149 | 43.22% |
| General Expense Direct & Indirect | 1,257,489 | 1,320,315 | 62,826 | 5.00% |
| Depreciation | 281,317 | 281,317 | 0 | 0.00% |
| Profit | 415,960 | 445,997 | 30,037 | 7.22% |
| Interest | 73,679 | 73,679 | 0 | 0.00% |
| **Total Base Compensation** | **$4,452,207** | **$4,768,384** | **$316,177** | |
| **Performance (Inc.)./Dis.** | **2,122** | **(5,459)** | **(7,581)** | (357.26%) |
| **Total Pass Thru Costs** | | | | |
| Disposal Projected Cost (i) | $1,789,017 | $1,745,620 | (43,397) | (2.43%) |
| Disposal Actual Prior Year Cost (ii) | 1,747,652 | 1,772,859 | 25,207 | 1.44% |
| Disposal Prior Projected Cost (iii) | (1,732,664) | (1,789,017) | (56,353) | 3.25% |
| Agency Payments | $2,198,874 | $2,281,109 | 82,235 | 3.74% |
| **Total Pass Thru Costs** | **$4,002,879** | **$4,010,571** | **$7,692** | |
| Plus Disincentive Payable 2021 | 6,849 | 0 | (6,849) | (100.0%) |
| **Total Target Revenue** | **$8,464,058** | **$8,773,496** | **$309,439** | **3.66%** |

In a more simplified or summarized manner, The rate adjustment multiplier is composed of three elements; the 2023 CPI cost adjustments, the 2022 Incentive/Disincentive adjustment, and the 2023 pass through costs which comprise both disposal and agency payment. Table 3-3 summarizes this adjustment by component.

## Table 3 – 3
## Summary of 2023 Rate Adjustment to 2022 Rates

| Cost Component | 2022 Target Revenue | 2023 Target Revenue | $ Difference | % Adjustment to 2022 Rates |
|---|---|---|---|---|
| Total Base Compensation | $4,452,207 | $4,768,384 | $316,177 | 3.74% |
| Performance (Inc.)./Dis. | 2,122 | (5,459) | (7,581) | (0.09%) |
| Pass Thru Costs | 4,002,879 | 4,010,571 | 7,692 | 0.97% |
| Plus Disincentive Payable 2021 | 6,849 | 0 | (6,849) | (0.08%) |
| **Total Target Revenue** | **$8,464,058** | **$8,773,496** | **$309,439** | **3.66%** |

## 3.6 Conclusions Regarding the Calculation of the Maximum Rate

Based on the review of the Recology rate calculation, HDR concluded that the calculation as provided by Recology appears appropriate and in keeping with the current Agreement. In reaching this conclusion, HDR reviewed and verified the data inputs into the calculation, while also confirming the overall methodology and calculations. Based upon our conclusions, the calculated Maximum Rate Index for 2023 is an increase of 3.66% in overall rates for regularly scheduled services.

# 4.0 Review of the Proposed 2023 Solid Waste Rates

## 4.1 Introduction

In the previous section of this report, the cost basis for the City's 2023 solid waste rates was reviewed and provides the basis for determining the City's maximum rates for rate year 2023. This section of the report will review the maximum solid waste rates for Regularly Scheduled Services (Attachment L) and Additional Services (Attachment Q).

## 4.2 Residential Regularly Scheduled Service (Attachment L)

From the review of the rate index multiplier, it was concluded that the analysis developed by Recology appears to comply with the City's Agreement. The overall adjustment to revenues derived from rates for 2023 is a 3.66% increase in the existing rates. In developing the calculated maximum rates, Recology provided a schedule of the rates. HDR reviewed the calculated maximum rates to confirm that they use the appropriate multiplier. Presented below is a discussion of the present solid waste rates and the proposed 2023 rates for residential and commercial customers. Provided below in Table 4-1 are the proposed 2023 Residential rates for Schedule L (regularly scheduled services).

**Table 4–1**
**Summary of the Present and Proposed Residential Solid Waste Rates**
**(Regularly Scheduled - $/Month)**

| Schedule | Schedule Description | Present Monthly Rate | Proposed 2023 Rates | $/Month Change |
|---|---|---|---|---|
| R20G | Residential Waste - 20 Gallons | $34.94 | $36.22 | $1.28 |
| R32G | Residential Waste - 32 Gallons | $41.68 | $43.21 | $1.53 |
| R64G | Residential Waste - 64 Gallons | $82.06 | $85.06 | $3.00 |
| R96G | Residential Waste - 96 Gallons | $123.08 | $127.59 | $4.50 |

## 4.3 Commercial Carts Regularly Scheduled Service (Attachment L)

Some commercial waste customers have similar service to the residential customers in that they have cart sizes that range from 20 gallons to 96 gallons. However, a difference between the residential and commercial service is the number of pick-ups per week. A commercial customer may choose their level of service (number of pick-ups per week). Presented in Table 4-2 is a summary of the current commercial rates and the calculated maximum rate for 2023. The maximum calculated rate assumes a 3.66% increase from the present rates. Some minor rounding of the rates may occur for purposes of ease of administration.

**Table 4 – 2**
**Summary of the Present and Calculated Max. Commercial Solid Waste Rates**
**(By Gallon Cart Size; Regularly Scheduled - $/Month)**

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| C20G | Commercial Waste - 20 Gallon | | | | | | | |
| | Present 2021 Monthly Rate | $44.58 | $91.70 | $136.53 | $187.45 | $237.16 | $296.74 | $361.48 |
| | **Calculated Maximum 2023 Rate** | **$46.21** | **$95.06** | **$141.53** | **$194.31** | **$245.84** | **$307.60** | **$374.71** |
| | $/Month Change | $1.63 | $3.36 | $5.00 | $6.86 | $8.68 | $10.86 | $13.23 |
| C32G | Commercial Waste - 32 Gallon | | | | | | | |
| | Present 2021 Monthly Rate | $49.50 | $101.90 | $151.68 | $208.27 | $263.49 | $329.70 | $401.63 |
| | **Calculated Maximum 2023 Rate** | **$51.31** | **$105.63** | **$157.23** | **$215.89** | **$273.13** | **$341.77** | **$416.33** |
| | $/Month Change | $1.81 | $3.73 | $5.55 | $7.62 | $9.64 | $12.07 | $14.70 |
| C64G | Commercial Waste - 64 Gallon | | | | | | | |
| | Present 2021 Monthly Rate | $95.72 | $193.14 | $293.04 | $394.03 | $500.86 | $610.35 | $714.51 |
| | **Calculated Maximum 2023 Rate** | **$99.22** | **$200.21** | **$303.77** | **$408.45** | **$519.19** | **$632.69** | **$740.66** |
| | $/Month Change | $3.50 | $7.07 | $10.73 | $14.42 | $18.33 | $22.34 | $26.15 |
| C96G | Commercial Waste - 96 Gallon | | | | | | | |
| | Present 2021 Monthly Rate | $138.35 | $283.39 | $430.05 | $581.73 | $735.46 | $925.79 | $1,080.07 |
| | **Calculated Maximum 2023 Rate** | **$143.41** | **$293.76** | **$445.79** | **$603.02** | **$762.38** | **$959.67** | **$1,119.60** |
| | $/Month Change | $5.06 | $10.37 | $15.74 | $21.29 | $26.92 | $33.88 | $39.53 |

As can be seen, the rates have maintained the existing structure for commercial waste customers with carts.

## 4.4 Commercial Waste Bins Regularly Scheduled Service

Other commercial customers have larger bins which range in size from 1 yard to 6 yards. These commercial waste customers also have the option of different levels of service and can select the number of pick-ups per week. Presented in Table 4-3 is a summary of the current commercial waste bin rates and the calculated maximum rate for 2023. The maximum calculated rate assumes a 3.66% increase from the present rates. Some minor rounding of the rates may occur for purposes of ease of administration.

## Table 4 – 3
## Summary of the Present and Calculated Max. Commercial Solid Waste Rates
## (By Bin Size in Yards; Regularly Scheduled - $/Month)

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| C1YG | Commercial Waste - 1 Yard | | | | | | | |
| | Present 2021 Monthly Rate | $232.14 | $472.63 | $717.24 | $964.70 | $1,214.15 | $1,515.32 | $1,787.89 |
| | **Calculated Maximum 2023 Rate** | **$240.64** | **$489.93** | **$743.49** | **$1,000.01** | **$1,258.59** | **$1,570.78** | **$1,853.33** |
| | $/Month Change | $8.50 | $17.30 | $26.25 | $35.31 | $44.44 | $55.46 | $65.44 |
| C2YG | Commercial Waste - 2 Yard | | | | | | | |
| | Present 2021 Monthly Rate | $466.97 | $941.60 | $1,420.71 | $1,903.31 | $2,392.73 | $2,824.75 | $3,345.44 |
| | **Calculated Maximum 2023 Rate** | **$484.06** | **$976.06** | **$1,472.71** | **$1,972.97** | **$2,480.30** | **$2,928.14** | **$3,467.88** |
| | $/Month Change | $17.09 | $34.46 | $52.00 | $69.66 | $87.57 | $103.39 | $122.44 |
| C2YG1 | Commercial Waste - 2 Yard | | | | | | | |
| | Present 2021 Monthly Rate | $466.97 | $941.60 | $1,420.71 | $1,903.31 | $2,392.73 | $2,824.75 | $3,345.44 |
| | **Calculated Maximum 2023 Rate** | **$484.06** | **$976.06** | **$1,472.71** | **$1,972.97** | **$2,480.30** | **$2,928.14** | **$3,467.88** |
| | $/Month Change | $17.09 | $34.46 | $52.00 | $69.66 | $87.57 | $103.39 | $122.44 |
| C3YG | Commercial Waste - 3 Yard | | | | | | | |
| | Present 2021 Monthly Rate | $704.26 | $1,417.02 | $2,133.96 | $2,853.04 | $3,574.60 | $4,339.41 | $5,109.55 |
| | **Calculated Maximum 2023 Rate** | **$730.04** | **$1,468.88** | **$2,212.06** | **$2,957.46** | **$3,705.43** | **$4,498.23** | **$5,296.56** |
| | $/Month Change | $25.78 | $51.86 | $78.10 | $104.42 | $130.83 | $158.82 | $187.01 |
| C4YG | Commercial Waste - 4 Yard | | | | | | | |
| | Present 2021 Monthly Rate | $961.38 | $1,939.38 | $2,917.40 | $3,906.54 | $4,899.86 | $5,934.38 | $6,990.56 |
| | **Calculated Maximum 2023 Rate** | **$996.57** | **$2,010.36** | **$3,024.18** | **$4,049.52** | **$5,079.19** | **$6,151.58** | **$7,246.41** |
| | $/Month Change | $35.19 | $70.98 | $106.78 | $142.98 | $179.33 | $217.20 | $255.85 |
| C6YG | Commercial Waste - 6 Yard | | | | | | | |
| | Present 2021 Monthly Rate | $1,478.54 | $2,998.70 | $4,507.55 | $6,003.56 | $7,520.90 | $9,092.10 | $10,648.98 |
| | **Calculated Maximum 2023 Rate** | **$1,532.65** | **$3,108.45** | **$4,672.53** | **$6,223.29** | **$7,796.16** | **$9,424.87** | **$11,038.73** |
| | $/Month Change | $54.11 | $109.75 | $164.98 | $219.73 | $275.26 | $332.77 | $389.75 |

The commercial waste rates for customers with bins have maintained the existing rate structure and rate relationships.

## 4.5 Commercial Organics Bins Regularly Scheduled Service

The rate charged for commercial organics is tied to the commercial waste rate. Commercial organics rates are charged at 70% of the commercial waste rate, for a comparable size bin. Similar to the commercial waste bin customers, commercial organics customers have bins which range in size from 1 yard to 6 yards. Similar to the commercial waste customer, the commercial organics customers also have the option of different levels of service and can select the number of pick-ups per week. Presented in Table 4-4 is a summary of the current commercial organics bin rates and the calculated maximum rate for 2023. The maximum calculated rate assumes a 3.66% increase from the present rates. Some rounding of the rates may occur for purposes of ease of administration.

## Table 4 –4
## Summary of the Present and Calculated Maximum Commercial Organics Solid Waste Rates (By Bin Size in Yards; Regularly Scheduled - $/Month)

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| C1YO | Commercial Organics - 1 Yard | | | | | | | |
| | Present 2021 Monthly Rate | $162.51 | $330.83 | $502.05 | $675.29 | $849.91 | $1,060.74 | $1,251.53 |
| | **Calculated Maximum 2023 Rate** | **$168.46** | **$342.94** | **$520.43** | **$700.01** | **$881.02** | **$1,099.56** | **$1,297.34** |
| | $/Month Change | $5.95 | $12.11 | $18.38 | $24.72 | $31.11 | $38.82 | $45.81 |
| C2YO | Commercial Organics - 2 Yard | | | | | | | |
| | Present 2021 Monthly Rate | $326.89 | $659.11 | $994.50 | $1,332.31 | $1,674.88 | $1,977.32 | $2,341.81 |
| | **Calculated Maximum 2023 Rate** | **$338.85** | **$683.23** | **$1,030.90** | **$1,381.07** | **$1,736.18** | **$2,049.69** | **$2,427.52** |
| | $/Month Change | $11.96 | $24.12 | $36.40 | $48.76 | $61.30 | $72.37 | $85.71 |
| C3YO | Commercial Organics - 3 Yard | | | | | | | |
| | Present 2021 Monthly Rate | $492.98 | $991.94 | $1,493.78 | $1,997.13 | $2,502.21 | $3,037.59 | $3,576.68 |
| | **Calculated Maximum 2023 Rate** | **$511.02** | **$1,028.25** | **$1,548.45** | **$2,070.22** | **$2,593.79** | **$3,148.77** | **$3,707.59** |
| | $/Month Change | $18.04 | $36.31 | $54.67 | $73.09 | $91.58 | $111.18 | $130.91 |
| C4YO | Commercial Organics - 4 Yard | | | | | | | |
| | Present 2021 Monthly Rate | $672.97 | $1,357.56 | $2,042.18 | $2,734.58 | $3,429.89 | $4,154.10 | $4,893.39 |
| | **Calculated Maximum 2023 Rate** | **$697.60** | **$1,407.25** | **$2,116.92** | **$2,834.67** | **$3,555.42** | **$4,306.14** | **$5,072.49** |
| | $/Month Change | $24.63 | $49.69 | $74.74 | $100.09 | $125.53 | $152.04 | $179.10 |
| C6YO | Commercial Organics - 6 Yard | | | | | | | |
| | Present 2021 Monthly Rate | $1,034.98 | $2,099.09 | $3,155.27 | $4,202.50 | $5,264.63 | $6,364.46 | $7,454.28 |
| | **Calculated Maximum 2023 Rate** | **$1,072.86** | **$2,175.92** | **$3,270.75** | **$4,356.31** | **$5,457.32** | **$6,597.40** | **$7,727.11** |
| | $/Month Change | $37.88 | $76.83 | $115.48 | $153.81 | $192.69 | $232.94 | $272.83 |

## 4.6 Commercial Organics Carts Regularly Scheduled Service

Commercial customers can also have the smaller gallon-sized carts for organic waste. Presented in Table 4-5 is a summary of the current commercial organics cart rates and the calculated maximum rate for 2023. The maximum calculated rate assumes a 3.66% increase from the present rates. Some minor rounding of the rates may occur for purposes of ease of administration.

## Table 4 – 5
## Summary of the Present and Calculated Maximum Commercial Organics Solid Waste Rates (By Gallon Cart Size; Regularly Scheduled - $/Month)

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| C32O | Commercial Organics - 32 Gallon | | | | | | | |
| | Present 2021 Monthly Rate | $34.67 | $71.33 | $106.17 | $145.80 | $184.45 | $230.81 | $281.16 |
| | **Calculated Maximum 2023 Rate** | **$35.94** | **$73.94** | **$110.06** | **$151.14** | **$191.20** | **$239.26** | **$291.45** |
| | $/Month Change | $1.27 | $2.61 | $3.89 | $5.34 | $6.75 | $8.45 | $10.29 |
| C64O | Commercial Organics - 64 Gallon | | | | | | | |
| | Present 2021 Monthly Rate | $67.02 | $135.20 | $205.12 | $275.83 | $350.61 | $427.21 | $500.15 |
| | **Calculated Maximum 2023 Rate** | **$69.47** | **$140.15** | **$212.63** | **$285.93** | **$363.44** | **$442.85** | **$518.46** |
| | $/Month Change | $2.45 | $4.95 | $7.51 | $10.10 | $12.83 | $15.64 | $18.31 |
| C96O | Commercial Organics - 96 Gallon | | | | | | | |
| | Present 2021 Monthly Rate | $96.85 | $198.36 | $301.03 | $407.20 | $514.82 | $648.04 | $756.05 |
| | **Calculated Maximum 2023 Rate** | **$100.39** | **$205.62** | **$312.05** | **$422.10** | **$533.66** | **$671.76** | **$783.72** |
| | $/Month Change | $3.54 | $7.26 | $11.02 | $14.90 | $18.84 | $23.72 | $27.67 |

The commercial organics cart rates have maintained the existing rate structure and rate relationships.

## 4.7 Other Miscellaneous Solid Waste Rates

The solid waste rates also include other solid waste rates for multi-family customers. The maximum calculated rate assumes a 3.66% increase from the present rates. Some minor rounding of the rates may occur for purposes of ease of administration. These rates are shown below in Table 4-6

## Table 4 – 6
## Summary of the Present and Calculated Maximum Other Miscellaneous Solid Waste Rates (Regularly Scheduled - $/Month)

| | | |
|---|---|---|
| C3CG | Commercial Waste 3 Yard Compactor | |
| | Present 2021 Monthly Rate | $1,691.12 |
| | **Calculated Maximum 2023 Rate** | **$1,753.01** |
| | $/Month Change | $61.89 |
| | Solid Waste Compactor Rate Per Yard | |
| | Present 2021 Monthly Rate | $130.11 |
| | **Calculated Maximum 2023 Rate** | **$134.87** |
| | $/Month Change | $4.76 |

## 4.8 Rates for Additional Services (Attachment Q)

Recology also provides a number of services that are not considered "regularly scheduled" services and these particular services are not included as a part of the Attachment L rates discussed above. These services are considered "Additional Services" (i.e., Schedule Q) and as discussed in Section 2, they are adjusted using a cost index for general inflation.

The Maximum Rate set forth in Attachment Q is adjusted annually by multiplying the then effective April CPI-U General for the year in which rates are set and divided by the April CPI-U from the year prior to the year in which rates are set. For example, the April CPI-U-General is 324.878 for 2022 and the April CPI-U-General for 2021 is 309.419. Therefore, each Maximum Rate is multiplied by the April CPI-U-General for 2022 and divided by the April CPI-U-General for 2021. This resulted in an overall rate increase of 5.00% (324.878 / 309.419) for Attachment Q rates effective in 2023 for the additional services. Details of the Additional Service rates (Schedule Q) can be found in Technical Appendix B.

## 4.9 Summary

HDR reviewed the Recology rate calculation and concluded that the resulting maximum solid waste rates for both regularly scheduled services (Attachment L) and additional services (Attachment Q) for rate year 2023 were calculated in a manner which reflected the intent of the Agreement.

# 5.0 Summary of Solid Waste Rate Findings, Conclusions and Recommendations

## 5.1 Introduction

This report has reviewed the calculated Maximum Rate as developed by Recology. HDR used a systematic process to review the base-year costs, along with the resulting maximum rates for regularly scheduled service.

## 5.2 Summary Findings, Conclusions and Recommendations

HDR has confirmed that the rate adjustment application and the accompanying maximum rate schedules submitted by Recology meet the requirements of the Agreement. On September 13, 2022, HDR will present the proposed 2023 rates for Schedule L of 3.66% and unscheduled services, Schedule Q, of 5.00% to the City Council.

## 5.3 Looking Ahead – Future Rate Adjustment to 2024

The 2024 rate adjustment will include CPI value adjustment components for the current year (2023 for rate year 2024) compared to the 2020 CPI value components and the adjusted 2021 target revenue. The multiplier will be based on the 2024 Total Target Revenue compared to the 2023 Total Target Revenue of $8,773,496.

## 5.4 Summary

This completes the review conducted by HDR for the City of Belmont on the proposed 2023 Solid Waste rates. This report has met the City's requirement to conduct a due diligence on the proposed compensation to Recology and the resulting regularly scheduled and additional services solid waste rates.

The following table specifies Maximum Allowable Rates for Regularly Scheduled Services. These Maximum Rates shall be adjusted annually in accordance with Article 11. The following Attachment L rates are the proposed 2023 rates.

**Attachment L**
**Maximum Rate Schedule**
**Effective January 1, 2023 to December 31, 2023**
**Monthly Rate**

**RESIDENTIAL CARTS**

| | Cart Size (in Gallons) | | | |
|---|---|---|---|---|
| | 20 | 32 | 64 | 96 |
| 1 Pickup Per Week | $36.22 | $43.21 | $85.06 | $127.59 |

Residential customers are billed based on their Garbage Cart size.
The monthly rate above includes the following:
One (1) Garbage Cart provided to customer
Curbside Household Hazardous Waste Collection
One (1) 64-Gallon Recycling Cart and (1) 96-Gallon Yard Waste Cart

**Attachment L**
**Maximum Rate Schedule**
**Effective January 1, 2023 to December 31, 2023**
**Monthly Rate**

## COMMERCIAL CARTS

| # of Pickups Per Week | Cart Size (in Gallons) 20 | 32 | 64 | 96 |
|---|---|---|---|---|
| 1 | $46.21 | $51.31 | $99.22 | $143.41 |
| 2 | 95.06 | 105.63 | 200.21 | 293.76 |
| 3 | 141.53 | 157.23 | 303.77 | 445.79 |
| 4 | 194.31 | 215.89 | 408.45 | 603.02 |
| 5 | 245.84 | 273.13 | 519.19 | 762.38 |
| 6 | 307.60 | 341.77 | 632.69 | 959.67 |
| 7 | 374.71 | 416.33 | 740.66 | 1,119.60 |

The monthly rate above includes the following:
One (1) Garbage Cart
Recycling Cart

## COMMERCIAL CARTS ORGANICS

| # of Pickups Per Week | Cart Size (in Gallons) 32 | 64 | 96 |
|---|---|---|---|
| 1 | $35.94 | $69.47 | $100.39 |
| 2 | 73.94 | 140.15 | 205.62 |
| 3 | 110.06 | 212.63 | 312.05 |
| 4 | 151.14 | 285.93 | 422.10 |
| 5 | 191.20 | 363.44 | 533.66 |
| 6 | 239.26 | 442.85 | 671.76 |
| 7 | 291.45 | 518.46 | 783.72 |

**Note:** Organics containers are charged at seventy percent (70%) of the similar Garbage commercial cart rate above container size and service levels for Garbage, representing a thirty percent (30%) discount

**Attachment L**
**Maximum Rate Schedule**
**Effective January 1, 2023 to December 31, 2023**
**Monthly Rate**

## COMMERCIAL BINS

| # of Pickups Per Week | Bin Size (in Cubic Yards) | | | | |
|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 6 |
| 1 | $240.64 | $484.06 | $730.04 | $996.57 | $1,532.65 |
| 2 | 489.93 | 976.06 | 1,468.88 | 2,010.36 | 3,108.45 |
| 3 | 743.49 | 1,472.71 | 2,212.06 | 3,024.18 | 4,672.53 |
| 4 | 1,000.01 | 1,972.97 | 2,957.46 | 4,049.52 | 6,223.29 |
| 5 | 1,258.59 | 2,480.30 | 3,705.43 | 5,079.19 | 7,796.16 |
| 6 | 1,570.78 | 2,928.14 | 4,498.23 | 6,151.58 | 9,424.87 |
| 7 | 1,853.33 | 3,467.88 | 5,296.56 | 7,246.41 | 11,038.73 |

The monthly rate above includes the following:
One (1) Garbage Bin
Recycling container at customer's requested size

## COMMERCIAL BINS ORGANICS

| # of Pickups Per Week | Bin Size (in Cubic Yards) | | | | |
|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 6 |
| 1 | $168.46 | $338.85 | $511.02 | $697.60 | $1,072.86 |
| 2 | 342.94 | 683.23 | 1,028.25 | 1,407.25 | 2,175.92 |
| 3 | 520.43 | 1,030.90 | 1,548.45 | 2,116.92 | 3,270.75 |
| 4 | 700.01 | 1,381.07 | 2,070.22 | 2,834.67 | 4,356.31 |
| 5 | 881.02 | 1,736.18 | 2,593.79 | 3,555.42 | 5,457.32 |
| 6 | 1,099.56 | 2,049.69 | 3,148.77 | 4,306.14 | 6,597.40 |
| 7 | 1,297.34 | 2,427.52 | 3,707.59 | 5,072.49 | 7,727.11 |

**Note:** Organics containers are charged at seventy percent (70%) of the similar garbage container size above and service level for garbage, representing a thirty percent (30%) discount

**Attachment L**
**Maximum Rate Schedule**
**Effective January 1, 2023 to December 31, 2023**
**Monthly Rate**

## GARBAGE COMPACTORS

| | |
|---|---|
| Commercial Waste 3 Yard Compactor | $1,753.01 |
| Solid Waste Compactor Rate Per Yard | $134.87 |

The monthly fee above includes the following:
Recycling container at customer's requested size

# Technical Appendix B – Attachment Q
# Additional Services

The following table specifies Maximum Allowable Rates for Additional Services. These Maximum Rates shall be adjusted annually in accordance with Article 11. The following Attachment Q rates are the proposed 2023 rates.

| No. | Additional Service Category | Reference | Agency-Approved Maximum Rate | Description |
|---|---|---|---|---|
| 1 | Single-Family Dwelling Backyard Collection Service | Section 5.02.A | See Maximum Rate in the table at the end of this Attachment | See Maximum Rate in the table at the end of this Attachment |
| 2 | Long Distance Service for MFD, Mixed Use, and Commercial Accounts (Note: only applicable to Containers with wheels) | Section 5.02.B, 5.02.C; 8.02 B | A - No more than 10% of base monthly Maximum Rate of the Collection Rate for each Container requiring Long Distance Service<br>B - 25% of base monthly Rate of the Collection Rate for each Container requiring Long Distance Service | A - Distance greater than 50 feet and less than or equal to 100 feet<br>B - Distance greater than 100 feet<br>Distance shall be measured from the face of the curb, or from the edge of the roadway nearest the closest edge of the Container, if there is no curb. |
| | | | | |
| **No.** | **Additional Service Category** | **Reference** | **Agency-Approved Maximum Rate** | **Description** |
| 3 | Container Relocation Service | Section 5.02.B and 8.02.B | A - 12% of base monthly Rate of the Collection Rate for each Container requiring Container Relocation Service<br>B - 27% of base monthly Rate of the Collection Rate for each Container requiring Container Relocation Service | A - Distance greater than 50 feet and less than or equal to 100 feet<br>B - Distance greater than 100 feet<br>Distance shall be measured from the face of the curb, or from the edge of the roadway nearest the closest edge of the Container, if there is no curb. |
| 4 | On-Call, Pick-up for SFD, MFD, Mixed Use, and Commercial Customers | Section 5.02.A, 5.02.B, and 5.02.C | 25% of the base monthly Rate for the size of Container Collected once per week. | Per Collection event per Container for Collection requested by Customer |

## Schedule Q
## Additional Services (Continued)

| No. | Additional Service Category | Reference | Agency-Approved Maximum Rate | Description |
|---|---|---|---|---|
| 5 | Return Trip (SFD, MFD, Mixed Use, or Commercial) | Sections 5.02.A, B, C; 5.03.A, B, C; 5.04.A, B, C | $19.35 for SFD<br>$19.35 for Commercial, Mixed Use, and MFD | Per Collection event (i.e. request to return and provide Collection service after the Customer failed to properly set out their Container(s) for regularly scheduled Collection) |
| 6 | Additional Targeted Recyclable Materials or Organic Materials Cart Service for SFD | Sections 5.03.A and 5.04.A | $1.27 per Recycling Cart<br>$3.85 per Organic Materials Cart | Per Cart month (any Cart size). Six month minimum charge required. Includes one-time Cart delivery upon start of service and removal of Cart when service is discontinued by Customer. |
| 7 | Additional On-Call Bulky Item Collection | Sections 5.05, 5.06 | $105.20 | Per Bulky Item Collection event (in addition to the events provided at no charge to Customer pursuant to Section 5.12) |
| 8 | Collect Contaminated Targeted Recyclable Materials or Organic Materials Container | Section 6.03.A and 8.02.F | 25% of base monthly Solid Waste Rate for the size of Container Collected once per week<br>plus<br>Return Trip Fee if applicable | Per Collection event for Container with Contamination Level greater than the maximum level pursuant to Table 1 in Section 6.02.B |
| 9 | Lock Service (Key Service) | Section 8.02.B | A - $10.96 per usage<br>B - $12.25 per usage | Monthly cost:<br>A-Residential Customers<br>B-Commercial Customers |
| 10 | Lock Purchase | Section 8.02.B | $21.93 per lock | Per lock |

**Schedule Q**
**Additional Services** (Continued)

| No. | Additional Service Category | Reference | Agency-Approved Maximum Rate | Description |
|---|---|---|---|---|
| 11 | Overage Service | Section 8.02.G | 100% of the base monthly Solid Waste Collection Rate | Per Collection event (after the first two events) |
| 12 | Overage Bags Cost | Section 8.02.G | 50% of the base monthly Solid Waste Collection Rate or $10.31 minimum | Per bag |
| 13 | Container Cleaning Service | Section 8.05.D | A - $64.50<br>B - $109.64 | A - per Cart<br>B - per Bin or Drop-Box<br>Charge only applies to cleaning or Container exchange in addition to the service to be provided at no charge to the Customer pursuant to Section 8.05.D. |
| 14 | Dirty Cart Replacement (Exchange) Service | Section 8.05.D | A - $83.85<br>B - $96.74<br>C - $109.64 | A - per 32 gallon Cart<br>B - per 64 gallon Cart<br>C - per 96 gallon Cart<br>Charge only applies to cleaning or Container exchange in addition to the service to be provided at no charge to the Customer pursuant to Section 8.05.D. |
| 15 | Additional Confidential Document Destruction Service Event | Section 5.07 | $1,547.84 | Per event |

## Schedule Q
## Additional Services (Continued)

| No. | Additional Service Category | Reference | Agency-Approved Maximum Rate | Description |
|---|---|---|---|---|
| 16 | Additional Compost Material Delivery | Section 5.11 | A - $161.22 per delivery<br>B - $322.47 per delivery | A - "one-way" only delivery by Contractor where Contractor delivers to and unloads compost at an Agency-approved location<br>B- "Round-trip" delivery by Contractor where Contractor delivers compost in a Drop Box to an Agency-approved location and returns at a later time or date to pick up the Drop Box and any remaining compost (charge includes the delivery of and later pick-up of the Drop Box) |
| 17 | Community Drop-Off Events | Section 5.13 | $26,313.47 per event or day | Per event or day targeting 5,000 households. Does not include disposal or public education expenses. |
| | | | | |
| **No.** | **Additional Service Category** | **Reference** | **Agency-Approved Maximum Rate** | **Description** |
| 18 | Collection for Agency-Sponsored and Non-Agency sponsored Community Events | Section 5.08 | A - $3,869.62<br>B - $6,449.37<br>C - $9,674.07 | A - One day event with a projected 2,500 or fewer attendees<br>B - One (1) or two (2) day events with a projected 2,501 to 7,500 attendees per day C - One (1) or two (2) day events with a projected 7,501 to 10,000 attendees per day. |

**Schedule Q**
**Additional Services** (Continued)

| Backyard Collection Service Charge for Single Family Dwellings (Section 5.02.A) | | | | |
|---|---|---|---|---|
| **Distance from Curb**** | **One (1) Solid Waste Cart** | **Two (2) Solid Waste Carts** | **Three (3) Solid Waste Carts** | **Four (4) Solid Waste Carts** |
| Distance <= 50 feet | $23.20 | $37.03 | $74.10 | $111.13 |
| 50 < Distance <= 100 feet | 27.09 | 40.92 | 77.96 | 115.02 |
| 100 < Distance <= 150 feet | 30.94 | 44.78 | 81.81 | 118.88 |
| 150 < Distance <= 200 feet | 34.83 | 48.66 | 85.69 | 122.76 |
| 200 < Distance <= 250 feet | 38.69 | 52.52 | 89.58 | 126.63 |
| 250 < Distance <= 300 feet | 42.57 | 56.39 | 93.44 | 130.48 |
| 300 < Distance <= 350 feet | 46.44 | 60.25 | 97.32 | 134.35 |
| Each additional 50 foot increment over 350 feet | Amount equal the difference between the Charge for 250 to 300 feet and 300 to 350 feet | | | |
| * Backyard Collection Service Charges are charges added to the base monthly Rate for Single-Family Collection service, and cover the provision of Backyard Collection Service for all Customer's Solid Waste, Recyclable Materials, and Organic Materials Carts. | | | | |
| ** Distance shall be measured from the face of the curb, or from the edge of the roadway nearest the closest edge of the Cart, if there is no curb. | | | | |

CITY OF BELMONT
1 Twin Pines Lane
Belmont, CA 94002

# RECOLOGY'S PROPOSED 2023 MAXIMUM GARBAGE COLLECTION RATES

## Notice of Public Hearing

Nov. 22, 2022 at 7 p.m.
Belmont City Hall
1 Twin Pines Lane, Belmont, CA 94002
or via Zoom
(https://belmont-gov.zoom.us)
Meeting ID: 95745673035

This notice is to advise Belmont property owners and solid waste customers of the City Council proceedings to consider maximum allowable rates for garbage and recyclables collection services in the City of Belmont.

Adoption of new rates will result in the maximum rates related charges in 2023. Belmont follows the protest procedures of Proposition 218 and Article XIIID of the California Constitution.

### WHAT DO RATES PAY FOR?

- **Operation of the Shoreway Environmental Center for waste and recycling**
- **Residential weekly curbside collection for garbage, recycling, and organics**
- Commercial collection for garbage, recycling, and organics
- Two free pre-scheduled bulky item pick-ups per year.
- Curbside cell phone & battery collection -- *place on top of black cart in a clear plastic bag*
- Holiday tree recycling
- Free mattress recycling at Shoreway
- Once-a-year free, confidential document shredding event
- Energy-efficient, cleaner emission garbage and recycling collection trucks
- Street Sweeping

For additional information and to see a complete listing of all proposed rates, including commercial rates, visit www.belmont.gov/departments/public-works/garbage-recycling.

**Proposed Rates effective Jan. 1, 2023 through Dec. 31, 2023 -** *3.66% increase over 2022 rates.*

## COMMERICAL CARTS

*Monthly rates based on cart size in gallons. Organics rates on webpage.*

| # of pickups per **week** | 20 | 32 | 64 | 96 |
|---|---|---|---|---|
| 1 | $46.21 | $51.31 | $99.22 | $143.41 |
| 2 | 95.06 | 105.63 | 200.21 | 293.76 |
| 3 | 141.53 | 157.23 | 303.77 | 445.79 |
| 4 | 194.31 | 215.89 | 408.45 | 603.02 |
| 5 | 245.84 | 273.13 | 519.19 | 762.38 |
| 6 | 307.60 | 341.77 | 632.69 | 959.67 |
| 7 | 374.71 | 416.33 | 740.66 | 1,119.60 |

## COMMERICAL BINS

*Monthly rates based on bin size in cubic yards. Organics rates on webpage.*

| # of pickups per **week** | 1 | 2 | 3 | 4 | 6 |
|---|---|---|---|---|---|
| 1 | $240.64 | $484.06 | $730.04 | $996.57 | $1,532.65 |
| 2 | 489.93 | 976.06 | 1,468.88 | 2,010.36 | 3,108.45 |
| 3 | 743.49 | 1,472.71 | 2,212.06 | 3,024.18 | 4,672.53 |
| 4 | 1,000.01 | 1,972.97 | 2,957.46 | 4,049.52 | 6,223.29 |
| 5 | 1,258.59 | 2,480.30 | 3,705.43 | 5,079.19 | 7,796.16 |
| 6 | 1,570.78 | 2,928.14 | 4,498.23 | 6,151.58 | 9,424.87 |
| 7 | 1,853.33 | 3,467.88 | 5,296.56 | 7,246.41 | 11,038.73 |

*See reverse for residential rate proposals.*

## HOW CAN I OPPOSE THE PROPOSED RATES?

**To oppose the proposed rate changes**, submit a formal written protest at the hearing or, via postal mail or hand delivery, to the City Clerk's office.

A formal written protest must be submitted in writing, contain a description of the property (street address) and include the original signature of the property owner or solid waste customer (per state law, fax or e-mail is not acceptable). Protests will be tabulated pursuant to procedures that have been adopted by the City Council.

If written protests are submitted with respect to a majority (50% plus 1) of the affected parcels within the City, then the proposed changes will not be approved.

Protests may be mailed to: **City Clerk, City of Belmont, 1 Twin Pines Lane, Suite 375, Belmont, CA 94002**

## Notice of Public Hearing

**TUESDAY, NOV. 22, 2022**
**7 P.M.**

**CITY COUNCIL CHAMBERS**
1 Twin Pines Lane
Belmont, CA 94002

ZOOM: **BELMONT-GOV.ZOOM.US**
MEETING ID: 95745673035

Or scan this QR code

In 2018, Belmont entered into an amended and restated Franchise Agreement with Recology of San Mateo County (Recology) for recyclable materials, organic materials, and solid waste collection services from Jan. 1, 2021 to December 31, 2035. The Franchise Agreement provides for an annual review of the maximum rates that Recology may charge Belmont residential and commercial customers for regular and unscheduled services. Each year, Recology proposes, City staff analyzes, and the City Council adopts the maximum allowable rates per the Franchise Agreement. For calendar year 2023, Recology is proposing an adjustment multiplier rate of 3.66%, which is the proposed 2023 rate increase to all the residential and commercial carts and bins over rates charged in 2022.

Residential customers are offered different cart sizes ranging from 20-gallon to 96-gallon. For calendar year 2023, the proposed maximum rates are as follows: 20-galloncart at $36.22; 32- gallon cart at $43.21; 64-gallon cart at $85.06; and the 96-gallon cart at $127.59. The proposed 2023 commercial adjustment multiplier rate is an increase of 3.66% over the 2022 rates for all carts and bins. See residential carts chart below.

**Did you know?** Recology also provides several "Additional Services" that are not considered "regularly scheduled" services, such as return trip, additional on-call bulky item collection, lock service, container cleaning service, and others. An overall rate increase of 5% for calendar year 2023 is being proposed for Additional Services. For a detailed listing of all proposed rates, including commercial rates, please visit **www.belmont.gov/departments/public-works/garbage-recycling.**

## RESIDENTIAL CARTS

| Cart Size in Gallons | Waste Description | 2022 CURRENT RATES | PROPOSED RATES 2023 | $/Month Change |
|---|---|---|---|---|
| 20 | Residential Waste 20 Gallons | $34.94 | $36.22 | $1.28 |
| 32 | Residential Waste 32 Gallons | $41.68 | $43.21 | $1.53 |
| 64 | Residential Waste 64 Gallons | $82.06 | $85.06 | $3.00 |
| 96 | Residential Waste 96 Gallons | $123.08 | $127.59 | $4.51 |

Rate based on one (1) pickup per week.

Residential customers are billed based on their garbage cart size. The monthly rate noted here includes the following:

- One (1) garbage cart provided to customer.
- Two (2) bulky items collections annually.
- One (1) 64-gallon recycling cart & One (1) 96-gallon yard waste cart.

## WHAT GOES WHERE?

Need help sorting your waste?
Visit: **www.recology.com/recology-san-mateo-county/what-goes-where-residential/**



*Happy planet says 'Thank you, for recycling!'*

## SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY

South Bayside Waste Management Authority (SBWMA), also known as **Rethinkwaste.org**, is comprised of 11 member agencies, including: Belmont, Burlingame, East Palo Alto, Foster City, Hillsborough, Menlo Park, Redwood City, San Carlos, City of San Mateo, County of San Mateo, and the West Bay Sanitary District.

Each member agency has its own Franchise Agreement with Recology for garbage and recycling collection services within its own jurisdictions.

SBWMA provides coordinated waste management related staff services to member agencies and manages the operations of the Shoreway Environmental Center in San Carlos. The Shoreway Center is open to all.

*See reverse for commercial rate proposals and rate protest instructions.*

# STAFF REPORT

| | |
|---|---|
| **Meeting Date:** | November 22, 2022 |
| **Agency:** | City of Belmont |
| **Staff Contact:** | Grace Castaneda, Finance Director, (650) 595-7436 |
| **Agenda Title:** | Report from Audit Committee Regarding Annual Financial Report for Fiscal Year Ending June 30, 2022 |
| **Agenda Action:** | Other |

## Recommendation

The Audit Committee recommends the City Council receive the financial reports and recommendations of the City's independent auditor.

## Strategic Focus Area

Fiscal and Organizational Sustainability

## Background

The Audit Committee, comprised of the Vice Mayor McCune and Council Member Hurt, provides independent review and oversight of the City of Belmont's financial reporting processes, internal controls, and independent auditors. By effectively carrying out its functions and responsibilities, the Audit Committee helps to ensure that staff properly develops and adheres to a sound system of internal controls, that procedures are in place to objectively assess management's practices, and that the independent auditors, through their own review, objectively assess the City's financial reporting practices. In fulfilling these duties, the Audit Committee met this calendar year on April 19th, May 27th, and November 7th.

For the fiscal year ended June 30, 2022, the reports include:

- Annual Comprehensive Financial Report (ACFR)
- Memorandum on Internal Control and Required Communications
- Measure A Funds Report on Compliance
- Measure I Fund Financial Statements
- Measure W Funds Report on Compliance
- Agreed Upon Procedures Report on Compliance with Proposition 111 (City)
- Agreed Upon Procedures Report on Compliance with Proposition 111 (BFPD)

## Analysis

From an oversight standpoint, the Audit Committee has been able to provide an independent review of the City's financial reporting processes and internal controls and finds that the City is in good financial health and is maintaining control over budgeted activities. For the fiscal year ended June 30, 2022, the City's general funds, which include the General Fund and Measure I Fund, ended with a $21.0 million fund balance, of which $17.6 million is classified as "unassigned" and is therefore available for expenditure. As of June 30, 2022, the General Fund balance met both the minimum $5 million and the

target 33% of operating expenditure budget, or $7.7 million, reserve requirements.

In an effort to make the financial statements clearer and more understandable to readers, the ACFR includes a Letter of Transmittal and a Management Discussion and Analysis section that summarize and highlight the City's financial results. They are intended to be read in conjunction with the accompanying Basic Financial Statements in the ACFR.

The ACFR has been audited by an independent, certified, and licensed auditor. On November 7th, the Audit Committee received the auditor's opinion, annual financial reports, and Memorandum on Internal Control (MOIC). At this meeting, the auditor discussed the City's financial results with the Audit Committee, along with City management. The Audit Committee determined that the reports and related information were fairly presented, to the extent such a determination can be made solely on the basis of such conversations. The Audit Committee also determined the reports were comprehensive and adequately disclosed the financial position and results of operations for the City.

In addition, the Audit Committee formally received the MOIC from the City's independent auditor. A MOIC consists of notes to material weaknesses, significant deficiencies, and other matters that include new Government Accounting Standards Board (GASB) pronouncements that could impact financial reporting and operations taking effect in the next few years and opportunities for strengthening internal controls and operating efficiency.

As prescribed by policy, the Audit Committee at its meeting on November 7th directed the Chair to transmit this report to the City Council. By doing so, the Committee is recommending that that the financial reports and recommendations of the auditor are made public. Furthermore, in performing this function, the Audit Committee has discharged its duties and met its responsibilities.

As for discharging its other responsibilities, the Audit Committee makes the following comments:

1. The Audit Committee has reviewed its provision of funding. No changes are proposed.
2. The Audit Committee has considered and determined there is no need to retain a financial expert to assist in fulfilling its responsibilities.
3. The Audit Committee has reviewed updates to the best practices, which have been added to the City's financial policies.

With respect to the reports, the Audit Committee would like to draw attention to the following:

- The Independent Auditors have issued an unmodified opinion, which is the highest level of assurance possible.

The City of Belmont has a long history of being a best practice city and, as such, incorporates Best Practices and Advisories issued annually by the Government Finance Officers Association (GFOA) into its Financial Policies. GFOA Best Practices and Advisories are written as a guide, identifying specific policies and procedures contributing to improved government management. They aim to promote and facilitate positive change rather than to codify current accepted practices.

Periodically, the Best Practices and Advisories will include new or modified recommended practices that apply to the City. The Audit Committee recognizes the importance of Best Practices and Advisories in the design, operation, and administration of the City's internal control system in discharging its fiduciary duty and, similarly to the reports discussed previously, recommends City Council receive the updates to the Financial Policies. Staff would also like to draw attention to the annual budget document, which includes a Financial Policies section. It serves as a central reference point to the most important of the City's policies, which are critical to the continued financial health of our local government.

The Audit Committee wishes to express its appreciation to the City's management, and in particular, the Finance Department staff, for the information they have provided for the Committee to compile this report.

**Alternatives**

1. Take no action
2. Refer to staff with direction

**Attachments**

A. ACFR, including Transmittal Letter
B. Memorandum on Internal Control
C. Required Communications
D. Financial Policy Updates Memorandum

On file and available on the City's website:

1. Measure A Funds Report on Compliance
2. Measure I Fund Financial Statements
3. Measure W Funds Report on Compliance
4. Agreed Upon Procedures Report on Compliance with Proposition 111 (City) (on file and available in the Finance Department)
5. Agreed Upon Procedures Report on Compliance with Proposition 111 (BFPD) (on file and available in the Finance Department)

**Fiscal Impact**

| | |
|---|---|
| ☒ No Fiscal Impact | Receipt of the financial reports and recommendations of the City's independent auditor for the fiscal year ended June 30, 2022 has no fiscal impact. |
| ☐ Funding Source Confirmed: | |

| **Source:** | **Purpose:** | **Public Outreach:** |
|---|---|---|
| Other* | Statutory/Contractual Requirement | Posting of Agenda<br>Other* |

*Audit Committee

CITY OF BELMONT
CALIFORNIA

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2022

*Resilient together*



# Mission

To enrich the quality of life for our community with the services provided for a safe, fulfilling and vibrant life.

CALIFORNIA BELMONT

www.belmont.gov

# Vision

We are celebrated for enhancing:

- Distinctive community character
- Easy mobility
- Natural beauty
- Thriving culture
- Thriving economy

**CITY OF BELMONT, CALIFORNIA**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2022**

**Prepared by**

**FINANCE DEPARTMENT**

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# Introductory Section



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**CITY OF BELMONT**

**Annual Comprehensive Financial Report**
**For the Year Ended June 30, 2022**

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CITY OF Belmont

CALIFORNIA BELMONT

## Message from the Finance Director

November 3, 2022

To the Citizens of the City of Belmont, California:

We are pleased to present the City of Belmont's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022.

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City, and in particular, the Finance Department. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The following pages in this transmittal are intended to summarize and highlight the City's financial results for the fiscal year just ended and complement the Management's Discussion & Analysis (MD&A) and basic financial statements.

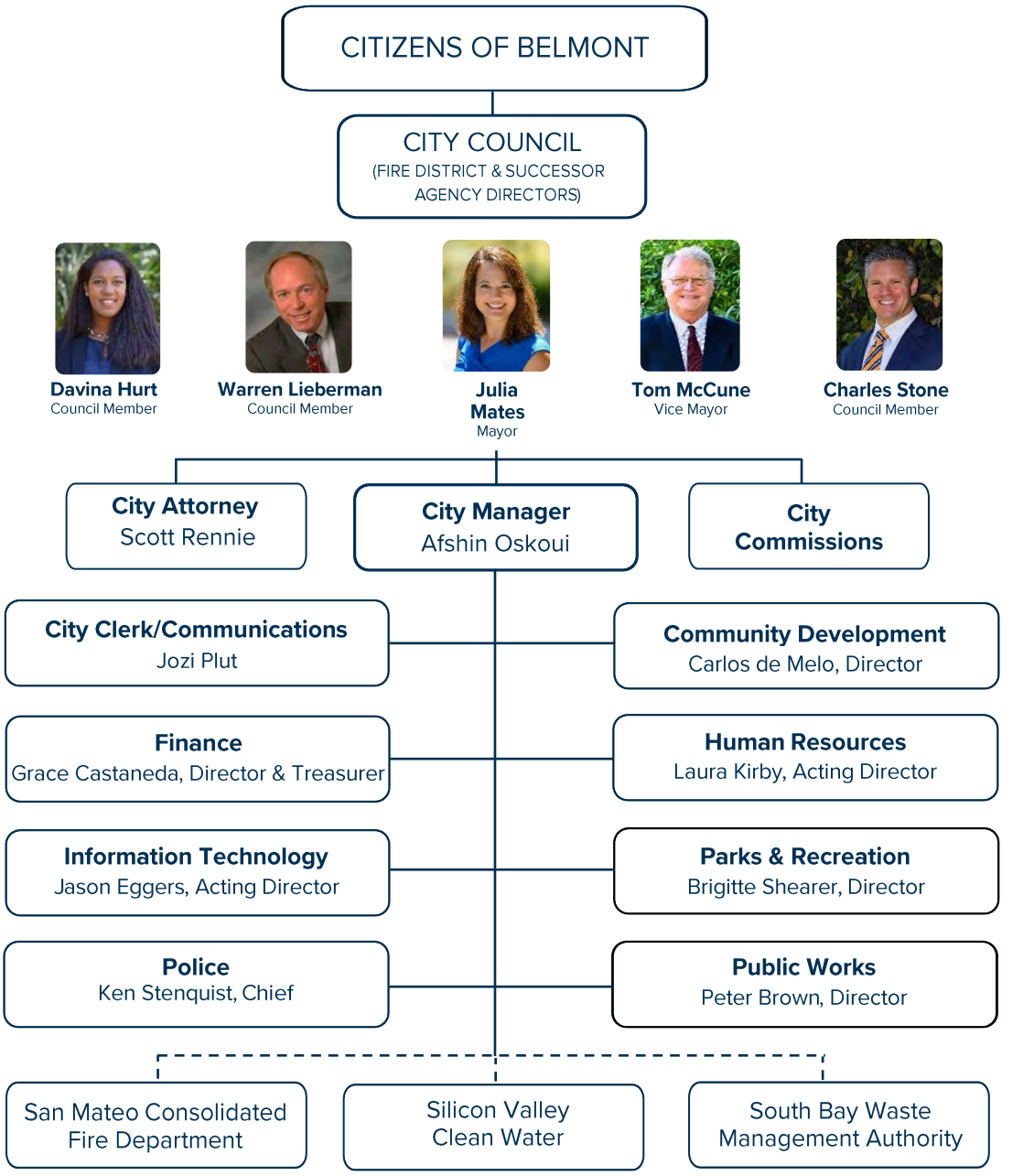
The MD&A, which provides a more comprehensive look at the City's financial results, includes a narrative introduction, overview, and analysis. Readers are encouraged to read the MD&A, which can be found immediately following the independent auditor's report in the financial section of the Annual Comprehensive Financial Report, along with accompanying basic financial statements.

The preparation of the Annual Comprehensive Financial Report was made possible by the dedicated service of the entire staff of the Finance Department. Sincere appreciation is expressed to all those who assisted and contributed to its preparation.

Respectfully,

Grace Castaneda
Finance Director

# Organizational Chart and Principal Officials



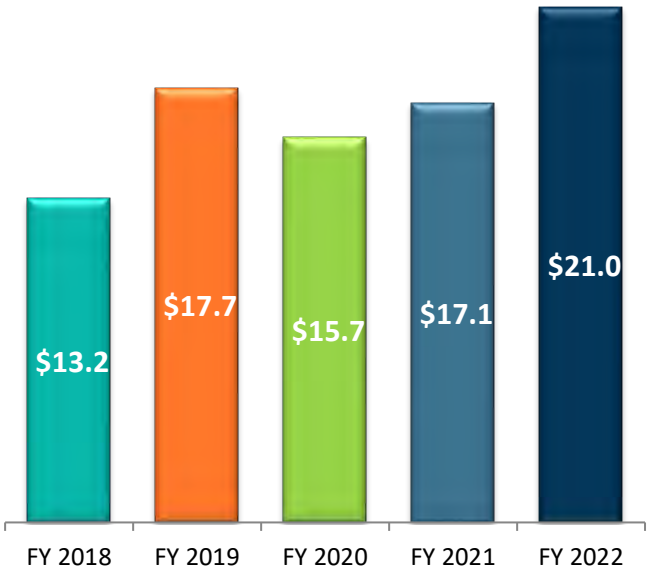

## About City of Belmont

The City of Belmont, incorporated in 1926, is located on the San Francisco Peninsula, midway between San Francisco and San Jose. The City of Belmont operates under the council-manager form of government. Policy-making and legislative authority are vested in a governing council consisting of the mayor and four other members. The City Council is responsible, amongst other things, for passing ordinances, adopting the budget, appointing commissions, and hiring both the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the Council, for overseeing day-to-day operations of the City, and for appointing the heads of the various departments.

The City provides a full range of services including police and fire protection; sanitation services; construction and maintenance of highways, streets, and infrastructure; community development; parks; recreational activities; and general government activities.

## General Fund Results

### General Fund Balance Trends




*includes Measure I

The City continues to manage and recover from the impacts of the coronavirus pandemic. Prior year successes in stabilizing operations, a General Fund balance and financial assistance from the Federal Government are available to partially mitigate the effects of the pandemic.

FY 2022 revenues increased by $2.8 million to $30.5 million from $27.7 million in prior year. Tax revenues were $21.0 million, including $2.3 million of Measure I revenue.

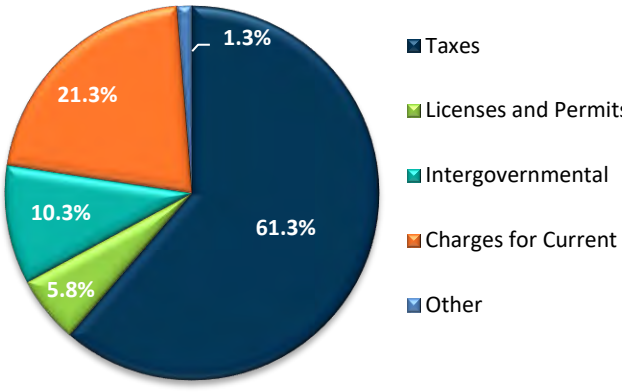
FY 2022 expenditures were managed and below the final budget by $3.8 million.

Total fund balance of the General Fund increased by $3.8 million to $21.0 million, due primarily to the first of two tranches of $3.2 million American Rescue Plan Act (ARPA) Federal Coronavirus State and Local Fiscal Recovery Funds. The City is still recovering from impacts of the pandemic, with the long-term forecast projecting close to a 25% drop in fund balance in the next five years.

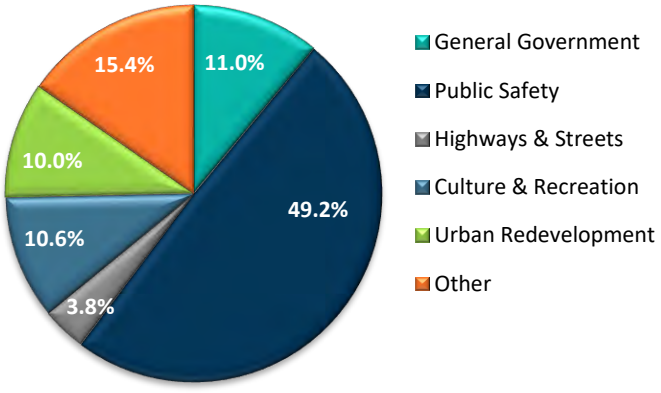
Looking forward, FY 2023 Adopted Budget is $28.3 million, including $4.4 million transfer out to support other funds. It projects a General Fund Reserve balance of $20.6 million. This meets the target reserve policy set by City Council, which is 33% of total General Fund operations, with a minimum of $5 million.

## Governmental Fund Results

### Revenues



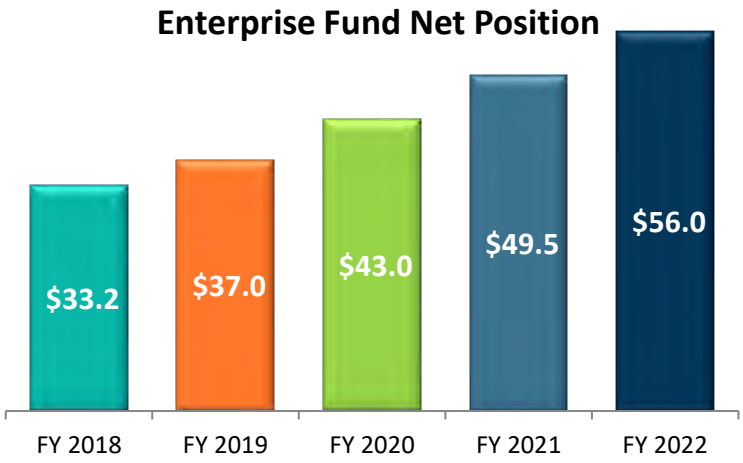

### Expenditures




## Belmont Fire Protection District

The San Mateo Consolidated Fire Department (SMC Fire) Joint Powers Authority (JPA) was established on November 22, 2017 by the City of San Mateo, the City of Belmont/Belmont Fire Protection District, and the City of Foster City/Estero Municipal Improvement District to provide integrated and comprehensive fire protection, fire prevention, and emergency response services to all three communities. SMC Fire commenced operations on January 13, 2019.

# Enterprise Fund Results




FY 2022 operating revenues of $21.2 million were 1.1% higher than last year, due primarily to an increase in the collection of sewer service charges.

FY 2022 operating expenses were flat at $11.3 million.

FY 2023 Adopted Budget includes $16.4 million for operations and $6.4 million in sewer system capital improvements.

## Long-Term Debt

At the end of fiscal year 2022, the City had a total of $78.4 million in long-term debt. The existing long-term debt does not include addressing deferred capital maintenance and retirement obligations discussed in greater detail below.








## Cash Management

Cash temporarily idle during the year was invested in U.S. Government securities and with the State Treasurer's Local Agency Investment Fund (LAIF).

## Risk Management

Since 2004, the City has purchased primary workers' compensation insurance with no deductible. All claims from that date are covered 100% by the carrier. Prior to 2004, the City maintained a self-insurance program for workers' compensation. The City also purchases commercial insurance against general liability claims above the City's self-insured retention of $250,000.

## Internal Control

Management is responsible for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatement.

## Long-Term Financial Planning & Major Initiatives

The City has long been fiscally responsible with a focus on long-term sustainability. It provides an extended financial projection as part of the budget process, allowing the City to be proactive in seeking both short-term and long-term budget solutions.

The City Council annually performs a review of the City's strategic plan, including priorities and policy modifications. This year's collaborative and productive discussions to address Belmont's critical issues generated five Strategic Focus Areas to build on the City's continued momentum and success. A unified vision for the future uses the following City Council focus areas as its roadmap for action over the next 3-5 years, as highlighted below.

### Strategic Focus Areas



Infrastructure and Mobility



Economic Development & Housing



Fiscal & Organizational Stability



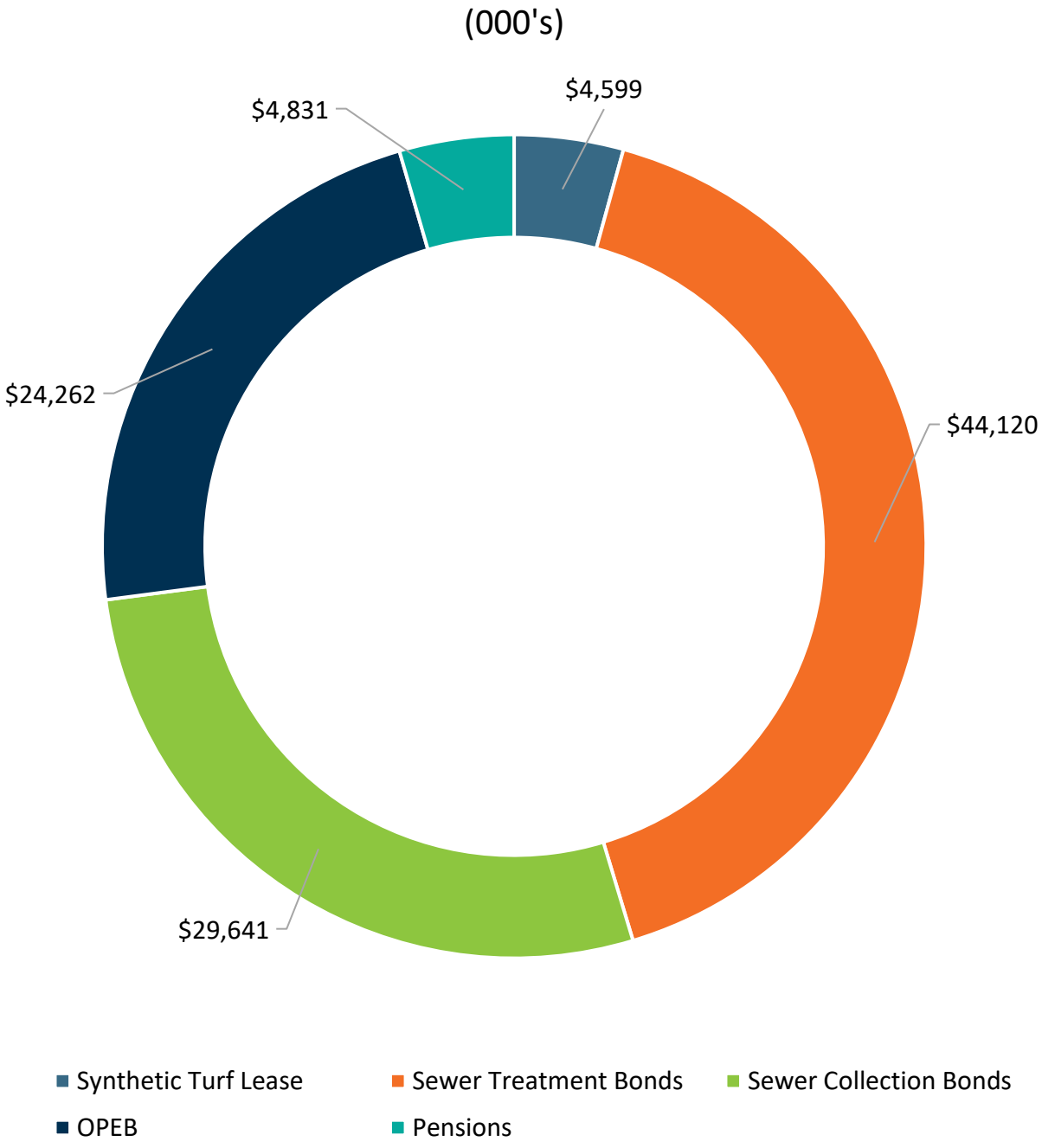
Public Safety

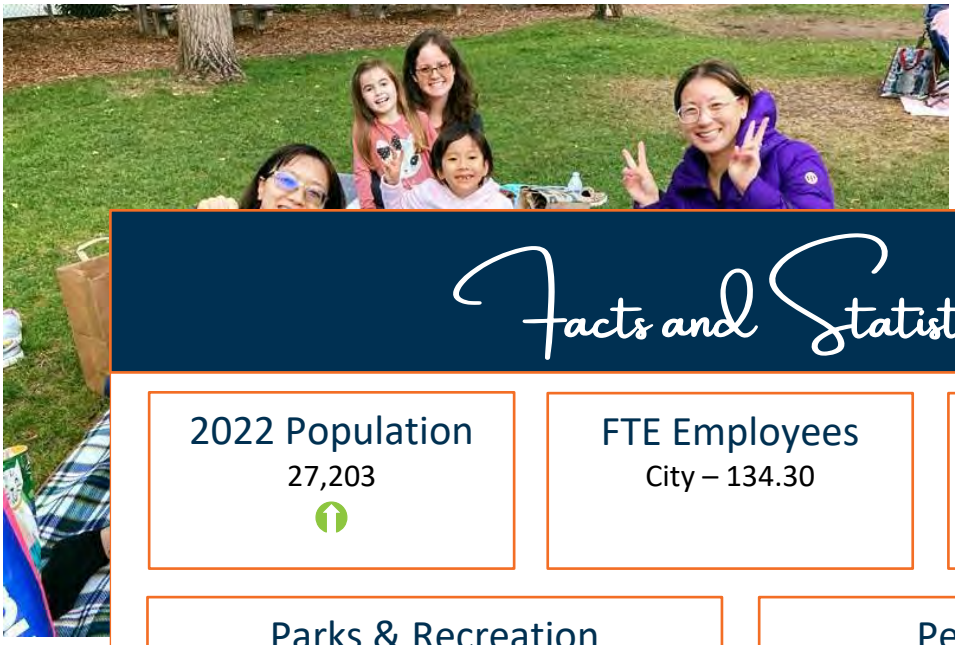


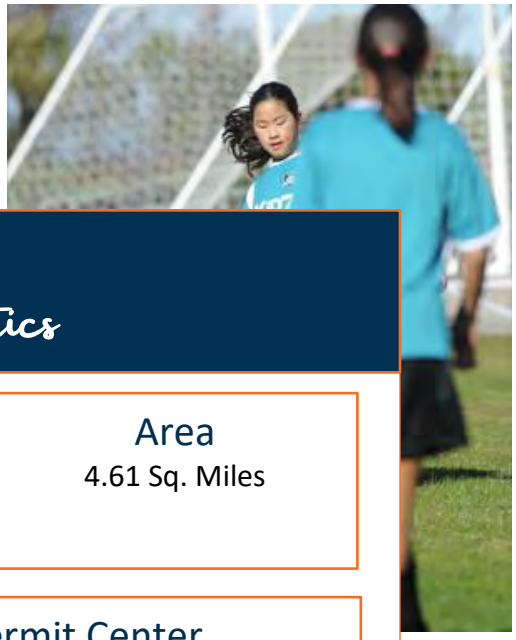
Quality of Life

## Capital and Retirement Obligations

The chart below summarizes the City's capital and retirement obligations as of June 30, 2022.







# Facts and Statistics

## 2022 Population
27,203

## FTE Employees
City – 134.30

## Area
4.61 Sq. Miles

## Parks & Recreation
Recreation Class Participants – 52,714
Developed Parks – 15
Acres of Open Space – 287.58
Acres of Developed Parks – 61.4

## Permit Center
Permits Issued – 1,854
Inspections Performed – 5,635

## Public Safety

Police

Calls for Service – 20,858
Parking Violations – 1,574
Physical Arrests – 504
Traffic Violations – 1,150

Fire

Calls for Service – 2,510
Plan Checks – 171
Annual Fire Inspections – 340

## Public Works

Sewer

Miles of Sewer – 85
Sewer Connections – 7,690

Storm Drains

Miles of Storm Drains – 27
Storm Drain Inlets – 1,500

Streets

Miles of Streets – 70
Streetlights – 1,465
Traffic Signals – 18















## Vision Statement

The City's Vision Statement typically drives Council's Strategic Focus Areas, goals and objectives, and includes the following areas:

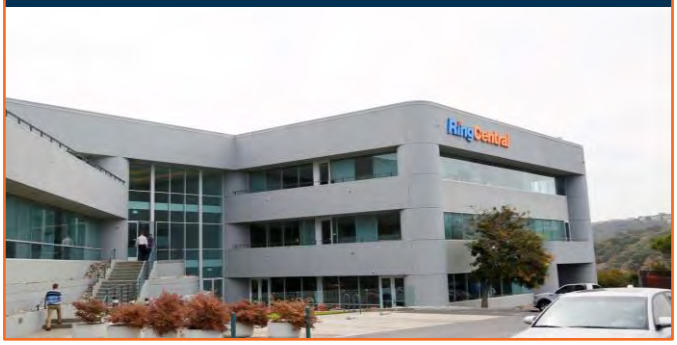
- Distinctive Community Character
- Easy Mobility
- Natural Beauty
- Thriving Culture
- Thriving Economy



## Top 10 Employers*

1. RingCentral, Inc.
2. Autobahn Motors
3. Safeway Store #1138
4. Lunardi's Market
5. Silverado – Belmont Hills
6. Nikon Precision Inc.
7. Woodmont Real Estate Services
8. Sunrise of Belmont
9. Merry Moppet Preschool, Inc.
10. Nikon Research Corporation of America

**Excludes governmental agencies and not for profit entities*




## Request for Information

This financial report is designed to provide a general overview of the City of Belmont's finances for all those interested.

Questions concerning any information provided in this report should be addressed to the Finance Director or for additional information regarding the City's financial activities, including past award winning Annual Comprehensive Financial Reports, transparency efforts and best practices please visit the City at www.belmont.gov.

## Contact Us:

Finance Director
Finance Department
Belmont City Hall
One Twin Pines Lane, Suite 320
Belmont, CA 94002

Phone (650) 595-7433
finance@belmont.gov

# Financial Section



Employee Wellness Hike, Water Do[illegible]ke

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MAZE & ASSOCIATES

**INDEPENDENT AUDITOR'S REPORT**

To the Honorable Members of the City Council
City of Belmont, California

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Belmont, California (City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

In our opinion, based on our audit and report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons listed in the Table of Contents as part of the basic financial statements for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of San Mateo Consolidated Fire Department (SMC Fire) as of and for the year ended June 30, 2021, related to the calculation of the Investment in Joint Venture. The Investment in this Joint Venture represents 2%, 3% and 0%, respectively, of the assets, net position and revenues of the governmental activities. The financial statements of SMC Fire were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the calculation of the Investment in Joint Venture, is based solely on the report of the other auditors.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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***Responsibility of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. 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, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Change in Accounting Principles***

Management adopted the provisions of the Governmental Accounting Standards Board Statement No. 87 – *Leases*, which became effective during the year ended June 30, 2022 and had material effects on the financial statements as discussed in Note 10 to the financial statements:

The emphasis of this matter does not constitute a modification to our opinions.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and other Required Supplementary Information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Supplementary Information, as listed in the Table of Contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Statistical Section listed in the Table of Contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exits, we are required to describe it in our report.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Maze & Associates

Pleasant Hill, California
November 3, 2022

Management of the City of Belmont offers this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2022, to make the financial statements clearer and more understandable. We encourage readers to consider the information presented here in conjunction with the additional information furnished in our letter of transmittal.

**FINANCIAL HIGHLIGHTS**

- The City's total assets increased by $28.5 million to $309.5 million, of which $174.0 million represented governmental assets and $135.5 million represented business-type assets.
- City's total liabilities decreased by $22.3 million to $117.4 million, of which $39.2 million were governmental liabilities and $78.2 million were business-type liabilities.
- The City's total net position increased by $22.0 million (14.6%) from the prior year . On June 30, 2022, net position totaled $172.0 million, comprised of $116.0 million for governmental activities and $56.0 million for business-type activities. Of the $172.0 million net position, $32.3 million is unrestricted which can be used to meet the City's ongoing obligations.
- City-wide revenues were $84.0 million, of which $62.8 million were generated by governmental activities and $21.2 million were generated by business-type activities.
- City-wide expenses were $62.1 million, of which $47.3 million were incurred by governmental activities and $14.8 million were incurred by business-type activities.
- Governmental Fund balances increased by $9.0 million (17.7%) to $59.8 million. Of this amount, $17.6 million, or 29.5%, was unassigned fund balance and available for spending at the City's discretion.
- Governmental Fund revenues were $58.5 million, an increase of $4.8 million (9.0%) from prior fiscal year.
- Governmental Fund expenditures decreased by $0.7 million to $52.3 million, from prior year.
- Enterprise Fund net position increased by $6.5 million (13.0%) to $56.0 million. Of this amount, $28.8 million (51.5%) was unrestricted net position and available for spending at the City's discretion.
- Enterprise Fund operating revenues were $21.2 million compared to $20.9 million in the prior year.
- Enterprise Fund operating expenses were $11.3 million, a slight increase of $48 thousand comparing to the prior fiscal year.
- In April 2022, the 2022 Sewer Treatment Facilities Revenue Refunding Bonds of $6.4 million were issued. The proceeds were used to refund the 2009A Sewer Treatment Facility Revenue Bonds. The refunding resulted in an overall debt services savings of $3.5 million.
- The City received the first of two tranches of $3.2 million one-time ARPA Federal Coronavirus State and Local Fiscal Recovery Funds in the current fiscal year.
- Net pension liability decreased by $16.2 million (41.5%) from prior year to $24.3 million. The decrease was primarily due to high returns on CalPERS investments as of the measurement date on June 30, 2021.

## OVERVIEW OF THE FINANCIAL STATEMENTS

The Annual Comprehensive Financial Report is composed of the following:

1. Introductory section, which includes the Transmittal Letter and general information,
2. Management's Discussion and Analysis (this part),
3. Basic Financial Statements, which include the Government-wide and the Fund financial statements along with the Notes to these financial statements,
4. Required and Other Supplemental Information, and
5. Statistical information.

### The Basic Financial Statements

The Basic Financial Statements consist of the Government-wide Financial Statements and the Fund Financial Statements. These two sets of financial statements provide two different views of the City's financial activities and financial position—long-term and short-term.

The Government-wide Financial Statements provide a longer-term view of the City's activities as a whole and consist of the Statement of Net Position and the Statement of Activities. The Statement of Net Position provides information about the financial position of the City as a whole, including all its capital assets and long-term liabilities on the full accrual basis, similar that used by corporations. The Statement of Activities provides information about all of the City's revenues and expenses, also on the full accrual basis, with the emphasis on measuring net revenues or expenses of each of the City's programs. The Statement of Activities explains in detail the change in Net Position for the year.

The Fund Financial Statements report the City's operations in more detail than the City-wide statement and focus primarily on the short-term activities of the City's General Fund and other Major Funds. The Fund Financial Statements measure only current revenues and expenditures, current assets, liabilities, and fund balances; they exclude capital assets, long-term debt, and other long-term amounts.

Major Funds account for the major financial activities of the City and are presented individually, while the activities of Non-major Funds are presented in summary, with subordinate schedules presenting the detail for each of these other funds. Major Funds are explained below.

#### *The Government-wide Financial Statements*

The Government-wide Financial Statements provide a broad view of the City's finances in a manner like private-sector businesses and consist of the Statement of Net Position and the Statement of Activities.

*The Statement of Net Position* provides information about the financial position of the City as a whole, including its capital assets plus deferred outflow of resources and long-term liabilities plus deferred inflow of resources, with the difference reported as net position. Over time, increase or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

*The Statement of Activities* presents information on all City's revenues and expenses with the emphasis on measuring net revenues or expenses of each of the City's programs. The statement explains in detail how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., loans receivable, and earned but unused compensated leaves).

The City's basic services are considered governmental activities, including, general government, public safety, highways and streets, culture and recreation, urban development, and miscellaneous. These services are supported by taxes, intergovernmental revenues, and program revenues, such as user fees and charges. The City's governmental activities also include the activities of two separate legal entities: the Belmont Fire Protection District and the Belmont Joint Powers Financing Authority. The City is financially accountable for these entities.

The City's enterprise activities are reported as Business-type activities, including sewer, storm drainage, and solid waste. Unlike governmental services, these activities are supported by charges paid by users based on the amount of service they use and are intended to recover all costs.

***Fund Financial Statements***

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Belmont, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds at the City of Belmont can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

The Fund financial statements provide detailed information about each of the City's significant funds, called Major Funds. Each Major Fund is presented individually with all Non-major Funds summarized and presented in a single column. Subordinate schedules present the detail of these non-major funds. Major Funds present the major activities of the City for the year. The General Fund is always a Major Fund, and other funds may change from year to year because of changes in the pattern of the City's activities.

The City has one Major Governmental Fund in fiscal year 2022 in addition to the General Fund, which is discussed in the Analysis of Major Governmental Funds section.

Comparisons of Budget and Actual financial information are presented for the General Fund and other Major governmental funds.

***Governmental funds***. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Governmental fund financial statements are prepared on the modified accrual basis, which means they measure only current financial resources and uses. Capital assets and other long-lived assets, along with long-term liabilities, are presented only in the government-wide financial statements.

The focus of governmental funds is narrower than that of government-wide financial statements, so it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions.

Because governmental fund financial statements do not encompass the long-term focus of the government-wide statements, additional information is provided that reconciles the governmental fund financial statements to the government-wide statements explaining the relationship (or differences) between them.

***Proprietary funds***. The City maintains two different types of proprietary funds, enterprise funds and internal service funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its sewer, storm drain, and solid waste activities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its workers compensation, liability, vision, benefit prefunding, fleet and equipment, facilities management, and other such services. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Sewer, Storm Drainage, and Solid Waste activities. Internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

***Fiduciary funds.*** The City acts as an agent on behalf of outside parties, holding funds collected, and disbursing them as directed or required. The City's fiduciary activities are reported in the separate Statement of Fiduciary Net Position and Statement of Changes in Net Position. These activities are excluded from the City's other financial statements because the City cannot use these assets to finance its own operations.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following the fund financial statements in this report.

**Other Information**

Information concerning the City's pension and other post-employment benefits can be found in Required Supplementary Information Section. The combining statements and schedules in connection with General Fund, non-major Governmental Funds, and Internal Service Funds can be found in the Supplemental information section of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

### *Governmental Activities*

Tables 1 and 2 present the net position and changes in net position of the City's governmental activities on June 30, 2021 and June 30, 2022.

**Table 1**
**Governmental Activities Net Position on June 30**
**(in Thousands)**

| | 2022 | 2021* |
|---|---|---|
| Current and other assets | $89,175 | $70,021 |
| Capital assets | 84,835 | 79,455 |
| Total assets | 174,010 | 149,476 |
| Deferred outflows related to pension | 8,440 | 8,796 |
| Deferred outflows related to OPEB | 1,593 | 1,812 |
| Total deferred outflows | 10,033 | 10,608 |
| Current and other liabilities | 6,499 | 5,148 |
| Long-term obligations outstanding | 32,767 | 51,954 |
| Total liabilities | 39,266 | 57,102 |
| Deferred inflows related to pension | 17,176 | 703 |
| Deferred inflows related to OPEB | 3,678 | 1,784 |
| Deferred inflows related to leases | 7,925 | |
| Total deferred inflows | 28,779 | 2,487 |
| Net position: | | |
| Net investment in capital assets | 80,638 | 74,700 |
| Restricted | 31,882 | 29,925 |
| Unrestricted | 3,478 | (4,130) |
| **Total net position** | **$115,998** | **$100,495** |

*Due to the implementation of Government Accounting Standards Board Statement 87 on Leases during the fiscal year ended June 30, 2022, financial data shown for the previous year has not been restated and may not be comparable. See Note 10 for additional information.

**Table 2**
**Changes in Governmental Activities Net Position**
**for the year ended June 30**
**(in Thousands)**

| | 2022 | 2021* |
|---|---|---|
| **Revenues** | | |
| Program revenues: | | |
| Charges for services | $17,367 | $17,708 |
| Operating grants and contributions | 5,895 | 3,457 |
| Capital grants and contributions | 1,869 | 1,228 |
| Total program revenues | 25,131 | 22,393 |
| General revenues: | | |
| Taxes: | | |
| Property taxes | 20,469 | 20,132 |
| Sales taxes | 6,602 | 5,970 |
| Transient occupancy | 2,432 | 1,321 |
| Franchise | 1,474 | 1,373 |
| Motor vehicle in lieu | 2,833 | 1,943 |
| Equity in (losses) of joint ventures | (221) | 405 |
| Gain on sale of capital assets | 4,050 | |
| Other | 67 | 281 |
| Total general revenues | 37,706 | 31,425 |
| Total revenues | 62,837 | 53,818 |
| **Expenses** | | |
| General government | 7,642 | 8,168 |
| Public safety | 24,909 | 25,706 |
| Highways and streets | 2,937 | 2,564 |
| Culture and recreation | 6,218 | 5,707 |
| Urban redevelopment | 5,520 | 5,678 |
| Interest on long-term debt | 108 | 120 |
| Total expenses | 47,334 | 47,943 |
| **Change in net position** | 15,503 | 5,876 |
| **Net position-Beginning** | 100,495 | 94,619 |
| **Net position-Ending** | **$115,998** | **$100,495** |

*Due to the implementation of Government Accounting Standards Board Statement 87 on Leases during the fiscal year ended June 30, 2022, financial data shown for the previous year has not been restated and may not be comparable. See Note 10 for more information.

**Net Position**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the fiscal year 2022, the governmental activities' total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by $116.0 million, 15.4% increase from the prior year.

The largest portion, approximately $80.6 million, of the City's net position represents its investment in infrastructure and other capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), net of amounts borrowed to finance that investment. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be liquidated for these liabilities.

An additional portion of the City's governmental net position of $31.9 million, or 27.5%, represents resources that are subject to external restrictions and may only be used to construct specified capital projects, debt service, or special revenue programs. The restrictions on these funds were placed by outsiders and cannot be changed by the City.

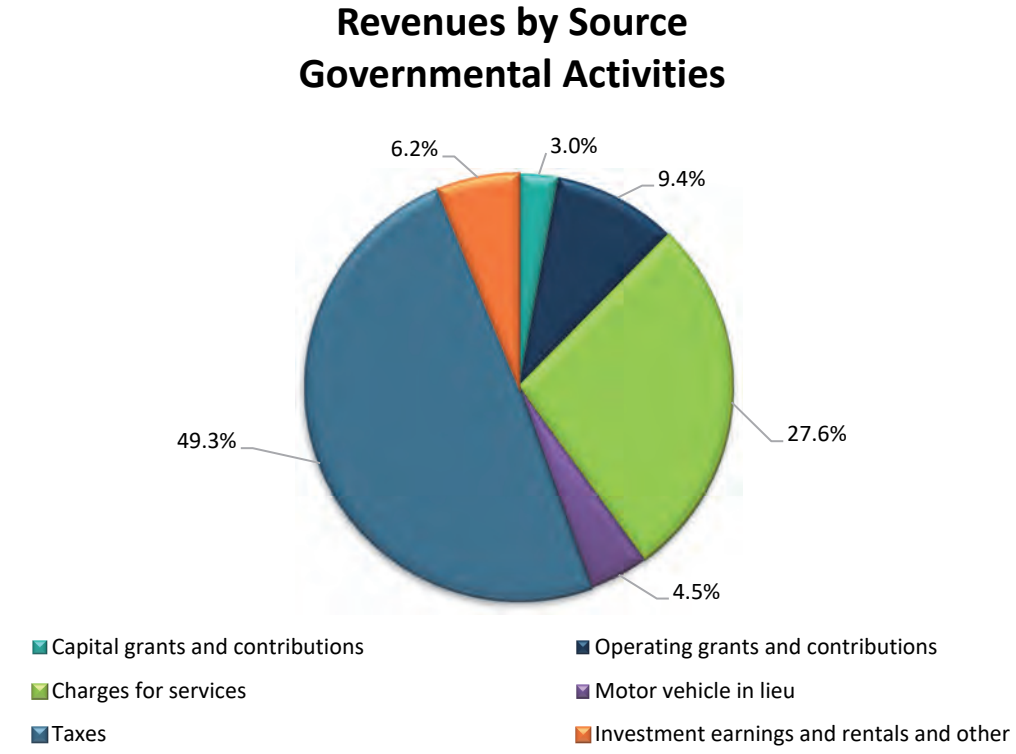
The remaining $3.5 million of net position is unrestricted. Unrestricted net position can, when positive, be used to finance day-to-day operations without constraints established by debt covenants or other legal requirements or restrictions.

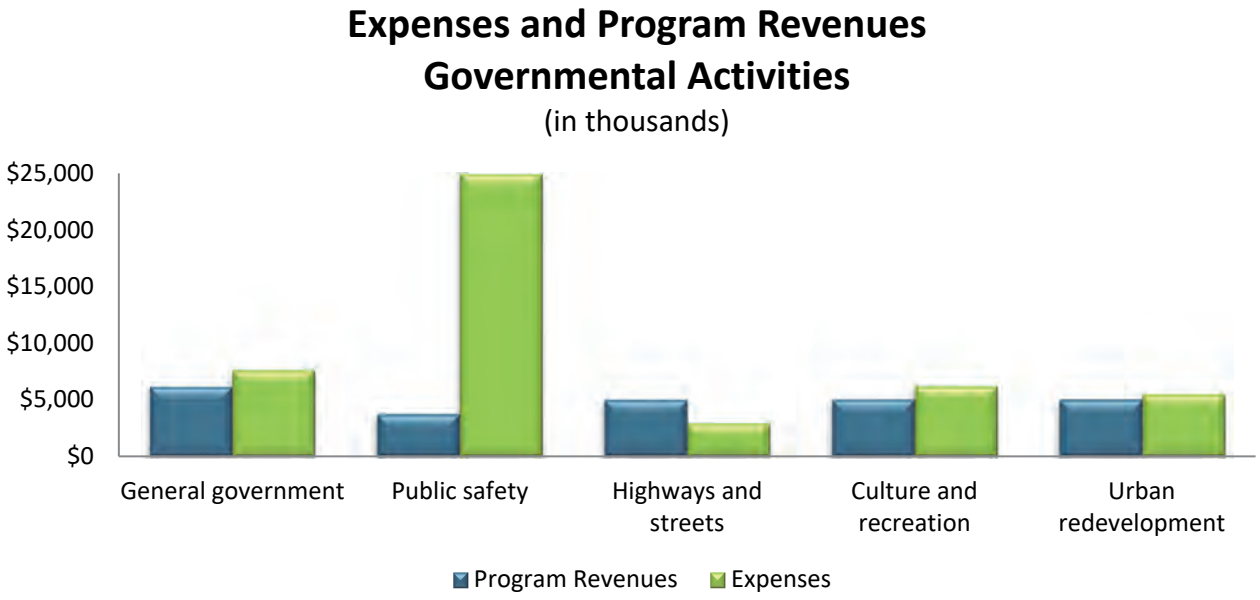
**Changes in Net Position**

The Statement of Activities provides information about all the City's revenues and all its expenses, with the emphasis on measuring net revenues or expenses of each of the City's programs. The Statement of Activities explains in detail the change in Net Position for the year.

The City's governmental activities net position increased by $15.5 million. Governmental activities revenue increased by $9.0 million to $62.8 million. Compared to prior year, program revenues increased by $2.7 million, or 12.2%. The governmental activities expenses decreased by $0.6 million to $47.3 million.

The following charts display the City's governmental activities revenues by source, as well as expenses and program revenues for fiscal year 2022.



***Business-Type Activities***

The City's business-type activities include sewer collection, sewer treatment, storm drainage, and solid waste. Tables 3 and 4 present the net position and changes in net position of the City's business-type activities on June 30, 2021 and June 30, 2022.

**Table 3**
**Business-Type Net Position on June 30**
**(in Thousands)**

| | 2022 | 2021 |
|---|---|---|
| Current and other assets | $102,428 | $98,154 |
| Capital assets | 33,023 | 33,316 |
| Total assets | 135,451 | 131,470 |
| Deferred outflows related to pension | 714 | 774 |
| Deferred outflows related to OPEB | 135 | 160 |
| Total deferred outflows | 849 | 934 |
| Current and other liabilities | 4,475 | 4,088 |
| Long-term debt outstanding | 73,689 | 78,584 |
| Total liabilities | 78,164 | 82,672 |
| Deferred inflows related to pension | 1,862 | 80 |
| Deferred inflows related to OPEB | 311 | 150 |
| Total deferred inflows | 2,174 | 230 |
| Net position: | | |
| Net investment in capital assets | 1,163 | 3,971 |
| Restricted | 25,992 | 24,301 |
| Unrestricted | 28,807 | 21,230 |
| **Total net position** | **$55,962** | **$49,502** |

| Table 4<br>Business-Type Activities<br>Changes in Net Position for the year ended June 30<br>(in Thousands) | | |
|---|---|---|
| | 2022 | 2021 |
| **Revenues** | | |
| Program Revenues: | | |
| Charges for Services | $21,150 | $20,914 |
| Operating Grants and Contributions | 59 | |
| Capital Grants and Contributions | | |
| Total program revenues | 21,209 | 20,914 |
| General Revenues and Transfers: | | |
| Investment earnings and transfers | 15 | 205 |
| Total general revenues and transfers | 15 | 205 |
| Total revenues | 21,224 | 21,119 |
| **Expenses** | | |
| Sewer | 12,072 | 12,131 |
| Storm Drainage | 2,190 | 2,056 |
| Solid Waste | 502 | 453 |
| Total expenses | 14,764 | 14,640 |
| **Change in net position** | 6,460 | 6,479 |
| **Net position-Beginning** | 49,502 | 43,023 |
| **Net position-Ending** | **$55,962** | **$49,502** |

**Net Position**

At the close of the fiscal year, the net position of business-type activities was $56.0 million, an increase of $6.5 million (13.0%) from the prior fiscal year. $1.2 million or 2.1% of net position was invested in capital assets, net of related debt, $26.0 million or 46.4% is restricted for sewer treatment facility activities, and $28.8 million or 51.5% are unrestricted and available for the operations of the proprietary funds.

**Changes in Net Position**

Total program revenues of business-type activities were $21.2 million in fiscal year 2022. This was an increase of $0.3 million over the prior year. Total expenses were $14.8 million, a slight increase of $0.1 million over the prior year.

**GOVERNMENTAL FUNDS FINANCIAL ANALYSIS**

Table 5 below summarizes the Governmental Funds' balances.

**Table 5**
**Financial Highlights at Fund Level for the year ended June 30**
**(in Thousands)**

| | 2022 | 2021 |
|---|---|---|
| Total assets | $72,102 | $53,975 |
| Total liabilities | 4,391 | 3,181 |
| Deferred Inflows | 7,925 | |
| Total fund balances | 59,786 | 50,794 |
| Total revenues | 58,525 | 53,711 |
| Total expenditures | 52,318 | 53,064 |
| Total other financing sources (uses) | 2,785 | (122) |

As of June 30, 2022, the City's Governmental Funds reported combined ending fund balances of $59.8 million, an increase of $9.0 million, or 17.7%, from the prior year. In comparison with the prior year, revenues increased by $4.8 million to $58.5 million, and expenditures decreased by $0.8 million to $52.3 million.

***Analysis of Major Governmental Funds***

**General Fund**

As the principal operating fund of the City, the General Fund, by definition, is a Major Governmental fund. The General Fund accounted for 52.1% of total governmental revenues and 44.6% of total expenditures. City basic services are accounted for in the General Fund, including public safety, general government, culture and recreation and community development.

As of June 30, 2022, the total fund balance of General Fund increased by $3.8 million to $21.0 million, representing a 22.2% increase over the prior year. This increase was primarily due to the receipt of $3.2 million ARPA Federal Coronavirus State and Local Fiscal Recovery Funds.

The unassigned fund balance of $17.6 million represents 84.2% of the total fund balance. Since the unassigned fund balance represents available liquid resources for spending at the City's discretion, it may be useful to compare the unassigned fund balance to total fund expenditures. The City's unassigned fund balance represents 75.6%, or equates to approximately 276 days, of total General Fund expenditures (excluding transfers out) for the year.

**General Fund Budgetary Highlights**

The fiscal year 2022 adopted budget for General Fund expenditures amounted to $26.9 million (excluding $3.0 million transfers out). The final budget amount was $27.1 million. General Fund revenues budget was adopted at $28.4 million, and the final budget amount was $29.8 million.

Overall expenditures were below the final budget by $3.8 million, mainly due to unfilled positions and delay of capital projects that are expected to be completed in fiscal year 2023. Overall revenues exceeded the final budget by $0.7 million. The positive variance was driven primarily by the recovery in transient occupancy tax.

**Belmont Fire Protection District Fund**

The Belmont Fire Protection District Fund (the District) accounts for resources received by a special district, shown as a blended component unit, from the citizens of Belmont and the unincorporated Harbor Industrial Area to finance fire protection and suppression services.

As of June 30, 2022, the fund balance increased $0.8 million over the prior year to $16.2 million. Overall revenues decreased slightly to $12.5 million. Overall expenditures increased by $0.6 million over the prior year to $11.6 million, mainly due to the increase in member agency contributions for contracted fire services. The District has a $10.0 million reserve set aside for replacing facilities.

***Analysis of the Enterprise Funds***

**Sewer Collections**

Compared to prior year, operating revenues increased $0.1 million to $16.4 million. Operating expenses dropped by $0.1 million to $8.5 million. Net position totaled $25.6 million, an increase of $5.6 million from the prior year, due in part from an increase in the collection of sewer service charges. Of this amount, $27.5 million was unrestricted, including equity interest in Silicon Valley Clean Water Joint Powers Authority (SVCW) (Note 14). The remaining net position was a negative $1.9 million in net investment in capital assets, due to the recording of the current net book value of the capital assets, less the outstanding balance of debt issued to finance these assets.

**Sewer Treatment**

Compared to prior year, operating revenues decreased $0.1 million to $3.1 million and operating expenses were relatively unchanged at $0.1 million. Net position totaled $26.0 million, a $1.7 million increase compared to prior year, all of which is restricted for sewer treatment facility activities.

**Storm Drainage Fund**

This fund is used to account for the maintenance of the storm drain system and other activities related to the mandated National Pollution Discharge Elimination System (NPDES).

Storm drainage fund operating revenues, which consist primarily of NPDES storm drain charges and street sweeping charges, increased nominally to $1.0 million. Operating expenses increased slightly to $2.2 million. Net position totaled $2.6 million, with $3.0 million invested in capital assets and a negative $0.4 million in unrestricted net position due to the recording of the net pension and OPEB liabilities and related deferred outflows/inflows of resources.

**Solid Waste Fund**

Both operating revenues and operating expenditures were relatively flat at $0.6 million and $0.5 million respectively, from the prior year. Net position was $1.8 million, which is unrestricted as to use.

**CAPITAL ASSETS**

Table 6 presents the City's capital assets on June 30, 2021 and June 30, 2022. Additional information can be found in Note 7 to the financial statements.

**Table 6**
**Capital Assets on June 30**
**(in Thousands)**

| | 2022 | 2021 |
|---|---|---|
| ***Governmental Activities*** | | |
| Land | $13,493 | $12,610 |
| Construction in progress | 4,402 | 391 |
| Buildings | 38,469 | 38,469 |
| Improvements other than buildings | 5,450 | 5,288 |
| Streets and infrastructure | 71,885 | 68,816 |
| Machinery and equipment | 7,032 | 6,546 |
| Vehicles | 4,792 | 4,607 |
| Less accumulated depreciation | (60,688) | (57,274) |
| **Totals** | **$84,835** | **$79,455** |
| | | |
| ***Business-Type Activities*** | | |
| Land | $15 | $15 |
| Construction in progress | 6,229 | 5,263 |
| Improvements other than buildings | 48,557 | 48,168 |
| Machinery and equipment | 327 | 327 |
| Less accumulated depreciation | (22,105) | (20,457) |
| **Totals** | **$33,023** | **$33,316** |

**DEBT ADMINISTRATION**

Table 7 summarizes the City's long-term debt on June 30, 2021 and June 30, 2022. Additional information on the City's long-term debt can be found in Note 8 to the financial statement.

| Table 7<br>Long Term Debt on June 30<br>(in Thousands) | | |
|---|---|---|
| | 2022 | 2021 |
| ***Governmental Activity Debt:*** | | |
| Capital Lease: | | |
| 2019 Synthetic Turf Installation project, 2%, due 2029 | $4,599 | $5,159 |
| Subtotal Governmental Activity Debt | 4,599 | 5,159 |
| | | |
| ***Business-type Activities Debt – Sewer Enterprise Funds:*** | | |
| Long-Term Bonds Payable: | | |
| 2009 Sewer Revenue Bonds, 3%-5%, due 2042 | | 6,950 |
| 2016 Sewer Refunding Revenue Bonds, 3%-5% due 2035 | 7,906 | 8,467 |
| 2016 Sewer Revenue Bonds, 2%-50% due 2046 | 15,656 | 15,770 |
| 2018 Sewer Treatment Revenue Bonds, 5% due 2048 | 23,233 | 23,694 |
| 2019 Sewer Collection Bonds, 5% due 2049 | 20,558 | 20,970 |
| 2022 Sewer Revenue Bonds, 2.15%, due 2033 | 6,408 | |
| Subtotal Business-type Activities Debt | 73,761 | 75,851 |
| | | |
| **Total Long-Term Obligations** | **$78,360** | **$81,010** |

In April 2022, the 2022 Sewer Treatment Facilities Revenue Refunding Bonds of $6.4 million were issued. The proceeds were used to refund the 2009A Sewer Treatment Facility Revenue Bonds. The refunding resulted in an overall debt services savings of $3.5 million.

On June 30, 2022, the City had total long-term debt outstanding $78.4 million, excluding compensated absences, pension and OPEB liabilities. The reduction in debt over the prior year was mainly due to scheduled retirements that were made. A majority of the outstanding long-term debt is composed of bonds secured by specified revenue sources, e.g., sewer charges.

**ECONOMIC OUTLOOK AND MAJOR INITIATIVES**

The economy of the City and its major initiatives for the coming year are discussed in detail in the accompanying Transmittal Letter.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This Annual Comprehensive Financial Report is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the City's finances. Questions about this Report should be directed to the Finance Department at One Twin Pines Lane, Suite 320, Belmont, CA 94002. Additional information about the City's operations and activities can be obtained from the website at www.belmont.gov.

## STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES

The Statement of Net Position and the Statement of Activities summarize the City's financial activities and financial position. They are prepared on the same basis as is used by most businesses, which means they include all the City's assets and deferred outflows of resources and all its liabilities and deferred inflows of resources, as well as all its revenues and expenses. This is known as the full accrual basis—the effect of all the City's transactions is taken into account, regardless of whether or when cash changes hands, but all material internal transactions between City funds have been eliminated.

The City's Governmental Activities include the activities of its General Fund, along with all its Special Revenue and Capital Projects Funds. Since the City's Internal Service Funds service these funds, their activities are consolidated with Governmental Activities, after eliminating inter-fund transactions and balances. The City's Business-type Activities include all its Enterprise Fund activities.

The Statement of Activities reports increases and decreases in the City's net position. It is also prepared on the full accrual basis, which means it includes all the City's revenues and all its expenses, regardless of when cash changes hands. This differs from the "modified accrual" basis used in the Fund financial statements, which reflect only current assets, current liabilities, current deferred outflows/inflows of resources, available revenues and measurable expenditures.

The format of the Statement of Activities presents the City's expenses first, listed by program, and follows these with the expenses of its business-type activities. Program revenues—that is, revenues which are generated directly by these programs—are then deducted from program expenses to arrive at the net expense of each governmental and business-type program. The City's general revenues are then listed in the Governmental Activities or Business-type Activities column, as appropriate, and the Change in Net Position is computed and reconciled with the Statement of Net Position.

Both these Statements include the financial activities of the City, the Belmont Fire Protection District and the Belmont Joint Powers Financing Authority, which are legally separate but are component units of the City because they are controlled by the City, which is financially accountable for the activities of these entities.

These financial statements along with the fund financial statements and footnotes are called *Basic Financial Statements*.

CITY OF BELMONT
STATEMENT OF NET POSITION
JUNE 30, 2022

| | Governmental Activities | Business-Type Activities | Total |
|---|---|---|---|
| ASSETS | | | |
| Cash and investments (Note 3) | $62,853,474 | $48,128,622 | $110,982,096 |
| Cash and investments with fiscal agent (Note 3) | | 6,111,822 | 6,111,822 |
| Receivables: | | | |
| Accounts | 2,593,725 | 237,972 | 2,831,697 |
| Interest | 199,453 | | 199,453 |
| Due from other governmental agencies | 1,369,906 | 195,284 | 1,565,190 |
| Notes receivable (Note 5) | 6,560,415 | | 6,560,415 |
| Leases (Note 10) | 8,111,856 | | 8,111,856 |
| Prepaids and other assets | 1,837,262 | | 1,837,262 |
| Land held for resale (Note 6) | 1,651,791 | | 1,651,791 |
| Net OPEB asset (Note 12) | 156,163 | | 156,163 |
| Investment in SVCW - Joint Venture (Note 14A) | | 47,753,980 | 47,753,980 |
| Investment in SMC Fire - Joint Venture (Note 14A) | 3,840,269 | | 3,840,269 |
| Capital assets (Note 7) | | | |
| Land and construction in progress | 17,894,474 | 6,243,891 | 24,138,365 |
| Depreciable assets, net | 66,940,756 | 26,779,211 | 93,719,967 |
| Total Assets | 174,009,544 | 135,450,782 | 309,460,326 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Related to pensions (Note 11B) | 8,440,171 | 714,024 | 9,154,195 |
| Related to OPEB (Note 12) | 1,592,555 | 134,734 | 1,727,289 |
| Total Deferred Outflows of Resources | 10,032,726 | 848,758 | 10,881,484 |
| LIABILITIES | | | |
| Accounts payable and other liabilities | 3,601,548 | 1,760,880 | 5,362,428 |
| Unearned revenue | 4,152 | | 4,152 |
| Deposits | 1,029,714 | | 1,029,714 |
| Compensated absences (Note 1H) | | | |
| Due within one year | 944,958 | 119,457 | 1,064,415 |
| Due in more than one year | 1,686,421 | 103,164 | 1,789,585 |
| Long-term debt (Note 8) | | | |
| Due within one year | 572,010 | 2,595,000 | 3,167,010 |
| Due in more than one year | 4,027,260 | 71,166,164 | 75,193,424 |
| Net Pension Liability (Note 11) | | | |
| Due in more than one year | 22,219,592 | 2,042,897 | 24,262,489 |
| Net OPEB Liability (Note 12) | | | |
| Due in more than one year | 4,609,962 | 376,801 | 4,986,763 |
| Claims payable (Note 13) | | | |
| Due within one year | 346,855 | | 346,855 |
| Due in more than one year | 223,696 | | 223,696 |
| Total Liabilities | 39,266,168 | 78,164,363 | 117,430,531 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Related to leases (Note 10) | 7,924,510 | | 7,924,510 |
| Related to pensions (Note 11B) | 17,175,843 | 1,862,399 | 19,038,242 |
| Related to OPEB (Note 12) | 3,677,980 | 311,166 | 3,989,146 |
| Total Deferred Inflows of Resources | 28,778,333 | 2,173,565 | 30,951,898 |
| NET POSITION (Note 9) | | | |
| Net investment in capital assets | 80,638,254 | 1,163,216 | 81,801,470 |
| Restricted for: | | | |
| Capital projects | 2,618,096 | | 2,618,096 |
| Special revenue programs: | | | |
| Belmont Fire Protection District | 16,182,901 | | 16,182,901 |
| Recreation | 1 | | 1 |
| Senior Activities | 90,044 | | 90,044 |
| Library Maintenance & Operations | 835,588 | | 835,588 |
| City Trees | 297,128 | | 297,128 |
| Street Improvements Measures A, W and Grants | 2,361,955 | | 2,361,955 |
| Traffic Mitigation | 200,429 | | 200,429 |
| Athletic Field Maintenance | 375,498 | | 375,498 |
| Affordable Housing Successor Agency | 6,467,886 | | 6,467,886 |
| Housing Inclusionary | 2,452,257 | | 2,452,257 |
| Sewer Treatment Facility Charge | | 25,991,829 | 25,991,829 |
| Total Restricted Net Position | 31,881,783 | 25,991,829 | 57,873,612 |
| Unrestricted | 3,477,732 | 28,806,567 | 32,284,299 |
| Total Net Position | $115,997,769 | $55,961,612 | $171,959,381 |

See accompanying notes to financial statements

CITY OF BELMONT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | |
|---|---|---|---|---|---|---|---|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | Total |
| Governmental Activities: | | | | | | | |
| General government | $7,642,172 | $6,161,208 | $37,605 | | ($1,443,359) | | ($1,443,359) |
| Public safety | 24,908,569 | 370,671 | 3,398,131 | | (21,139,767) | | (21,139,767) |
| Highways and streets | 2,936,535 | 868,986 | 2,336,787 | $1,831,026 | 2,100,264 | | 2,100,264 |
| Culture and recreation | 6,218,434 | 4,942,718 | 85,476 | 37,500 | (1,152,740) | | (1,152,740) |
| Urban redevelopment | 5,520,422 | 5,023,122 | 37,500 | | (459,800) | | (459,800) |
| Interest on long-term debt | 107,965 | | | | (107,965) | | (107,965) |
| Total Governmental Activities | 47,334,097 | 17,366,705 | 5,895,499 | 1,868,526 | (22,203,367) | | (22,203,367) |
| Business-type Activities: | | | | | | | |
| Sewer Collections | 10,634,189 | 16,360,163 | | | | $5,725,974 | 5,725,974 |
| Sewer Treatment | 1,437,779 | 3,142,679 | | | | 1,704,900 | 1,704,900 |
| Storm Drainage | 2,190,249 | 1,024,532 | | | | (1,165,717) | (1,165,717) |
| Solid Waste | 502,470 | 623,030 | 58,914 | | | 179,474 | 179,474 |
| Total Business-type Activities | 14,764,687 | 21,150,404 | 58,914 | | | 6,444,631 | 6,444,631 |
| Total | $62,098,784 | $38,517,109 | $5,954,413 | $1,868,526 | (22,203,367) | 6,444,631 | (15,758,736) |
| General revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Property taxes | | | | | 20,468,903 | | 20,468,903 |
| Sales taxes | | | | | 6,602,318 | | 6,602,318 |
| Transient occupancy taxes | | | | | 2,432,335 | | 2,432,335 |
| Franchise | | | | | 1,473,569 | | 1,473,569 |
| Motor vehicle in lieu, unrestricted | | | | | 2,833,129 | | 2,833,129 |
| Gain on sale of capital assets (Note 5) | | | | | 4,050,000 | | 4,050,000 |
| Investment earnings and rentals | | | | | (166,620) | (53,021) | (219,641) |
| Miscellaneous | | | | | 12,680 | 67,983 | 80,663 |
| Total general revenues | | | | | 37,706,314 | 14,962 | 37,721,276 |
| Change in Net Position | | | | | 15,502,947 | 6,459,593 | 21,962,540 |
| Net Position-Beginning | | | | | 100,494,822 | 49,502,019 | 149,996,841 |
| Net Position-Ending | | | | | $115,997,769 | $55,961,612 | $171,959,381 |

See accompanying notes to financial statements

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## FUND FINANCIAL STATEMENTS

Fund Financial Statements are presented by individual major funds, while non-major funds are combined in a single column. Major funds are defined generally as having significant activities or balances in the current year.

## MAJOR GOVERNMENTAL FUNDS

The funds described below were determined to be Major Funds by the City. Individual non-major funds may be found in the Supplemental section.

### GENERAL FUND

The General Fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the City that are not accounted for through other funds. For the City, the General Fund includes such activities as police protection, parks operations and maintenance, and legal and administrative services. The General Fund also accounts for Measure I, a half cent local district tax approved in 2016 that will expire in 30 years. This general tax funding source provides for street and road and storm drain repair.

### BELMONT FIRE PROTECTION DISTRICT SPECIAL REVENUE FUND

To account for property taxes received and expended by the District on providing fire protection services to the City of Belmont and the unincorporated Harbor Industrial Area.

CITY OF BELMONT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2022

| | General | Belmont Fire Protection District | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|
| ASSETS | | | | |
| Cash and investments (Note 3) | $20,538,667 | $14,442,491 | $16,503,912 | $51,485,070 |
| Receivables: | | | | |
| Accounts | 608,023 | 6,333 | 193,684 | 808,040 |
| Interest | 199,453 | | | 199,453 |
| Due from other governmental agencies | 1,137,313 | 43,333 | 189,260 | 1,369,906 |
| Notes (Note 5) | | | 6,560,415 | 6,560,415 |
| Leases (Note 10) | 8,111,856 | | | 8,111,856 |
| Due from other funds (Note 4B) | 101,214 | | | 101,214 |
| Prepaids and other assets | 77,789 | 1,736,353 | | 1,814,142 |
| Land held for resale (Note 6) | 298,748 | | 1,353,043 | 1,651,791 |
| Total Assets | $31,073,063 | $16,228,510 | $24,800,314 | $72,101,887 |
| LIABILITIES | | | | |
| Accounts payable and other liabilities | $1,240,174 | $11,227 | $2,053,515 | $3,304,916 |
| Unearned revenue | 4,152 | | | 4,152 |
| Deposits | 952,831 | | 76,883 | 1,029,714 |
| Due to other funds (Note 4B) | | | 52,300 | 52,300 |
| Total Liabilities | 2,197,157 | 11,227 | 2,182,698 | 4,391,082 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Related to leases (Note 10) | 7,924,510 | | | 7,924,510 |
| FUND BALANCES (Note 9) | | | | |
| Nonspendable | 376,537 | 1,736,353 | | 2,112,890 |
| Restricted | | 14,480,930 | 16,496,752 | 30,977,682 |
| Committed for: | | | | |
| Measure I Infrastructure | 2,938,455 | | | 2,938,455 |
| Special Revenue Programs | | | 2,422,303 | 2,422,303 |
| Assigned | | | 3,698,561 | 3,698,561 |
| Unassigned | 17,636,404 | | | 17,636,404 |
| Total Fund Balances | 20,951,396 | 16,217,283 | 22,617,616 | 59,786,295 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | $31,073,063 | $16,228,510 | $24,800,314 | $72,101,887 |

See accompanying notes to financial statements

CITY OF BELMONT
Reconciliation of the
GOVERNMENTAL FUNDS -- BALANCE SHEET
with the
STATEMENT OF NET POSITION
JUNE 30, 2022

| | |
|---|---|
| Total fund balances reported on the governmental funds balance sheet | $59,786,295 |
| Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds above because of the following: | |
| CAPITAL ASSETS | |
| Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds. | 84,835,230 |
| ALLOCATION OF INTERNAL SERVICE FUND NET POSITION | |
| Internal service funds are not governmental funds. However, they are used by management to charge the costs of certain activities, such as insurance and central services and maintenance to individual governmental funds. The net current assets of the Internal Service Funds are therefore included in Governmental Activities in the following line items in the Statement of Net Position. | |
| Cash and investments | 11,368,404 |
| Accounts receivable | 1,785,685 |
| Prepaids and other assets | 23,120 |
| Accounts payable and other liabilities | (296,632) |
| Due to other funds | (48,914) |
| Claims payable | (570,551) |
| Compensated absences | (229,967) |
| DEFERRED INFLOWS AND OUTFLOWS | |
| The deferred outflows below are not currents assets or financial resources; and the deferred inflows are not due and payable in the current period and therefore are not reported in the Governmental Funds. | |
| Deferred outflows related to pensions | 8,440,171 |
| Deferred outflows related to OPEB | 1,592,555 |
| Deferred inflows related to pensions | (17,175,843) |
| Deferred inflows related to OPEB | (3,677,980) |
| LONG-TERM ASSETS AND LIABILITIES | |
| The assets and liabilities below are not due and payable in the current period and therefore are not reported in the Funds: | |
| Net OPEB asset | 156,163 |
| Investment in JPA Equity | 3,840,269 |
| Long-term debt | (4,599,270) |
| Net OPEB liability | (4,609,962) |
| Compensated absences | (2,401,412) |
| Net pension liability | (22,219,592) |
| NET POSITION OF GOVERNMENTAL ACTIVITIES | $115,997,769 |

See accompanying notes to financial statements

CITY OF BELMONT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2022

| | General | Belmont Fire Protection District | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|
| REVENUES | | | | |
| Taxes | $20,994,552 | $12,752,858 | $2,129,616 | $35,877,026 |
| Licenses and permits | 1,068,168 | | 2,344,489 | 3,412,657 |
| Fines and forfeitures | 156,422 | | | 156,422 |
| Use of money and property | 466,772 | (352,481) | 178,550 | 292,841 |
| Intergovernmental | 3,269,239 | 50,904 | 2,686,762 | 6,006,905 |
| Charges for current services | 4,439,421 | | 8,042,528 | 12,481,949 |
| Miscellaneous | 84,196 | | 213,236 | 297,432 |
| Total Revenues | 30,478,770 | 12,451,281 | 15,595,181 | 58,525,232 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 5,750,762 | | | 5,750,762 |
| Public safety | 13,921,818 | 11,596,380 | 242,493 | 25,760,691 |
| Highways and streets | | | 2,001,625 | 2,001,625 |
| Culture and recreation | 1,949,999 | | 3,408,665 | 5,358,664 |
| Urban redevelopment | | | 5,219,975 | 5,219,975 |
| Capital outlay | 1,709,387 | 41,113 | 5,808,046 | 7,558,546 |
| Debt service: | | | | |
| Principal | | | 560,035 | 560,035 |
| Interest and fiscal charges | | | 107,965 | 107,965 |
| Total Expenditures | 23,331,966 | 11,637,493 | 17,348,804 | 52,318,263 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 7,146,804 | 813,788 | (1,753,623) | 6,206,969 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Gain from the sale of capital assets | | | 4,050,000 | 4,050,000 |
| Transfers in (Note 4A) | | | 6,252,414 | 6,252,414 |
| Transfers (out) (Note 4A) | (3,344,679) | | (4,172,566) | (7,517,245) |
| Total Other Financing Sources (Uses) | (3,344,679) | | 6,129,848 | 2,785,169 |
| NET CHANGE IN FUND BALANCES | 3,802,125 | 813,788 | 4,376,225 | 8,992,138 |
| BEGINNING FUND BALANCES | 17,149,271 | 15,403,495 | 18,241,391 | 50,794,157 |
| ENDING FUND BALANCES | $20,951,396 | $16,217,283 | $22,617,616 | $59,786,295 |

See accompanying notes to financial statements

CITY OF BELMONT
Reconciliation of the
NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS
with the
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Position of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

| | |
|---|---|
| NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS | $8,992,138 |
| Amounts reported for governmental activities in the Statement of Activities are different because of the following: | |
| CAPITAL ASSETS TRANSACTIONS | |
| Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense. | |
| The capital outlay and departmental expenditures are therefore added back to fund balance | 7,408,547 |
| Assets transferred from land held for resale are added back to fund balance | 913,537 |
| Retirements of capital assets are deducted from fund balance | (30,507) |
| Depreciation expense is deducted from the fund balance (Depreciation expense is net of internal service fund depreciation of $560,282 which has already been allocated to serviced funds) | (2,910,663) |
| LONG TERM DEBT PROCEEDS AND PAYMENTS | |
| Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but in the Statement of Net Position the repayment reduces long-term liabilities. | |
| Repayment of debt principal is added back to fund balance | 560,035 |
| ACCRUAL OF NON-CURRENT ITEMS | |
| The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds (net change): | |
| Investment in SMC Fire - Joint Venture | 651 |
| Compensated absences | (22,073) |
| Pension expense | (1,037,249) |
| OPEB expense | 165,336 |
| ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY | |
| Internal Service Funds are used by management to charge the costs of certain activities, such as equipment acquisition, maintenance, and insurance to individual funds. The portion of the net revenue (expense) of these Internal Service Funds arising out of their transactions with governmental funds is reported with governmental activities, because they service those activities. | |
| Change in Net Position - All Internal Service Funds | 1,463,195 |
| CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES | $15,502,947 |

See accompanying notes to financial statements

CITY OF BELMONT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

| | Budgeted Amounts | | | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Actual Amounts | (Negative) |
| REVENUES: | | | | |
| Taxes | $18,422,529 | $19,733,529 | $20,994,552 | $1,261,023 |
| Licenses and permits | 1,072,512 | 1,072,512 | 1,068,168 | (4,344) |
| Fines and forfeitures | 164,000 | 164,000 | 156,422 | (7,578) |
| Use of money and property | 1,114,844 | 1,092,844 | 466,772 | (626,072) |
| Intergovernmental | 3,230,660 | 3,230,660 | 3,269,239 | 38,579 |
| Charges for current services | 4,364,328 | 4,453,328 | 4,439,421 | (13,907) |
| Miscellaneous | 7,465 | 47,465 | 84,196 | 36,731 |
| Total Revenues | 28,376,338 | 29,794,338 | 30,478,770 | 684,432 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 6,294,336 | 7,205,899 | 5,750,762 | 1,455,137 |
| Public safety | 14,430,563 | 14,430,563 | 13,921,818 | 508,745 |
| Culture and recreation | 2,027,378 | 2,027,378 | 1,949,999 | 77,379 |
| Capital outlay | 4,110,000 | 3,460,000 | 1,709,387 | 1,750,613 |
| Total Expenditures | 26,862,277 | 27,123,840 | 23,331,966 | 3,791,874 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 1,514,061 | 2,670,498 | 7,146,804 | 4,476,306 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out (Note 4A) | (3,015,000) | (4,243,000) | (3,344,679) | 898,321 |
| Total Other Financing Sources (Uses) | (3,015,000) | (4,243,000) | (3,344,679) | 898,321 |
| NET CHANGE IN FUND BALANCE | ($1,500,939) | ($1,572,502) | 3,802,125 | $5,374,627 |
| BEGINNING FUND BALANCE | | | 17,149,271 | |
| ENDING FUND BALANCE | | | $20,951,396 | |

See accompanying notes to financial statements

CITY OF BELMONT
BELMONT FIRE PROTECTION DISTRICT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

| | Budgeted Amounts | | | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Actual | (Negative) |
| REVENUES: | | | | |
| Taxes | $14,587,974 | $12,597,474 | $12,752,858 | $155,384 |
| Use of money and property | 38,873 | 38,873 | (352,481) | (391,354) |
| Intergovernmental | 64,290 | 71,290 | 50,904 | (20,386) |
| Total Revenues | 14,691,137 | 12,707,637 | 12,451,281 | (256,356) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public safety | 11,559,733 | 11,650,733 | 11,596,380 | 54,353 |
| Capital outlay | | 42,500 | 41,113 | 1,387 |
| Total Expenditures | 11,559,733 | 11,693,233 | 11,637,493 | 55,740 |
| NET CHANGE IN FUND BALANCE | $3,131,404 | $1,014,404 | 813,788 | ($200,616) |
| BEGINNING FUND BALANCE | | | 15,403,495 | |
| ENDING FUND BALANCE | | | $16,217,283 | |

See accompanying notes to financial statements

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## PROPRIETARY FUNDS

Proprietary funds account for City operations financed and operated in a manner similar to a private business enterprise. The intent of the City is that the cost of providing goods and services be financed primarily through user charges.

The City has identified the funds below as major proprietary funds in fiscal year 2022.

**SEWER COLLECTIONS FUND**

To account for sanitary sewer services provided to the citizens of Belmont. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, capital improvement, and billing and collections.

**SEWER TREATMENT FUND**

To account for capital improvements made to the Silicon Valley Clean Water Authority treatment plant and related capital improvements. Revenue for the improvements comes from the sewer treatment facility charge paid by users connected to the sanitary system.

**STORM DRAINAGE FUND**

To account for the maintenance of the storm drain system, street sweeping and other activities related to the mandated National Pollution Discharge Elimination System (NPDES). Funding comes from customers connected to the City's sewer system, due to extensive infiltration and intrusion to the City's sewer system, street sweeping charges, and NPDES charges.

**NON-MAJOR FUND:**

**SOLID WASTE FUND**

To account for operating costs associated with administering the solid waste franchise.

CITY OF BELMONT
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2022

| | Business-type Activities-Enterprise Funds | | | | | Governmental Activities-Internal Service Funds |
|---|---|---|---|---|---|---|
| | Sewer Collections | Sewer Treatment | Storm Drainage | Nonmajor-Solid Waste | Totals | |
| ASSETS | | | | | | |
| Current Assets: | | | | | | |
| Cash and investments (Note 3) | $39,148,019 | $6,172,352 | $801,685 | $2,006,566 | $48,128,622 | $11,368,404 |
| Cash and investments with fiscal agent (Note 3) | 3,292,294 | 2,819,528 | | | 6,111,822 | |
| Accounts receivable | 171,844 | 55,563 | 10,565 | | 237,972 | 1,785,685 |
| Prepaids and other assets | | | | | | 23,120 |
| Due from other governmental agencies | | | 48,884 | 146,400 | 195,284 | |
| Total Current Assets | 42,612,157 | 9,047,443 | 861,134 | 2,152,966 | 54,673,700 | 13,177,209 |
| Noncurrent Assets: | | | | | | |
| Investment in SVCW joint venture (Note 14) | 717,644 | 47,036,336 | | | 47,753,980 | |
| Capital assets (Note 7): | | | | | | |
| Land and construction in progress | 6,201,312 | | 42,579 | | 6,243,891 | |
| Depreciable assets, net | 23,803,358 | | 2,975,853 | | 26,779,211 | 1,412,037 |
| Total Noncurrent Assets | 30,722,314 | 47,036,336 | 3,018,432 | | 80,777,082 | 1,412,037 |
| Total Assets | 73,334,471 | 56,083,779 | 3,879,566 | 2,152,966 | 135,450,782 | 14,589,246 |
| DEFERRED OUTFLOWS | | | | | | |
| Related to pension (Note 11B) | 409,007 | | 241,925 | 63,092 | 714,024 | |
| Related to OPEB (Note 12) | 80,800 | | 35,674 | 18,260 | 134,734 | |
| Total Deferred Outflows | 489,807 | | 277,599 | 81,352 | 848,758 | |
| LIABILITIES | | | | | | |
| Current Liabilities: | | | | | | |
| Accounts payable and other liabilities | 1,305,487 | 450,602 | 4,791 | | 1,760,880 | 296,632 |
| Due to other funds (Note 4B) | | | | | | 48,914 |
| Claims payable (Note 13) | | | | | | 346,855 |
| Long-term debt (Note 8) | 900,000 | 1,695,000 | | | 2,595,000 | |
| Compensated absences (Note 1H) | 70,235 | | 39,224 | 9,998 | 119,457 | 80,814 |
| Total Current Liabilities | 2,275,722 | 2,145,602 | 44,015 | 9,998 | 4,475,337 | 773,215 |
| Noncurrent Liabilities: | | | | | | |
| Claims payable (Note 13) | | | | | | 223,696 |
| Compensated absences (Note 1H) | 63,271 | | 19,720 | 20,173 | 103,164 | 149,153 |
| Long-term debt (Note 8) | 43,219,816 | 27,946,348 | | | 71,166,164 | |
| Net pension liability (Note 11) | 1,170,215 | | 692,170 | 180,512 | 2,042,897 | |
| Net OPEB liability (Note 12) | 225,969 | | 99,766 | 51,066 | 376,801 | |
| Total Noncurrent Liabilities | 44,679,271 | 27,946,348 | 811,656 | 251,751 | 73,689,026 | 372,849 |
| Total Liabilities | 46,954,993 | 30,091,950 | 855,671 | 261,749 | 78,164,363 | 1,146,064 |
| DEFERRED INFLOWS | | | | | | |
| Related to pension (Note 11B) | 1,066,822 | | 631,014 | 164,563 | 1,862,399 | |
| Related to OPEB (Note 12) | 186,607 | | 82,388 | 42,171 | 311,166 | |
| Total Deferred Inflows | 1,253,429 | | 713,402 | 206,734 | 2,173,565 | |
| NET POSITION (Note 9) | | | | | | |
| Net investment in capital assets | (1,855,216) | | 3,018,432 | | 1,163,216 | 1,412,037 |
| Restricted for treatment facility | | 25,991,829 | | | 25,991,829 | |
| Unrestricted | 27,471,072 | | (430,340) | 1,765,835 | 28,806,567 | 12,031,145 |
| Total Net Position | $25,615,856 | $25,991,829 | $2,588,092 | $1,765,835 | $55,961,612 | $13,443,182 |

See accompanying notes to financial statements

CITY OF BELMONT
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022

| | Business-type Activities-Enterprise Funds | | | | | Governmental Activities-Internal Service Funds |
|---|---|---|---|---|---|---|
| | Sewer Collections | Sewer Treatment | Storm Drainage | Nonmajor-Solid Waste | Totals | |
| OPERATING REVENUES | | | | | | |
| Charges for current services | | | | | | |
| Sewer service charges | $13,995,360 | $3,142,679 | | | $17,138,039 | |
| Sewer connection fees | 2,255,284 | | | | 2,255,284 | |
| NPDES storm drain charges | | | $499,152 | | 499,152 | |
| Street sweeping | | | 481,867 | | 481,867 | |
| Garbage franchise fee | | | | $623,030 | 623,030 | |
| Interdepartmental charges | 109,519 | | 43,513 | | 153,032 | $9,150,541 |
| Total Operating Revenues | 16,360,163 | 3,142,679 | 1,024,532 | 623,030 | 21,150,404 | 9,150,541 |
| OPERATING EXPENSES | | | | | | |
| Personnel services | 1,709,147 | | 881,025 | 340,359 | 2,930,531 | |
| Services and supplies | 5,406,610 | 125,473 | 1,068,694 | 162,111 | 6,762,888 | |
| Insurance premiums | | | | | | 937,913 |
| Professional and legal | | | | | | 1,599,319 |
| Operating costs | | | | | | 3,998,218 |
| Pension and other post employment benefits | | | | | | 1,355,121 |
| Insurance claims, net of change in claims payable | | | | | | 12,989 |
| Depreciation | 1,407,649 | | 240,530 | | 1,648,179 | 560,282 |
| Total Operating Expenses | 8,523,406 | 125,473 | 2,190,249 | 502,470 | 11,341,598 | 8,463,842 |
| Operating Income (Loss) | 7,836,757 | 3,017,206 | (1,165,717) | 120,560 | 9,808,806 | 686,699 |
| NONOPERATING REVENUES (EXPENSES) | | | | | | |
| Interest | (45,649) | (14,039) | 2,028 | 4,639 | (53,021) | 261,812 |
| Interest expense | (1,387,174) | (1,312,306) | | | (2,699,480) | |
| Loss from investment in SVCW - Joint Venture (Note 14) | (723,609) | | | | (723,609) | |
| Gain from sale of capital assets | | | | | | 17,408 |
| Intergovernmental and miscellaneous | | | 67,983 | 58,914 | 126,897 | 145,982 |
| Total Nonoperating Revenues (Expenses) | (2,156,432) | (1,326,345) | 70,011 | 63,553 | (3,349,213) | 425,202 |
| Income (Loss) Before Transfers | 5,680,325 | 1,690,861 | (1,095,706) | 184,113 | 6,459,593 | 1,111,901 |
| Transfers in (Note 4A) | | | 98,948 | | 98,948 | 351,294 |
| Transfers (out) (Note 4A) | (98,948) | | | | (98,948) | |
| Net transfers | (98,948) | | 98,948 | | | 351,294 |
| Change in net position | 5,581,377 | 1,690,861 | (996,758) | 184,113 | 6,459,593 | 1,463,195 |
| BEGINNING NET POSITION | 20,034,479 | 24,300,968 | 3,584,850 | 1,581,722 | 49,502,019 | 11,979,987 |
| ENDING NET POSITION | $25,615,856 | $25,991,829 | $2,588,092 | $1,765,835 | $55,961,612 | $13,443,182 |

See accompanying notes to financial statements

CITY OF BELMONT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

| | Business-type Activities-Enterprise Funds | | | | | Governmental Activities-Internal Service Funds |
|---|---|---|---|---|---|---|
| | Sewer Collections | Sewer Treatment | Storm Drainage | Nonmajor-Solid Waste | Totals | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | |
| Receipts from customers | $16,207,314 | $3,137,258 | $974,659 | $518,112 | $20,837,343 | |
| Other receipts | | | 67,983 | 58,914 | 126,897 | |
| Interdepartmental charges | 109,519 | | 43,513 | | 153,032 | $9,230,797 |
| Payments to suppliers | (6,068,513) | (125,473) | (1,086,938) | (165,890) | (7,446,814) | (4,376,988) |
| Payments to employees | (1,505,788) | | (746,422) | (276,228) | (2,528,438) | (3,411,411) |
| Claims paid | | | | | | (22,208) |
| Cash Flows from Operating Activities | 8,742,532 | 3,011,785 | (747,205) | 134,908 | 11,142,020 | 1,420,190 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | | |
| Interfund receipts | | | 98,948 | | 98,948 | 400,208 |
| Interfund payments | (98,948) | | | | (98,948) | |
| Cash Flows from Noncapital Financing Activities | (98,948) | | 98,948 | | | 400,208 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | | |
| Proceeds from sale of capital assets | | | | | | 17,408 |
| Acquisition of capital assets | (1,256,460) | | (98,948) | | (1,355,408) | (559,158) |
| Proceeds from issuance of capital debt | | 6,408,000 | | | 6,408,000 | |
| Payment to refunding escrow | | (6,846,292) | | | (6,846,292) | |
| Principal payments on capital debt | (865,000) | (555,000) | | | (1,420,000) | |
| Interest paid | (1,605,375) | (1,432,461) | | | (3,037,836) | |
| Investment in SVCW | | (2,849,226) | | | (2,849,226) | |
| Cash Flows from Capital and Related Financing Activities | (3,726,835) | (5,274,979) | (98,948) | | (9,100,762) | (541,750) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | |
| Interest and rents | (45,649) | (14,039) | 2,028 | 4,639 | (53,021) | 261,812 |
| Cash Flows from Capital and Related Investing Activities | (45,649) | (14,039) | 2,028 | 4,639 | (53,021) | 261,812 |
| Net Cash Flows | 4,871,100 | (2,277,233) | (745,177) | 139,547 | 1,988,237 | 1,540,460 |
| Cash and investments at beginning of period | 37,569,213 | 11,269,113 | 1,546,862 | 1,867,019 | 52,252,207 | 9,827,944 |
| Cash and investments at end of period | $42,440,313 | $8,991,880 | $801,685 | $2,006,566 | $54,240,444 | $11,368,404 |
| Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities: | | | | | | |
| Operating income (loss) | $7,836,757 | $3,017,206 | ($1,165,717) | $120,560 | $9,808,806 | $686,699 |
| Adjustments to reconcile operating income (loss) to cash flows from operating activities: | | | | | | |
| Depreciation | 1,407,649 | | 240,530 | | 1,648,179 | 560,282 |
| Miscellaneous | | | 67,983 | 58,914 | 126,897 | 145,982 |
| Change in assets, deferred outflows and liabilities: | | | | | | |
| Receivables, net | (43,330) | (5,421) | (6,360) | (104,918) | (160,029) | (73,557) |
| Accounts payable | (661,903) | | (18,244) | (3,779) | (683,926) | 89,903 |
| Claims payable | | | | | | (7,369) |
| Deferred outflows | 55,165 | | 27,321 | 2,840 | 85,326 | |
| Deferred inflows | 1,112,609 | | 646,412 | 184,893 | 1,943,914 | |
| Net pension liability | (826,853) | | (489,075) | (127,546) | (1,443,474) | |
| Net OPEB liability | (132,944) | | (50,984) | (4,747) | (188,675) | |
| Compensated absences | (4,618) | | 929 | 8,691 | 5,002 | 18,250 |
| Cash Flows from Operating Activities | $8,742,532 | $3,011,785 | ($747,205) | $134,908 | $11,142,020 | $1,420,190 |
| Non-cash transactions | | | | | | |
| Amortization of Bond Premiums | $222,730 | $105,513 | | | $328,243 | |
| Loss from investment in SVCW - Joint Venture (Note 14) | (723,609) | | | | (723,609) | |
| | ($500,879) | $105,513 | | | ($395,366) | |

See accompanying notes to financial statements

## FIDUCIARY FUNDS

Successor Agency Private-Purpose Trust Fund (Successor Agency) accounts for the activities related to the wind-down of the former Redevelopment Agency.

Custodial Funds report resources, not in a trust, that are held by the City for other parties outside of the City's reporting entity. The Library Community Facilities District Custodial Fund accounts for payment of interest and principal on debt service of the District for the construction, maintenance and operations of the Library building.

CITY OF BELMONT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2022

| | Successor Agency Private-Purpose Trust Fund | Custodial Fund Library Community Facilities District |
|---|---|---|
| ASSETS | | |
| Cash and investments (Note 3) | | $260,577 |
| Due from other governmental agencies | | 9,815 |
| Total Assets | | 270,392 |
| NET POSITION (DEFICIT): | | |
| Restricted for: | | |
| Bondholders | | 270,392 |
| Total Net Position (Deficit) | | $270,392 |

See accompanying notes to financial statements

CITY OF BELMONT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022

| | Successor Agency Private-Purpose Trust Fund | Custodial Fund Library Community Facilities District |
|---|---|---|
| Additions: | | |
| Property taxes | $3,922,881 | |
| Special assessments | | $674,058 |
| Intergovernmental | 112,732 | |
| Use of money and property | 975 | 239 |
| Total Additions | 4,036,588 | 674,297 |
| Deductions: | | |
| Urban redevelopment | 296,868 | |
| Payments to bondholders | | 670,833 |
| Interest expense | 310,156 | |
| Total Deductions | 607,024 | 670,833 |
| Change in net position | 3,429,564 | 3,464 |
| Beginning Net Position (Deficit) | (3,429,564) | 266,928 |
| Ending Net Position (Deficit) | | $270,392 |

See accompanying notes to financial statements

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## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Belmont was incorporated as a general law city in 1926. The City operates under the Council-Manager form of government and is governed by a five member council elected by the City's voters. The City provides the following services: public safety (police and fire), highways and streets, sewer, storm drainage, solid waste, recreation, public improvements, planning and zoning, building inspections, general administration services, and economic development.

The financial statements and accounting policies of the City conform with generally accepted accounting principles applicable to governments in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting policies are summarized below.

### *A. Reporting Entity*

The financial statements of the City of Belmont include the financial activities of the City, the Belmont Fire Protection District and the Belmont Joint Powers Financing Authority. All of these entities are controlled by and dependent on the City and their financial activities have been aggregated and merged (termed "blended") with those of the City in the accompanying financial statements.

The **Belmont Fire Protection District**, established in 1928, is a special district created under the general laws of California to provide fire protection services to City residents. The District is controlled by the City and has the same governing board as the City, which also performs all accounting and administrative functions for the District. The financial activities of the District have been included in these financial statements in the Belmont Fire Protection District Special Revenue Fund. The District does not issue separate financial statements.

The **Belmont Joint Powers Financing Authority** is a separate government entity whose purpose is to assist with the financing certain public capital facilities for the City through the issuance of bonds or other forms of debt. The Authority is controlled by the City and has the same governing body as the City, which also performs all accounting and administrative functions for the Authority. The Authority does not issue separate financial statements.

### *B. Major Funds*

The City's major governmental and enterprise funds are identified and presented separately in the fund financial statements. All other funds, called non-major funds, are combined and reported in a single column, regardless of their fund-type.

Major funds are defined as funds that have either assets, liabilities, revenues or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. The General Fund is always a major fund. The City may also select other funds it believes should be presented as major funds.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The City reported the following major governmental funds in the accompanying financial statements:

**General Fund –** The General Fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the City that are not accounted for through other funds. For the City, the General Fund includes such activities as police protection, parks operations and maintenance, and legal and administrative services. The General Fund also accounts for Measure I, a half cent local district tax approved in 2016 that will expire in 30 years. This general tax funding source provides for street and road and storm drain repair.

**Belmont Fire Protection District Special Revenue Fund –** To account for property taxes received and expended by the District on providing fire protection services to the City of Belmont and the unincorporated Harbor Industrial Area.

The City reported the following enterprise funds as major funds in the accompanying financial statements:

**Sewer Collections Fund –** To account for certain sanitary sewer services provided to the citizens of Belmont. Activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, capital improvement, and billing and collections.

**Sewer Treatment Fund –** To account for capital improvements made to the Silicon Valley Clean Water Authority treatment plant and related capital improvements. Revenue for the improvements comes from the sewer treatment facility charge paid by users connected to the sanitary system.

**Storm Drainage Fund –** To account for the maintenance of the storm drain system, street cleaning and other activities related to the mandated National Pollution Discharge Elimination System (NPDES). Funding comes from customers connected to the City's sewer system, due to extensive infiltration and intrusion to the City's sewer system, street sweeping charges, and NPDES charges.

The City also reports the following fund types:

**Internal Service Funds**

The funds account for workers' compensation, general liability, vision, benefit prefunding, fleet and equipment management, and facilities management; all of which are provided to other departments on a cost-reimbursement basis.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fiduciary Funds**

Trust Funds and Custodial Funds are used to account for assets held by the City as an agent or trustee for individuals, private organizations, and other governments. The City has one custodial fund: the Library Community Facilities District Fund, a fund reporting cash and investments for the District. The Successor Agency Private-purpose Trust Fund accounts for the financial activities assumed by the Successor Agency from the former Redevelopment Agency. The financial activities of these funds are excluded from the Government-wide financial statements, and are presented in a separate Fiduciary Fund financial statement.

***C. Basis of Accounting***

The government-wide, proprietary fund and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the full *accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred,* regardless of when the related cash flows take place.

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable* and *available*. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, lease liabilities, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Governmental capital asset acquisitions, including entering into contracts giving the City the right to use leased assets, are reported as *expenditures* in governmental funds. Proceeds of governmental long-term debt and financing through leases are reported as *other financing sources*.

Those revenues susceptible to accrual are property, sales and use, transient occupancy, franchise and gas taxes, business license taxes, intergovernmental revenues, grants, parking fines and interest revenue. Other fines, licenses and permits, and charges for services are not susceptible to accrual because they are not measurable until collected.

Non-exchange transactions, in which the City gives or receives value without directly, receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Certain indirect costs are included in program expenses reported for individual functions and activities.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***D. Basis of Presentation***

The City's Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A.

These Standards require that the financial statements described below be presented.

***Government-wide Statements:*** The Statement of Net Position and the Statement of Activities display information about the primary government (the City) and its component units. These statements include the financial activities of the overall City government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's proprietary funds and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

***Fund Financial Statements:*** The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Separate statements for each fund category—*governmental, proprietary*, and *fiduciary*—are presented. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

***E. Revenue Recognition for Enterprise Funds***

Sewer and Storm Drain user fee revenues are placed on the county tax rolls. The County bills customers annually and requires payment prior to year-end. Solid waste revenue is remitted by Recology San Mateo County as part of garbage services. At year-end there were no material uncollected sewer, storm drain, or solid waste user fees.

***F. Property Tax***

San Mateo County assesses properties, and it bills, collects, and distributes property taxes to the City. The County remits the entire amount levied and handles all delinquencies, retaining interest, and penalties. Secured and unsecured property taxes are levied on January 1 of the preceding fiscal year.

Secured property tax is due in two installments, on November 1 and February 1, and becomes a lien on those dates. It becomes delinquent on December 10 and April 10, respectively. Unsecured property tax is due on July 1 and becomes delinquent on August 31. Collection of delinquent accounts is the responsibility of the County, which retains all penalties.

The term "unsecured" refers to taxes on personal property other than real estate, land, and buildings. These taxes are secured by liens on the property being taxed. Property tax revenues are recognized by the City in the fiscal year they are assessed provided they become available as defined above, generally within sixty days.

***G. Capital Assets***

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available, except for intangible right to use lease assets, the measurement of which is discussed in Note 10 below. Contributed capital assets are valued at their estimated acquisition value on the date contributed.

The City has recorded all its public domain (infrastructure) capital assets, which include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems.

Capital assets with limited useful lives and the right to use leased assets are depreciated over their estimated useful lives. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Depreciation is provided using the straight line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The City has assigned the useful lives listed below to capital assets:

| | |
|---|---|
| Building and Building Improvements | 40 years |
| Improvements Other than Buildings | 25-75 years |
| Streets and Infrastructure | 25-100 years |
| Machinery and Equipment | 5-10 years |
| Vehicles | 5-10 years |

Non-infrastructure and infrastructure assets with historical costs exceeding $5,000 and $25,000 respectively are capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

***H. Compensated Absences***

Compensated absences comprise unpaid vacation and the vested portion of sick leave, which are accrued as earned. Employee bargaining unit agreements specify the vested portion of unused sick leave, which accumulates and is paid at time of termination of City employment. The City's liability for compensated absences is recorded in various Governmental funds and Proprietary funds as appropriate. The liability for compensated absences is determined annually. For all governmental funds, amounts expected to be paid due to terminations are recorded as fund liabilities; the long term portion is recorded in the Statement of Net Position.

The changes of the compensated absences were as follows:

| | | Business-Type Activities | | | |
|---|---|---|---|---|---|
| | Governmental Activities | Sewer Collections | Storm Drainage | Solid Waste | Total |
| Summary of Activity: | | | | | |
| Beginning Balance | $2,591,056 | $138,124 | $58,015 | $21,480 | $2,808,675 |
| Additions | 1,082,106 | 75,652 | 44,348 | 23,995 | 1,226,101 |
| Retirements | (1,041,783) | (80,270) | (43,419) | (15,304) | (1,180,776) |
| Ending Balance | $2,631,379 | $133,506 | $58,944 | $30,171 | $2,854,000 |
| Financial Statement Presentation: | | | | | |
| Due within One Year | $944,958 | $70,235 | $39,224 | $9,998 | $1,064,415 |
| Due in More than One Year | 1,686,421 | 63,271 | 19,720 | 20,173 | 1,789,585 |
| Total Ending Balance | $2,631,379 | $133,506 | $58,944 | $30,171 | $2,854,000 |

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Compensated absences are liquidated by the fund that has recorded the liability. The long-term portion of governmental activities compensated absences is liquidated primarily by the General Fund.

***I. Fair Value Hierarchy***

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

***J. Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of net position or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

***K. Estimates and Assumptions***

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred outflows/inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### *L. New, Closed and Renamed Funds*

The Public Art Special Revenue Fund was established to account for the development fee paid in lieu of providing public art elements in certain private development projects that will be used by the City to fund public art installations consistent with the Public Art Master Plan.

The activity for the newly established General Plan Maintenance Special Revenue Fund was previously reported as a component of the Development Services Special Revenue Fund, and is used to account for activities related to the General Plan update.

With the final dissolution of the Successor Agency discussed in Note 16, the Successor Agency Private-Purpose Trust Fund was closed as of June 30, 2022.

The Low Moderate Income Housing Special Revenue Fund was renamed to the Affordable Housing Special Revenue Fund and the Inclusionary Housing Special Revenue Fund was renamed to the Housing Mitigation Fees Special Revenue Fund.

## NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING

The City Manager submits to the City Council a proposed annual operating budget for the ensuing fiscal year. The operating budget includes proposed expenditures and the means of financing them and is subjected to public hearings where comments are obtained for consideration. The Council adopts the budget through passage of a budget resolution at which time the proposed expenditures become appropriations. The budget is effective the following July 1 and may be amended by subsequent resolutions. The City Manager is authorized to transfer appropriations between any departments; however, any revisions, which increase the total appropriations of any fund, must be approved by the Council. Transfers not included in the original budget must be approved by the Finance Director. Where not contractually committed, expenditures may not exceed appropriations at the fund level. Unencumbered appropriations lapse at year end. Supplemental appropriations adopted by the Council are included in the budget versus actual statements.

Formal budgetary integration is employed as a management control device. Encumbrance accounting is employed as an extension of formal budgetary integration in all funds. Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

## NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING (Continued)

Encumbrances outstanding at year end do not constitute expenditures or liabilities and are reappropriated in the following year budget. Budget amounts include appropriations, which are formally integrated into the City's accounting records for all funds. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all funds. Encumbrances outstanding by fund as of June 30, 2022 were as follows:

| | |
|---|---|
| Major Governmental Funds: | |
| General Fund | $2,015,564 |
| Non-Major Governmental Funds | 5,953,918 |
| Total Encumbrances | $7,969,482 |

Expenditures exceeded budget for the following funds:

| Fund | Expenditures in Excess of |
|---|---|
| **Non-Major Governmental Funds:** | |
| Recreation Special Revenue Fund | $30,786 |
| Supplemental Law Enforcement Services Special Revenue Fund | 29,135 |

Sufficient resources were available within each fund to finance the excess amounts.

## NOTE 3 – CASH AND INVESTMENTS

The City pools cash from all sources and all funds except Cash and Investments held by Trustees so that it can be invested consistent with the principles of safety and liquidity, while individual funds can make expenditures at any time.

### *A. Policies*

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the City's cash on deposit, or first trust deed mortgage notes with a market value of 150% of the deposit, as collateral for these deposits. Under California Law this collateral is held in a separate investment pool by another institution in the City's name and places the City ahead of general creditors of the institution.

The City invests in individual investments and in investment pools. Individual investments are evidenced by specific identifiable securities instruments, or by an electronic entry registering the owner in the records of the institution issuing the security, called the book entry system. In order to increase security, the City employs the Trust Department of a bank as the custodian of certain City managed investments, regardless of their form.

**NOTE 3 – CASH AND INVESTMENTS (Continued)**

The City's investments are carried at fair value, as required by generally accepted accounting principles. The City adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

***B. Classification***

Cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of City debt instruments or Agency agreements.

Cash and investments as of June 30, 2022 consist of the following:

| | |
|---|---|
| **Statement of Net Position** | |
| Cash and investments | $110,982,096 |
| Cash and investments with fiscal agent | 6,111,822 |
| **Fiduciary Funds** | |
| Cash and investments | 260,577 |
| Total Cash and Investments | $117,354,495 |

Cash and Investments Available for Operations is used in preparing proprietary fund statements of cash flows because these assets are highly liquid and are expended to liquidate liabilities arising during the year.

As of June 30, 2022, the City holds $8,967,636 in unexpended proceeds from the Sewer Revenue Bonds, Series 2019, which were included in Cash and Investments, but recorded in the Sewer Collections Enterprise Fund. The restricted fund is to be spent on project costs as defined in the underlying indenture.

***C. Investments Authorized by the California Government Code and the City's Investment Policy***

The City's Investment Policy and the California Government Code allow the City to invest in the investment types included in the following schedule, provided the credit ratings of the issuers are acceptable to the City, and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code, or the City's Investment Policy where the City's Investment Policy is more restrictive.

**NOTE 3 – CASH AND INVESTMENTS (Continued)**

| Authorized Investment Type | Maximum Maturity | Minimum Credit Quality | Maximum % of Portfolio | Maximum Investment In One Issuer |
|---|---|---|---|---|
| Local Agency Municipal Bonds | 5 years | None | None | None |
| U.S. Treasury Obligations | 5 years | None | None | None |
| State of California and Other State Obligations | 5 years | None | None | None |
| CA Local Agency Obligations | 5 years | None | None | None |
| U.S. Agency Securities | 5 years | None | None | None |
| Bankers Acceptances | 180 days | None | 40% | 30% |
| Commercial Paper (pooled) | 270 days | A1 / P1 | 40% | 10% |
| Commercial Paper (non-pooled) | 270 days | A1 / P1 | 25% | 10% |
| Negotiable Certificates of Deposit | 5 years | None | 30% | None |
| Non-Negotiable Certificates of Deposit | 5 years | None | None | None |
| Placement Service Deposits | 5 years | None | 50% (A) | None |
| Placement Service Certificates of Deposit | 5 years | None | 50% (A) | None |
| Repurchase Agreements | 1 year | None | None | None |
| Reverse Repurchase Agreements and Securities Lending Agreements | 92 days | None | 20% of base value of portfolio | None |
| Medium Term Corporate Notes | 5 years | A | 30% | None |
| Mutual Funds | N/A | Top rating category | 20% | 10% |
| Money Market Mutual Funds | N/A | Top rating category | 20% | 10% |
| Collateralized Bank Deposits | 5 years | None | None | None |
| Mortgage Pass-Through and Asset-Backed Securities | 5 years | AA | 20% | None |
| County Pooled Investment Funds | N/A | None | None | None |
| Joint Powers Authority Pool | N/A | Multiple | None | None |
| California Local Agency Investment Fund | N/A | None | None | $75M per account |
| Voluntary Investment Program Fund | N/A | None | None | None |
| Supranational Obligations (B) | 5 years | AA | 30% | None |

(A) 50% maximum % of portfolio is for deposits and certificates of deposit combined.

(B) Only those obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), and Inter-American Development Bank (IADB)

### *D. Investments Authorized by Debt Agreements*

The City must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged reserves to be used if the City fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with City resolutions, bond indentures or State statutes. These bond indentures did not disclose limitations for maximum percentage of portfolio and investment in one issuer. The table below identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements:

**NOTE 3 – CASH AND INVESTMENTS (Continued)**

| Authorized Investment Type | Maximum Maturity | Minimum Credit Quality |
|---|---|---|
| Local Agency Municipal Bonds | N/A | Two highest rating categories |
| U.S. Treasury Obligations | N/A | N/A |
| State of California Obligations | N/A | A2/A |
| CA Local Agency Obligations | N/A | N/A |
| U.S. Agency Securities (A) | N/A | N/A |
| Bankers Acceptances | 1 year | A1 |
| Commercial Paper | 270 days | A-1 + |
| Short-Term Certificates of Deposit | 1 year | A-1+ |
| Repurchase Agreements | 30 days | A, A- |
| Money Market Mutual Funds | N/A | AA-M |
| Collateralized Bank Deposits | N/A | N/A |
| Fund | N/A | N/A |
| Unsecured CD's, deposit accounts, time deposits, bankers acceptances | 365 Days | A-1+ |
| Special Revenue Bonds | N/A | AA- |
| Prefunded Municipal Obligations | N/A | AAA |
| FDIC insured deposit | N/A | N/A |
| Investment Agreements | N/A | AA- |
| Pre Refunded Municipal Obligations | N/A | Two highest rating categories |
| Cash | N/A | N/A |

(A) Securities issued by agencies of the federal government such as the Federal Farm Credit Bank (FFCB), the Federal Home Loan Bank (FHLB), the Federal National Mortgage Association (FNMA), Export-Import Bank, Farm Credit System Financial Assistance Corporation, Farmers Home Administration, General Services Administration, United States Maritime Administration, Small Business Administration, Government National Mortgage Association (GNMA), United States Department of Housing & Urban Development (PHA's), the Federal Home Loan Mortgage Corporation (FHLMC) and Federal Housing Administration debentures.

The 2019 Sewer Revenue Bonds also allow investment in Federal Housing Administration debentures.

***E. Interest Rate Risk***

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of the City's investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity or earliest call date:

**NOTE 3 – CASH AND INVESTMENTS (Continued)**

| Investment Type | 12 Months or less | 13 to 24 Months | Total |
|---|---|---|---|
| California Local Agency Investment Fund | $109,242,170 | | $109,242,170 |
| ***Held by Trustees:*** | | | |
| Money Market Mutual Funds | 358,723 | | 358,723 |
| U.S. Treasury Notes | 2,504,761 | $2,607,539 | 5,112,300 |
| Total Investments | $112,105,654 | $2,607,539 | 114,713,193 |
| Cash in banks and on hand | | | 2,641,302 |
| Total Cash and Investments | | | $117,354,495 |

### *F. Local Agency Investment Fund*

The City is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City reports its investment in LAIF at the amortized costs provided by LAIF, which is the same as the value of the pool share. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Each regular LAIF account is permitted to have up to 15 transactions per month, with a minimum transaction amount of $5,000, a maximum transaction amount of $75 million and at least 24 hours advance notice for withdrawals of $10 million or more. Bond proceeds accounts are subject to a one-time deposit with no cap and are set up with a monthly draw down schedule. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2022, these investments matured in an average of 311 days.

### *G. Fair Value Hierarchy*

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

**NOTE 3 – CASH AND INVESTMENTS (Continued)**

The following is a summary of the fair value hierarchy of the City's investments as of June 30, 2022:

| Investment Type | Level 1 | Exempt or Amortized Cost | Total |
|---|---|---|---|
| California Local Agency Investment Fund | | $109,242,170 | $109,242,170 |
| ***Held by Trustees:*** | | | |
| Money Market Mutual Funds | | 358,723 | 358,723 |
| U.S. Treasury Notes | $5,112,300 | | 5,112,300 |
| Total Investments | $5,112,300 | $109,600,893 | $114,713,193 |

U.S. Treasury Notes totaling $5,112,300 classified in Level 1 of the fair value hierarchy are valued using quoted prices in an active market for identical assets. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. These prices are obtained from various pricing sources by the custodian bank. As an external investment pool, the Local Agency Investment Fund is exempt from the fair value hierarchy.

### *H. Credit Risk*

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The actual ratings as of June 30, 2022 are provided by Standard and Poor's except as noted.

| Investment Type | AAAm | Total Investments |
|---|---|---|
| Money Market Mutual Funds | $358,723 | $358,723 |
| ***Not rated:*** | | |
| California Local Agency Investment Fund | | 109,242,170 |
| ***Exempt from rating requirement:*** | | |
| U.S. Treasury Notes | | 5,112,300 |
| Total investments | | $114,713,193 |

## NOTE 4 – INTERFUND TRANSACTIONS

### *A. Transfers Between Funds*

The purpose of the majority of transfers is to provide annual subsidiary to the transit fund, which has made an expenditure on behalf of another fund. Less often, a transfer may be made to open or close a fund.

Transfers between funds during the fiscal year ended June 30, 2022 were as follows:

| Fund Receiving Transfer | Fund Making Transfer | Amount Transferred | |
|---|---|---|---|
| **Special Revenue Funds** | | | |
| Recreation | General Fund | $766,377 | |
| Development Services | General Fund | 334,492 | |
| General Plan Maintenance | Development Services Special Revenue Fund | 738,129 | (b) |
| Supplemental Law Enforcement Services | General Fund | 78,938 | |
| Street Maintenance | General Fund | 183,476 | |
| Road Maintenance and Rehabilitation Account (SB1) | General Fund | 244,238 | (a) |
| **Capital Projects Funds** | | | |
| Infrastructure | General Fund | 1,385,864 | (a) |
| Planned Park | Park Impact Fees Capital Projects Fund | 2,500,000 | (a) |
| Open Space | Planned Park Capital Projects Fund | 20,900 | (a) |
| **Enterprise Fund** | | | |
| Storm Drainage | Sewer Collections Enterprise Fund | 98,948 | (a) |
| **Internal Service Fund** | | | |
| Facilities Management | General Fund | 351,294 | |
| | | $6,702,656 | |

The purpose of the significant transfers that were not routine in nature or consistent with activities of the fund making the transfers is set forth below:

(a) Transfer to fund capital projects.
(b) To establish new fund.

In addition to the above transfers, the Affordable Housing Special Revenue Fund transferred land held for resale in the amount of $913,537 to governmental activities capital assets.

## NOTE 4 – INTERFUND TRANSACTIONS (Continued)

### *B. Current Interfund Balances*

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after at the end of the fiscal year. The Street Maintenance Special Revenue Fund and the Facilities Management Internal Service Fund owed the General Fund $52,300 and $48,914, respectively, as of June 30, 2022.

## NOTE 5 – NOTES RECEIVABLE

These notes are summarized below:

| Project | Amount |
|---|---|
| Mid-Peninsula Horizons, Inc. | $243,018 |
| Home Buyer Assistance Program | 228,250 |
| Firehouse Square | 6,089,147 |
| Total notes receivable | $6,560,415 |

The former Belmont Redevelopment Agency (Agency) entered into the loan programs below to improve the quality of housing and to increase the availability of affordable housing. With the dissolution of the former Redevelopment Agency, the City elected to become the successor to the former Agency's housing activities and as a result assumed the loans receivable as of February 1, 2012.

On September 30, 1992 the former Agency made a loan to **Mid-Peninsula Horizons, Inc.,** a nonprofit corporation, to assist in financing an affordable housing project. The Agency loan is secured by a second deed of trust. The loan bears interest at one percent per annum and is due along with interest in 2039 or the date the project is no longer subject to a related regulatory agreement with HUD, whichever is later.

In fiscal year 1999, the former Agency began providing financial assistance for first time home buyers through the **Home Buyer Assistance Program**. Loans provide down payment assistance to qualified home buyers in Belmont. Loans are long-term low interest loans for down payments on the purchase of single-family residences, town homes, or condominiums. Loans are secured by a deed of trust.

**NOTE 5 – NOTES RECEIVABLE (Continued)**

On October 22, 2019 the City approved Development Agreements with **MP Firehouse Square Associates, L.P**., and **Belmont Firehouse Square LLC** for the construction of a new four-story, mixed-use residential/commercial building consisting of 65 affordable rental apartment units, a manager's unit, amenity space, a community room, and 3,748 square feet of retail and commercial space; and a 15-unit market rate for sale townhome component. The project site is located on City-owned property at 1300 El Camino Real and 875 O'Neill Avenue that was to be sold to the developer for $2,616,150. The City had committed to loan the Developer up to $5,598,000, comprised of the Predevelopment Component ($316,000), the Construction Component ($2,000,000) and the Construction Contingency Amount ($2,598,000). On July 14, 2020, the City amended the terms of the Development Agreements to instead ground lease the property to the Developer for a period of seventy (70) years at the rate of one dollar ($1.00) per year, paid annually, and reduce the project funding to a predevelopment loan of up to $1,000,000, a construction loan of up to $1,150,000, and a grant of $1,000,000. Total potential costs to the City will not exceed $5,648,000. During the year ended June 30, 2020, the developer drew down $1,000,000 of the predevelopment loan, and during the year ended June 30, 2021, the developer drew down the construction loan of $1,150,000 and the grant of $1,000,000. The loans bear simple interest at three percent per annum and is payable from residual receipts as defined in the Agreement and is due upon the earliest of the transfer of the project or the developer's interest in the property in a manner that is not approved by the City, the occurrence of a Developer event of default, or 70 years from the date of the promissory note or August 2090. The balance of the loans as of June 30, 2022, including accrued interest, was $2,289,147.

In August 2021, the City and Belmont Firehouse Square, LLC entered into an amended and restated Development Agreement that includes selling property for its appraised value of $4,800,000 for phase 2 of the project, which includes the 15-unit market rate for sale townhomes. In June 2022, the Agreement was assigned to Belmont Firehouse Square Property, LLC. On June 30, 2022 the City and Belmont Firehouse Square Property, LLC, closed the sale of phase 2 of the Firehouse Square project. Per the Amended and Restated Development Agreement, the developer paid the City $1,000,000 at close of escrow; the balance of the sales price of $3,800,000 was funded by a loan from the City's affordable housing funds. The loan is secured by a promissory note and deed of trust on the property. Prior to or concurrently with the sale of each townhome unit in the project, the Developer is required to pay the City in cash an amount equal to the then outstanding indebtedness under the Promissory Note divided by the number of unsold townhome units existing immediately prior to the sale of such townhome unit, which will be credited to the outstanding balance of the loan. The loan bears compound interest at four percent per month and is payable no later than December 31, 2024. The balance of the loan as of June 30, 2022 was $3,800,000.

## NOTE 6 – LAND HELD FOR RESALE

The City purchased parcels of land as part of efforts to develop or redevelop properties. Land held for resale is carried in the financial statements at the lower of cost or estimated net realizable value.

With the dissolution of the Redevelopment Agency in fiscal year 2012, the City elected to assume housing activities as the Housing Successor, and the land held for resale was transferred to the Affordable Housing Special Revenue Fund on February 1, 2012.

## NOTE 7 – CAPITAL ASSETS

### *A. Capital Asset Additions and Retirements*

Capital assets at June 30 comprise:

| | Balance June 30, 2021 | Additions | Retirements | Transfers | Balance June 30, 2022 |
|---|---|---|---|---|---|
| **Governmental Activities** | | | | | |
| Capital assets not being depreciated: | | | | | |
| Land | $12,609,903 | $913,537 | ($30,507) | | $13,492,933 |
| Construction in progress | 391,266 | 4,025,909 | | ($15,634) | 4,401,541 |
| Total capital assets not being depreciated | 13,001,169 | 4,939,446 | (30,507) | (15,634) | 17,894,474 |
| Capital assets being depreciated: | | | | | |
| Buildings and building improvements | 38,468,962 | | | | 38,468,962 |
| Improvements other than buildings | 5,287,545 | 162,357 | | | 5,449,902 |
| Streets and infrastructure | 68,816,408 | 3,053,314 | | 15,634 | 71,885,356 |
| Machinery and equipment | 6,547,505 | 484,240 | | | 7,031,745 |
| Vehicles | 4,607,467 | 241,885 | (56,989) | | 4,792,363 |
| Total capital assets being depreciated | 123,727,887 | 3,941,796 | (56,989) | 15,634 | 127,628,328 |
| Less accumulated depreciation for: | | | | | |
| Buildings and building improvements | 18,076,418 | 908,046 | | | 18,984,464 |
| Improvements other than buildings | 1,921,822 | 234,792 | | | 2,156,614 |
| Streets and infrastructure | 27,471,795 | 1,704,994 | | | 29,176,789 |
| Machinery and equipment | 5,844,135 | 346,628 | | | 6,190,763 |
| Vehicles | 3,959,446 | 276,485 | (56,989) | | 4,178,942 |
| Total accumulated depreciation | 57,273,616 | 3,470,945 | (56,989) | | 60,687,572 |
| Net depreciable assets | 66,454,271 | 470,851 | | 15,634 | 66,940,756 |
| Governmental activities capital assets, net | $79,455,440 | $5,410,297 | ($30,507) | | $84,835,230 |

**NOTE 7 – CAPITAL ASSETS (Continued)**

| | Balance June 30, 2021 | Additions | Balance June 30, 2022 |
|---|---|---|---|
| **Business-type activities** | | | |
| Capital assets not being depreciated: | | | |
| Land | $14,792 | | $14,792 |
| Construction in progress | 5,262,950 | $966,149 | 6,229,099 |
| Total capital assets not being depreciated | 5,277,742 | 966,149 | 6,243,891 |
| Capital assets being depreciated: | | | |
| Improvements other than buildings | 48,167,870 | 389,259 | 48,557,129 |
| Machinery and equipment | 326,766 | | 326,766 |
| Total capital assets being depreciated | 48,494,636 | 389,259 | 48,883,895 |
| Less accumulated depreciation | | | |
| Improvements other than buildings | 20,140,321 | 1,646,208 | 21,786,529 |
| Machinery and equipment | 316,184 | 1,971 | 318,155 |
| Total accumulated depreciation | 20,456,505 | 1,648,179 | 22,104,684 |
| Net depreciable assets | 28,038,131 | (1,258,920) | 26,779,211 |
| Business-type activities capital assets, net | $33,315,873 | ($292,771) | $33,023,102 |

### *B. Capital Asset Contributions*

Some capital assets may be acquired using federal and State grant funds, or they may be contributed by developers or other governments. These contributions are required to be accounted for as revenues at the time the capital assets are acquired.

### *C. Depreciation Allocation*

Depreciation expense is charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or program are as follows:

| | |
|---|---|
| **Governmental Activities** | |
| General Government | $1,116,774 |
| Public Safety | 88,895 |
| Highways and Streets | 1,261,557 |
| Culture and Recreation | 443,437 |
| Depreciation Charges to Internal Service Funds | 560,282 |
| Total Governmental Activities | $3,470,945 |
| **Business-Type Activities** | |
| Sewer Collections | $1,407,649 |
| Storm Drainage | 240,530 |
| Total Business-Type Activities | $1,648,179 |

## NOTE 8 – LONG TERM DEBT

The City generally incurs long-term debt to finance projects or purchase assets, which will have useful lives equal to or greater than the related debt.

This debt will be repaid only out of governmental funds but is not accounted for in these funds because this debt does not require an appropriation or expenditure in this accounting period.

Proprietary Fund (Enterprise) long-term debt is accounted for in the proprietary funds, which will repay the debt because these funds are accounted for on the full-accrual basis in a similar manner to commercial operations.

The City's debt issues and transactions are summarized below and discussed in detail thereafter.

### *A. Current Year Transactions and Balances*

| | Balance June 30, 2021 | Additions | Retirements | Balance as of June 30, 2022 Due Within One Year | Balance as of June 30, 2022 Due Beyond One Year |
|---|---|---|---|---|---|
| ***GOVERNMENTAL ACTIVITIES DEBT*** | | | | | |
| **Lease Financing** | | | | | |
| **2019 San Mateo County** | | | | | |
| 2%, due 2029 | $5,159,305 | | $560,035 | $572,010 | $4,027,260 |
| **Total Governmental Activities Debt** | 5,159,305 | | 560,035 | 572,010 | 4,027,260 |
| ***BUSINESS-TYPE ACTIVITIES DEBT*** | | | | | |
| **Bonds:** | | | | | |
| **2009A Sewer Treatment Facility Revenue Bonds** | | | | | |
| 3.00%-5.00%, due serially to 2042 | 6,950,000 | | 6,950,000 | | |
| **2016 Sewer Revenue Refunding Bonds** | | | | | |
| 3.00%-5.00%, due serially to 2035 | 7,720,000 | | 485,000 | 505,000 | 6,730,000 |
| Premium | 747,409 | | 76,657 | | 670,752 |
| **2016 Sewer Revenue Bonds** | | | | | |
| 2.00%-5.00%, due serially to 2046 | 15,730,000 | | 110,000 | 110,000 | 15,510,000 |
| Premium | 40,528 | | 4,158 | | 36,370 |
| **2018 Sewer Treatment Revenue Bonds** | | | | | |
| 5%, due serially to 2048 | 20,845,000 | | 355,000 | 375,000 | 20,115,000 |
| Premium | 2,848,861 | | 105,513 | | 2,743,348 |
| **2019 Sewer Revenue Bonds** | | | | | |
| 5%, due serially to 2049 | 16,925,000 | | 270,000 | 285,000 | 16,370,000 |
| Premium | 4,044,609 | | 141,915 | | 3,902,694 |
| **Subtotal Bonds** | 75,851,407 | | 8,498,243 | 1,275,000 | 66,078,164 |
| **Direct Placement:** | | | | | |
| **2022 Sewer Treatment Revenue Refunding Obligations** | | | | | |
| 2.15%, due serially to 2033 | | $6,408,000 | | 1,320,000 | 5,088,000 |
| **Total Business-Type Activities Debt** | 75,851,407 | 6,408,000 | 8,498,243 | 2,595,000 | 71,166,164 |
| **Total Long-Term Obligations** | $81,010,712 | $6,408,000 | $9,058,278 | $3,167,010 | $75,193,424 |

**NOTE 8 – LONG TERM DEBT (Continued)**

***B. 2019 San Mateo County Lease Agreement***

On December 18, 2019, the City entered into Lease and Sublease Agreements with the County of San Mateo under which the City leased the Belmont Sports Complex & Conference Center to the County for which the County made a one-time up-front lease payment to the City in the amount of $6,000,000. Simultaneously, the City will sublease back from the County with annual rental payments over a lease term of 10 years, at a fixed interest rate of 2% per year. The Sublease is secured by the Belmont Sports Complex and the funds are to be used for turf replacement. The Sublease is repayable in semi-annual payments of $334,000 beginning April 15, 2020 through December 15, 2029. While the pledge of repayment is from the General Fund, repayment will be made from Planned Park (Quimby/Park In Lieu) and Park Impact Fees. To terminate the Sublease after having fully paid all installment payments through and including the year seven payment, the City may make a one-time, lumpsum payment to the County of $1,926,013.

***C. Summary of Sewer Debt Issues***

On December 30, 2009, the Authority issued $8,500,000 principal amount of **Sewer Treatment Facility Revenue Bonds, Series 2009A**. Proceeds will be used to finance certain improvements to the Silicon Valley Clean Water's sewer treatment facility. Interest is due semiannually on February 1 and August 1 and principal is due annually on August 1 and is payable solely from Sewer Treatment Facility Revenues. The bond covenants contain events of default that require the revenue of the City to be applied by the Trustee as specified in the terms of the agreement if the following conditions occur: default on debt service payments. There were no such events during the fiscal year ending June 30, 2022. The 2009A Bonds were called on May 27, 2022.

On October 1, 2018, the Authority issued $21,385,000 in **Sewer Treatment Facility Revenue Bonds, Series 2018**. Proceeds will be used to finance certain improvements to the Silicon Valley Clean Water's sewer treatment facility. Interest is due semiannually on February 1 and August 1 and principal is due annually on August 1 and is payable on parity with the 2009A bonds solely from Sewer Treatment Facility Revenues. Interest on the Bonds commenced August 1, 2019. The bond covenants contain events of default that require the revenue of the City to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the City to observe or perform the conditions, covenants, or agreement terms of the debt; or bankruptcy filing by the City. There were no such events during the fiscal year ending June 30, 2022.

**NOTE 8 – LONG TERM DEBT (Continued)**

On April 29. 2022, the Authority issued $6,408,000 principal amount of 2022 Sewer Treatment Facilities Revenue Refunding Obligations. Proceeds from the Installment Purchase Agreement were used to refund the Series 2009A Bonds. Interest is due semiannually on February 1 and August 1 and principal is due annual on August 1 and is payable solely from Sewer Treatment Facility Revenues. The Agreement is on parity with the Series 2018 Bonds. Principal and interest payments on the Agreement commence on August 1, 2022 and continue through 2033. The Agreement contains events of default that allow the Authority to declare all principal and accrued interest to be immediately due and payable if any of the following conditions occur: default on debt service payments; failure of the City to observe or perform the conditions, covenants or agreement terms of the Agreement; or bankruptcy filing by the City. There were no such events during the fiscal year ending June 30, 2022. The refunding resulted in an overall debt service savings of $3,507,151. The net present value of the debt service savings is called an economic gain and amounted to $2,337,020. The 2009A Bonds were called on May 27, 2022.

The pledge of future Sewer Treatment Facility charges ends upon repayment of $43,133,276 in remaining debt service on the 2018 Bonds and 2022 Obligations which is scheduled to occur in 2048. For fiscal year 2022, Sewer Treatment Facility Revenues amounted to $3,142,679 and debt service, excluding payments related to the bond refunding, was $3,150,457.

On March 2016, the Authority issued $9,945,000 in **Sewer Revenue Refunding Bonds, Series 2016** and $16,120,000 in **Sewer Revenue Bonds, Series 2016** with interest rates ranging from 3.0% to 5.0% and 2.0% to 5.0% respectively. The $11,094,848 in net proceeds (including a $1,149,848 premium and after payment of $104,670 in underwriting fees and other issuance costs) of the Sewer Revenue Refunding Bonds, Series 2016, were used to refund $10,830,000 of outstanding 2001 and 2006 Series Sewer Revenue Bonds which had interest rates ranging from 4.375% to 5.00% and 4.00% to 4.375% respectively. The net proceeds of $15,182,357 from the Sewer Revenue Bonds, Series 2016 (including a $62,357 premium and after payment of $169,662 in underwriting fees and other issuance costs) will be used to finance improvements to the City's sewer system.

The 2016 Revenue Bonds are general obligations of the City, payable solely from System Revenues and all amounts on deposit in the System Revenue Fund collected by the City of Belmont. The bond covenants contain events of default that require the revenue of the City to be applied by the Trustee as specified in the terms of the agreement if the following conditions occur: default on debt service payments. There were no such events during the fiscal year ending June 30, 2022.

**NOTE 8 – LONG TERM DEBT (Continued)**

On November 20, 2019, the Authority issued $17,095,000 principal amount of **Sewer Revenue Bonds, Series 2019**. Proceeds will be used to finance certain improvements to the sewer collection, conveyance and treatment system of the City. Interest is due semiannually on February 1 and August 1, commencing February 1, 2020 and principal is due annually on August 1. The Bonds are payable on parity with the 2016 bonds, solely from System Revenues and all amounts on deposit in the System Revenue Fund collected by the City. The Bonds are structured with a par optional redemption date of August 1, 2029. The bond covenants contain events of default that require the revenue of the City to be applied by the Trustee as specified in the terms of the agreement if the following conditions occur: default on debt service payments. There were no such events during the fiscal year ending June 30, 2022.

The pledge of future Sewer Collections Fund Revenues ends upon repayment of $63,888,905 in remaining debt service on the 2016 Sewer Revenue Refunding Bonds, 2016 Sewer Revenue Bonds and 2019 Sewer Revenue Bonds, which is scheduled to occur in 2049. For fiscal year 2022, Sewer Fund Revenues, excluding sewer treatment facility revenue, including operating revenues, but not connection charges or non-operating interest earnings, amounted to $16,360,163 and operating costs including operating expenses, but not interest, depreciation or amortization amounted to $7,115,757. Net revenues available for debt service amounted to $9,244,406.

### *D. Debt Service Requirements*

Annual debt service requirements are shown below for all long-term debt with specified repayment terms:

| | Governmental Activities | | Business-Type Activities | | | |
|---|---|---|---|---|---|---|
| For the Year Ending | Lease Financing | | Bonds | | Direct Placement | |
| June 30 | Principal | Interest | Principal | Interest | Principal | Interest |
| 2023 | $572,010 | $95,990 | $1,275,000 | $2,602,496 | $1,320,000 | $89,904 |
| 2024 | 584,022 | 83,978 | 1,335,000 | 2,540,321 | 1,346,000 | 94,923 |
| 2025 | 596,729 | 71,271 | 1,405,000 | 2,471,820 | 725,000 | 72,660 |
| 2026 | 609,489 | 58,511 | 1,470,000 | 2,399,946 | 740,000 | 56,911 |
| 2027 | 622,522 | 45,478 | 1,545,000 | 2,324,572 | 757,000 | 40,818 |
| 2028 - 2032 | 1,614,498 | 55,502 | 8,720,000 | 10,634,967 | 1,150,000 | 93,312 |
| 2033 - 2037 | | | 10,700,000 | 8,623,706 | 370,000 | 7,998 |
| 2038 - 2042 | | | 13,110,000 | 6,160,543 | | |
| 2043 - 2047 | | | 14,790,000 | 3,034,034 | | |
| 2048 - 2050 | | | 5,650,000 | 365,250 | | |
| Total | $4,599,270 | $410,730 | $60,000,000 | $41,157,655 | $6,408,000 | $456,526 |

### *E. Special Assessment Debt With No City Commitment*

On February 4, 2004, the Community Facilities District No. 2000-1 issued Special Tax Bonds, Series 2004A for $8,650,000 to finance the construction, maintenance and building operations of a new library. The City has no legal or moral liability with respect to the payment of this debt, which is secured by proceeds of an annual special tax levy received by the District. Therefore, this debt is not included in the long-term debt of the City. As of June 30, 2022, the outstanding balance was $4,425,000.

## NOTE 8 – LONG TERM DEBT (Continued)

Pursuant to the terms of the underlying indenture for the Special Tax Bonds, the Trustee holds a Surety Bond issued by AMBAC Assurance Corporation as a debt service reserve for the Bonds. During fiscal 2010-11, AMBAC declared bankruptcy. As of the date of this report, the Trustee had not requested, and the District had not obtained, a replacement surety bond.

## NOTE 9 – NET POSITION AND FUND BALANCES

Net Position is measured on the full accrual basis while Fund Balance is measured on the modified accrual basis.

### *A. Net Position*

Net Position is the excess of all the City's assets and deferred outflows, if any, over all its liabilities and deferred inflows, if any, regardless of fund. Net Position is divided into three captions. These captions apply only to Net Position, which is determined only at the Government-wide level, and are described below.

*Net Investment in Capital Assets* describes the portion of Net Position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

*Restricted* describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements, and redevelopment funds restricted to low and moderate income housing purposes.

*Unrestricted* describes the portion of Net Position which is not restricted to use.

### *B. Fund Balances*

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and receivables, less its liabilities.

The City's fund balances are classified in accordance with generally accepted accounting principles which require the City to classify its fund balances based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the City prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

**NOTE 9 – NET POSITION AND FUND BALANCES (Continued)**

*Nonspendables* represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, such as Permanent Funds, and assets not expected to be converted to cash, such as prepaids, notes receivable, and land held for resale are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed or assigned, then Nonspendable amounts are required to be presented as a component of the applicable category.

*Restricted* fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Nonspendable amounts subject to restrictions are included along with spendable resources.

*Committed* fund balances have constraints imposed by resolution of the City Council which may be altered only by resolution of the City Council. Nonspendable amounts subject to council commitments are included along with spendable resources.

*Assigned* fund balances are amounts constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the City Council or its designee and may be changed at the discretion of the City Council or its designee. This category includes encumbrances; Nonspendables, when it is the City's intent to use proceeds or collections for a specific purpose, and residual fund balances, if any, of Special Revenue, Capital Projects and Debt Service Funds which have not been restricted or committed. Through a Council Resolution, the City Council has designated the City Manager to determine the amount of assigned fund balances.

*Unassigned* fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual general fund balance and residual fund deficits, if any, of other governmental funds.

Detailed classifications of the City's fund balances, as of June 30, 2022, are below:

**NOTE 9 – NET POSITION AND FUND BALANCES (Continued)**

| Fund Balance Classifications | General Fund | Belmont Fire Protection District | Other Governmental Funds | Total |
|---|---|---|---|---|
| **Nonspendables:** | | | | |
| Items not in spendable form: | | | | |
| Prepaids | $77,789 | $1,736,353 | | $1,814,142 |
| Land held for resale | 298,748 | | | 298,748 |
| **Total Nonspendable Fund Balances** | 376,537 | 1,736,353 | | 2,112,890 |
| **Restricted for:** | | | | |
| Transportation | | | $2,562,384 | 2,562,384 |
| Belmont Fire Protection District | | 14,480,930 | | 14,480,930 |
| Special Revenue Programs: | | | | |
| Recreation | | | 1 | 1 |
| Library Maintenance & Operations | | | 835,588 | 835,588 |
| City Trees | | | 297,128 | 297,128 |
| Athletic Field Maintenance | | | 375,498 | 375,498 |
| Senior Donations | | | 90,044 | 90,044 |
| Public Art | | | 395,576 | 395,576 |
| Affordable Housing | | | 8,920,143 | 8,920,143 |
| Capital Projects | | | 2,712,060 | 2,712,060 |
| Special Assessment District | | | 308,330 | 308,330 |
| **Total Restricted Fund Balances** | | 14,480,930 | 16,496,752 | 30,977,682 |
| **Committed to:** | | | | |
| Measure I Infrastructure | 2,938,455 | | | 2,938,455 |
| Special Revenue Programs: | | | | |
| Development Services | | | 1,084,263 | 1,084,263 |
| General Plan Maintenance | | | 1,305,231 | 1,305,231 |
| Public Safety | | | 32,809 | 32,809 |
| **Total Committed Fund Balances** | 2,938,455 | | 2,422,303 | 5,360,758 |
| **Assigned to:** | | | | |
| Capital Projects | | | 3,698,561 | 3,698,561 |
| **Total Assigned Fund Balances** | | | 3,698,561 | 3,698,561 |
| **Unassigned** | 17,636,404 | | | 17,636,404 |
| **Total Unassigned Fund Balances** | 17,636,404 | | | 17,636,404 |
| **Total Fund Balances** | $20,951,396 | $16,217,283 | $22,617,616 | $59,786,295 |

## NOTE 9 – NET POSITION AND FUND BALANCES (Continued)

### *C. Minimum Fund Balance Policies*

The City Council has established a policy with adoption of the annual budget that the General Fund balance should be maintained at a target of 33% of operating expenditures with a $5,000,000 minimum. In addition, the City Council has established a $250,000 Contingency appropriation which may be used to pay for an emergency or an uncertain occurrence. The use of contingency funds requires City Council approval. As of June 30, 2022, the City is in compliance with its minimum fund balance policies.

### *D. Belmont Fire Protection District*

The District established a $10,000,000 reserve of fund balance for the future replacement of a fire station. The reservation is included in the Belmont Fire Protection District Special Revenue Fund's restricted fund balance.

### *E. Net Investment In Capital Assets*

The balances related to Net Investment in Capital Assets are comprised of the following as of June 30, 2022:

| | Governmental Activities | Business-Type Activities | Total |
|---|---|---|---|
| Capital Assets, Net of Accumulated Depreciation | $84,835,230 | $33,023,102 | $117,858,332 |
| Less Capital Debt | (4,599,270) | (44,119,816) | (48,719,086) |
| Plus Unspent Bond Proceeds | 402,294 | 12,259,930 | 12,662,224 |
| Net Investment in Capital Assets | $80,638,254 | $1,163,216 | $81,801,470 |

### *F. Restatement*

The City implemented the provisions of Governmental Accounting Standards Board Statement No. 87 – Leases during the year ended June 30, 2022. As a result, the City determined that beginning the balances of leases receivable and deferred inflows of resources related to leases were $8,222,012 as of July 1, 2021 and restated and increased the balances in that amount, and the net effect on beginning net position was zero. See the Leases disclosure in Note 10.

## NOTE 10 – LEASES

### *A. Policies*

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. The City recognizes lease receivable or liabilities with an initial, individual value of $100,000 or more, based on the future lease payments remaining at the start of the lease.

***Lessee*** – The City does not have any noncancellable leases of nonfinancial assets as of June 30, 2022, other than the financed purchase discussed in Note 8. If there were such leases outstanding, the City would recognize a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments as follows:

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

***Lessor –*** The City is a lessor for noncancellable leases of buildings and facilities. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and fund financial statements.

**NOTE 10 – LEASES (Continued)**

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts as follows:

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

***B. Leases Receivable***

The balances related to leases receivable and deferred inflows of resources as of June 30, 2022 were:

| | Lease Receivable | Deferred Inflows of Resources |
|---|---|---|
| **Governmental Activities** | | |
| Leases Receivable (Lessor) | | |
| 1070 Sixth Avenue Rentals | $311,578 | $306,960 |
| Facilities Rentals | 998,171 | 969,156 |
| Billboard Lease | 4,952,751 | 4,819,567 |
| Airspace Lease | 1,849,356 | 1,828,827 |
| Total governmental activities leases receivable | $8,111,856 | $7,924,510 |

## NOTE 10 – LEASES (Continued)

The City's leases receivable and transactions are summarized below and discussed in detail thereafter.

| | Balance June 30, 2021 (as restated) | Additions | Retirements | Balance June 30, 2022 |
|---|---|---|---|---|
| **Governmental Activities** | | | | |
| Leases Receivable (Lessor) | | | | |
| 1070 Sixth Avenue Rentals | $149,372 | $246,925 | $84,719 | $311,578 |
| Facilities Rentals | 1,123,498 | | 125,327 | 998,171 |
| Billboard Lease | 5,014,296 | | 61,545 | 4,952,751 |
| Airspace Lease | 1,934,846 | | 85,490 | 1,849,356 |
| Total governmental activities leases receivable | $8,222,012 | $246,925 | $357,081 | $8,111,856 |

**1070 Sixth Avenue Rentals –** The City leases office space attached to City Hall to third parties. During the year ended June 30, 2022, of the three office space leases, the City had two leases that were subject to being recorded as leases receivable under generally accepted accounting principles. The original lease terms were just over five years each and as of June 30, 2022, the two leases had nine months and five years remaining. The leases can be renewed for one additional five year term upon written notice of the tenant. The City recognized $85,355 in lease revenue and $2,345 in interest revenue during the current fiscal year related to these leases. Also, the City has deferred inflows of resources associated with these leases that will be recognized as revenue over the lease term.

**Facilities Rentals –** The City leases various facilities to third parties. During the year ended June 30, 2022, the City had three leases, with original lease terms ranging from ten to thirty years and as of June 30, 2022, the leases had 4.5 to 9.8 years remaining. The City recognized $154,341 in lease revenue and $29,157 in interest revenue during the current fiscal year related to these leases. Also, the City has deferred inflows of resources associated with these leases that will be recognized as revenue over the lease term.

**Billboard Lease –** The City leases billboard space to a third party. The original term of the lease was thirty years and as of June 30, 2022, the lease had 25 years remaining. The rent is based on a minimum annual guaranteed payment, paid on a monthly basis, which increases 3% per year. In addition, the City receives a percentage rent if that amount exceeds the minimum annual guaranteed payment. The City recognized $194,730 in lease revenue and $136,895 in interest revenue during the current fiscal year related to this lease. Also, the City has deferred inflows of resources associated with this lease that will be recognized as revenue over the lease term.

**Airspace Lease –** The City leases airspace to a third party. The original term of the lease was twenty years, but the most recent amendment in October 2019 extended the lease term for ten years, with two five year options. As of June 30, 2022, the City determined that the remaining lease term is seventeen years. The City recognized $106,019 in lease revenue and $51,972 in interest revenue during the current fiscal year related to this lease. Also, the City has deferred inflows of resources associated with this lease that will be recognized as revenue over the lease term.

## NOTE 11 – PENSION PLAN

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

### *A. General Information about the Pension Plan*

***Plan Description*** – All qualified employees are eligible to participate in the City's separate Safety (Police and Fire) and Miscellaneous (all other) Employee Pension Rate Plans. The City's Miscellaneous and Safety Rate Plans are part of the public agency cost-sharing multiple-employer defined benefit pension plan (PERF C), which is administered by the California Public Employees' Retirement System (CalPERS). PERF C consists of a miscellaneous pool and a safety pool (also referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Individual employers may sponsor more than one miscellaneous and safety rate plan. The employer participates in one cost-sharing multiple-employer defined benefit pension plan, regardless of the number of rate plans the employer sponsors. The City sponsors six rate plans and the District sponsors three rate plans as follows:

- City Miscellaneous (Tier 1)
- City Miscellaneous (Tier 2)
- City Miscellaneous (Tier 3)
- City Safety (Tier 1)
- City Safety (Tier 2)
- City Safety (Tier 3)
- District Safety (Tier 1)
- District Safety (Tier 2)
- District Safety (Tier 3)

The Plan is administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website (www.calpers.ca.gov.)

With the transfer of the District's personnel to the San Mateo Consolidated Fire Department Joint Powers Authority in January 2019 discussed in Note 14A, the District's Safety Plan is closed to new entrants.

**NOTE 11 – PENSION PLAN (Continued)**

***Benefits Provided*** – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1959 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan's provisions and benefits in effect at June 30, 2022 are summarized as follows:

| | *City Miscellaneous Rate Plans* | | |
|---|---|---|---|
| | ***Tier 1*** | ***Tier 2*** | ***Tier 3*** |
| Hire date | Prior to August 1, 2012 (1) | On or after August 1, 2012 (1) | On or after January 1, 2013 |
| Benefit formula | 2% @ 55 | 2% @ 55 | 2% @ 62 |
| Benefit vesting schedule | 5 years service | 5 years service | 5 years service |
| Benefit payments | monthly for life | monthly for life | monthly for life |
| Final Average Compensation Period | One Year | Three Year | Three Year |
| Retirement age | 50 - 67 | 50 - 67 | 52 - 67 |
| Monthly benefits, as a % of eligible compensation | 1.426% to 2.418% | 1.426% to 2.418% | 1.0% to 2.5% |
| Required employee contribution rates | 7.0% | 7.0% | 7.0% |
| Required employer contribution rates (normal cost) | 11.19% | 10.65% | 7.65% |

| | *City Safety Rate Plans* | | |
|---|---|---|---|
| | ***Tier 1*** | ***Tier 2*** | ***Tier 3*** |
| Hire date | Prior to October 1, 2011 | On or after October 1, 2011 | On or after January 1, 2013 |
| Benefit formula | 3% @ 50 | 3% @ 55 | 2.7% @ 57 |
| Benefit vesting schedule | 5 years service | 5 years service | 5 years service |
| Benefit payments | monthly for life | monthly for life | monthly for life |
| Final Average Compensation Period | One Year | Three Year | Three Year |
| Retirement age | 50 | 50 - 55 | 50 - 57 |
| Monthly benefits, as a % of eligible compensation | 3.0% | 2.4% to 3.0% | 2.0% to 2.7% |
| Required employee contribution rates | 9.0% | 9.0% | 13.0% |
| Required employer contribution rates (normal cost) | 23.71% | 20.64% | 13.13% |

| | *District Safety Rate Plans* | | |
|---|---|---|---|
| | ***Tier 1*** | ***Tier 2*** | ***Tier 3*** |
| Hire date | Prior to January 1, 2012 | On or after January 1, 2012 | On or after January 1, 2013 |
| Benefit formula | 3% @ 55 | 2% @ 50 | 2.7% @ 57 |
| Benefit vesting schedule | 5 years service | 5 years service | 5 years service |
| Benefit payments | monthly for life | monthly for life | monthly for life |
| Final Average Compensation Period | Three Year | Three Year | Three Year |
| Retirement age | 50 - 55 | 50 - 55 | 50 - 57 |
| Monthly benefits, as a % of eligible compensation | 2.4% to 3.0% | 2.0% to 2.7% | 2.0% to 2.7% |
| Required employee contribution rates | 0.0% | 0.0% | 0.0% |
| Required employer contribution rates (normal cost) | 0.0% | 0.0% | 0.0% |

(1) For unrepresented employees, the hire date that determines the level of benefits is December 28, 2012.
(2) The District's Safety Plan has no active participants as of January 2019.

**NOTE 11 – PENSION PLAN (Continued)**

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability. The dollar amounts are billed on a monthly basis or may be paid in a lump sum at a discount. The City's and District's required contributions for the unfunded liability were $3,457,519 and $89,609, respectively, in fiscal year 2022, which were made under the lump sum option.

***Contributions*** – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

For the year ended June 30, 2022, the contributions recognized as part of pension expense for the Plan were as follows:

| | Safety | Miscellaneous | Total |
|---|---|---|---|
| Contributions - employer | $2,752,531 | $2,825,996 | $5,578,527 |

During fiscal year 2022, the City made additional contributions to reduce the unfunded liability balances in the Safety and Miscellaneous rate plans in the amounts of $197,493 and $233,520, respectively, which are Included in the contribution amounts above.

***B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions***

As of June 30, 2022, the City reported the collective net pension liabilities for its proportionate shares of the net pension liability of the Plan as follows:

| | Share of Net Pension Liability |
|---|---|
| Safety Rate Plans | $11,813,386 |
| Miscellaneous Rate Plans | 12,449,103 |
| Total Net Pension Liability | $24,262,489 |

Pension liabilities are liquidated by the fund that has recorded the liability. The long-term portion of governmental activities net pension liabilities is liquidated primarily by the General Fund and the Belmont Fire Protection District Special Revenue Fund.

**NOTE 11 – PENSION PLAN (Continued)**

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2021, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020, rolled forward to June 30, 2021 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plan as of June 30, 2021 and 2022 was as follows:

| | Safety | Miscellaneous |
|---|---|---|
| Proportion - June 30, 2021 | 0.30% | 0.50% |
| Proportion - June 30, 2022 | 0.34% | 0.66% |
| Change - Increase (Decrease) | 0.04% | 0.16% |

For the year ended June 30, 2022, the City recognized pension expense of $8,581,277. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Pension contributions subsequent to measurement date | $5,578,527 | |
| Differences between actual and expected experience | 3,414,340 | |
| Changes in assumptions | | |
| Net differences between projected and actual earnings on plan investments | - | ($17,898,644) |
| Change in proportion and differences between actual contributions and proportionate share of contributions | 161,328 | (1,139,598) |
| Total | $9,154,195 | ($19,038,242) |

$5,578,527 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense (credits) as follows:

| Year Ended June 30 | Annual Amortization |
|---|---|
| 2023 | ($3,042,103) |
| 2024 | (3,448,589) |
| 2025 | (4,033,793) |
| 2026 | (4,938,089) |

**NOTE 11 – PENSION PLAN (Continued)**

***Actuarial Assumptions*** – For the measurement period ended June 30, 2021, the total pension liability was determined by rolling forward the June 30, 2020 total pension liability. The June 30, 2021 total pension liability was based on the following actuarial methods and assumptions:

| | |
|---|---|
| Valuation Date | June 30, 2020 |
| Measurement Date | June 30, 2021 |
| Actuarial Cost Method | Entry-Age Normal Cost Method |
| Actuarial Assumptions: | |
| Discount Rate | 7.15% |
| Inflation | 2.50% |
| Payroll Growth | (1) |
| Projected Salary Increase | Varies by Entry Age and Service |
| Investment Rate of Return | 7.15% (2) |
| Mortality | Derived using CalPERS Membership Data for all Funds (3) |
| Post Retirement Benefit Increase | The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter |

(1) Depending on age, service and type of employment
(2) Net of pension plan investment expenses, including inflation
(3) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using the Society of Actuaries 90% of Scale MP-2016. For more details on this table, please refer to the December 2017 Experience Study report based on CalPERS demographic data from 1997 to 2015 that can be found on the CalPERS website.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2020 valuation were based on the results of a December 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experience Study can be found on the CalPERS website.

***Discount Rate*** – The discount rate used to measure the total pension liability for the Plan was 7.15%. The projection of cash flows used to determine the discount rate for the Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

**NOTE 11 – PENSION PLAN (Continued)**

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects the long-term expected real rates of return by asset class.

| Asset Class (a) | Assumed Asset Allocation | Real Return Years 1 - 10(b) | Real Return Years 11+(c) |
|---|---|---|---|
| Public Equity | 50% | 4.80% | 5.98% |
| Fixed Income | 28% | 1.00% | 2.62% |
| Inflation Assets | 0% | 0.77% | 1.81% |
| Private Equity | 8% | 6.30% | 7.23% |
| Real Assets | 13% | 3.75% | 4.93% |
| Liquidity | 1% | 0.00% | -0.92% |
| Total | 100% | | |

(a) In the CalPERS Annual Comprehensive Financial Report, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt
(b) An expected inflation of 2.00% used for this period.
(c) An expected inflation of 2.92% used for this period.

***Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*** – The following presents the City's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

| | Discount Rate | | |
|---|---|---|---|
| | 1% Decrease 6.15% | Current 7.15% | 1% Increase 8.15% |
| Safety | $21,831,889 | $11,813,386 | $3,584,422 |
| Miscellaneous | 23,348,465 | 12,449,103 | 3,438,756 |
| Total | $45,180,354 | $24,262,489 | $7,023,178 |

## NOTE 11 – PENSION PLAN (Continued)

### *C. Subsequent Event – Reduction of CalPERS Discount Rate*

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy approved by the CalPERS Board in 2015, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the CalPERS Board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense, but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the CalPERS Board. These new assumptions will be reflected in the CalPERS GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

## NOTE 12 – OTHER POST EMPLOYMENT BENEFITS

### *A. General Information about the City's Other Post Employment Benefit (OPEB) Plans*

By resolution and through agreements with its labor units, the City and District provide certain health care benefits for retired employees (spouse and dependents are not included) under third-party insurance plans (Retiree Health Care Benefits Plans). The City and District participate in the CalPERS health care plan, which is governed under the California Public Employees Health and Medical Care Act (PEMCHA). During fiscal year 2008, the City Council and, during fiscal year 2012, the District passed resolutions to participate in the California Employers Retirees Benefit Trust (CERBT), an irrevocable trust established to fund OPEB. CERBT is an agent multiple-employer defined benefit other postemployment benefits plan administrated by CalPERS, and is managed by an appointed board not under the control of the City Council or Fire Board of Directors. CERBT consists of participating employers of the State of California and public agencies. Individual employers may establish more than one plan.

The CERBT was established by Chapter 331 of the 1988 California Statutes, and employers elect to participate in the CERBT to pre-fund health, dental, and other non-pension postemployment benefits for their retirees and survivors. The CERBT has pooled administrative and investment functions, while separate employer accounts are maintained to prefund and pay for health care or other postemployment benefits in accordance with the terms of the participating employers' plans. There are three CalPERS Board approved investment strategies for employers to choose from depending on their expected levels of return and volatility. Benefit provisions are established by participating employers.

## NOTE 12 – OTHER POST EMPLOYMENT BENEFITS (Continued)

The CERBT Trusts are not considered a component unit by the City or District and have been excluded from these financial statements. Separately issued financial statements for CERBT may be obtained from CALPERS at P.O. Box 942709, Sacramento, CA 94229-2709.

A summary of eligibility and retiree contribution requirements for the City and District Plans are shown below by bargaining unit:

| | |
|---|---|
| Eligibility | Service or Disability Retirement from the City<br>- Age and service requirements:<br>AFSCME<br>- 50 & 10 hired before 7/1/1985 and retired before 7/1/2001<br>- 50 & 12 retired after 7/1/2001 and retired before 8/1/2012<br>- 50 & 12 hired after 8/1/2012 or who retire due to disability<br>BPOA<br>- 50 & 12 retired before 7/1/2001<br>- 50 & 12 retired on or after 7/1/2001 and hired before 10/11/2011<br>- 50 & 12 hired on or after 10/11/2011<br>MMCEA<br>- 50 & 12 retired before 7/1/2001<br>- 50 & 12 retired on or after 7/1/2001 and hired before 10/1/2012<br>- 50 & 12 hired on or after 10/1/2012 or who retire due to disability<br>Unrepresented<br>- 50 & 12 retired before 7/1/2001<br>- 50 & 12 retired on or after 7/1/2001 and hired before 1/1/2013<br>- 50 & 12 hired on or after 1/1/2013 or who retire due to disability<br>Service or Disability Retirement from District<br>- 50 & 5<br>Transitioning to District from BSCFD<br>- 50 & 15 including service with BSCFD or South County Fire Authority, provided that 5 years must be with the District; or effective 10/1/2012, employees with 25 years of service (including any time served with SCFA or BSCFD) may retire after 3 years. |
| Benefit | Service Retirement:<br>- Retire before 7/1/2001 - Bay Area Single premium for retiree selected plan<br>- Retire on or after 7/1/2001 and hired prior to 10/11/2011 (BPOA), 10/1/2012 (MMCEA), 8/1/2012 (AFCME), 1/1/2013 (Unrepresented) - Receive a benefit which, when added to the CalPERS Minimum Employer Contribution, brings the total up to the lesser of the Bay Area single premium rate for the medical plan selected by the retiree and the Bay Area Kaiser single rate.<br>- Hired on or after 10/11/2011 (BPOA), 10/1/2012 (MMCEA), 8/1/2012 (AFCME), 1/1/2013 (Unrepresented)- Public Employees' Medical Hospital Care Act (PEMHCA) minimum only.<br>Disability Retirement:<br>- Miscellaneous Group - Same benefit as service retirement or PEMHCA minimum if eligibility requirement not met.<br>- BPOA - same benefit as service retirement but without the age or service requirement.<br>Retirement from District:<br>- PEHMCA minimum, subject to "unequal method"<br>Transitioning to District from BSCFD (or on active eligible list until 10/1/12):<br>- Receive a benefit which, when added to the CalPERS Minimum Employer Contribution, brings the total up to the lesser of the Bay Area single premium rate for the medical plan selected by the retiree and the Bay Area Kaiser single rate. |
| Surviving Spouse Continuation | **City:**<br>- Public Employees Medical Hospital Care Act (PEMHCA) minimum only.<br>**District:**<br>- Based on CalPERS retirement election<br>- PEMHCA Minimum<br>- Unequal Method |
| Public Employees' Medical Hospital Care Act (PEMHCA) minimum | **CalPERS minimum employer contribution:**<br><br>YEAR PEMHCA Minimum<br>2022 $149<br>2023+ Increase medical care component of CPI |

**NOTE 12 – OTHER POST EMPLOYMENT BENEFITS (Continued)**

In accordance with the City and District budgets, the Actuarially Determined Contribution (ADC) is to be funded throughout the year as a percentage of payroll. For the year ended June 30, 2022, the City's contributions to the Plan were $1,059,766. The District did not make any current year contributions.

***Employees Covered by Benefit Terms –*** Membership in the Plans consisted of the following at the June 30, 2021 measurement date:

| | |
|---|---|
| **City** | |
| Inactive employees or beneficiaries currently receiving benefits | 102 |
| Inactive employees entitled to but not yet receiving benefits | 24 |
| Active employees | 120 |
| Total | 246 |
| **District** | |
| Inactive employees or beneficiaries currently receiving benefits | 8 |
| Inactive employees entitled to but not yet receiving benefits | 14 |
| Active employees | 0 |
| Total | 22 |

As of June 30, 2022, there were approximately 129 active City eligible participants, 106 eligible City retirees or surviving spouses, exclusive of living spouses and dependents, receiving benefits, and 23 retirees that were eligible, but not enrolled in the Plan benefits. For the District, as of June 30, 2022 there were no active District eligible participants and there were 8 eligible District retirees or surviving spouses, exclusive of living spouses and dependents, receiving benefits and 14 retirees that were eligible, but not enrolled in the Plan benefits.

***OPEB Liabilities, OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB –*** For purposes of measuring the net OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's and District's OPEB Plans and additions to/deductions from the OPEB Plans' fiduciary net position have been determined on the same basis as they are reported by CERBT. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

**NOTE 12 – OTHER POST EMPLOYMENT BENEFITS (Continued)**

***B. Net OPEB Liability***

***Actuarial Methods and Assumptions –*** The City and District net OPEB liabilities were measured as of June 30, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2021, based on the following actuarial methods and assumptions:

**City**

| | |
|---|---|
| Valuation Date | June 30, 2021 |
| Measurement Date | June 30, 2021 |
| Actuarial Cost Method | Entry Age Normal level percent of pay |
| Actuarial Assumptions: | |
| Discount Rate | 6.25% |
| Inflation | 2.50% |
| Salary Increases | 2.75% |
| Mortality Rates | Same as CalPERS (1) |
| Healthcare Cost Trend Rates | Pre-Medicare: 6.50% for 2023, and trending down to 3.75% in 2076 and beyond.<br>Medicare (Non-Kaiser): 5.65% in 2023, trending down to 3.75% in 2076 and beyond.<br>Medicare (Kaiser): 4.60% in 2023, trending down to 3.75% in 2076 and beyond.<br>PEMHCA: 4.00% of retiree premium |

**District**

| | |
|---|---|
| Valuation Date | June 30, 2021 |
| Measurement Date | June 30, 2021 |
| Actuarial Cost Method | Entry Age Normal level percent of pay |
| Actuarial Assumptions: | |
| Discount Rate | 5.25% |
| Inflation | 2.50% |
| Salary Increases | No active District employees |
| Mortality Rates | Same as CalPERS (1) |
| Healthcare Cost Trend Rates | Pre-Medicare: 6.50% for 2023, and trending down to 3.75% in 2076 and beyond.<br>Medicare (Non-Kaiser): 5.65% in 2023, trending down to 3.75% in 2076 and beyond.<br>Medicare (Kaiser): 4.60% in 2023, trending down to 3.75% in 2076 and beyond.<br>PEMHCA: 4.00% of retiree premium |

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Mortality Improvement Scale MP 2021. For more details on this table, please refer to the CalPERS 2000-2019 experience study report available on the CalPERS website.

**NOTE 12 – OTHER POST EMPLOYMENT BENEFITS (Continued)**

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

**City**

| Asset Class | Target Allocation | Long-term expected real rate of return |
|---|---|---|
| Global Equity | 49.0% | 4.56% |
| Long US Treasuries | 5.0% | 0.29% |
| Mortgage-Backed Securities | 5.0% | 0.49% |
| Investment Grade Corporates | 4.0% | 1.56% |
| High Yield | 4.0% | 3.00% |
| Sovereigns | 5.0% | 2.76% |
| TIPS | 5.0% | -0.08% |
| Commodities | 3.0% | 1.22% |
| REITs | 20.0% | 4.06% |
| Total | 100.0% | |
| Assumed Long-Term Rate of Inflation | | 2.50% |
| Expected Long-Term Net Rate of Return | | 6.25% |

**District**

| Asset Class | Target Allocation | Long-term expected real rate of return |
|---|---|---|
| Global Equity | 23.0% | 4.56% |
| Long US Treasuries | 11.0% | 0.29% |
| Mortgage-Backed Securities | 11.0% | 0.49% |
| Investment Grade Corporates | 9.0% | 1.56% |
| High Yield | 9.0% | 3.00% |
| Sovereigns | 11.0% | 2.76% |
| TIPS | 9.0% | -0.08% |
| Commodities | 3.0% | 1.22% |
| REITs | 14.0% | 4.06% |
| Total | 100.0% | |
| Assumed Long-Term Rate of Inflation | | 2.50% |
| Expected Long-Term Net Rate of Return | | 5.25% |

**NOTE 12 – OTHER POST EMPLOYMENT BENEFITS (Continued)**

***Change of Assumptions*** – For the measurement date of June 30, 2021, the discount rate decreased from 6.75% to 6.25% for the City and to 5.25% for District, the inflation rate decreased from 2.75% to 2.50%, the payroll growth rate decreased from 3.00% to 2.75%, and the mortality improvement scale was updated to Scale MP- 2021. In addition, in September 2021, the District changed from CERBT's Investment Strategy 1 to 3, to reflect a lower investment risk profile.

***Discount Rate –*** The discount rate used to measure the total OPEB liability was 6.25% for the City and 5.25% for the District. The projection of cash flows used to determine the discount rate assumed that City and District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plans' fiduciary net position were each projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

## NOTE 12 – OTHER POST EMPLOYMENT BENEFITS (Continued)

### *C. Changes in Net OPEB Liability*

The changes in the net OPEB liability for each plan follows:

| **City** | Increase (Decrease) | | |
|---|---|---|---|
| | Total OPEB Liability | Plan Fiduciary Net Position | Net OPEB Liability |
| **Balance at Report Date June 30, 2021** | $15,042,788 | $7,101,158 | $7,941,630 |
| **Changes for the year:** | | | |
| Service Cost | 346,358 | | 346,358 |
| Interest on the Total OPEB Liability | 1,012,016 | | 1,012,016 |
| Differences between Expected and Actual Experience | (1,009,642) | | (1,009,642) |
| Changes of Assumptions | (304,718) | | (304,718) |
| Contributions | | | |
| Employer - Department's contribution | | 876,080 | (876,080) |
| Employer - implicit subsidy | | 162,997 | (162,997) |
| Employee | | | - |
| Net Investment Income | | 1,964,480 | (1,964,480) |
| Benefit payments, including Refunds of Employee Contributions | (629,633) | (629,633) | - |
| Implicit Rate Subsidy Fulfilled | (162,997) | (162,997) | - |
| Administrative Expense | | (4,676) | 4,676 |
| Other Changes | | | - |
| **Net changes** | (748,616) | 2,206,251 | (2,954,867) |
| **Balance at June 30, 2022** | $14,294,172 | $9,307,409 | $4,986,763 |

| **District** | Increase (Decrease) | | |
|---|---|---|---|
| | Total OPEB Liability | Plan Fiduciary Net Position | Net OPEB Liability |
| **Balance at June 30, 2021** | $1,350,067 | $1,993,409 | ($643,342) |
| **Changes for the year:** | | | |
| Service Cost | | | - |
| Interest on the Total OPEB Liability | 87,950 | | 87,950 |
| Differences between Expected and Actual Experience | 781,678 | | 781,678 |
| Changes of Assumptions | 167,346 | | 167,346 |
| Contributions | | | |
| Employer - Department's contribution | | | - |
| Employer - implicit subsidy | | | - |
| Employee | | | - |
| Net Investment Income | | 550,861 | (550,861) |
| Benefit payments, including Refunds of Employee Contributions | (68,772) | (68,772) | - |
| Implicit Rate Subsidy Fulfilled | (25,449) | (25,449) | - |
| Administrative Expense | | (1,066) | 1,066 |
| Other Changes | | | - |
| **Net changes** | 942,753 | 455,574 | 487,179 |
| **Balance at June 30, 2022** | $2,292,820 | $2,448,983 | ($156,163) |
| **June 30, 2022 Total, Both Plans** | $16,586,992 | $11,756,392 | $4,830,600 |

**NOTE 12 – OTHER POST EMPLOYMENT BENEFITS (Continued)**

Detailed information about the OPEB plans' fiduciary net position is available in the separately issued CalPERS Annual Comprehensive Financial Report that may be obtained from CalPERS website.

OPEB liabilities are liquidated by the fund that has recorded the liability. The long-term portion of governmental activities net OPEB liabilities is liquidated primarily by the General Fund and the Belmont Fire Protection District Special Revenue Fund.

***D. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates***

The following presents the net OPEB liability of the City and District, as well as what the City's or District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

| **City** | Trend Rate |
|---|---|
| 1% Decrease | 5.25% |
| Net OPEB Liability (Asset) | $6,665,343 |
| Current Discount Rate | 6.25% |
| Net OPEB Liability (Asset) | $4,986,763 |
| 1% Increase | 7.25% |
| Net OPEB Liability (Asset) | $3,576,772 |

| **District** | Trend Rate |
|---|---|
| 1% Decrease | 4.25% |
| Net OPEB Liability (Asset) | $115,178 |
| Current Discount Rate | 5.25% |
| Net OPEB Liability (Asset) | ($156,163) |
| 1% Increase | 6.25% |
| Net OPEB Liability (Asset) | ($382,484) |

**NOTE 12 – OTHER POST EMPLOYMENT BENEFITS (Continued)**

The following presents the net OPEB liability of the City and District, as well as what the City's and District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

| **City** | Trend Rate |
|---|---|
| 1% Decrease | 5.5% Decreasing to 2.75% |
| Net OPEB Liability (Asset) | $3,544,708 |
| Trend Rate | 6.5% Decreasing to 3.75% |
| Net OPEB Liability (Asset) | $4,986,763 |
| 1% Increase | 7.5% Decreasing to 4.75% |
| Net OPEB Liability (Asset) | $6,713,811 |

| **District** | Trend Rate |
|---|---|
| 1% Decrease | 5.5% Decreasing to 2.75% |
| Net OPEB Liability (Asset) | $101,514 |
| Trend Rate | 6.5% Decreasing to 3.75% |
| Net OPEB Liability (Asset) | ($156,163) |
| 1% Increase | 7.5% Decreasing to 4.75% |
| Net OPEB Liability (Asset) | ($372,500) |

**NOTE 12 – OTHER POST EMPLOYMENT BENEFITS (Continued)**

***E. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB***

For the year ended June 30, 2022, the City and District recognized OPEB expense of $156,645 and $824,940, respectively. At June 30, 2022, the City and District reported deferred outflows and inflows of resources related to OPEB from the following sources:

| **City** | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Employer contributions subsequent to measurement date | $1,059,766 | |
| Differences between actual and expected experience | | ($2,178,147) |
| Changes of assumptions | 578,438 | (440,155) |
| Net differences between projected and actual earnings on OPEB plan investments | | (1,051,027) |
| Total | $1,638,204 | ($3,669,329) |

| **District** | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Employer contributions subsequent to measurement date | $89,085 | |
| Differences between actual and expected experience | | |
| Changes of assumptions | | ($28,440) |
| Net differences between projected and actual earnings on OPEB plan investments | | (291,377) |
| Total | $89,085 | ($319,817) |
| **Grand Total, Both Plans** | $1,727,289 | ($3,989,146) |

$1,148,851 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as part of OPEB expense as follows:

| Fiscal Year | Annual Amortization | |
|---|---|---|
| Ended June 30 | City | District |
| 2023 | ($697,847) | ($72,979) |
| 2024 | (695,167) | (72,274) |
| 2025 | (701,071) | (75,786) |
| 2026 | (663,311) | (87,578) |
| 2027 | (196,173) | (4,310) |
| Thereafter | (137,322) | (6,890) |

**NOTE 12 – OTHER POST EMPLOYMENT BENEFITS (Continued)**

***F. Deferred Compensation Plans***

City employees may defer a portion of their compensation under a City sponsored Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. Under the Plan, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, and death or in an emergency as defined by the Plan.

The Plan is part of the public agency agent multiple-employer defined contribution plans that are administered by Mission Square Retirement (formerly ICMA RC). Benefit provisions under the Plan are established by City resolution.

The City has no liability for any losses incurred by the Plan and does not participate in any gains, but does have the duty of due care that would be required of an ordinary prudent investor. The City has a contract with Mission Square to manage and invest the assets of the Plan. The administrator pools the assets of the Plan with those of other participants and does not make separate investments for the City. The assets in the Plan are the sole property of the participants or their beneficiaries. Since the assets held under the Plan are not the City's property and are not subject to claims by general creditors of the City, they have been excluded from these financial statements. The Plan requires investments to be stated at fair market value and it requires all gains and losses on Plan investments to accrue directly to participant accounts.

A summary of eligibility and employer contribution requirements for the City's Plan are shown below by bargaining unit:

## NOTE 12 – OTHER POST EMPLOYMENT BENEFITS (Continued)

**AFSCME**

All employees:

-1.3% of base salary plus $150.00 per month.

Employees hired before August 1, 2012 receive additional deferred compensation contributions as follows:

- Employees that waive the City's medical insurance receive $150.07 per month for plan year 2022
- Employees that continue to waive coverage as of January 1, 2023 receive an additional $150.07 per month (for a total of $300.14).
- Employees that later elect to be covered by the City's medical insurance no longer receive the additional deferred compensation contributions.

**BPOA**

Police Records Specialist I and II, Community Service Officer and Police Dispatcher:

- $100.00 per month.

Employees hired before October 11, 2011 receive additional deferred compensation contributions as follows:

- Employees that waive the City's medical insurance receive $192.38 per month for plan year 2022
- Employees that change coverage status (i.e., waiver to coverage, coverage to waiver, or increase/decrease in level of coverage) are treated as an employee hired after October 11, 2011.
- Employees who previously waived coverage, but elected coverage due to a qualifying life event occurring in plan year 2021 shall be permitted on a one-time basis to waive coverage on or before June 1, 2022 as part of a qualifying life event occurring before that date and receive the $192.38 in deferred compensation as if the employee had waived coverage as of January 1, 2022 for plan year 2022.
- Employees that later elect to be covered by the City's medical insurance no longer receive the additional deferred compensation contributions.

**MMCEA**

Certain classifications (31 specific class titles):

-$335.00 per month

Employees hired before October 1, 2012 receive additional deferred compensation contributions as follows:

- Employees that waive the City's medical insurance receive $150.07 per month for plan year 2022
- Employees that continue to waive coverage as of January 1, 2023 receive an additional $150.07 per month (for a total of $300.14).
- Employees that later elect to be covered by the City's medical insurance no longer receive the additional deferred compensation contributions.

**Unrepresented:**

All employees:

-$350.00 per month

**City Manager:**

-5% of annual base salary

**City Attorney:**

-4% of annual base salary

The City's required contributions for the year ended June 30, 2022 totaled $314,261.

The District previously sponsored two public agency agent multiple-employer defined contribution Deferred Compensation Plans. Since the District does not have any active employees, it no longer makes contributions to the Plans.

## NOTE 13 – RISK MANAGEMENT

The City is exposed to various risks of loss related to theft of, damage to, and destruction of assets; general liability; errors and omissions; injuries to employees; natural disasters; and inverse condemnation.

The City is a member of Public Risk Innovation, Solutions and Management (PRISM) (formerly the California State Association of Counties Excess Insurance Authority (CSAC EIA)) for general liability, worker's compensation and other coverage. PRISM is a public entity risk pool of cities and counties within California. Loss contingency reserves established by the PRISM are funded by contributions from member agencies. The City pays an annual contribution to the PRISM, which includes its pro-rata share of excess insurance premiums, charges for pooled risk, claims adjusting and legal costs, and administrative and other costs to operate the risk pool. The City paid contributions of $1,106,034 for the year ended June 30, 2022. PRISM provides insurance through the pool up to a certain level, beyond which group purchased commercial excess insurance is obtained. PRISM is currently fully funded. No provision has been made on these financial statements for liabilities related to possible additional assessments.

Audited financial statements for PRISM are available from PRISM, 75 Iron Point Circle, Suite 200, Folsom, CA 95630.

### *A. Liability Coverage*

The PRISM provides general liability coverage up to $25,000,000 per occurrence above the City's $250,000 self-insured retention. The City has auto physical damage commercial coverage through PRISM of $3,933,386 above the City's deductible of $1,000 or $5,000, depending on the size of the vehicle, and commercial property coverage at the replacement value of the property with a limit of $200,000,000 above the City's deductible of $10,000. The City also purchases pollution insurance through PRISM with coverage of $2,000,000 per occurrence and up to $25,000,000 in aggregate above the City's deductible of $250,000. The City's pollution insurance prior to July 1, 2021 included coverage of $10,000,000 per occurrence and up to $50,000,000 in the aggregate above the City's deductible of $250,000.

### *B. Workers Compensation Coverage*

Effective December 1, 2004 the City purchased insurance for workers compensation through PRISM with coverage up to statutory limits after the City's self-insured retention of zero. This policy also covered the District as of October 1, 2011, until the San Mateo Consolidated Fire Department discussed in Note 13A commenced operations on January 13, 2019. Prior to those dates, the City purchased commercial insurance for workers compensation coverage up to statutory limits that had deductibles ranging from $100,000 to $275,000.

## NOTE 13 – RISK MANAGEMENT (Continued)

### *C. Liability for Uninsured Claims*

The City provides for the uninsured portion of claims and judgments in the Workers' Compensation and General Liability Internal Service Funds. Claims and judgments, including a provision for claims incurred but not reported, are recorded when a loss is deemed probable of assertion and the amount of the loss is reasonably determinable. As discussed, above, the City has coverage for such claims, but it has retained the risk for the deductible or uninsured portion of these claims.

For the fiscal years ended June 30, 2022, 2021 and 2020 the amount of settlements did not exceed insurance coverage.

The City's liability for uninsured claims is limited to workers' compensation and general liability claims, as discussed above, and was estimated by management based on prior year's claims experience as follows:

| | 2022 | 2021 |
|---|---|---|
| Balance, July 1 | $577,920 | $999,674 |
| Net change in claims liabilities | 7,030 | (327,275) |
| Claims paid | (14,399) | (94,479) |
| Balance, June 30 | $570,551 | $577,920 |

## NOTE 14 – JOINT VENTURES

The City participates in the joint ventures discussed below through formally organized and separate entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, these entities exercise full powers and authorities within the scope of the related Joint Powers Agreements including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Each joint venture is governed by a board consisting of representatives from member municipalities. Each board controls the operations of the respective joint venture, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on that board. Obligations and liabilities for certain of these joint ventures are not the City's responsibility and the City generally does not have an equity interest in the assets of each joint venture except upon dissolution of the joint venture.

**NOTE 14 – JOINT VENTURES (Continued)**

***A. Equity Interests***

The City has recorded its equity interest in the following joint ventures:

***Silicon Valley Clean Water Joint Powers Authority*** (SVCW), formerly known as the South Bayside System Authority, was formed in 1975 between the Cities of San Carlos, Belmont and Redwood City and the West Bay Sanitary District to operate a wastewater treatment facility. The cost of operating and maintaining the facility is divided in proportion to the volume of sewage entering from each member entity, based on three-year averages and updated annually. SVCW applies the JPA-defined formula to allocate annual budgeted operating costs to the four member entities and the City's proportionate share was 11.1% for fiscal year 2022 and is projected to be 11.1% in fiscal year 2023. The City's share of debt service of SVCW is allocated to the member entities according to the Joint Power Authority Agreement-defined percentage of ownership, as well as member's participation in each debt issuance. As SVCW continues to fund capital construction projects, debt service payments will peak in fiscal year 2029-30, once significant projects are complete, and all necessary debt is secured. The City's actual and projected share of debt service costs range from $178,425 in fiscal year 2022 to $1.43 million in fiscal year 2033. The City's proportionate share of operating and maintaining the facility and debt service, during the year ended, June 30, 2022 was $2,849,225.

In addition, during fiscal year 2009, the SVCW and its members authorized the commencement of a major renovation and replacement project to its infrastructure wastewater facility. In conjunction with that project, the City is obligated to fund its share of project costs. The City's share of project costs is 9.45%, based on the percentages for each member entity defined in the Joint Power Authority Agreement, which are based on each member's dry weather capacity owned and its allocated share of future dry weather capacity.

The City has an equity interest in the net assets of SVCW, which has been recorded as Investment in SVCW in the Sewer Enterprise Funds based on the latest audited financial statements of SVCW as of June 30, 2021, plus the additional capital contribution made during the year ended June 30, 2022. The loss from investment in SVCW was $723,609 for the year ended June 30, 2022, and the investment was comprised of the following:

| | Sewer Collections | Sewer Treatment | Total |
|---|---|---|---|
| Balance June 30, 2021 | $1,441,253 | $44,187,110 | $45,628,363 |
| Change in investment | (723,609) | | (723,609) |
| Additional capital contribution | | 2,849,226 | 2,849,226 |
| Balance June 30, 2022 | $717,644 | $47,036,336 | $47,753,980 |

Financial statements may be obtained by mailing a request to the Silicon Valley Clean Water, 1400 Radio Road, Redwood City, CA 94065.

**NOTE 14 – JOINT VENTURES (Continued)**

**San Mateo Consolidated Fire Department (SMC Fire)** Joint Powers Authority (JPA) was established on November 22, 2017 by the City of San Mateo, the City of Belmont/Belmont Fire Protection District and the City of Foster City/Estero Municipal Improvement District to provide integrated and comprehensive fire protection, fire prevention, and emergency response services to all three communities serving a population of over 164,000. SMC Fire commenced operations on January 13, 2019. Thereafter, certain costs, including the annual employer contribution associated with the unfunded CalPERS pension liability remain with Belmont. Effective January 13, 2019, Belmont's financial contributions to SMC Fire are accounted for annually as an investment in equity interest in its government-wide financial statements.

SMC Fire is governed under the terms of the JPA Agreement by a Board of Directors consisting of one voting representative and one alternate who are elected members from the governing boards of the three JPA Member Agencies. Each member agency has the following weighted vote: City of San Mateo (60%), Belmont (20%) and City of Foster City (20%). The City's contributions to SMC Fire in fiscal year 2022 to fund capital outlay and operations totaled $8,405,749. The City has an equity interest in the net assets of SMC Fire, which has been recorded as an Investment in SMC Fire in the governmental activities based on the latest audited financial statements of SMC Fire as of June 30, 2021, plus the capital contributions made during the year ended June 30, 2022, and the investment is comprised of the following:

| | Governmental Activities |
|---|---|
| Balance June 30, 2021 | $3,839,618 |
| Change in investment | (221,349) |
| Additional capital contribution | 222,000 |
| Balance June 30, 2022 | $3,840,269 |

Audited financial statements are available from City of San Mateo, 330 West 20th Avenue, San Mateo, CA 94403.

***B. Other Jointly Governed Organizations***

The City also participates in the following jointly governed organizations under which it is obligated to fund annual operating costs, but there is no ongoing equity interest in the net assets of the organizations:

***City/County Association of Governments of San Mateo County (C/CAG)*** was formed in 1990 between the various cities in San Mateo County to prepare, adopt, monitor and enforce state mandated plans for the management of traffic congestion, integrated solid waste, airport land use, hazardous waste and county-wide housing element. The City's contribution to C/CAG was $84,372 for the year ended June 30, 2022. Financial statements may be obtained by mailing a request to the City of San Carlos, 666 Elm Street, San Carlos, CA 94070.

## NOTE 14 – JOINT VENTURES (Continued)

***Peninsula Traffic Congestion Relief Agency*** was formed by the cities of San Mateo County and San Mateo County to attempt to mitigate traffic congestion. The Agency is funded through a Countywide sales tax levied for transportation systems improvements.

***Belmont-San Carlos Fire Department*** was formed in 1979 between the City of San Carlos and Belmont Fire Protection District on an equal basis to provide more efficient fire protection services. Any assets used by the Department but owned by the member agencies prior to the creation of the Department remain the property of the members.

On September 30, 2011, the Department terminated providing services to the Members. As a result, the Department's employees were laid off, its capital assets were distributed to the Members and certain lease obligations were assumed by the Members. Subsequent to that date, the Department operates in an inactive mode, collecting Member contributions to fund legacy costs, such as pension and retiree medical obligations and claims payable, remaining after service termination. As required under the Agreement, these legacy costs are funded through contributions from Members according to the average of annual funding formulas used to determine Member contributions. The City's contribution was roughly $1.7 million for the year ended June 30, 2022.

The Department had a negative net position balance of $30.2 million per its audited financial statements as of June 30, 2022. Belmont's share of this balance was 47.1% or approximately $14.2 million. The negative position is due to unfunded liabilities of the Department.

***South Bayside Waste Management Authority (SBWMA)*** is a joint powers agreement formed on October 13, 1999. Members of the South Bayside Waste Management Authority currently include the cities of Atherton, Belmont, Burlingame, East Palo Alto, Foster City, Hillsborough, Menlo Park, Redwood City, San Carlos, San Mateo, as well as the West Bay Sanitary District and the County of San Mateo. The Members are required by AB939 to reduce, recycle and reuse solid waste generated within their respective jurisdictions and to provide source reduction, recycling and composting activities. The South Bayside Waste Management Authority's purpose is to assist its members in meeting these requirements.

## NOTE 15 – COMMITMENTS AND CONTINGENT LIABILITIES

### *A. Litigation*

The City is subject to litigation arising in the normal course of business. In the opinion of the City Attorney there is no pending litigation, which is likely to have a material adverse effect on the financial position of the City.

**NOTE 15 – COMMITMENTS AND CONTINGENT LIABILITIES (Continued)**

***B. Grant Programs***

The City participates in Federal, State and local grant programs. These programs have been audited by the City's independent accountants in accordance with the provisions of the Federal Single Audit Act as amended and applicable State requirements. No cost disallowances were proposed as a result of these audits; however, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

***C. San Mateo County Animal Shelter***

Since 1951 cities in San Mateo County have contracted with the County to manage animal control field and sheltering services. The current shelter has been determined to be inadequate to meet current animal sheltering services. In May 2014, all the municipalities signed an agreement, effective September 9, 2014, to share in the construction costs for a new animal control center by repaying the County through a 30-year, interest free lease agreement in the amount of $20.2 million. The certificate of occupancy for the shelter was issued in May 2020 and the final costs of construction totaled $25.7 million. The City's share of annual lease payment is based on a methodology of three year average of shelter use and percentage of population. Payment on the lease commenced on July 1, 2020 and the City paid $25,821 for the year ended June 30, 2022.

The cities and the County entered into a new animal care and control, shelter services, and animal licensing agreement effective July 1, 2021 for 5 years ending on June 30, 2026, under which the annual shared contractor and administrative costs total $6.9 million and the annual license fees are expected to be approximately $190 thousand. The City's share of the costs is 2.58%, or $180 thousand per year for the contractor and administrator costs, plus actual license fees of approximately $5 thousand per year. Payments under the agreement totaled $145,591 for the year ended June 30, 2022.

***D. COVID-19 Global Pandemic***

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and shelter in place orders for all but those deemed essential services. City Hall remained closed to the public until July 2021, and although many of the City's services are considered essential, certain other services transitioned to online. The City's major revenue sources, including businesses that collect sales and transient occupancy taxes, have been directly impacted by these events. However, the ultimate financial impact and duration cannot be reasonably estimated at this time.

## NOTE 16 – SUCCESSOR AGENCY TRUST FUND (SUCCESSOR AGENCY) ACTIVITIES

### *A. Redevelopment Dissolution*

Effective January 31, 2012, all Redevelopment Agencies were dissolved. Certain assets of the former Belmont Redevelopment Agency Low and Moderate Income Housing Fund were distributed to a Housing Successor; and all remaining former Redevelopment Agency assets and liabilities were distributed to the Successor Agency.

ABx1 26 and AB1484 directed the State Controller to review the activities of all former redevelopment agencies and successor agencies to determine whether an asset transfer between a former redevelopment agency and any public agency occurred on or after January 1, 2011. If an asset transfer did occur and the public agency that received the asset is not contractually committed to a third party for the expenditure or encumbrance of the asset, the legislation purports to require the State Controller to order the asset returned to the redevelopment agency. The Belmont Successor Agency received a Finding of Completion from the California Department of Finance (DOF) in October 1, 2014, pursuant to Health and Safety Code (HSC) Section 34179.7.

The City, acting as the Successor Agency, prepared a Long Range Property Management Plan (LRPMP) in compliance with AB 1484, which was approved by the Belmont Oversight Board on February 12, 2015, and subsequently submitted to the State DOF. Following the submission of the LRPMP to DOF, the Successor Agency identified additional information which necessitated revising the LRPMP previously submitted. On May 28, 2015, the Successor Agency Oversight Board approved a revised LRPMP, which was approved by the State DOF on September 4, 2015.

On December 19, 2017, the State DOF approved the Belmont Successor Agency's Last and Final Recognized Obligations Payment Schedule.

In April 2021, both the Belmont Successor Agency and San Mateo Countywide Oversight Board took a series of actions to initiate early defeasance of the outstanding Senior Series 2014A and Subordinate Series 2014B Bonds (“2014 Series Bonds”) held by the Successor Agency. This included approval of amendments to the 2014 Series Bonds indentures of trust, approval of an Amended Last and Final Recognized Obligations Payment Schedule, and directing the Successor Agency to defease the bonds and initiate final dissolution of the Successor Agency. DOF approved the Amended Last and Final ROPS on July 30, 2021.

The 2014 Series Bonds were defeased in January 2022 as detailed below, after which the Successor Agency and San Mateo Countywide Oversight Board took the required actions to dissolve the Belmont Successor Agency. DOF issued a final dissolution approval letter on April 27, 2022; all Successor Agency operations have been terminated as of June 30, 2022.

### *B. San Mateo Countywide Consolidated Oversight Board*

On July 1, 2018, the duties of the Belmont Oversight Board transferred to a new San Mateo Countywide Consolidated Oversight Board, which is responsible for overseeing the winddown affairs of all Successor Agencies in San Mateo County, including the Belmont Successor Agency.

## NOTE 16 – SUCCESSOR AGENCY TRUST FUND (SUCCESSOR AGENCY) ACTIVITIES (Continued)

### *C. Long-Term Debt*

#### *1. Current Year Transactions and Balances*

The Successor Agency assumed the long-term obligations of the former Redevelopment Agency as of February 2012. The debt issues and transactions are summarized below.

| | Balance June 30, 2021 | Retirements | Balance as of June 30, 2022 Due Within One Year | Balance as of June 30, 2022 Due Beyond One Year |
|---|---|---|---|---|
| **Redevelopment Long-Term Bonds Payable:** | | | | |
| **2014 Series A Refunding Bonds,** | | | | |
| 2.22%-3.41%, due serially to 2030 | $3,095,000 | $3,095,000 | | |
| **2014 Series B Subordinated Bonds,** | | | | |
| 2.33%-3.89%, due serially to 2030 | 1,840,000 | 1,840,000 | | |
| **Total** | $4,935,000 | $4,935,000 | $0 | $0 |

On August 19, 2014, the Successor Agency issued the $7,375,000 Series 2014A Senior Tax Allocation Refunding Bonds to facilitate a current refunding of the outstanding 1999A Bonds; and the $3,050,000 Series 2014AB Subordinate Tax Allocation Refunding Bonds to facilitate a current refunding of both outstanding 1999B Bonds and 1996 Housing Set-Aside Bonds.

In December 2021, the Successor Agency received a one-time lump sum allocation of property taxes from San Mateo County in the amount of $3,856,881, which the Successor Agency used along with cash on hand and available debt service fund totaling $598,684 to advance refund $4,100,000 of the outstanding 2014AB Bonds, which were to mature in fiscal year 2030. In January 2022, the Successor Agency deposited $4,455,565 in an irrevocable trust with an escrow agent to provide funds for the future debt service payments on the refunded bonds until they can be called in August 2024. As a result, the 2014AB Bonds are considered defeased and the liability for those bonds has been removed from the statement of net position. The defeasance was undertaken to terminate the Successor Agency's enforceable financial obligations, expedite dissolution of the Successor Agency, and generate tax savings and benefit for local taxing entities and resulted in a savings to the Redevelopment Property Tax Trust Fund of $719,564. The outstanding balance of the defeased bonds was $4,100,000 as of June 30, 2022.

**NOTE 16 – SUCCESSOR AGENCY TRUST FUND (SUCCESSOR AGENCY) ACTIVITIES (Continued)**

***D. State Approval of Enforceable Obligations***

The Successor Agency previously prepared a Recognized Obligation Payment Schedule (ROPS) annually that contained all proposed expenditures for the subsequent twelve-month period. The ROPS is subject to the review and approval of the Oversight Board as well as the State Department of Finance. Although the State Department of Finance may not question items included on the ROPS in one period, they may question the same items in a future period and disallow associated activities. The State Department of Finance approved the Successor Agency's Last and Final ROPS on December 19, 2017, which detailed the maximum RPTTF distribution of $8,318,869 over the next 12 years. The Successor Agency was to receive semi-annual RPTTF distributions up to the maximum approved amount on the Last and Final ROPS and could submit no more than two requests to amend the approved Last and Final ROPS. To facilitate the defeasance of the 2014AB Bonds discussed above, the Successor Agency amended the Last and Final ROPS payment schedule, which was approved by the Department of Finance on July 30, 2021 and the Successor Agency will not receive additional distributions.

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**REQUIRED SUPPLEMENTARY INFORMATION**

City of Belmont
Cost Sharing Multiple-Employer Defined Benefit Pension Plan
Last 10 Years*
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

| | Safety Rate Plan | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Measurement Date - June 30, | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Plan's proportion of the Net Pension Liability (Asset) | 0.20% | 0.20% | 0.31% | 0.31% | 0.31% | 0.31% | 0.30% | 0.34% |
| Plan's proportion share of the Net Pension Liability (Asset) | $12,312,595 | $13,427,040 | $16,249,057 | $18,263,828 | $18,172,487 | $19,293,513 | $20,251,178 | $11,813,386 |
| Plan's Covered Payroll | $3,572,606 | $3,842,764 | $4,758,030 | $4,919,474 | $5,180,593 | $4,397,264 | $4,078,548 | $4,078,548 |
| Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll | 345% | 349% | 342% | 371% | 351% | 439% | 497% | 290% |

| | Miscellaneous Rate Plan | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Measurement Date - June 30, | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Plan's proportion of the Net Pension Liability (Asset) | 0.48% | 0.48% | 0.48% | 0.48% | 0.48% | 0.50% | 0.50% | 0.66% |
| Plan's proportion share of the Net Pension Liability (Asset) | $16,585,515 | $13,198,544 | $16,585,515 | $19,048,251 | $18,686,649 | $20,209,752 | $21,245,410 | $12,449,103 |
| Plan's Covered Payroll | $8,929,517 | $8,858,005 | $9,854,986 | $10,289,053 | $10,592,598 | $10,632,569 | $9,489,183 | $9,890,731 |
| Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll | 186% | 149% | 168% | 185% | 176% | 190% | 224% | 126% |

| | Plan Totals | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Measurement Date - June 30, | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Plan's proportion of the Net Pension Liability (Asset) | 0.68% | 0.68% | 0.79% | 0.79% | 0.79% | 0.81% | 0.80% | 1.00% |
| Plan's proportion share of the Net Pension Liability (Asset) | $28,898,110 | $26,625,584 | $32,834,572 | $37,312,079 | $36,859,136 | $39,503,265 | $41,496,588 | $24,262,489 |
| Plan's Covered Payroll | $12,502,123 | $12,700,769 | $14,613,016 | $15,208,527 | $15,773,191 | $15,029,833 | $13,567,731 | $14,051,612 |
| Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll | 231.15% | 209.64% | 224.69% | 245.34% | 233.68% | 262.83% | 305.85% | 172.67% |
| Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability | 79.82% | 78.40% | 74.06% | 73.31% | 75.26% | 75.26% | 75.10% | 88.29% |

* Fiscal year 2015 was the first year of implementation

City of Belmont
Cost Sharing Multiple-Employer Defined Benefit Pension Plan
Last 10 Years*
**SCHEDULE OF CONTRIBUTIONS**

| | Safety Rate Plan | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Fiscal Year Ended June 30, | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Actuarially determined contribution | $1,125,011 | $2,287,426 | $2,058,664 | $2,263,676 | $2,293,736 | $2,660,652 | $2,700,413 | $2,752,531 |
| Contributions in relation to the actuarially determined contributions | (1,125,011) | (2,287,426) | (2,058,664) | (2,263,676) | (2,293,736) | (2,660,652) | (2,700,413) | (2,752,531) |
| Contribution deficiency (excess) | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Covered payroll | $3,842,764 | $4,758,030 | $4,919,474 | $5,180,593 | $4,397,264 | $4,078,548 | $4,160,881 | $4,035,453 |
| Contributions as a percentage of covered payroll | 29.28% | 48.08% | 41.85% | 43.70% | 52.16% | 65.24% | 64.90% | 68.21% |

| | Miscellaneous Rate Plan | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Fiscal Year Ended June 30, | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Actuarially determined contribution | $1,137,293 | $1,903,476 | $1,523,004 | $1,663,314 | $1,921,271 | $2,633,458 | $2,799,829 | $2,825,996 |
| Contributions in relation to the actuarially determined contributions | (1,137,293) | (1,903,476) | (1,523,004) | (1,663,314) | (1,921,271) | (2,633,458) | (2,799,829) | (2,825,996) |
| Contribution deficiency (excess) | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Covered payroll | $8,858,005 | $9,854,986 | $10,289,053 | $10,592,598 | $10,632,569 | $9,489,183 | $9,890,731 | $9,621,685 |
| Contributions as a percentage of covered payroll | 12.84% | 19.31% | 14.80% | 15.70% | 18.07% | 27.75% | 28.31% | 29.37% |

| | Plan Totals | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Fiscal Year Ended June 30, | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Actuarially determined contribution | $2,262,304 | $4,190,902 | $3,581,668 | $3,926,990 | $4,215,007 | $5,294,110 | $5,500,242 | $5,578,527 |
| Contributions in relation to the actuarially determined contributions | (2,262,304) | (4,190,902) | (3,581,668) | (3,926,990) | (4,215,007) | (5,294,110) | (5,500,242) | (5,578,527) |
| Contribution deficiency (excess) | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Covered payroll | $12,700,769 | $14,613,016 | $15,208,527 | $15,773,191 | $15,029,833 | $13,567,731 | $14,051,612 | $13,657,138 |
| Contributions as a percentage of covered payroll | 17.81% | 28.68% | 23.55% | 24.90% | 28.04% | 39.02% | 39.14% | 40.85% |

* Fiscal year 2015 was the first year of implementation.

City of Belmont
Schedule of Changes in the City's Net OPEB Liability and Related Ratios
Agent Multiple Employer Defined Benefit OPEB Plan
For the measurement year ending June 30
Last 10 Years*

| **Measurement Date - June 30,** | **2017** | **2018** | **2019** | **2020** | **2021** |
|---|---|---|---|---|---|
| **Total OPEB Liability** | | | | | |
| Service Cost | $370,743 | $381,865 | $375,298 | $336,270 | $346,358 |
| Interest on the total OPEB Liability | 1,013,089 | 1,022,229 | 1,101,266 | 974,383 | 1,012,016 |
| Actual and expected experience difference | - | - | (2,333,966) | - | (1,009,642) |
| Changes in assumptions | - | (430,465) | 1,023,392 | - | (304,718) |
| Changes in benefit terms | - | - | - | - | - |
| Benefit Payments | (592,208) | (608,758) | (669,829) | (581,052) | (629,633) |
| Implicit rate subsidy fulfilled | (218,910) | (234,234) | (234,234) | (152,749) | (162,997) |
| **Net change in total OPEB liability** | 572,714 | 130,637 | (738,073) | 576,852 | (748,616) |
| **Total OPEB liability - beginning** | 14,500,658 | 15,073,372 | 15,204,009 | 14,465,936 | 15,042,788 |
| **Total OPEB liability - ending (a)** | $15,073,372 | $15,204,009 | $14,465,936 | $15,042,788 | $14,294,172 |
| | | | | | |
| **Plan fiduciary net position** | | | | | |
| Contributions - employer-City's contribution | $920,754 | $880,232 | $940,286 | $909,577 | $876,080 |
| Contributions - employer-implicit subsidy | 218,910 | 234,234 | 234,234 | 152,749 | 162,997 |
| Net investment income | 465,943 | 401,898 | 370,618 | 258,178 | 1,964,480 |
| Benefit payments | (592,208) | (608,758) | (669,829) | (581,052) | (629,633) |
| Implicit rate subsidy fulfilled | (218,910) | (234,234) | (234,234) | (152,749) | (162,997) |
| Administrative expense | (2,373) | (2,813) | (1,269) | (5,308) | (4,676) |
| **Net change in plan fiduciary net position** | 792,116 | 670,559 | 639,806 | 581,395 | 2,206,251 |
| **Plan fiduciary net position - beginning** | 4,417,282 | 5,209,398 | 5,879,957 | 6,519,763 | 7,101,158 |
| **Plan fiduciary net position - ending (b)** | $5,209,398 | $5,879,957 | $6,519,763 | $7,101,158 | $9,307,409 |
| | | | | | |
| Net OPEB liability - ending (a)-(b) | $9,863,974 | $9,324,052 | $7,946,173 | $7,941,630 | $4,986,763 |
| | | | | | |
| Plan fiduciary net position as a percentage of the total OPEB liability | 34.56% | 38.67% | 45.07% | 47.21% | 65.11% |
| | | | | | |
| Covered-Employee Payroll | $13,696,266 | $14,265,327 | $14,953,325 | $15,418,025 | $15,860,488 |
| | | | | | |
| Net OPEB liability as percentage of covered-employee payroll | 72.02% | 65.36% | 53.14% | 51.51% | 31.44% |

**Notes to Schedule:**
*The City adopted GASB 75 during the fiscal year ended June 30, 2018.

City of Belmont
For the fiscal year ending June 30
Last 10 Years*
**SCHEDULE OF CONTRIBUTIONS**
Agent Multiple Employer Defined Benefit OPEB Plan

| Fiscal Year Ending June 30, | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| Actuarially determined contribution | $1,153,043 | $1,229,277 | $1,018,423 | $1,039,077 | $1,061,419 |
| Contributions in relation to the actuarially determined contributions | (1,139,664) | (1,174,520) | (1,062,326) | (1,039,077) | (1,059,766) |
| Contribution deficiency (excess) | $13,379 | $54,757 | ($43,903) | $0 | $1,653 |
| Covered-employee payroll | $14,265,327 | $14,953,325 | $15,418,025 | $15,860,488 | $15,413,540 |
| Contributions as a percentage of covered-employee payroll | 8.0% | 7.9% | 6.9% | 6.6% | 6.9% |
| **Notes to Schedule** | | | | | |
| Valuation date: | 7/1/2017 | 7/1/2017 | 7/1/2019 | 7/1/2019 | 7/1/2019 |

Methods and assumptions used to determine contribution rates:

| | |
|---|---|
| Actuarial Cost Method | Entry age normal, level percent of pay |
| Amortization Method | Closed period, level percent of pay |
| Amortization Period | 15 years |
| Inflation | 2.5% for 2018 and 2019; 2.75% for 2020, 2021 and 2022 |
| Assumed Payroll Growth | 3.0% for 2018, 2.75% for 2019 and 2022, 3.0% for 2020 and 2021 |
| Healthcare trend rates | 6.50%, trending down to 3.84% for 2018<br>7.0%, trending down to 3.84% for 2019<br>6.3%, trending down to 4.0% for 2020, 2021 and 2022 |
| Rate of return on assets | 7.0% for 2018, 7.28% for 2019 and 6.75% for 2020, 2021 and 2022 |
| Mortality rate | CalPERS Rates |
| Retirement Rates | CalPERS Rates |

* Fiscal year 2018 was the first year of implementation.

City of Belmont
Schedule of Changes in the Belmont Fire Protection District's
Net OPEB Liability and Related Ratios
Agent Multiple Employer Defined Benefit OPEB Plan
For the measurement year ending June 30
Last 10 Years*

| **Measurement Date - June 30,** | **2017** | **2018** | **2019** | **2020** | **2021** |
|---|---|---|---|---|---|
| **Total OPEB Liability** | | | | | |
| Service Cost | $135,523 | $139,589 | $140,544 | $ - | $ - |
| Interest on the total OPEB Liability | 123,123 | 132,415 | 152,041 | 87,946 | 87,950 |
| Actual and expected experience difference | - | - | (956,257) | - | 781,678 |
| Changes in assumptions | - | (45,680) | 98,289 | - | 167,346 |
| Changes in benefit terms | - | - | - | - | - |
| Benefit Payments | (60,100) | (39,972) | (43,125) | (63,553) | (68,772) |
| Implicit rate subsidy fulfilled | (32,332) | (34,595) | (34,595) | (18,011) | (25,449) |
| **Net change in total OPEB liability** | 166,214 | 151,757 | (643,103) | 6,382 | 942,753 |
| **Total OPEB liability - beginning** | 1,668,817 | 1,835,031 | 1,986,788 | 1,343,685 | 1,350,067 |
| **Total OPEB liability - ending (a)** | $1,835,031 | $1,986,788 | $1,343,685 | $1,350,067 | $2,292,820 |
| **Plan fiduciary net position** | | | | | |
| Contributions - employer-District's contribution | $338,844 | $179,326 | $139,141 | $363 | $ - |
| Contributions - employer-implicit subsidy | 32,332 | 34,595 | 34,595 | 18,011 | - |
| Net investment income | 90,364 | 114,253 | 113,037 | 75,366 | 550,861 |
| Investment Gains on Expected Return | 27,956 | | - | - | |
| Benefit payments | (60,100) | (39,972) | (43,125) | (63,553) | (68,772) |
| Implicit rate subsidy fulfilled | (32,332) | (34,595) | (34,595) | (18,011) | (25,449) |
| Administrative expense | (608) | (839) | (385) | (1,311) | (1,066) |
| **Net change in plan fiduciary net position** | 396,456 | 252,768 | 208,668 | 10,865 | 455,574 |
| **Plan fiduciary net position - beginning** | 1,124,652 | 1,521,108 | 1,773,876 | 1,982,544 | 1,993,409 |
| **Plan fiduciary net position - ending (b)** | $1,521,108 | $1,773,876 | $1,982,544 | $1,993,409 | $2,448,983 |
| Net OPEB liability - ending (a)-(b) | $313,923 | $212,912 | ($638,859) | ($643,342) | ($156,163) |
| Plan fiduciary net position as a percentage of the total OPEB liability | 82.89% | 89.28% | 147.55% | 147.65% | 106.81% |
| Covered-employee payroll | $4,177,634 | $4,249,486 | $2,979,220 | $217,500 | $ - |
| Net OPEB liability as percentage of covered-employee payroll | 7.51% | 5.01% | -21.44% | -295.79% | n/a |

**Notes to Schedule:**

* Fiscal year 2018 was the first year of implementation.

City of Belmont
Belmont Fire Protection District
For the fiscal year ending June 30
Last 10 Years*
**SCHEDULE OF CONTRIBUTIONS**
Agent Multiple Employer Defined Benefit OPEB Plan

| Fiscal Year Ending | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| Actuarially determined contribution | $185,827 | $165,429 | $0 | $0 | $0 |
| Contributions in relation to the actuarially determined contributions | (371,176) | (213,921) | (18,374) | - | (89,085) |
| Contribution deficiency (excess) | ($185,349) | ($48,492) | (18,374) | - | (89,085) |
| Covered payroll | $4,249,486 | $2,979,220 | $217,500 | $0 | $0 |
| Contributions as a percentage of covered payroll | 8.73% | 7.18% | 8.45% | N/A | N/A |
| **Notes to Schedule** | | | | | |
| Valuation date: | 7/1/2017 | 7/1/2017 | 7/1/2019 | 7/1/2019 | 7/1/2019 |

Methods and assumptions used to determine contribution rates:

| | |
|---|---|
| Actuarial cost method | Entry age normal, level percent of pay |
| Amortization method | Closed period, level percent of pay |
| Amortization period | 18 years |
| Inflation | 2.5% for 2018 and 2019; 2.75% for 2020, 2021 and 2022 |
| Assumed Payroll Growth | 3.0% for 2018, 2.75% for 2019, 3.0% for 2020 and 2021 and 0% for 2022 |
| Healthcare trend rates | 6.50%, trending down to 3.84% for 2018<br>7.0%, trending down to 3.84% for 2019<br>6.3%, trending down to 4.0% for 2020, 2021 and 2022 |
| Rate of return on assets | 7.0% for 2018, 7.28% for 2019 and 6.75% for 2020, 2021 and 2022 |
| Mortality rate | CalPERS Rates |
| Retirement Rates | CalPERS Rates |

* Fiscal year 2018 was the first year of implementation.

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**SUPPLEMENTAL INFORMATION**

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CITY OF BELMONT
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2022

| | General | Measure I | Total General Fund |
|---|---|---|---|
| REVENUES | | | |
| Taxes | $18,719,369 | $2,275,183 | $20,994,552 |
| Licenses and permits | 1,068,168 | | 1,068,168 |
| Fines and forfeitures | 156,422 | | 156,422 |
| Use of money and property | 459,411 | 7,361 | 466,772 |
| Intergovernmental | 3,269,239 | | 3,269,239 |
| Charges for current services | 4,439,421 | | 4,439,421 |
| Miscellaneous | 84,196 | | 84,196 |
| Total Revenues | 28,196,226 | 2,282,544 | 30,478,770 |
| EXPENDITURES | | | |
| Current: | | | |
| General government | 5,750,762 | | 5,750,762 |
| Public safety | 13,921,818 | | 13,921,818 |
| Culture and recreation | 1,949,999 | | 1,949,999 |
| Capital outlay | | 1,709,387 | 1,709,387 |
| Total Expenditures | 21,622,579 | 1,709,387 | 23,331,966 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 6,573,647 | 573,157 | 7,146,804 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers (out) | (1,958,815) | (1,385,864) | (3,344,679) |
| Total Other Financing Sources (Uses) | (1,958,815) | (1,385,864) | (3,344,679) |
| NET CHANGE IN FUND BALANCES | 4,614,832 | (812,707) | 3,802,125 |
| BEGINNING FUND BALANCES | 13,398,109 | 3,751,162 | 17,149,271 |
| ENDING FUND BALANCES | $18,012,941 | $2,938,455 | $20,951,396 |

CITY OF BELMONT
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

| | General | | | |
|---|---|---|---|---|
| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
| | Original | Final | Actual Amounts | |
| REVENUES: | | | | |
| Taxes | $16,409,153 | $17,520,153 | $18,719,369 | $1,199,216 |
| Licenses and permits | 1,072,512 | 1,072,512 | 1,068,168 | (4,344) |
| Fines and forfeitures | 164,000 | 164,000 | 156,422 | (7,578) |
| Use of money and property | 1,105,775 | 1,083,775 | 459,411 | (624,364) |
| Intergovernmental | 3,230,660 | 3,230,660 | 3,269,239 | 38,579 |
| Charges for current services | 4,364,328 | 4,453,328 | 4,439,421 | (13,907) |
| Miscellaneous | 7,465 | 47,465 | 84,196 | 36,731 |
| Total Revenues | 26,353,893 | 27,571,893 | 28,196,226 | 624,333 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 6,294,336 | 6,896,699 | 5,750,762 | 1,145,937 |
| Public safety | 14,430,563 | 14,430,563 | 13,921,818 | 508,745 |
| Culture and recreation | 2,027,378 | 2,027,378 | 1,949,999 | 77,379 |
| Capital outlay | | | | |
| Total Expenditures | 22,752,277 | 23,354,640 | 21,622,579 | 1,732,061 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 3,601,616 | 4,217,253 | 6,573,647 | 2,356,394 |
| OTHER FINANCING SOURCES USES | | | | |
| Transfers in | | | | |
| Transfers out | (3,015,000) | (2,863,000) | (1,958,815) | 904,185 |
| Total Other Financing Sources (Uses) | (3,015,000) | (2,863,000) | (1,958,815) | 904,185 |
| NET CHANGE IN FUND BALANCE | $586,616 | $1,354,253 | 4,614,832 | $3,260,579 |
| BEGINNING FUND BALANCE | | | 13,398,109 | |
| ENDING FUND BALANCE | | | $18,012,941 | |

| Measure I | | | | Total General Fund | | | |
|---|---|---|---|---|---|---|---|
| Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
| Original | Final | | | Original | Final | | |
| $2,013,376 | $2,213,376 | $2,275,183 | $61,807 | $18,422,529 | $19,733,529 | $20,994,552 | $1,261,023 |
| | | | | 1,072,512 | 1,072,512 | 1,068,168 | (4,344) |
| | | | | 164,000 | 164,000 | 156,422 | (7,578) |
| 9,069 | 9,069 | 7,361 | (1,708) | 1,114,844 | 1,092,844 | 466,772 | (626,072) |
| | | | | 3,230,660 | 3,230,660 | 3,269,239 | 38,579 |
| | | | | 4,364,328 | 4,453,328 | 4,439,421 | (13,907) |
| | | | | 7,465 | 47,465 | 84,196 | 36,731 |
| 2,022,445 | 2,222,445 | 2,282,544 | 60,099 | 28,376,338 | 29,794,338 | 30,478,770 | 684,432 |
| | 309,200 | | 309,200 | 6,294,336 | 7,205,899 | 5,750,762 | 1,455,137 |
| | | | | 14,430,563 | 14,430,563 | 13,921,818 | 508,745 |
| | | | | 2,027,378 | 2,027,378 | 1,949,999 | 77,379 |
| 4,110,000 | 3,460,000 | 1,709,387 | 1,750,613 | 4,110,000 | 3,460,000 | 1,709,387 | 1,750,613 |
| 4,110,000 | 3,769,200 | 1,709,387 | 2,059,813 | 26,862,277 | 27,123,840 | 23,331,966 | 3,791,874 |
| (2,087,555) | (1,546,755) | 573,157 | 2,119,912 | 1,514,061 | 2,670,498 | 7,146,804 | 4,476,306 |
| | (1,380,000) | (1,385,864) | (5,864) | (3,015,000) | (4,243,000) | (3,344,679) | 898,321 |
| | (1,380,000) | (1,385,864) | (5,864) | (3,015,000) | (4,243,000) | (3,344,679) | 898,321 |
| ($2,087,555) | ($2,926,755) | (812,707) | $2,114,048 | ($1,500,939) | ($1,572,502) | 3,802,125 | $5,374,627 |
| | | 3,751,162 | | | | 17,149,271 | |
| | | $2,938,455 | | | | $20,951,396 | |

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**SPECIAL REVENUE FUNDS**

**Recreation** – To account for certain recreation programs where a large portion of the expenditures are financed by user fees.

**Library Maintenance and Operations –** To account for funds restricted for the maintenance and operations of the library, which is financed by parcel tax and special tax revenue.

**City Trees –** To account for the removal of trees required for the development of property, which is financed by user fees.

**Development Services** – To account for the Permit Center and Development Regulation Programs. This fund makes it possible for staff to track and determine if development fees are covering the direct and indirect cost of providing these services. State law allows for full recovery of these costs.

**General Plan Maintenance** – To account for activities related to the General Plan Update which are financed by user fees.

**Supplemental Law Enforcement Services** – To account for resources received from the State of California to be spent on front line law enforcement needs.

**Public Safety** – To account for grants and donations committed to the Police Department's activities.

**Street Maintenance** – To account for gas tax resources restricted for expenditure on streets.

**Street Improvements –** To account for the City's portion of the special half cent sales tax (Measure A) receipts restricted for street expenditures and other street related grants.

**Measure W –** To account for the City's portion of the special half cent sales tax (Measure W) receipts restricted for street expenditures.

**Athletic Field Maintenance** – To account for athletic field maintenance and operations, which are financed by player registration fees.

**Affordable Housing** – To account for all housing operations of the City of Belmont in its capacity as the Housing Successor Agency to the former Belmont Redevelopment Agency. Activities include asset property management, rental operations, and long range housing planning.

**Housing Mitigation Fees** – To account for residential mitigation fees collected from new development activity, including the residential housing in-lieu fee and the commercial linkage fee. These housing mitigation fees are intended to be used to lessen the burdens created by new residential and non-residential development on the need for affordable housing.

**Road Maintenance and Rehabilitation Account Fund (RMRA)** – To account for gas tax resources restricted for expenditure on basic road maintenance, rehabilitation, and critical safety projects on the local streets and roads system. Senate Bill (SB) 1, the Road Repair and Accountability Act of 2017 provides funding for local streets and roads over the next 10 years.

**Senior Donations** – To account for donations from the community to be used for senior services and programming.

**Public Art** – To account for the private development fee paid in lieu of incorporating art elements in the development to provide funds for art installations on City property.

**Traffic Mitigation** – To account for transportation impact fees. Traffic Impact Fee revenues will be used to mitigate the impacts of new development by requiring new development to contribute to future transportation system investments in the City based on maintaining the existing proportionate level of investment in the City's transportation infrastructure.

**CAPITAL PROJECTS FUNDS**

**General Facilities** – To account for the construction and maintenance of improvements to general-use City facilities.

**Infrastructure** – To account for expenditures associated with the City infrastructure, including streets, retaining walls, bridges, culverts, and waterways.

**Comcast** – To account for the purchase and installation of hardware within City Hall to broadcast events to Pen TV, our Public Education Government Channel.

**Planned Park** – To account for the acquisition and improvement of parks, playgrounds, and recreation facilities.

**Special Assessment District** – To account for maintenance and improvement costs within City's Special Assessment District boundaries. Resources represent funds remaining after the retirement of Special Assessment Debt.

**Open Space** – To account for the accumulation of resources for the acquisition, preservation, and improvements of open space.

**Park Impact Fees** – The Park Impact Fee Fund is to account for park impact fees, interest earned thereon and their expenditure, pursuant to the Mitigation Fee Act, needed to ensure that the City can construct park and recreation facilities and improvements needed for the population growth created by new development consistent with the policies of the City of Belmont General Plan.

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CITY OF BELMONT
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022

| | SPECIAL REVENUE FUNDS | | | |
|---|---|---|---|---|
| | Recreation | Library Maintenance and Operations | City Trees | Development Services |
| ASSETS | | | | |
| Cash and investments | $8,749 | $836,903 | $297,253 | $1,251,097 |
| Receivables: | | | | |
| Accounts | 58,426 | | | 1,026 |
| Due from other governmental agencies | | 4,410 | | |
| Notes | | | | |
| Land held for redevelopment | | | | |
| Total Assets | $67,175 | $841,313 | $297,253 | $1,252,123 |
| LIABILITIES | | | | |
| Accounts payable and other liabilities | $67,174 | $5,725 | $125 | $167,860 |
| Deposits | | | | |
| Due to other funds | | | | |
| Total Liabilities | 67,174 | 5,725 | 125 | 167,860 |
| FUND BALANCES | | | | |
| Restricted | 1 | 835,588 | 297,128 | |
| Committed | | | | 1,084,263 |
| Assigned | | | | |
| Total Fund Balances | 1 | 835,588 | 297,128 | 1,084,263 |
| Total Liabilities and Fund Balances | $67,175 | $841,313 | $297,253 | $1,252,123 |

| SPECIAL REVENUE FUNDS | | | | | |
|---|---|---|---|---|---|
| General Plan Maintenance | Supplemental Law Enforcement Services | Public Safety | Street Maintenance | Street Improvements | Measure W |
| $1,305,231 | | $32,875 | | $1,369,724 | $1,391,591 |
| | | | $11,611 | 19,407 | 65,714 |
| | | | 70,439 | 63,551 | |
| $1,305,231 | | $32,875 | $82,050 | $1,452,682 | $1,457,305 |
| | | $66 | $29,750 | $548,032 | |
| | | | 52,300 | | |
| | | 66 | 82,050 | 548,032 | |
| $1,305,231 | | 32,809 | | 904,650 | $1,457,305 |
| 1,305,231 | | 32,809 | | 904,650 | 1,457,305 |
| $1,305,231 | | $32,875 | $82,050 | $1,452,682 | $1,457,305 |

(Continued)

CITY OF BELMONT
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022

| | SPECIAL REVENUE FUNDS | | | |
|---|---|---|---|---|
| | Athletic Field Maintenance | Affordable Housing | Housing Mitigation Fees | Road Maintenance and Rehabilitation Account (SB1) |
| ASSETS | | | | |
| Cash and investments | $385,821 | $939,369 | $163,110 | $424,896 |
| Receivables: | | | | |
| Accounts | | | | |
| Due from other governmental agencies | | | | 50,860 |
| Notes | | 4,271,268 | 2,289,147 | |
| Land held for redevelopment | | 1,353,043 | | |
| Total Assets | $385,821 | $6,563,680 | $2,452,257 | $475,756 |
| LIABILITIES | | | | |
| Accounts payable and other liabilities | $10,323 | $18,911 | | $475,756 |
| Deposits | | 76,883 | | |
| Due to other funds | | | | |
| Total Liabilities | 10,323 | 95,794 | | 475,756 |
| FUND BALANCES | | | | |
| Restricted | 375,498 | 6,467,886 | $2,452,257 | |
| Committed | | | | |
| Assigned | | | | |
| Total Fund Balances | 375,498 | 6,467,886 | 2,452,257 | |
| Total Liabilities and Fund Balances | $385,821 | $6,563,680 | $2,452,257 | $475,756 |

| SPECIAL REVENUE FUNDS | | | CAPITAL PROJECTS FUNDS | | | |
|---|---|---|---|---|---|---|
| Senior Donations | Public Art | Traffic Mitigation | General Facilities | Infrastructure | Comcast | Planned Park |
| $90,141 | $395,576 | $200,429 | $724,921 | $3,473,844 | $396,000 | $2,004,690 |
| | | | | 37,500 | | |
| $90,141 | $395,576 | $200,429 | $724,921 | $3,511,344 | $396,000 | $2,004,690 |
| $97 | | | | $701,786 | | $15,305 |
| 97 | | | | 701,786 | | 15,305 |
| 90,044 | 395,576 | $200,429 | | | $396,000 | 1,989,385 |
| | | | $724,921 | 2,809,558 | | |
| 90,044 | 395,576 | 200,429 | 724,921 | 2,809,558 | 396,000 | 1,989,385 |
| $90,141 | $395,576 | $200,429 | $724,921 | $3,511,344 | $396,000 | $2,004,690 |

(Continued)

CITY OF BELMONT
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022

| | CAPITAL PROJECTS FUNDS | | | |
|---|---|---|---|---|
| | Special Assessment District | Open Space | Park Impact Fees | Total Nonmajor Governmental Funds |
| ASSETS | | | | |
| Cash and investments | $308,330 | $176,687 | $326,675 | $16,503,912 |
| Receivables: | | | | |
| Accounts | | | | 193,684 |
| Due from other governmental agencies | | | | 189,260 |
| Notes | | | | 6,560,415 |
| Land held for redevelopment | | | | 1,353,043 |
| Total Assets | $308,330 | $176,687 | $326,675 | $24,800,314 |
| LIABILITIES | | | | |
| Accounts payable and other liabilities | | $12,605 | | $2,053,515 |
| Deposits | | | | 76,883 |
| Due to other funds | | | | 52,300 |
| Total Liabilities | | 12,605 | | 2,182,698 |
| FUND BALANCES | | | | |
| Restricted | $308,330 | | $326,675 | 16,496,752 |
| Committed | | | | 2,422,303 |
| Assigned | | 164,082 | | 3,698,561 |
| Total Fund Balances | 308,330 | 164,082 | 326,675 | 22,617,616 |
| Total Liabilities and Fund Balances | $308,330 | $176,687 | $326,675 | $24,800,314 |

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CITY OF BELMONT
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2022

| | SPECIAL REVENUE FUNDS | | | |
|---|---|---|---|---|
| | Recreation | Library Maintenance and Operations | City Trees | Development Services |
| REVENUES | | | | |
| Taxes | | $302,838 | | |
| Licenses and permits | | | | $2,344,489 |
| Use of money and property | ($1,587) | 2,018 | $716 | 1,235 |
| Intergovernmental | 109,356 | | | |
| Charges for current services | 1,962,796 | | 9,295 | 2,741,811 |
| Miscellaneous | 6,509 | | | 9,880 |
| Total Revenues | 2,077,074 | 304,856 | 10,011 | 5,097,415 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | | | | |
| Highways and streets | | | | |
| Culture and recreation | 2,863,957 | 431,670 | 39,292 | |
| Urban redevelopment | | | | 4,764,466 |
| Capital outlay | | | | |
| Debt service: | | | | |
| Principal | | | | |
| Interest and fiscal charges | | | | |
| Total Expenditures | 2,863,957 | 431,670 | 39,292 | 4,764,466 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (786,883) | (126,814) | (29,281) | 332,949 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Gain from the sale of capital assets | | | | |
| Transfers in | 766,377 | | | 334,492 |
| Transfers (out) | | | | (738,129) |
| Total Other Financing Sources (Uses) | 766,377 | | | (403,637) |
| NET CHANGE IN FUND BALANCES | (20,506) | (126,814) | (29,281) | (70,688) |
| BEGINNING FUND BALANCES | 20,507 | 962,402 | 326,409 | 1,154,951 |
| ENDING FUND BALANCES | $1 | $835,588 | $297,128 | $1,084,263 |

| SPECIAL REVENUE FUNDS | | | | | |
|---|---|---|---|---|---|
| General Plan Maintenance | Supplemental Law Enforcement Services | Public Safety | Street Maintenance | Street Improvements | Measure W |
| | | | $566,651 | $850,784 | $376,762 |
| $2,434 | ($100) | $79 | 5 | 5,152 | 1,766 |
| | 161,285 | | | 974,082 | 829,190 |
| 549,576 | | | 539,805 | | |
| 23,148 | | | 500 | 156,935 | |
| 575,158 | 161,185 | 79 | 1,106,961 | 1,986,953 | 1,207,718 |
| | 240,123 | 2,370 | | | |
| | | | 2,001,625 | | |
| 8,056 | | | | | |
| | | | | 3,243,388 | |
| 8,056 | 240,123 | 2,370 | 2,001,625 | 3,243,388 | |
| 567,102 | (78,938) | (2,291) | (894,664) | (1,256,435) | 1,207,718 |
| 738,129 | 78,938 | | 183,476 | | |
| 738,129 | 78,938 | | 183,476 | | |
| 1,305,231 | | (2,291) | (711,188) | (1,256,435) | 1,207,718 |
| | | 35,100 | 711,188 | 2,161,085 | 249,587 |
| $1,305,231 | | $32,809 | | $904,650 | $1,457,305 |

(Continued)

CITY OF BELMONT
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2022

| | SPECIAL REVENUE FUNDS | | | |
|---|---|---|---|---|
| | Athletic Field Maintenance | Affordable Housing | Housing Mitigation Fees | Road Maintenance and Rehabilitation Account (SB1) |
| REVENUES | | | | |
| Taxes | | | | |
| Licenses and permits | | | | |
| Use of money and property | $908 | $83,557 | $67,058 | $215 |
| Intergovernmental | | | | 536,938 |
| Charges for current services | 90,528 | | | |
| Miscellaneous | 5,298 | 7,401 | | |
| Total Revenues | 96,734 | 90,958 | 67,058 | 537,153 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | | | | |
| Highways and streets | | | | |
| Culture and recreation | 73,743 | | | |
| Urban redevelopment | | 447,453 | | |
| Capital outlay | 24,760 | | | 1,104,828 |
| Debt service: | | | | |
| Principal | | | | |
| Interest and fiscal charges | | | | |
| Total Expenditures | 98,503 | 447,453 | | 1,104,828 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (1,769) | (356,495) | 67,058 | (567,675) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Gain from the sale of capital assets | | 4,050,000 | | |
| Transfers in | | | | 244,238 |
| Transfers (out) | | (913,537) | | |
| Total Other Financing Sources (Uses) | | 3,136,463 | | 244,238 |
| NET CHANGE IN FUND BALANCES | (1,769) | 2,779,968 | 67,058 | (323,437) |
| BEGINNING FUND BALANCES | 377,267 | 3,687,918 | 2,385,199 | 323,437 |
| ENDING FUND BALANCES | $375,498 | $6,467,886 | $2,452,257 | |

| SPECIAL REVENUE FUNDS | | | CAPITAL PROJECTS FUNDS | | | |
|---|---|---|---|---|---|---|
| Senior Donations | Public Art | Traffic Mitigation | General Facilities | Infrastructure | Comcast | Planned Park |
| | | | | | $32,581 | |
| $209 | $349 | $429 | $1,744 | $7,192 | | ($500) |
| | | | | 75,000 | $911 | |
| | 395,227 | 200,000 | | | | |
| 3,565 | | | | | | |
| 3,774 | 395,576 | 200,429 | 1,744 | 82,192 | 33,492 | (500) |
| 3 | | | | | | |
| | | | 104,052 | 960,510 | | 178,672 |
| | | | | | | 560,035 |
| | | | | | | 107,965 |
| 3 | | | 104,052 | 960,510 | | 846,672 |
| 3,771 | 395,576 | 200,429 | (102,308) | (878,318) | 33,492 | (847,172) |
| | | | | 1,385,864 | | 2,500,000 |
| | | | | | | (20,900) |
| | | | | 1,385,864 | | 2,479,100 |
| 3,771 | 395,576 | 200,429 | (102,308) | 507,546 | 33,492 | 1,631,928 |
| 86,273 | | | 827,229 | 2,302,012 | 362,508 | 357,457 |
| $90,044 | $395,576 | $200,429 | $724,921 | $2,809,558 | $396,000 | $1,989,385 |

(Continued)

CITY OF BELMONT
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2022

| | CAPITAL PROJECTS FUNDS | | | |
|---|---|---|---|---|
| | Special Assessment District | Open Space | Park Impact Fees | Total Nonmajor Governmental Funds |
| REVENUES | | | | |
| Taxes | | | | $2,129,616 |
| Licenses and permits | | | | 2,344,489 |
| Use of money and property | $725 | $397 | $4,549 | 178,550 |
| Intergovernmental | | | | 2,686,762 |
| Charges for current services | | | 1,553,490 | 8,042,528 |
| Miscellaneous | | | | 213,236 |
| Total Revenues | 725 | 397 | 1,558,039 | 15,595,181 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | | | | 242,493 |
| Highways and streets | | | | 2,001,625 |
| Culture and recreation | | | | 3,408,665 |
| Urban redevelopment | | | | 5,219,975 |
| Capital outlay | | 63,452 | 128,384 | 5,808,046 |
| Debt service: | | | | |
| Principal | | | | 560,035 |
| Interest and fiscal charges | | | | 107,965 |
| Total Expenditures | | 63,452 | 128,384 | 17,348,804 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 725 | (63,055) | 1,429,655 | (1,753,623) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Gain from the sale of capital assets | | | | 4,050,000 |
| Transfers in | | 20,900 | | 6,252,414 |
| Transfers (out) | | | (2,500,000) | (4,172,566) |
| Total Other Financing Sources (Uses) | | 20,900 | (2,500,000) | 6,129,848 |
| NET CHANGE IN FUND BALANCES | 725 | (42,155) | (1,070,345) | 4,376,225 |
| BEGINNING FUND BALANCES | 307,605 | 206,237 | 1,397,020 | 18,241,391 |
| ENDING FUND BALANCES | $308,330 | $164,082 | $326,675 | $22,617,616 |

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CITY OF BELMONT
BUDGETED NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

| | SPECIAL REVENUE FUNDS | | | | | |
|---|---|---|---|---|---|---|
| | RECREATION | | | LIBRARY MAINTENANCE AND OPERATIONS | | |
| | Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) |
| REVENUES | | | | | | |
| Taxes | | | | $303,706 | $302,838 | ($868) |
| Licenses and permits | | | | | | |
| Use of money and property | | ($1,587) | ($1,587) | 3,709 | 2,018 | (1,691) |
| Intergovernmental | $84,958 | 109,356 | 24,398 | | | |
| Charges for current services | 1,711,736 | 1,962,796 | 251,060 | | | |
| Miscellaneous | 24,125 | 6,509 | (17,616) | | | |
| Total Revenues | 1,820,819 | 2,077,074 | 256,255 | 307,415 | 304,856 | (2,559) |
| EXPENDITURES | | | | | | |
| Current | | | | | | |
| Public safety | | | | | | |
| Highways and streets | | | | | | |
| Culture and recreation | 2,833,171 | 2,863,957 | (30,786) | 415,430 | 431,670 | (16,240) |
| Urban redevelopment | | | | | | |
| Capital outlay | | | | 32,000 | | 32,000 |
| Debt service: | | | | | | |
| Principal | | | | | | |
| Interest and fiscal charges | | | | | | |
| Total Expenditures | 2,833,171 | 2,863,957 | (30,786) | 447,430 | 431,670 | 15,760 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (1,012,352) | (786,883) | 225,469 | (140,015) | (126,814) | 13,201 |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Gain from the sale of capital assets | | | | | | |
| Transfers in | 1,085,000 | 766,377 | (318,623) | | | |
| Transfers (out) | | | | | | |
| Total Other Financing Sources (Uses) | 1,085,000 | 766,377 | (318,623) | | | |
| NET CHANGE IN FUND BALANCES | $72,648 | (20,506) | ($93,154) | ($140,015) | (126,814) | $13,201 |
| BEGINNING FUND BALANCES | | 20,507 | | | 962,402 | |
| ENDING FUND BALANCES | | $1 | | | $835,588 | |

SPECIAL REVENUE FUNDS

| CITY TREES | | | DEVELOPMENT SERVICES | | | GENERAL PLAN MAINTENANCE | | |
|---|---|---|---|---|---|---|---|---|
| Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) |
| | | | $1,844,000 | $2,344,489 | $500,489 | | | |
| $1,306 | $716 | ($590) | 2,011 | 1,235 | (776) | $1,811 | $2,434 | $623 |
| 5,000 | 9,295 | 4,295 | 2,416,186 | 2,741,811 | 325,625 | 500,000 | 549,576 | 49,576 |
| | | | 7,000 | 9,880 | 2,880 | | 23,148 | 23,148 |
| 6,306 | 10,011 | 3,705 | 4,269,197 | 5,097,415 | 828,218 | 501,811 | 575,158 | 73,347 |
| 73,990 | 39,292 | 34,698 | | | | | | |
| | | | 5,419,685 | 4,764,466 | 655,219 | 115,000 | 8,056 | 106,944 |
| 73,990 | 39,292 | 34,698 | 5,419,685 | 4,764,466 | 655,219 | 115,000 | 8,056 | 106,944 |
| (67,684) | (29,281) | 38,403 | (1,150,488) | 332,949 | 1,483,437 | 386,811 | 567,102 | 180,291 |
| | | | 1,200,000 | 334,492 | (865,508) | | 738,129 | 738,129 |
| | | | | (738,129) | (738,129) | (200,000) | | 200,000 |
| | | | 1,200,000 | (403,637) | (1,603,637) | (200,000) | 738,129 | 938,129 |
| ($67,684) | (29,281) | $38,403 | $49,512 | (70,688) | ($120,200) | $186,811 | 1,305,231 | $1,118,420 |
| | 326,409 | | | 1,154,951 | | | | |
| | $297,128 | | | $1,084,263 | | | $1,305,231 | |

(Continued)

CITY OF BELMONT
BUDGETED NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

| | SPECIAL REVENUE FUNDS | | | | | |
|---|---|---|---|---|---|---|
| | SUPPLEMENTAL LAW ENFORCEMENT SERVICES | | | PUBLIC SAFETY | | |
| | Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) |
| REVENUES | | | | | | |
| Taxes | | | | | | |
| Licenses and permits | | | | | | |
| Use of money and property | | ($100) | ($100) | $132 | $79 | ($53) |
| Intergovernmental | $196,882 | 161,285 | (35,597) | | | |
| Charges for current services | | | | | | |
| Miscellaneous | | | | | | |
| Total Revenues | 196,882 | 161,185 | (35,697) | 132 | 79 | (53) |
| EXPENDITURES | | | | | | |
| Current | | | | | | |
| Public safety | 210,988 | 240,123 | (29,135) | 5,000 | 2,370 | 2,630 |
| Highways and streets | | | | | | |
| Culture and recreation | | | | | | |
| Urban redevelopment | | | | | | |
| Capital outlay | | | | | | |
| Debt service: | | | | | | |
| Principal | | | | | | |
| Interest and fiscal charges | | | | | | |
| Total Expenditures | 210,988 | 240,123 | (29,135) | 5,000 | 2,370 | 2,630 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (14,106) | (78,938) | (64,832) | (4,868) | (2,291) | 2,577 |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Gain from the sale of capital assets | | | | | | |
| Transfers in | 78,000 | 78,938 | 938 | | | |
| Transfers (out) | | | | | | |
| Total Other Financing Sources (Uses) | 78,000 | 78,938 | 938 | | | |
| NET CHANGE IN FUND BALANCES | $63,894 | | ($63,894) | ($4,868) | (2,291) | $2,577 |
| BEGINNING FUND BALANCES | | | | | 35,100 | |
| ENDING FUND BALANCES | | | | | $32,809 | |

SPECIAL REVENUE FUNDS

| STREET MAINTENANCE | | | STREET IMPROVEMENTS | | | MEASURE W | | |
|---|---|---|---|---|---|---|---|---|
| Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) |
| $1,266,101 | $566,651 | ($699,450) | $870,890 | $850,784 | ($20,106) | $361,601 | $376,762 | $15,161 |
| 1,895 | 5 | (1,890) | 4,321 | 5,152 | 831 | 4,000 | 1,766 | (2,234) |
| | | | 2,787,000 | 974,082 | (1,812,918) | | 829,190 | 829,190 |
| 673,031 | 539,805 | (133,226) | | | | | | |
| | 500 | 500 | 80,000 | 156,935 | 76,935 | | | |
| 1,941,027 | 1,106,961 | (834,066) | 3,742,211 | 1,986,953 | (1,755,258) | 365,601 | 1,207,718 | 842,117 |
| 2,357,330 | 2,001,625 | 355,705 | | | | | | |
| | | | 5,222,177 | 3,243,388 | 1,978,789 | 600,000 | | 600,000 |
| 2,357,330 | 2,001,625 | 355,705 | 5,222,177 | 3,243,388 | 1,978,789 | 600,000 | | 600,000 |
| (416,303) | (894,664) | (478,361) | (1,479,966) | (1,256,435) | 223,531 | (234,399) | 1,207,718 | 1,442,117 |
| 400,000 | 183,476 | (216,524) | 580,000 | | (580,000) | | | |
| 400,000 | 183,476 | (216,524) | 580,000 | | (580,000) | | | |
| ($16,303) | (711,188) | ($694,885) | ($899,966) | (1,256,435) | ($356,469) | ($234,399) | 1,207,718 | $1,442,117 |
| | 711,188 | | | 2,161,085 | | | 249,587 | |
| | | | | $904,650 | | | $1,457,305 | |

(Continued)

CITY OF BELMONT
BUDGETED NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

| | SPECIAL REVENUE FUNDS | | | | | |
|---|---|---|---|---|---|---|
| | ATHLETIC FIELD MAINTENANCE | | | AFFORDABLE HOUSING | | |
| | Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) |
| REVENUES | | | | | | |
| Taxes | | | | | | |
| Licenses and permits | | | | | | |
| Use of money and property | $1,277 | $908 | ($369) | $80,726 | $83,557 | $2,831 |
| Intergovernmental | | | | 310,000 | | (310,000) |
| Charges for current services | 75,000 | 90,528 | 15,528 | | | |
| Miscellaneous | 5,000 | 5,298 | 298 | | 7,401 | 7,401 |
| Total Revenues | 81,277 | 96,734 | 15,457 | 390,726 | 90,958 | (299,768) |
| EXPENDITURES | | | | | | |
| Current | | | | | | |
| Public safety | | | | | | |
| Highways and streets | | | | | | |
| Culture and recreation | 80,000 | 73,743 | 6,257 | | | |
| Urban redevelopment | | | | 646,843 | 447,453 | 199,390 |
| Capital outlay | 25,000 | 24,760 | 240 | | | |
| Debt service: | | | | | | |
| Principal | | | | | | |
| Interest and fiscal charges | | | | | | |
| Total Expenditures | 105,000 | 98,503 | 6,497 | 646,843 | 447,453 | 199,390 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (23,723) | (1,769) | 21,954 | (256,117) | (356,495) | (100,378) |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Gain from the sale of capital assets | | | | 3,750,000 | 4,050,000 | 300,000 |
| Transfers in | | | | | | |
| Transfers (out) | | | | | (913,537) | (913,537) |
| Total Other Financing Sources (Uses) | | | | 3,750,000 | 3,136,463 | (613,537) |
| NET CHANGE IN FUND BALANCES | ($23,723) | (1,769) | $21,954 | $3,493,883 | 2,779,968 | ($713,915) |
| BEGINNING FUND BALANCES | | 377,267 | | | 3,687,918 | |
| ENDING FUND BALANCES | | $375,498 | | | $6,467,886 | |

| SPECIAL REVENUE FUNDS | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| HOUSING MITIGATION FEES | | | ROAD MAINTENANCE AND REHABILITATION ACCOUNT (SB1) | | | SENIOR DONATIONS | | |
| Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) |
| $1,906 | $67,058 | $65,152 | $2,669 | $215 | ($2,454) | $322 | $209 | ($113) |
| | | | 531,107 | 536,938 | 5,831 | | | |
| 280,035 | | (280,035) | | | | | | |
| | | | | | | 5,000 | 3,565 | (1,435) |
| 281,941 | 67,058 | (214,883) | 533,776 | 537,153 | 3,377 | 5,322 | 3,774 | (1,548) |
| | | | | | | | 3 | (3) |
| | | | 1,775,000 | 1,104,828 | 670,172 | | | |
| | | | 1,775,000 | 1,104,828 | 670,172 | | 3 | (3) |
| 281,941 | 67,058 | (214,883) | (1,241,224) | (567,675) | 673,549 | 5,322 | 3,771 | (1,551) |
| | | | | 244,238 | 244,238 | | | |
| | | | | 244,238 | 244,238 | | | |
| $281,941 | 67,058 | ($214,883) | ($1,241,224) | (323,437) | $917,787 | $5,322 | 3,771 | ($1,551) |
| | 2,385,199 | | | 323,437 | | | 86,273 | |
| | $2,452,257 | | | | | | $90,044 | |

(Continued)

CITY OF BELMONT
BUDGETED NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

| | SPECIAL REVENUE FUND | | | CAPITAL PROJECT FUND | | |
|---|---|---|---|---|---|---|
| | TRAFFIC MITIGATION | | | GENERAL FACILITIES | | |
| | Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) |
| REVENUES | | | | | | |
| Taxes | | | | | | |
| Licenses and permits | | | | | | |
| Use of money and property | $4,000 | $429 | ($3,571) | $3,647 | $1,744 | ($1,903) |
| Intergovernmental | | | | | | |
| Charges for current services | 284,095 | 200,000 | (84,095) | | | |
| Miscellaneous | | | | | | |
| Total Revenues | 288,095 | 200,429 | (87,666) | 3,647 | 1,744 | (1,903) |
| EXPENDITURES | | | | | | |
| Current | | | | | | |
| Public safety | | | | | | |
| Highways and streets | | | | | | |
| Culture and recreation | | | | | | |
| Urban redevelopment | | | | | | |
| Capital outlay | | | | 413,076 | 104,052 | 309,024 |
| Debt service: | | | | | | |
| Principal | | | | | | |
| Interest and fiscal charges | | | | | | |
| Total Expenditures | | | | 413,076 | 104,052 | 309,024 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 288,095 | 200,429 | (87,666) | (409,429) | (102,308) | 307,121 |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Gain from the sale of capital assets | | | | | | |
| Transfers in | | | | | | |
| Transfers (out) | | | | | | |
| Total Other Financing Sources (Uses) | | | | | | |
| NET CHANGE IN FUND BALANCES | $288,095 | 200,429 | ($87,666) | ($409,429) | (102,308) | $307,121 |
| BEGINNING FUND BALANCES | | | | | 827,229 | |
| ENDING FUND BALANCES | | $200,429 | | | $724,921 | |

CAPITAL PROJECT FUNDS

| INFRASTRUCTURE | | | COMCAST | | | PLANNED PARK | | |
|---|---|---|---|---|---|---|---|---|
| Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) |
| | | | | $32,581 | $32,581 | | | |
| $10,545 | $7,192 | ($3,353) | | | | $10,433 | ($500) | ($10,933) |
| 228,334 | 75,000 | (153,334) | $1,377 | 911 | (466) | | | |
| 238,879 | 82,192 | (156,687) | 1,377 | 33,492 | 32,115 | 10,433 | (500) | (10,933) |
| 12,279,334 | 960,510 | 11,318,824 | 120,000 | | 120,000 | 335,754 | 178,672 | 157,082 |
| | | | | | | 560,035 | 560,035 | |
| | | | | | | 107,965 | 107,965 | |
| 12,279,334 | 960,510 | 11,318,824 | 120,000 | | 120,000 | 1,003,754 | 846,672 | 157,082 |
| (12,040,455) | (878,318) | 11,162,137 | (118,623) | 33,492 | 152,115 | (993,321) | (847,172) | 146,149 |
| 800,000 | 1,385,864 | 585,864 | | | | 3,000,000 | 2,500,000 | (500,000) |
| | | | | | | (20,900) | (20,900) | |
| 800,000 | 1,385,864 | 585,864 | | | | 2,979,100 | 2,479,100 | (500,000) |
| ($11,240,455) | 507,546 | $11,748,001 | ($118,623) | 33,492 | $152,115 | $1,985,779 | 1,631,928 | ($353,851) |
| | 2,302,012 | | | 362,508 | | | 357,457 | |
| | $2,809,558 | | | $396,000 | | | $1,989,385 | |

(Continued)

CITY OF BELMONT
BUDGETED NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

| | CAPITAL PROJECT FUNDS | | | | | |
|---|---|---|---|---|---|---|
| | SPECIAL ASSESSMENT DISTRICT | | | OPEN SPACE | | |
| | Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) |
| REVENUES | | | | | | |
| Taxes | | | | | | |
| Licenses and permits | | | | | | |
| Use of money and property | $1,148 | $725 | ($423) | $847 | $397 | ($450) |
| Intergovernmental | | | | | | |
| Charges for current services | | | | | | |
| Miscellaneous | | | | | | |
| Total Revenues | 1,148 | 725 | (423) | 847 | 397 | (450) |
| EXPENDITURES | | | | | | |
| Current | | | | | | |
| Public safety | | | | | | |
| Highways and streets | | | | | | |
| Culture and recreation | | | | | | |
| Urban redevelopment | | | | | | |
| Capital outlay | | | | 91,365 | 63,452 | 27,913 |
| Debt service: | | | | | | |
| Principal | | | | | | |
| Interest and fiscal charges | | | | | | |
| Total Expenditures | | | | 91,365 | 63,452 | 27,913 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 1,148 | 725 | (423) | (90,518) | (63,055) | 27,463 |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Gain from the sale of capital assets | | | | | | |
| Transfers in | | | | 20,900 | 20,900 | |
| Transfers (out) | | | | | | |
| Total Other Financing Sources (Uses) | | | | 20,900 | 20,900 | |
| NET CHANGE IN FUND BALANCES | $1,148 | 725 | ($423) | ($69,618) | (42,155) | $27,463 |
| BEGINNING FUND BALANCES | | 307,605 | | | 206,237 | |
| ENDING FUND BALANCES | | $308,330 | | | $164,082 | |

CAPITAL PROJECT FUND

PARK IMPACT FEES

| Budget | Actual | Variance Positive (Negative) |
|---|---|---|
| $1,403 | $4,549 | $3,146 |
| 194,570 | | (194,570) |
| 1,774,696 | 1,553,490 | (221,206) |
| 10,000 | | (10,000) |
| 1,980,669 | 1,558,039 | (422,630) |
| 306,900 | 128,384 | 178,516 |
| 306,900 | 128,384 | 178,516 |
| 1,673,769 | 1,429,655 | (244,114) |
| (3,000,000) | (2,500,000) | 500,000 |
| (3,000,000) | (2,500,000) | 500,000 |
| ($1,326,231) | (1,070,345) | $255,886 |
| | 1,397,020 | |
| | $326,675 | |

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## INTERNAL SERVICE FUNDS

Internal Service Funds are used to finance and account for special activities and services performed by a designated department for other departments in the City on a cost reimbursement basis.

The concept of major funds does not extend to internal service funds because they do not do business with outside parties. For the Statement of Activities, the net revenues or expenses of each internal service fund be eliminated by netting them against the operations of the other City departments, which generated them. The remaining balance sheet items are consolidated with these same funds in the Statement of Net Position.

However, internal service funds are still presented separately in the Fund financial statements, including the funds below.

**Workers' Compensation** – To account for the City's workers' compensation insurance program.

**Liability Insurance** – To account for coverage on the City's and District's general and automobile liability.

**Self-Funded Vision** – To account for the City's vision reimbursement plan for its employees.

**Benefit Prefunding –** To account for certain accrued employee benefits.

**Fleet and Equipment Management –** To account for the interdepartmental services provided by the Fleet Management division and Information Technology division.

**Facilities Management –** To account for the interdepartmental services provided by the Facilities Management Division.

CITY OF BELMONT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2022

| | Workers' Compensation | Liability Insurance | Self-Funded Vision | Benefit Prefunding | Fleet and Equipment Management |
|---|---|---|---|---|---|
| ASSETS | | | | | |
| Cash and investments | $1,767,999 | $1,950,896 | $13,182 | $1,194,877 | $6,441,450 |
| Accounts receivable | | 1,777,937 | | | 1,003 |
| Prepaids and other assets | | | | | 23,120 |
| Depreciable capital assets, net | | | | | 1,230,946 |
| Total Assets | 1,767,999 | 3,728,833 | 13,182 | 1,194,877 | 7,696,519 |
| LIABILITIES | | | | | |
| Accounts payable | 19 | 3,094 | 13,182 | 113,214 | 122,650 |
| Due to other funds | | | | | |
| Claims payable | | | | | |
| Current portion | 7,607 | 339,248 | | | |
| Due in more than one year | 223,696 | | | | |
| Compensated absences | | | | | |
| Current portion | | | | | 49,109 |
| Due in more than one year | | | | | 86,410 |
| Total Liabilities | 231,322 | 342,342 | 13,182 | 113,214 | 258,169 |
| NET POSITION | | | | | |
| Net investment in capital assets | | | | | 1,230,946 |
| Unrestricted | 1,536,677 | 3,386,491 | | 1,081,663 | 6,207,404 |
| Total Net Position | $1,536,677 | $3,386,491 | | $1,081,663 | $7,438,350 |

| Facilities Management | Total |
|---|---|
| | $11,368,404 |
| $6,745 | 1,785,685 |
| | 23,120 |
| 181,091 | 1,412,037 |
| 187,836 | 14,589,246 |
| 44,473 | 296,632 |
| 48,914 | 48,914 |
| | 346,855 |
| | 223,696 |
| 31,705 | 80,814 |
| 62,743 | 149,153 |
| 187,835 | 1,146,064 |
| 181,091 | 1,412,037 |
| (181,090) | 12,031,145 |
| $1 | $13,443,182 |

CITY OF BELMONT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022

| | Workers' Compensation | Liability Insurance | Self-Funded Vision | Benefit Prefunding | Fleet and Equipment Management |
|---|---|---|---|---|---|
| OPERATING REVENUES | | | | | |
| Interdepartmental charges for services | $729,143 | $478,959 | $10,717 | $1,371,536 | $5,074,775 |
| Total Operating Revenues | 729,143 | 478,959 | 10,717 | 1,371,536 | 5,074,775 |
| OPERATING EXPENSES | | | | | |
| Insurance premiums | 537,628 | 400,285 | | | |
| Professional and legal | 16,346 | 188,722 | 3,136 | 94,135 | 953,605 |
| Operating costs | | | | 239,463 | 1,995,553 |
| Pension and other post employment benefits | | | | 1,355,121 | |
| Insurance claims, net of change in claims payable | 2,359 | 3,021 | 7,609 | | |
| Depreciation | | | | | 552,139 |
| Total Operating Expenses | 556,333 | 592,028 | 10,745 | 1,688,719 | 3,501,297 |
| Operating Income (Loss) | 172,810 | (113,069) | (28) | (317,183) | 1,573,478 |
| NONOPERATING REVENUES (EXPENSES) | | | | | |
| Gain from sale of capital assets | | | | | 17,408 |
| Use of money and property | 3,664 | 4,455 | 28 | 2,726 | 14,121 |
| Miscellaneous | 23,154 | 120,279 | | | 2,549 |
| Total Nonoperating Revenues (Expenses) | 26,818 | 124,734 | 28 | 2,726 | 34,078 |
| Income (Loss) Before Transfers | 199,628 | 11,665 | | (314,457) | 1,607,556 |
| Transfers in | | | | | |
| Change in Net Position | 199,628 | 11,665 | | (314,457) | 1,607,556 |
| BEGINNING NET POSITION | 1,337,049 | 3,374,826 | | 1,396,120 | 5,830,794 |
| ENDING NET POSITION | $1,536,677 | $3,386,491 | | $1,081,663 | $7,438,350 |

| Facilities Management | Total |
|---|---|
| $1,485,411 | $9,150,541 |
| 1,485,411 | 9,150,541 |
| | 937,913 |
| 343,375 | 1,599,319 |
| 1,763,202 | 3,998,218 |
| | 1,355,121 |
| | 12,989 |
| 8,143 | 560,282 |
| 2,114,720 | 8,463,842 |
| (629,309) | 686,699 |
| | 17,408 |
| 236,818 | 261,812 |
| | 145,982 |
| 236,818 | 425,202 |
| (392,491) | 1,111,901 |
| 351,294 | 351,294 |
| (41,197) | 1,463,195 |
| 41,198 | 11,979,987 |
| $1 | $13,443,182 |

CITY OF BELMONT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

| | Workers' Compensation | Liability Insurance | Self-Funded Vision | Benefit Prefunding | Fleet and Equipment Management |
|---|---|---|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Receipts from other funds | $752,297 | $533,837 | $10,717 | $1,371,536 | $5,077,531 |
| Payments to vendors | (556,632) | (589,684) | (3,136) | (333,598) | (1,525,590) |
| Payment to or on behalf of employees | | | | (1,245,287) | (1,418,770) |
| Claims paid | (6,916) | (5,833) | (9,459) | | |
| Cash Flows from Operating Activities | 188,749 | (61,680) | (1,878) | (207,349) | 2,133,171 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | |
| Interfund receipts | | | | | |
| Cash Flows from Noncapital Financing Activities | | | | | |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | |
| Acquisition of capital assets | | | | | (517,414) |
| Proceeds from sale of capital assets | | | | | 17,408 |
| Cash Flows from Capital and Related Financing Activities | | | | | (500,006) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Interest and rents | 3,664 | 4,455 | 28 | 2,726 | 14,121 |
| Cash Flows from Investing Activities | 3,664 | 4,455 | 28 | 2,726 | 14,121 |
| Net Cash Flows | 192,413 | (57,225) | (1,850) | (204,623) | 1,647,286 |
| Cash and investments at beginning of period | 1,575,586 | 2,008,121 | 15,032 | 1,399,500 | 4,794,164 |
| Cash and investments at end of period | $1,767,999 | $1,950,896 | $13,182 | $1,194,877 | $6,441,450 |
| Reconciliation of operating income (loss) to net cash flows from operating activities: | | | | | |
| Operating income (loss) | $172,810 | ($113,069) | ($28) | ($317,183) | $1,573,478 |
| Adjustments to reconcile operating income (loss) to net cash flows from operating activities: | | | | | |
| Depreciation | | | | | 552,139 |
| Miscellaneous revenues | 23,154 | 120,279 | | | 2,549 |
| Change in assets and liabilities: | | | | | |
| Accounts receivables | | (65,401) | | | 207 |
| Prepaids and other net assets | | | | | (7,831) |
| Accounts payable | (2,658) | (677) | (1,850) | 109,834 | 8,060 |
| Claims payable | (4,557) | (2,812) | | | |
| Compensated absences | | | | | 4,569 |
| Cash Flows from Operating Activities | $188,749 | ($61,680) | ($1,878) | ($207,349) | $2,133,171 |

| Facilities Management | Total |
|---|---|
| $1,484,879 | $9,230,797 |
| (1,368,348) | (4,376,988) |
| (747,354) | (3,411,411) |
| | (22,208) |
| (630,823) | 1,420,190 |
| 400,208 | 400,208 |
| 400,208 | 400,208 |
| (41,744) | (559,158) |
| | 17,408 |
| (41,744) | (541,750) |
| 236,818 | 261,812 |
| 236,818 | 261,812 |
| (35,541) | 1,540,460 |
| 35,541 | 9,827,944 |
| | $11,368,404 |
| ($629,309) | $686,699 |
| 8,143 | 560,282 |
| | 145,982 |
| (532) | (65,726) |
| | (7,831) |
| (22,806) | 89,903 |
| | (7,369) |
| 13,681 | 18,250 |
| ($630,823) | $1,420,190 |

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# Statistical Section



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## STATISTICAL SECTION

This part of the City's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. In contrast to the financial section, the statistical section information is not subject to independent audit.

***Financial Trends***

These schedules contain trend information to help the reader understand how the City's financial performance and wellbeing have changed over time:

1. Net Position by Component
2. Changes in Net Position
3. Fund Balances of Governmental Funds
4. Changes in Fund Balance of Governmental Funds

***Revenue Capacity***

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax:

1. Assessed Value of Taxable Property
2. Direct and Overlapping Property Tax Rates
3. Principal Property Taxpayers
4. Property Tax Levies and Collections

***Debt Capacity***

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future:

1. Ratio of Outstanding Debt by Type
2. Computation of Direct and Overlapping Debt
3. Computation of Legal Bonded Debt Margin
4. Bonded Debt Pledged Revenue Coverage:
    a. 2016 Sewer Revenue and Sewer Refunding Revenue Bonds and 2019 Sewer Revenue Bonds – Last Ten Fiscal Years
    b. 2009A and 2018 Sewer Treatment Facility Revenue Bonds and 2022 Sewer Treatment Facility Obligations
    c. Former Redevelopment Agency Bonds
5. Continuing Disclosure Requirements:
    a. Sewer System Summary Statement of Historical Revenue and Expenditures
    b. Ten Largest Users of the Sewer System
    c. Number of Sewer Service Users
    d. Sewer Service Revenues by Class of User
    e. Schedule of Budgeted and Projected Sewer Treatment Facility Charges and Associated Debt Service
    f. Community Facilities District No. 2000-1

***Demographic and Economic Information***

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place:

1. Demographic and Economic Statistics
2. Principal Employers

***Operating Information***

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs:

1. Full-Time Equivalent City Government Employees by Function
2. Operating Indicators by Function/Program
3. Capital Asset Statistics by Function/Program

***Sources***

Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

**CITY OF BELMONT**
**NET POSITION BY COMPONENT**

**Last Ten Fiscal Years**
**(accrual basis of accounting)**




| | As of June 30, | | | | |
|---|---|---|---|---|---|
| | **2013** | **2014** | **2015** | **2016** | **2017** |
| ***Governmental activities*** | | | | | |
| Net investment in capital assets | $67,417,898 | $66,107,787 | $65,328,759 | $67,139,553 | $69,831,130 |
| Restricted | 6,722,358 | 6,664,041 | 6,904,176 | 6,904,177 | 11,714,283 |
| Unrestricted | 11,312,129 | 13,628,786 | (8,619,488) (a) | (9,680,086) (a) | (188,113) |
| Total governmental activities | $85,452,385 | $86,400,614 | $63,613,447 | $64,363,644 | $81,357,300 |
| ***Business-type activities*** | | | | | |
| Net investment in capital assets | $5,418,984 | $6,447,043 | $8,424,614 | $16,739,430 | $6,439,038 |
| Restricted | 3,108,105 | 3,108,838 | 5,383,408 | 9,143,559 | 14,957,819 |
| Unrestricted | 8,317,276 | 11,627,962 | 8,634,126 (a) | (a) | 8,602,110 |
| Total business-type activities | $16,844,365 | $21,183,843 | $22,442,148 | $25,882,989 | $29,998,967 |
| ***Primary government*** | | | | | |
| Net investment in capital assets | $72,836,882 | $72,554,830 | $73,753,373 | $83,878,983 | $76,270,168 |
| Restricted | 9,830,463 | 9,772,879 | 12,287,584 | 16,047,736 | 26,672,102 |
| Unrestricted | 19,629,405 | 25,256,748 | 14,638 (a) | (9,680,086) (a) | 8,413,997 |
| Total primary government | $102,296,750 | $107,584,457 | $86,055,595 | $90,246,633 | $111,356,267 |

| | As of June 30, | | | | |
|---|---|---|---|---|---|
| | **2018** | **2019** | **2020** | **2021** | **2022** |
| ***Governmental activities*** | | | | | |
| Net investment in capital assets | $67,969,307 | $69,521,925 | $74,539,932 | $74,700,385 | $80,638,254 |
| Restricted | 24,061,436 | 24,039,737 | 26,494,396 | 29,925,106 | 31,881,783 |
| Unrestricted | (12,213,657) (b) | (4,098,068) | (6,415,098) | (4,130,669) | 3,477,732 |
| Total governmental activities | $79,817,086 | $89,463,594 | $94,619,230 | $100,494,822 | $115,997,769 |
| ***Business-type activities*** | | | | | |
| Net investment in capital assets | $5,536,183 | $3,453,035 | $4,445,755 | $3,971,403 | $1,163,216 |
| Restricted | 17,728,929 | 20,219,035 | 22,464,351 | 24,300,968 | 25,991,829 |
| Unrestricted | 9,913,265 (b) | 13,315,730 | 16,112,774 | 21,229,648 | 28,806,567 |
| Total business-type activities | $33,178,377 | $36,987,800 | $43,022,880 | $49,502,019 | $55,961,612 |
| ***Primary government*** | | | | | |
| Net investment in capital assets | $73,505,490 | $72,974,960 | $78,985,687 | $78,671,788 | $81,801,470 |
| Restricted | 41,790,365 | 44,258,772 | 48,958,747 | 54,226,074 | 57,873,612 |
| Unrestricted | (2,300,392) (b) | 9,217,662 | 9,697,676 | 17,098,979 | 32,284,299 |
| Total primary government | $112,995,463 | $126,451,394 | $137,642,110 | $149,996,841 | $171,959,381 |

(a) Fiscal year 2015 was the first year of implementation for GASB 68.
(b) Fiscal year 2018 was the first year of implementation for GASB 75.

**CITY OF BELMONT**
**CHANGES IN NET POSITION**

**Last Ten Fiscal Years**
**(Accrual Basis of Accounting)**

| | Fiscal Year Ended June 30, | | | |
|---|---|---|---|---|
| | **2013** | **2014** | **2015** | **2016** |
| **Expenses** | | | | |
| Governmental Activities: | | | | |
| General government | $5,353,940 | $5,592,651 | $5,244,211 | $5,439,850 |
| Public safety | 18,000,012 | 19,429,456 | 19,218,589 | 19,906,577 |
| Highways and streets | 3,242,496 | 3,412,713 | 3,340,232 | 2,998,364 |
| Culture and recreation | 4,275,013 | 4,530,410 | 5,018,290 | 4,729,514 |
| Urban redevelopment | 1,885,099 | 2,295,295 | 2,268,840 | 3,436,088 |
| Interest on long term debt | 68,175 | 37,019 | 24,850 | 16,708 |
| Total Governmental Activities Expenses | 32,824,735 | 35,297,544 | 35,115,012 | 36,527,101 |
| Business-Type Activities: | | | | |
| Sewer Collection | 6,715,514 | 6,657,220 | 7,654,335 | 8,251,781 |
| Sewer Treatment | | | | 403,386 |
| Storm drainage | 1,338,902 | 1,236,911 | 1,446,650 | 1,603,968 |
| Solid waste | 469,298 | 459,967 | 223,392 | 283,045 |
| Total Business-Type Activities Expenses | 8,523,714 | 8,354,098 | 9,324,377 | 10,542,180 |
| Total Primary Government Expenses | $41,348,449 | $43,651,642 | $44,439,389 | $47,069,281 |
| **Program Revenues** | | | | |
| Governmental Activities: | | | | |
| Charges for Services: | | | | |
| General Government | $4,463,544 | $4,601,332 | $4,937,130 | $5,780,785 |
| Public Safety | 1,152,475 | 1,177,218 | 1,143,332 | 998,958 |
| Highways and streets | 382,904 | 459,815 | 473,341 | 464,902 |
| Culture and recreation | 2,087,336 | 2,130,365 | 2,729,732 | 2,629,840 |
| Urban redevelopment | 2,560,400 | 3,069,625 | 3,627,765 | 3,860,509 |
| Operating Grants and Contributions | 1,636,424 | 1,817,345 | 2,042,316 | 1,861,488 |
| Capital Grants and Contributions | 874,168 | 519,254 | 411,980 | 2,746,475 |
| Total Government Activities Program Revenues | 13,157,251 | 13,774,954 | 15,365,596 | 18,342,957 |
| Business-Type Activities: | | | | |
| Charges for Services: | | | | |
| Sewer Collection | 10,086,878 | 11,290,621 | 11,905,392 | 9,623,230 |
| Sewer Treatment | | | | 3,124,223 |
| Storm drainage | 549,863 | 520,119 | 943,554 | 903,147 |
| Solid Waste | 781,612 | 867,710 | 458,337 | 443,408 |
| Operating Grants and Contributions | | | | |
| Capital Grants and Contributions | | | | |
| Total Business-Type Activities Program Revenue | 11,418,353 | 12,678,450 | 13,307,283 | 14,094,008 |
| Total Primary Government Program Revenues | $24,575,604 | $26,453,404 | $28,672,879 | $32,436,965 |
| **Net (Expense)/Revenue** | | | | |
| Governmental Activities | ($19,371,771) | ($21,522,590) | ($19,749,416) | ($18,184,144) |
| Business-Type Activities | 64,404 | 4,324,352 | 3,982,906 | 2,018,171 |
| Total Primary Government Net Expense | ($19,307,367) | ($17,198,238) | ($15,766,510) | ($16,165,973) |

| Fiscal Year Ended June 30, | | | | | |
|---|---|---|---|---|---|
| 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| $5,671,719 | $6,598,992 | $5,621,928 | $8,461,468 | $8,168,398 | $7,642,172 |
| 21,282,999 | 23,461,443 | 21,608,132 | 24,687,962 | 25,705,962 | 24,908,569 |
| 2,785,012 | 3,182,025 | 2,845,390 | 2,768,906 | 2,563,851 | 2,936,535 |
| 4,759,282 | 5,344,942 | 5,754,393 | 6,727,967 | 5,707,179 | 6,218,434 |
| 3,223,265 | 3,447,979 | 3,274,118 | 4,504,187 | 5,678,182 | 5,520,422 |
| 5,592 | 3,169 | 644 | 41,615 | 119,690 | 107,965 |
| 37,727,869 | 42,038,550 | 39,104,605 | 47,192,105 | 47,943,262 | 47,334,097 |
| 8,251,781 | 9,087,660 | 11,292,920 | 10,066,509 | 10,760,135 | 10,634,189 |
| 403,386 | 517,015 | 1,121,846 | 1,376,670 | 1,370,917 | 1,437,779 |
| 1,603,968 | 1,566,875 | 1,893,199 | 2,119,817 | 2,056,207 | 2,190,249 |
| 283,045 | 338,756 | 284,968 | 343,075 | 452,750 | 502,470 |
| 10,542,180 | 11,510,306 | 14,592,933 | 13,906,071 | 14,640,009 | 14,764,687 |
| $48,270,049 | $53,548,856 | $53,697,538 | $61,098,176 | $62,583,271 | $62,098,784 |
| $8,184,093 | $6,868,959 | $6,142,052 | $6,577,974 | $8,880,620 | $6,161,208 |
| 1,113,555 | 1,425,037 | 1,250,205 | 404,688 | 413,536 | 370,671 |
| 498,637 | 490,979 | 504,891 | 808,673 | 1,220,787 | 868,986 |
| 5,997,226 | 3,250,607 | 3,589,282 | 2,948,206 | 2,966,339 | 4,942,718 |
| 4,701,066 | 3,692,543 | 4,104,255 | 4,212,747 | 4,227,537 | 5,023,122 |
| 1,767,235 | 2,175,529 | 2,196,042 | 3,511,589 | 3,456,820 | 5,895,499 |
| 596,190 | 1,262,562 | 107,597 | 944,285 | 1,227,833 | 1,868,526 |
| 22,858,002 | 19,166,216 | 17,894,324 | 19,408,162 | 22,393,472 | 25,130,730 |
| 10,974,015 | 10,451,746 | 11,131,538 | 12,711,450 | 16,273,536 | 16,360,163 |
| 3,087,872 | 3,225,639 | 3,178,480 | 3,196,757 | 3,181,962 | 3,142,679 |
| 875,926 | 886,380 | 922,892 | 969,136 | 968,969 | 1,024,532 |
| 429,212 | 428,446 | 457,015 | 482,843 | 489,560 | 623,030 |
| 37,862 | 23,408 | 15,650 | 98,099 | | 58,914 |
| | | 1,708,952 | | | |
| 15,404,887 | 15,015,619 | 17,414,527 | 17,458,285 | 20,914,027 | 21,209,318 |
| $38,262,889 | $34,181,835 | $35,308,851 | $36,866,447 | $43,307,499 | $46,340,048 |
| ($14,869,867) | ($22,872,334) | ($21,210,281) | ($27,783,943) | ($25,549,790) | ($22,203,367) |
| 4,862,707 | 3,505,313 | 2,821,594 | 3,552,214 | 6,274,018 | 6,444,631 |
| ($10,007,160) | ($19,367,021) | ($18,388,687) | ($24,231,729) | ($19,275,772) | ($15,758,736) |

(Continued)

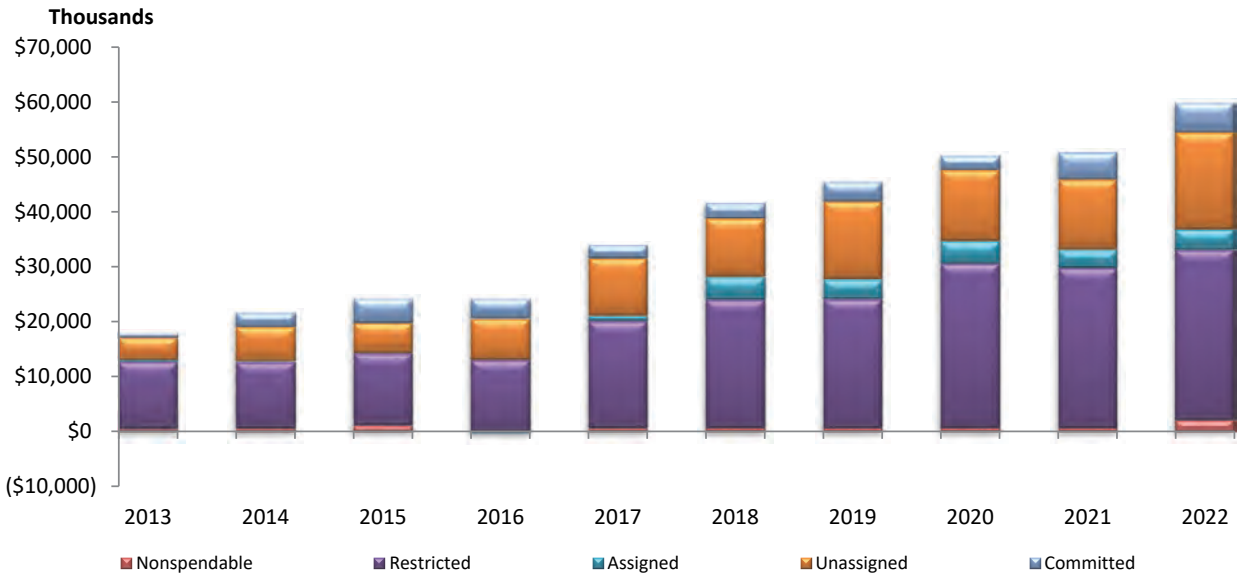
# CITY OF BELMONT
# CHANGES IN NET POSITION
# (continued)
# Last Ten Fiscal Years
# (Accrual Basis of Accounting)

| | Fiscal Year Ended June 30, | | | |
|---|---|---|---|---|
| | 2013 | 2014 | 2015 | 2016 |
| **General Revenues and Other Changes in Net Position** | | | | |
| Governmental Activities: | | | | |
| Taxes: | | | | |
| Property taxes | $10,918,478 | $11,864,792 | $13,134,287 | $14,132,122 |
| Incremental property tax | | | | |
| Sales taxes | 2,792,298 | 2,831,248 | 3,085,607 | 3,613,991 |
| Other taxes | 3,017,599 | 3,260,000 | 3,487,040 | 3,957,259 |
| Motor vehicle in lieu | 1,941,735 | 2,168,184 | 2,474,536 | 2,436,212 |
| Investment earnings and rentals | 531,126 | 603,489 | 590,418 | 540,269 |
| Miscellaneous/Gain on sale | 1,847 | 1,743,106 | 3,803 | 6,263 |
| Gain on sale of capital assets | | | | |
| Loss on disposal of capital assets | | | (39,381) | |
| Equity in gains/(losses) of joint ventures | | | | |
| Transfers | | | | (437,270) |
| Extraordinary items | | | | |
| Total Government Activities | 19,203,083 | 22,470,819 | 22,736,310 | 24,248,846 |
| Business-Type Activities: | | | | |
| Investment earnings | 9,971 | 15,126 | 17,275 | 77,370 |
| Miscellaneous | | | | 57,142 |
| Transfers | 1,216 | | 45,769 | 437,270 |
| Total Business-Type Activities | 11,187 | 15,126 | 63,044 | 571,782 |
| Total Primary Government | $19,214,270 | $22,485,945 | $22,799,354 | $24,820,628 |
| **Change in Net Position** | | | | |
| Governmental Activities | ($168,688) | $948,229 | $2,986,894 | $6,064,702 |
| Business-Type Activities | 75,591 | 4,339,478 | 4,045,950 | 2,589,953 |
| Total Primary Government | ($93,097) | $5,287,707 | $7,032,844 | $8,654,655 |

| Fiscal Year Ended June 30, | | | | | |
|---|---|---|---|---|---|
| 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| $15,527,210 | $16,894,686 | $18,038,474 | $19,236,918 | $20,132,097 | $20,468,903 |
| 3,882,588 | 5,134,206 | 5,543,213 | 5,128,787 | 5,969,774 | 6,602,318 |
| 3,927,717 | 4,039,400 | 4,916,495 | 5,177,005 | 2,693,563 | 3,905,904 |
| 2,619,042 | 2,786,304 | 2,987,318 | 3,076,967 | 1,943,403 | 2,833,129 |
| 588,798 | 981,525 | 1,713,215 | 1,680,176 | 280,325 | (166,620) |
| 3,663 | 89,454 | 238,833 | 7,550 | 727 | 12,680 |
| | | | | | 4,050,000 |
| | | (2,580,759) | | 405,493 | |
| | | | (1,367,824) | | |
| 26,549,018 | 29,925,575 | 30,856,789 | 32,939,579 | 31,425,382 | 37,706,314 |
| 104,041 | 489,367 | 975,602 | 1,115,042 | 126,076 | (53,021) |
| 118 | 36,854 | 12,227 | | 79,045 | 67,983 |
| | | | 1,367,824 | | |
| 104,159 | 526,221 | 987,829 | 2,482,866 | 205,121 | 14,962 |
| $26,653,177 | $30,451,796 | $31,844,618 | $35,422,445 | $31,630,503 | $37,721,276 |
| $11,679,151 | $7,053,241 | $9,646,508 | $5,155,636 | $5,875,592 | $15,502,947 |
| 4,966,866 | 4,031,534 | 3,809,423 | 6,035,080 | 6,479,139 | 6,459,593 |
| $16,646,017 | $11,084,775 | $13,455,931 | $11,190,716 | $12,354,731 | $21,962,540 |

**CITY OF BELMONT**
**FUND BALANCES OF GOVERNMENTAL FUNDS**

**Last Ten Fiscal Years**
**(Modified Accrual Basis of Accounting)**




| | Fiscal Year Ended June 30, | | | | |
|---|---|---|---|---|---|
| | **2013** | **2014** | **2015** | **2016** | **2017** |
| General Fund | | | | | |
| Nonspendable | $504,390 | $568,336 | $1,130,963 | | $627,500 |
| Restricted | | | | | 251,184 |
| Assigned | | 1,377,103 | 2,327,624 | $1,507,974 | |
| Unassigned | 5,696,079 | 6,258,460 | 5,590,065 | 7,540,974 | 10,500,188 |
| Total General Fund | $6,200,469 | $8,203,899 | $9,048,652 | $9,048,948 | $11,378,872 |
| All Other Governmental Funds | | | | | |
| Restricted | $12,218,243 | $12,090,398 | $13,099,710 | $13,099,725 | $19,239,022 |
| Committed | 258,684 | 104,039 | 5,644 | (140,892) | 936,200 |
| Assigned | 706,293 | 1,213,342 | 2,111,573 | 2,111,572 | 2,289,075 |
| Unassigned | (1,550,397) | | (146,538) | | |
| Total all other governmental funds | $11,632,823 | $13,407,779 | $15,070,389 | $15,070,405 | $22,464,297 |

| | Fiscal Year Ended June 30, | | | | | |
|---|---|---|---|---|---|---|
| | **2018** | **2019** | **2020** | **2021** | **2022** | |
| General Fund | | | | | | |
| Nonspendable | $641,355 | $641,115 | $641,273 | $639,099 | $376,537 | |
| Committed | 1,879,332 | 2,903,606 | 2,101,292 | 3,751,162 | 2,938,455 | |
| Assigned | | | | | | |
| Unassigned | 10,683,682 | 14,204,643 | 12,995,874 | 12,759,010 | 17,636,404 | |
| Total General Fund | $13,204,369 | $17,749,364 | $15,738,439 | $17,149,271 | $20,951,396 | (a) |
| All Other Governmental Funds | | | | | | |
| Nonspendable | | | | | $1,736,353 | |
| Restricted | $23,400,819 | $23,504,778 | $30,017,035 | $29,119,357 | 30,977,682 | |
| Committed | 784,403 | 658,745 | 443,069 | 1,190,051 | 2,422,303 | |
| Assigned | 4,116,485 | 3,602,036 | 4,070,714 | 3,335,478 | 3,698,561 | |
| Unassigned | | | | | | |
| Total all other governmental funds | $28,301,707 | $27,765,559 | $34,530,818 | $33,644,886 | $38,834,899 | (a) |

(a) The change in total fund balance for the General Fund and other governmental funds is explained in Management's Discussion and Analysis.

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## CITY OF BELMONT
## CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS

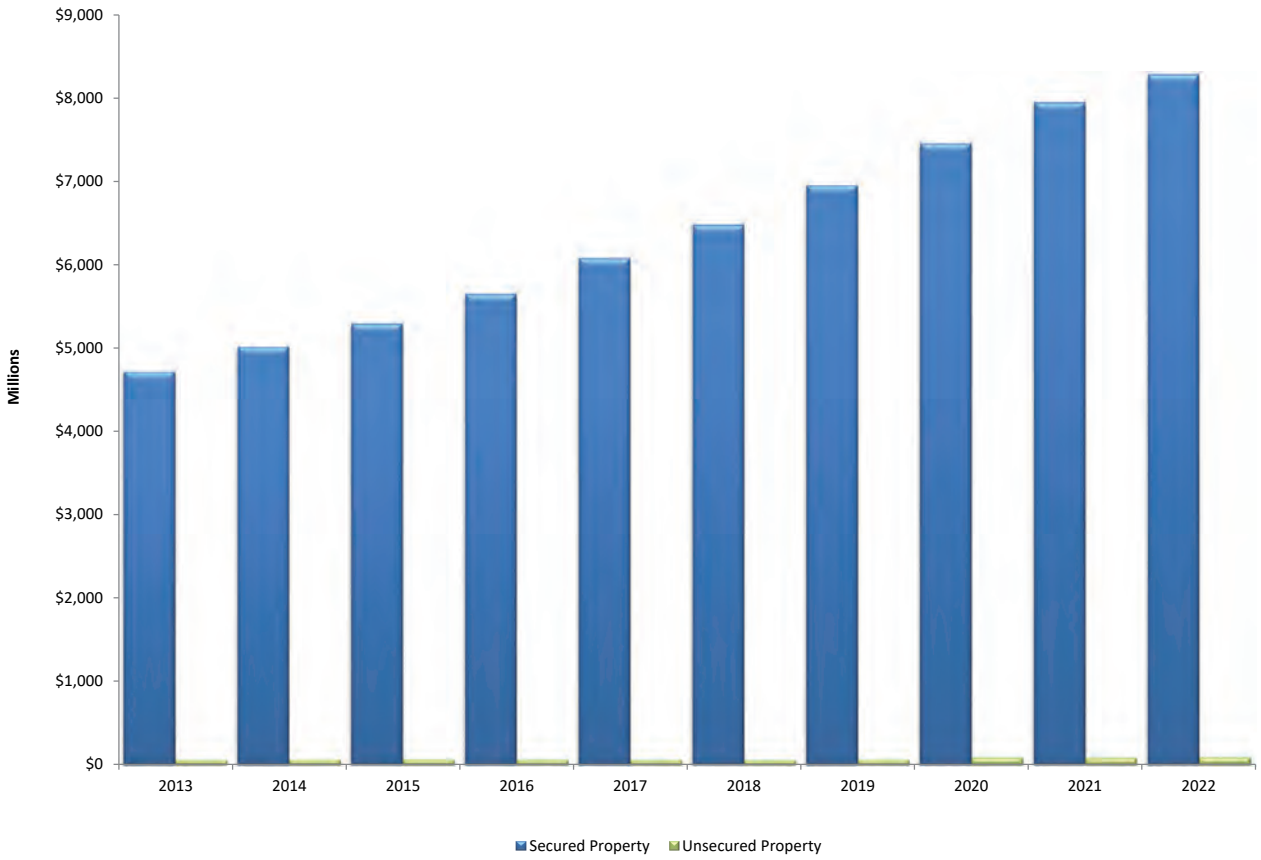
### Last Ten Fiscal Years
### (Modified Accrual Basis of Accounting)

| | Fiscal Year Ended June 30, | | | |
|---|---|---|---|---|
| | 2013 | 2014 | 2015 | 2016 |
| **Revenues** | | | | |
| Taxes | $17,464,202 | $18,781,620 | $20,592,362 | $22,462,269 |
| Licenses and permits | 1,443,249 | 1,665,790 | 1,846,367 | 2,085,424 |
| Fines and forfeitures | 513,511 | 298,584 | 210,470 | 234,582 |
| Use of money and property | 394,871 | 420,581 | 585,120 | 599,818 |
| Intergovernmental | 4,569,617 | 4,594,173 | 5,098,802 | 5,496,855 |
| Charges for current services | 6,780,019 | 7,466,219 | 8,517,414 | 8,574,373 |
| Miscellaneous | 788,182 | 835,735 | 868,303 | 1,387,317 |
| Total Revenues | 31,953,651 | 34,062,702 | 37,718,838 | 40,840,638 |
| **Expenditures** | | | | |
| Current: | | | | |
| General government | 4,001,340 | 3,967,090 | 4,219,915 | 4,300,780 |
| Public safety | 17,261,172 | 18,527,071 | 19,146,371 | 19,872,825 |
| Highways and streets | 2,053,990 | 1,843,701 | 2,195,722 | 1,814,166 |
| Culture and recreation | 3,949,834 | 4,162,256 | 4,817,387 | 4,525,998 |
| Urban redevelopment | 1,817,983 | 1,949,465 | 2,522,957 | 3,442,355 |
| Capital outlay | 1,245,112 | 1,425,306 | 1,736,968 | 3,390,421 |
| Debt service: | | | | |
| Principal | 213,581 | 97,907 | 451,490 | 55,316 |
| Interest and fiscal charges | 68,175 | 37,019 | 24,850 | 16,708 |
| Total Expenditures | 30,611,187 | 32,009,815 | 35,115,660 | 37,418,569 |
| Excess (deficiency) of revenues over (under) expenditures | 1,342,464 | 2,052,887 | 2,603,178 | 3,422,069 |
| **Other Financing Sources (Uses)** | | | | |
| Transfers in | 1,512,645 | 1,458,800 | 2,859,034 | 1,984,813 |
| Transfers (out) | (1,774,541) | (1,783,301) | (2,954,849) | (4,869,841) |
| Gain from sale of capital assets | | | | |
| Proceeds from sale of capital assets | | 2,050,000 | | 686,750 |
| Proceeds of debt issuance | | | | |
| Total other financing sources (uses) | (261,896) | 1,725,499 | (95,815) | (2,198,278) |
| Net Change in fund balances | $1,080,568 | $3,778,386 | $2,507,363 | $1,223,791 |
| Debt service as a percentage of noncapital expenditures | 1.0% | 0.4% | 1.4% | 1.4% |

| Fiscal Year Ended June 30, | | | | | |
|---|---|---|---|---|---|
| 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| $24,901,868 | $27,919,446 | $30,101,322 | $32,173,339 | $33,671,449 | $35,877,026 |
| 2,800,954 | 2,317,393 | 2,026,047 | 2,156,235 | 3,421,169 | 3,412,657 |
| 168,763 | 216,183 | 164,265 | 160,211 | 170,105 | 156,422 |
| 759,981 | 1,228,596 | 1,947,782 | 2,070,593 | 1,021,749 | 292,841 |
| 4,819,712 | 4,975,667 | 5,611,404 | 6,106,124 | 1,677,393 | 6,006,905 |
| 14,587,389 | 9,890,785 | 10,296,325 | 10,012,330 | 12,337,351 | 12,481,949 |
| 937,673 | 2,069,817 | 609,958 | 236,306 | 1,411,931 | 297,432 |
| 48,976,340 | 48,617,887 | 50,757,103 | 52,915,138 | 53,711,147 | 58,525,232 |
| 4,955,053 | 5,151,403 | 5,563,535 | 6,251,896 | 6,894,135 | 5,750,762 |
| 21,056,427 | 22,788,288 | 25,312,692 | 24,684,871 | 25,665,084 | 25,760,691 |
| 1,909,799 | 1,935,535 | 2,115,327 | 2,312,159 | 2,361,710 | 2,001,625 |
| 5,038,819 | 5,274,846 | 5,766,923 | 5,897,618 | 5,414,402 | 5,358,664 |
| 3,495,988 | 3,358,362 | 3,362,011 | 4,400,315 | 5,491,628 | 5,219,975 |
| 3,828,413 | 1,382,112 | 5,316,611 | 8,912,121 | 6,569,459 | 7,558,546 |
| 57,641 | 60,064 | 30,972 | 292,385 | 548,310 | 560,035 |
| 5,592 | 3,169 | 644 | 41,615 | 119,690 | 107,965 |
| 40,347,732 | 39,953,779 | 47,468,715 | 52,792,980 | 53,064,418 | 52,318,263 |
| 8,628,608 | 8,664,108 | 3,288,388 | 122,158 | 646,729 | 6,206,969 |
| 1,697,887 | 5,931,220 | 2,671,111 | 4,740,278 | 2,355,020 | 6,252,414 |
| (1,834,158) | (6,932,421) | (1,963,685) | (6,108,102) | (2,476,849) | (7,517,245) |
| | | | | | 4,050,000 |
| 8,000 | | 13,033 | | | |
| | | | 6,000,000 | | |
| (128,271) | (1,001,201) | 720,459 | 4,632,176 | (121,829) | 2,785,169 |
| $8,500,337 | $7,662,907 | $4,008,847 | $4,754,334 | $524,900 | $8,992,138 |
| 0.2% | 0.2% | 0.1% | 0.1% | 1.4% | 1.5% |

**CITY OF BELMONT**
**ASSESSED VALUE OF TAXABLE PROPERTY**

**Last Ten Fiscal Years**




| Fiscal Year Ended June 30 | Secured Property (a) | | Unsecured Property | | Total | | Assessed to Estimated Actual Value | Increased From Prior Year | Total Direct Tax Rate (c) |
|---|---|---|---|---|---|---|---|---|---|
| | Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value | Assessed Value (b) | Estimated Actual Value (b) | | | |
| 2013 | $4,712,109,574 | $4,712,109,574 | $59,006,643 | $59,006,643 | $4,771,116,217 | $4,771,116,217 | 100% | 5.19% | 1% |
| 2014 | 5,013,618,086 | 5,013,618,086 | 61,287,931 | 61,287,931 | 5,074,906,017 | 5,074,906,017 | 100% | 6.37% | 1% |
| 2015 | 5,290,249,361 | 5,209,249,361 | 65,747,681 | 65,747,681 | 5,355,997,042 | 5,274,997,042 | 100% | 3.94% | 1% |
| 2016 | 5,648,901,772 | 5,648,901,772 | 63,091,530 | 63,091,530 | 5,711,993,302 | 5,711,993,302 | 100% | 8.28% | 1% |
| 2017 | 6,077,587,115 | 6,077,587,115 | 57,759,601 | 57,759,601 | 6,135,346,716 | 6,135,346,716 | 100% | 7.41% | 1% |
| 2018 | 6,477,809,867 | 6,477,809,867 | 56,079,812 | 56,079,812 | 6,533,889,679 | 6,533,889,679 | 100% | 6.50% | 1% |
| 2019 | 6,951,922,956 | 6,951,922,956 | 62,126,944 | 62,126,944 | 7,014,049,900 | 7,014,049,900 | 100% | 7.35% | 1% |
| 2020 | 7,453,883,672 | 7,453,883,672 | 87,805,614 | 87,805,614 | 7,541,689,286 | 7,541,689,286 | 100% | 15.42% | 1% |
| 2021 | 7,946,879,729 | 7,946,879,729 | 85,078,190 | 85,078,190 | 8,031,957,919 | 8,031,957,919 | 100% | 14.51% | 1% |
| 2022 | 8,281,898,247 | 8,281,898,247 | 93,084,659 | 93,084,659 | 8,374,982,906 | 8,374,982,906 | 100% | 19.40% | 1% |

SOURCES: SAN MATEO COUNTY CONTROLLER

(a) Secured Property includes State Board Roll

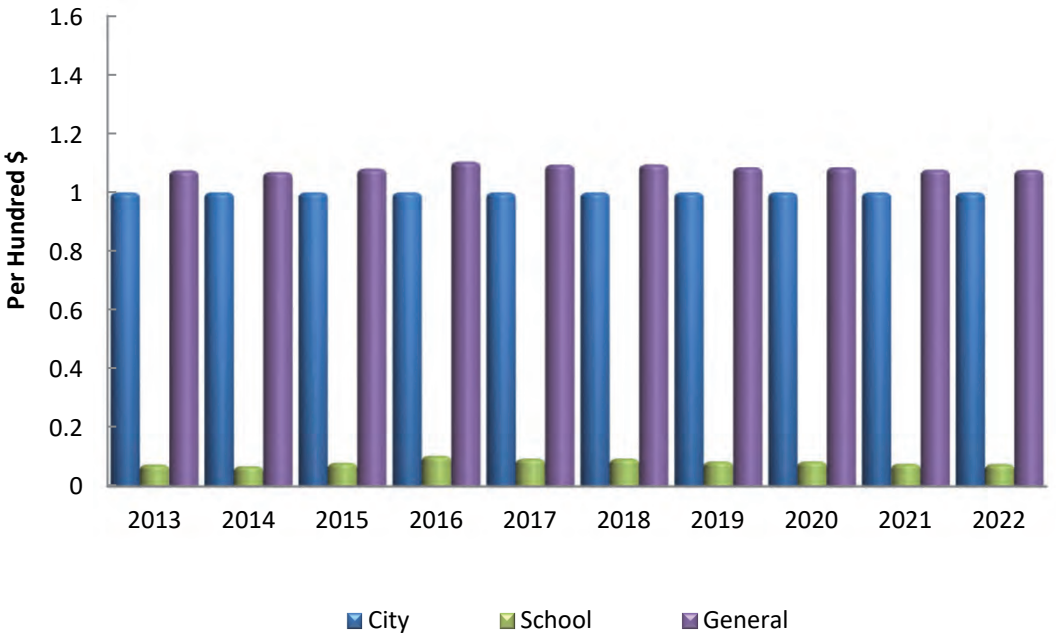
(b) The State Constitution requires property to be assessed at one hundred percent of the most recent purchase price, plus an increment of no more than two percent annually, plus any local over-rides. These values are considered to be full market values.

(c) California cities do not set their own direct tax rate. The state constitution establishes the rate at 1% and allocates a portion of that amount, by an annual calculation, to all the taxing entities within a tax rate area. The City of Belmont encompasses more than 15 tax rate areas.

**CITY OF BELMONT**

**DIRECT AND OVERLAPPING PROPERTY TAX RATES**

**Last Ten Fiscal Years**




| Fiscal Year | City of Belmont | School Districts | Total |
|---|---|---|---|
| 2013 | $1.0000 | $0.0747 | $1.0747 |
| 2014 | 1.0000 | 0.0690 | 1.0690 |
| 2015 | 1.0000 | 0.0805 | 1.0805 |
| 2016 | 1.0000 | 0.1046 | 1.1046 |
| 2017 | 1.0000 | 0.0944 | 1.0944 |
| 2018 | 1.0000 | 0.0948 | 1.0948 |
| 2019 | 1.0000 | 0.0854 | 1.0854 |
| 2020 | 1.0000 | 0.0852 | 1.0852 |
| 2021 | 1.0000 | 0.0771 | 1.0771 |
| 2022 | 1.0000 | 0.0759 | 1.0759 |

Source: San Mateo County Controller - Rates are per $100 of assessed value.

**CITY OF BELMONT**
**PRINCIPAL PROPERTY TAXPAYERS**

**Current Year and Ten Years Ago**

| | 2021-22 | | | 2012-13 | | |
|---|---|---|---|---|---|---|
| **Taxpayer** | **Taxable Assessed Value** | **Rank** | **Percentage of Total City Taxable Assessed Value** | **Taxable Assessed Value** | **Rank** | **Percentage of Total City Taxable Assessed Value** |
| PMI Belmont II LLC | $122,781,654 | 1 | 1.48% | | | |
| B9 Island Parkway LLC | 98,263,341 | 2 | 1.19% | | | |
| 600 Clipper Operating LLC | 96,073,366 | 3 | 1.16% | | | |
| 1 Shoreway Owner LLC | 90,250,000 | 4 | 1.09% | | | |
| Catania Limited Partnership | 55,135,343 | 5 | 0.67% | | | |
| Belmont Hotels LLC | 52,627,514 | 6 | 0.64% | | | |
| Nikon Precision Inc. | 40,233,957 | 7 | 0.49% | $44,889,123 | 3 | 0.95% |
| Safeway Inc. | 37,859,430 | 8 | 0.46% | 18,508,685 | 9 | 0.39% |
| SRE California3 LLC | 37,673,985 | 9 | 0.45% | | | |
| Prime Old County LP | 35,006,958 | 10 | 0.42% | 30,114,438 | 4 | 0.64% |
| Hines VAF II 600 Clipper LP | | | | 53,333,240 | 1 | 1.13% |
| Oracle Corporation | | | | 47,634,413 | 2 | 1.01% |
| Essex Carlmont Woods Apartment LP | | | | 27,058,951 | 5 | 0.57% |
| SSL Landlord LLC | | | | 26,928,000 | 6 | 0.57% |
| ECI Two Belmont LLC | | | | 24,969,554 | 7 | 0.53% |
| SRE | | | | 20,950,977 | 8 | 0.44% |
| Nazareth Vista (formerly Paradigm Healthcare L.P. | | | | 16,926,739 | 10 | 0.36% |
| Subtotal | $665,905,548 | | 8.04% | $311,314,120 | | 6.61% |

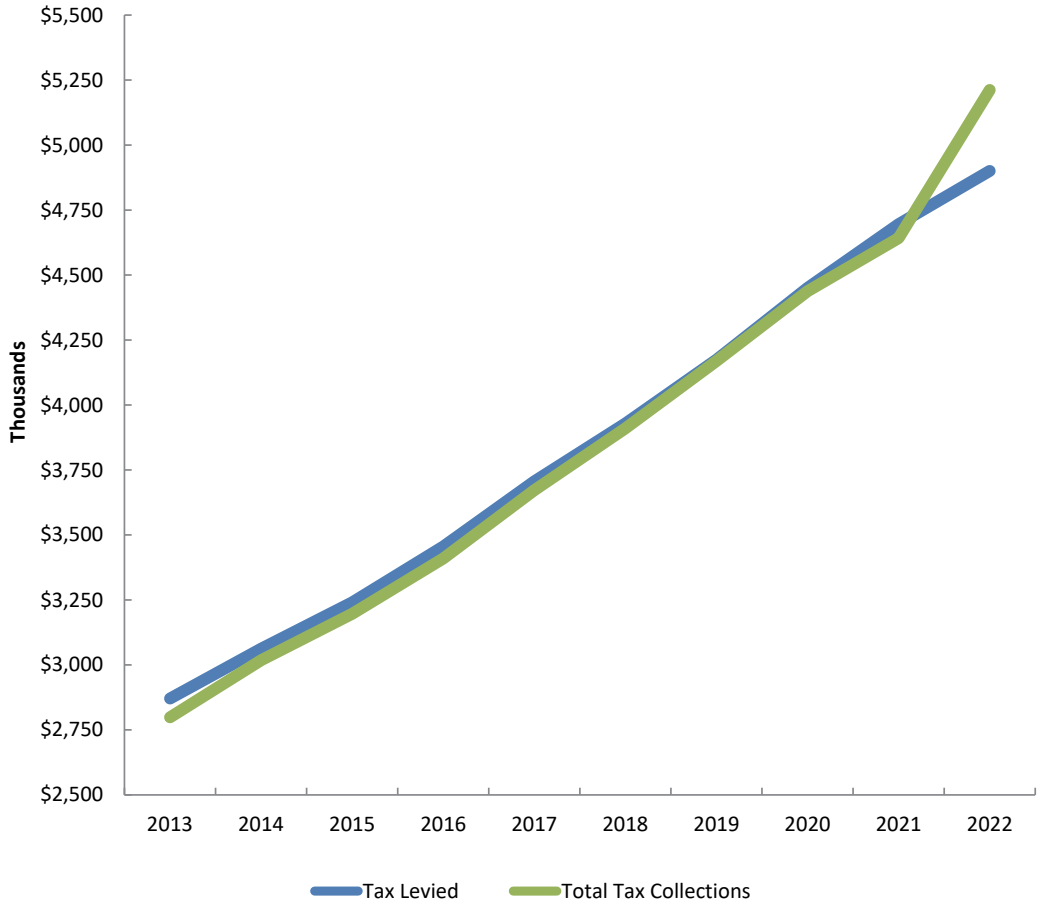
Total Net Assessed Valuation:
Fiscal Year 2021-22 $8,281,898,247
Fiscal Year 2012-13 $4,712,109,574

Source: County of San Mateo Assessor's Office Fiscal Year Combined Secured Tax Rolls.

**CITY OF BELMONT**

**PROPERTY TAX LEVIES AND COLLECTIONS**

**Last Ten Fiscal Years**




| Fiscal Year | Total Tax Levy (1) | Current Tax Collections (2) | Percent of Levy Collected (a) | Total Tax Collections | Percent of Total Tax Collections to Tax Levy |
|---|---|---|---|---|---|
| 2013 | $2,870,820 | $2,798,324 | 97.47% | $2,798,324 | 97.47% |
| 2014 | 3,062,643 | 3,018,311 | 98.55% | 3,018,311 | 98.55% |
| 2015 | 3,240,621 | 3,196,712 | 98.65% | 3,196,712 | 98.65% |
| 2016 | 3,455,413 | 3,409,309 | 98.67% | 3,409,309 | 98.67% |
| 2017 | 3,706,404 | 3,672,355 | 99.08% | 3,672,355 | 99.08% |
| 2018 | 3,928,687 | 3,909,998 | 99.52% | 3,909,998 | 99.52% |
| 2019 | 4,174,608 | 4,169,363 | 99.87% | 4,169,363 | 99.87% |
| 2020 | 4,450,637 | 4,437,632 | 99.71% | 4,437,632 | 99.71% |
| 2021 | 4,695,353 | 4,641,802 | 98.86% | 4,641,802 | 98.86% |
| 2022 | 4,900,439 | 5,211,925 (b) | 106.36% (b) | 5,211,925 | 106.36% |

Source: (1) San Mateo County Controller.
(2) City of Belmont General Ledger

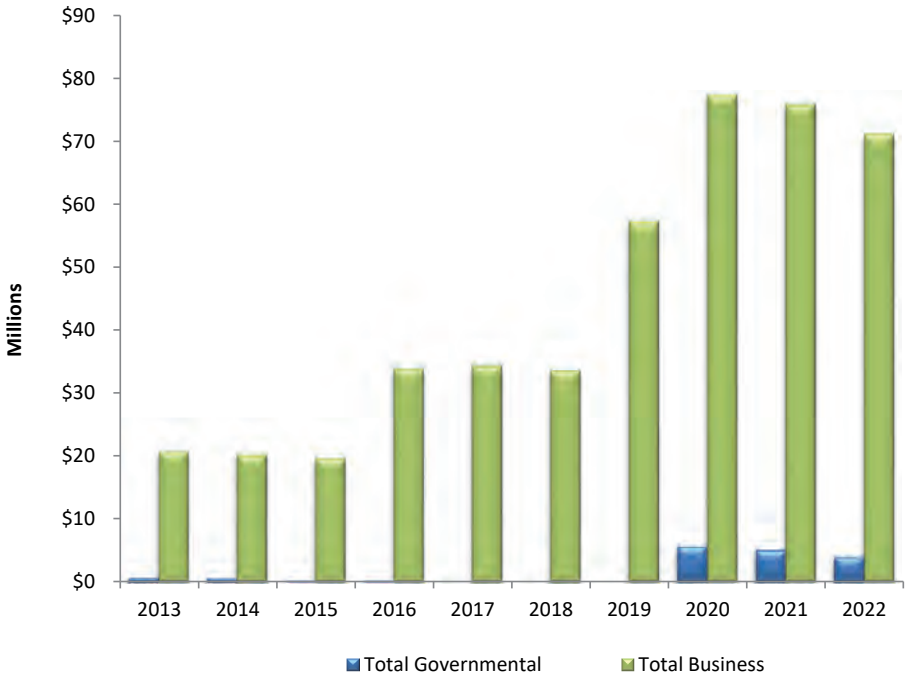
Note: Current tax collections beginning in 1993 have been reduced by a mandatory tax reallocation imposed by the State of California.

(a) During fiscal year 1995, the County began providing the City 100% of its tax levy under an agreement which allows the County to keep all interest and delinquency charges collected.

(b) Includes $345,855 received for Belmont RDA dissolution that was not in tax levy.

**CITY OF BELMONT**
**RATIO OF OUTSTANDING DEBT BY TYPE**

**Last Ten Fiscal Years**




| Fiscal Year | Governmental Activities: Leases and Notes | Governmental Activities: Total |
|---|---|---|
| 2013 | $753,390 | $753,390 |
| 2014 | 655,483 | 655,483 |
| 2015 | 203,992 | 203,992 |
| 2016 | 147,677 | 147,677 |
| 2017 | 91,036 | 91,036 |
| 2018 | 30,972 | 30,972 |
| 2019 | 0 | 0 |
| 2020 | 5,707,615 | 5,707,615 |
| 2021 | 5,159,305 | 5,159,305 |
| 2022 | 4,027,260 | 4,027,260 |

| Fiscal Year | Business-Type Activities: Sewer Revenue and Obligation Bonds | Business-Type Activities: Total | Total Primary Government | Percentage of Assessed Valuation (a) | Per Capita (a) |
|---|---|---|---|---|---|
| 2013 | $20,740,000 | $20,740,000 | $21,493,390 | 0.45% | $816.74 |
| 2014 | 20,210,000 | 20,210,000 | 20,865,483 | 0.41% | 785.63 |
| 2015 | 19,660,000 | 19,660,000 | 19,863,992 | 0.37% | 742.63 |
| 2016 | 33,920,000 | 33,920,000 | 34,067,677 | 0.60% | 1,233.98 |
| 2017 | 34,376,186 | 34,376,186 | 34,467,222 | 0.56% | 1,260.55 |
| 2018 | 33,615,381 | 33,615,381 | 33,646,353 | 0.51% | 1,228.51 |
| 2019 | 57,279,454 | 57,279,454 | 57,279,454 | 0.82% | 2,107.88 |
| 2020 | 77,449,650 | 77,449,650 | 83,157,265 | 1.10% | 3,118.12 |
| 2021 | 75,851,407 | 75,851,407 | 81,010,712 | 1.01% | 2,936.55 |
| 2022 | 71,166,164 | 71,166,164 | 75,193,424 | 0.90% | 2,764.16 |

Note : Debt amounts include premiums, discounts, or other amortization amounts.

Sources: City of Belmont
State of California, Department of Finance (population)
U.S. Department of commerce, Bureau of the Census (income)

(a) (Demographic Statistics) for assessed value and population data.

**CITY OF BELMONT**
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**

**June 30, 2022**

| | |
|---|---|
| 2021-22 Assessed Valuation | $8,410,535,906 |

| DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT | Total Debt June 30, 2022 | % Applicable (1) | City's Share of Debt June 30, 2022 |
|---|---|---|---|
| **City of Belmont** | **$4,027,260** | **100.000%** | **$4,027,260** |
| **Total Direct Debt** | **$4,027,260** | | **$4,027,260** |
| San Mateo Community College District | $733,897,184 | 3.158% | $23,176,473 |
| Sequoia Union High School District | 475,140,000 | 7.257% | 34,480,910 |
| Belmont-Redwood Shores School District | 63,777,230 | 49.990% | 31,882,237 |
| Belmont-Redwood Shores School District Belmont School Facilities Improvement District | 40,110,864 | 84.048% | 33,712,379 |
| Belmont-Redwood Shores School District Redwood Shores School Facilities Improvement District | 18,565,000 | 7.660% | 1,422,079 |
| Midpeninsula Regional Open Space District | 84,575,000 | 0.001% | 846 |
| City of Belmont Community Facilities District No. 2000-1 | 4,425,000 | 100.000% | 4,425,000 |
| **Total Overlapping Debt** | 1,420,490,278 | | 129,099,924 |
| TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT | $1,424,517,538 | | $133,127,184 |
| OVERLAPPING GENERAL FUND DEBT: | | | |
| San Mateo County General Fund Obligations | $612,605,687 | 3.158% | $19,346,088 |
| San Mateo County Board of Education Certificates of Participation | 6,490,000 | 3.158% | 204,954 |
| Midpeninsula Regional Open Space District General Fund Obligations | 99,705,600 | 0.001% | 997 |
| San Mateo County Mosquito and Vector Control District General Fund Obligations | 3,825,000 | 3.158% | 120,794 |
| TOTAL OVERLAPPING GENERAL FUND DEBT | $722,626,287 | | $19,672,832 |
| OVERLAPPING TAX INCREMENT DEBT (Successor Agency) | $4,160,000 | 100.000% | $4,160,000 |
| COMBINED TOTAL DEBT | | | $156,960,016 (2) |

(1) The percentage of overlapping debt applicable to the City is estimated using taxable assessed property value. Applicable percentages were estimated by determining the porting of the overlapping district's assessed value that is within the boundaries of the City divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, and mortgage revenue bonds.

| RATIOS TO 2021-22 ASSESSED VALUATION: | |
|---|---|
| Direct Debt | 0.05% |
| Combined Direct Debt | 1.87% |
| Total Net Direct and Overlapping Tax and Assessment Debt | 1.58% |
| RATIOS TO REDEVELOPMENT SUCCESSOR AGENCY INCREMENTAL VALUATION ($1,776,907,469): | |
| Total Overlapping Tax Incremental Debt | 0.24% |

**CITY OF BELMONT**
**COMPUTATION OF LEGAL BONDED DEBT MARGIN**

**June 30, 2022**

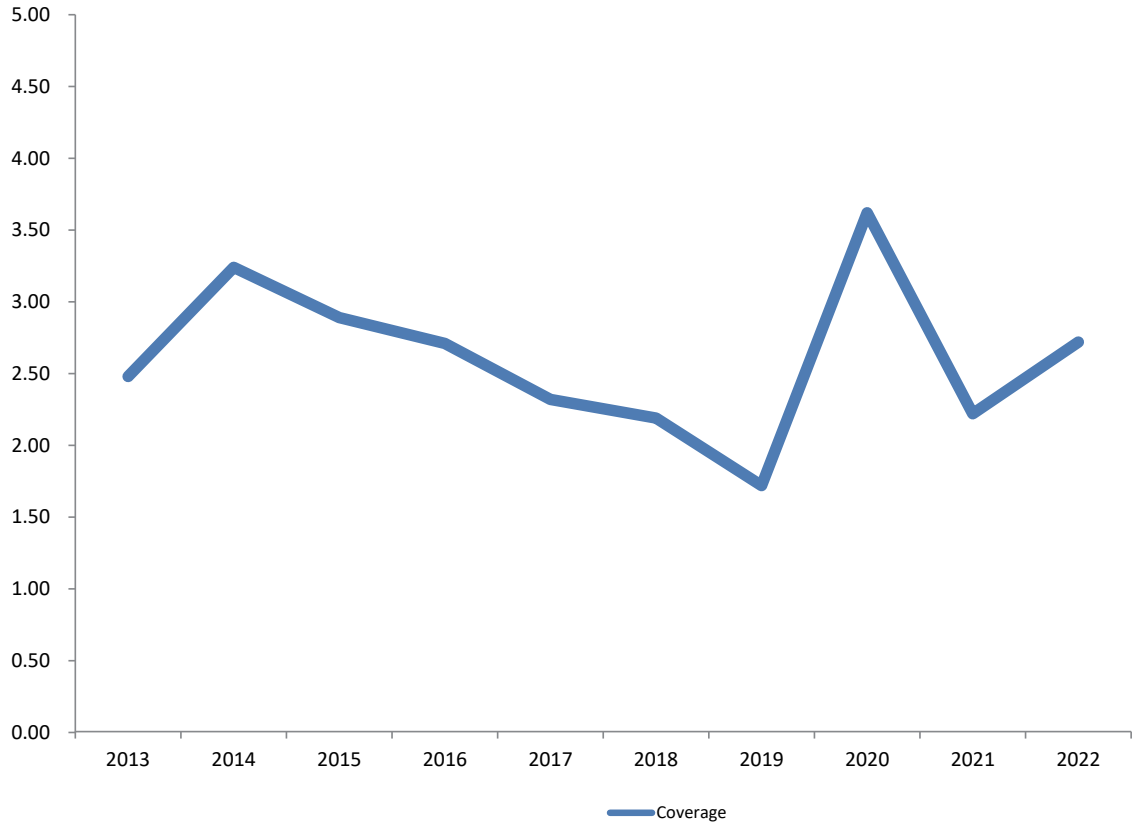
| | | |
|---|---|---|
| ASSESSED VALUATION: | | |
| Secured property assessed value, net of exempt real property | $8,410,535,906 | |
| BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a) | | $315,395,096 |
| AMOUNT OF DEBT SUBJECT TO LIMIT: | | |
| Total Bonded Debt | $0 | |
| Less Tax Allocation Bonds and Sales Tax Revenue Bonds, Certificate of Participation not subject to limit | $0 | |
| Amount of debt subject to limit | | $0 |
| LEGAL BONDED DEBT MARGIN | | $315,395,096 |

| Fiscal Year | Debt Limit | Total Net Debt Applicable to Limit | Legal Debt Margin | Total net debt applicable to the limit as a percentage of debt limit |
|---|---|---|---|---|
| 2013 | $178,916,858 | | $178,916,858 | |
| 2014 | 190,308,976 | | 190,308,976 | |
| 2015 | 200,849,889 | | 200,849,889 | |
| 2016 | 214,199,749 | | 214,199,749 | |
| 2017 | 230,075,502 | | 230,075,502 | |
| 2018 | 246,378,145 | | 246,378,145 | |
| 2019 | 264,366,934 | | 264,366,934 | |
| 2020 | 284,140,706 | | 284,140,706 | |
| 2021 | 302,531,239 | | 302,531,239 | |
| 2022 | 315,395,096 | | 315,395,096 | |

NOTE:

(a) California Government Code, Section 43605 sets the debt limit at 15%. The Code section was enacted prior to the change in basing assessed value to full market value when it was previously 25% of market value. Thus, the limit shown as 3.75% is one-fourth the limit to account for the adjustment of showing assessed valuation at full cash value. Limits presented from prior years have been adjusted for this methodology.

**CITY OF BELMONT**
**HISTORIC OPERATING RESULTS – DEBT SERVICE AND COVERAGE RATIOS**
**2016 SEWER REVENUE AND SEWER REFUNDING REVENUE BONDS (2001 AND 2006 SEWER REVENUE BONDS), AND 2019 SEWER REVENUE BONDS**
**Last Ten Fiscal Years**



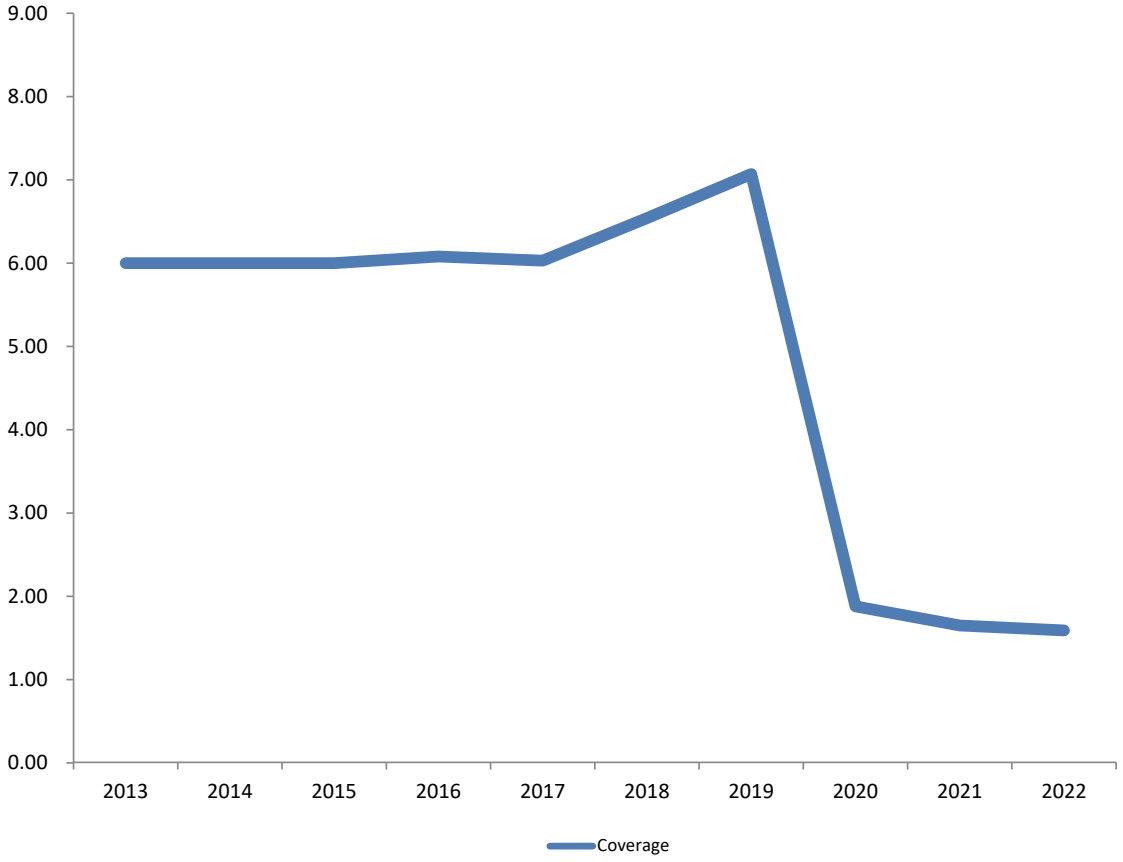

| Fiscal Year (1) | System Revenues (2) | Operating & Maintenance Expenditures (3) | Net System Revenues | Debt Service Requirements | | | Coverage |
|---|---|---|---|---|---|---|---|
| | | | | Principal | Interest | Total | |
| 2013 | $6,898,806 | $4,610,335 | $2,288,471 | $355,000 | $569,185 | $924,185 | 2.48 |
| 2014 | 7,867,359 | 4,876,816 | 2,990,543 | 370,000 | 553,972 | 923,972 | 3.24 |
| 2015 | 7,886,591 | 5,219,101 | 2,667,490 | 385,000 | 537,995 | 922,995 | 2.89 |
| 2016 | 9,101,597 | 6,013,171 | 3,088,426 | 405,000 | 736,145 | 1,141,145 | 2.71 |
| 2017 | 9,470,233 | 6,577,227 | 2,893,006 | 485,000 | 762,279 | 1,247,279 | 2.32 |
| 2018 | 10,311,885 | 7,287,562 | 3,024,323 | 505,000 | 876,271 | 1,381,271 | 2.19 |
| 2019 | 10,850,538 | 8,473,802 | 2,376,736 | 520,000 | 860,896 | 1,380,896 | 1.72 |
| 2020 | 12,468,348 | 6,486,172 | 5,982,176 | 540,000 | 1,113,827 | 1,653,827 | 3.62 |
| 2021 | 12,572,930 | 7,257,702 | 5,315,228 | 735,000 | 1,662,471 | 2,397,471 | 2.22 |
| 2022 | 13,995,360 | 7,115,757 | 6,879,603 | 865,000 | 1,662,471 | 2,527,471 | 2.72 |

Notes:
(1) Beginning in 2016, only sewer collection fund activities included.
(2) Beginning in 2016, includes sewer service charges and all other income, excluding interest earned, income on joint ventures, connection fees and other income pursuant to Installment Purchase Agreement dated March 1, 2016.
(3) Beginning in 2016, includes reasonable and necessary costs for maintaining and operating sewer system, excluding parity debt, capital improvements, depreciation and other costs pursuant to Installment Purchase Agreement dated March 1, 2016

Source: City of Belmont Annual Financial Statements

**CITY OF BELMONT**
**REVENUE BOND COVERAGE**
**2009A AND 2018 SEWER TREATMENT FACILITY REVENUE BONDS**
**AND 2022 SEWER TREATMENT FACILITY OBLIGATIONS**

**Last Ten Fiscal Years**



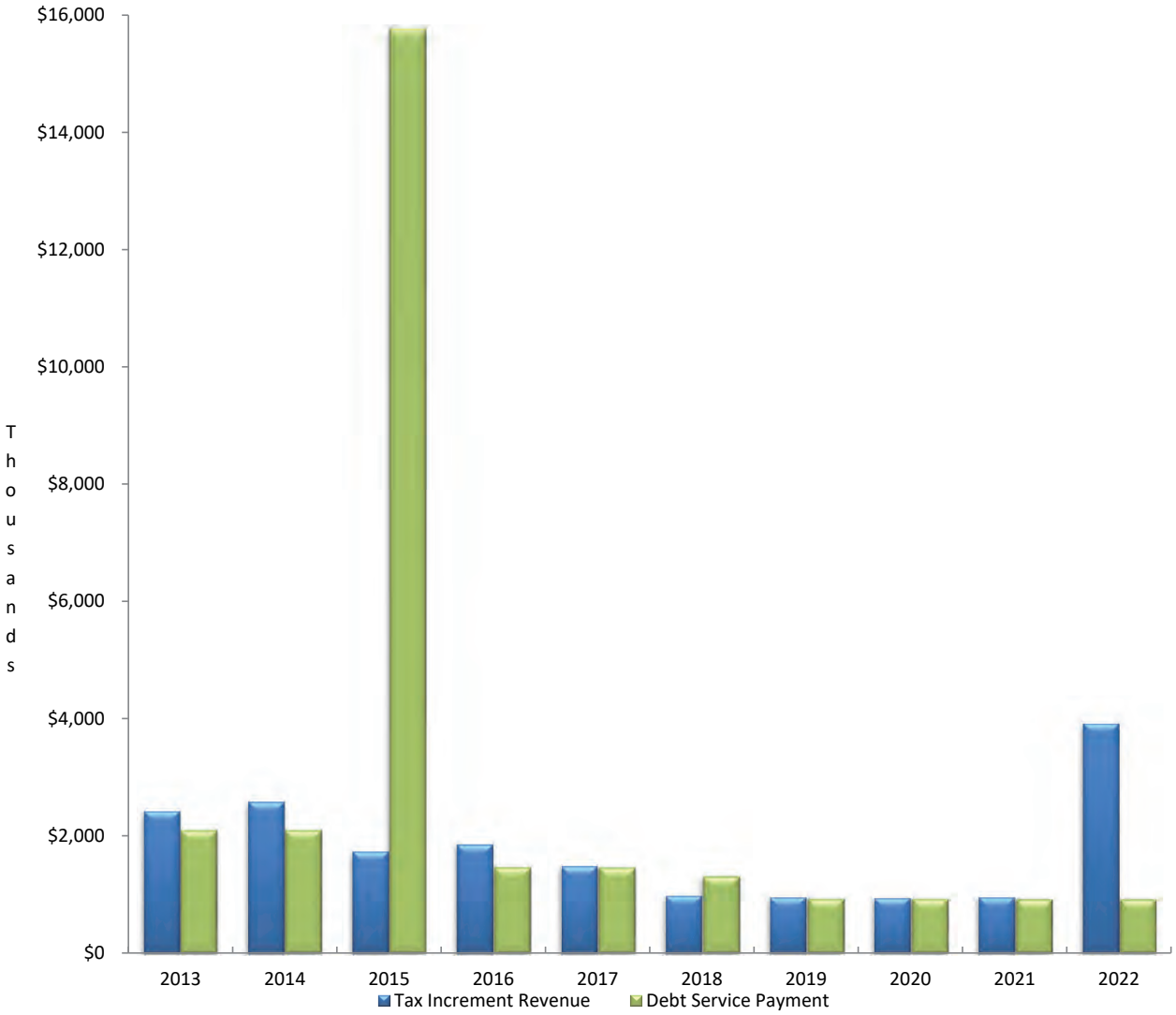

| Fiscal Year | Sewer Treatment Facility Gross Revenue | Expenses | Net Revenue Available for Debt Service | Debt Service Requirements | | | Coverage |
|---|---|---|---|---|---|---|---|
| | | | | Principal | Interest | Total | |
| 2013 | $3,108,898 | $78,964 | $3,029,934 | $155,000 | $349,807 | $504,807 | 6.00 |
| 2014 | 3,111,925 | 79,127 | 3,032,798 | 160,000 | 345,082 | 505,082 | 6.00 |
| 2015 | 3,113,080 | 84,082 | 3,028,998 | 165,000 | 340,207 | 505,207 | 6.00 |
| 2016 | 3,124,790 | 83,594 | 3,041,196 | 165,000 | 335,257 | 500,257 | 6.08 |
| 2017 | 3,093,423 | 75,282 | 3,018,141 | 170,000 | 330,232 | 500,232 | 6.03 |
| 2018 | 3,288,125 | 18,489 | 3,269,636 | 175,000 | 325,057 | 500,057 | 6.54 |
| 2019 | 3,611,952 | 77,591 | 3,534,361 | 180,000 | 319,732 | 499,732 | 7.07 |
| 2020 | 3,621,986 | 90,354 | 3,531,632 | 385,000 | 1,497,313 | 1,882,313 | 1.88 |
| 2021 | 3,207,534 | 126,823 | 3,080,711 | 535,000 | 1,329,209 | 1,864,209 | 1.65 |
| 2022 | 3,128,640 | 125,473 | 3,003,167 | 555,000 | 1,329,209 | 1,884,209 | 1.59 |

Notes: Debt service on the 2018 bonds did not begin until August 2019.
The 2022 Obligations refunded the 2009A Bonds and debt service on the 2022 Obligations does not begin until August 2022.

Source: City of Belmont Annual Financial Statements

**CITY OF BELMONT**
**BONDED DEBT PLEDGED REVENUE COVERAGE**
**SUCCESSOR AGENCY (INCLUDING FORMER REDEVELOPMENT AGENCY BONDS)**

**Last Ten Fiscal Years**




| Fiscal Year | Tax Revenue (a) | Debt Service Requirements | | | Coverage |
|---|---|---|---|---|---|
| | | Principal | Interest | Total | |
| 2013 | $2,430,695 | $1,110,000 | $994,608 | $2,104,608 | 1.15 |
| 2014 | 2,589,571 | 1,175,000 | 929,957 | 2,104,957 | 1.23 |
| 2015 | 1,744,119 | 15,605,000 | 165,050 | 15,770,050 | 0.11 (b) |
| 2016 | 1,865,275 | 1,125,000 | 347,079 | 1,472,079 | 1.27 |
| 2017 | 1,498,633 | 1,160,000 | 307,056 | 1,467,056 | 1.02 |
| 2018 | 992,433 | 1,050,000 | 268,552 | 1,318,552 | 0.75 |
| 2019 | 966,582 | 695,000 | 238,235 | 933,235 | 1.04 |
| 2020 | 956,855 | 720,000 | 213,518 | 933,518 | 1.02 |
| 2021 | 966,457 | 740,000 | 188,015 | 928,015 | 1.04 |
| 2022 | 3,922,881 | 740,000 (c) | 188,015 (c) | 928,015 | 4.23 |

Notes:
(a) Tax Increment Revenues are no longer allocated to Redevelopment Agencies, effective January 31, 2012. Effective February 1, 2012, the Successor Agency had assumed all obligations of the Redevelopment Agency. Pursuant to law, the Successor Agency receives Real Property Tax Trust Funds Allocations to finance its activities including debt service on obligations of the former Redevelopment Agency.
(b) Coverage is low due to refunding of debt in fiscal year 2015
(c) The Bonds were defeased during fiscal year 2022.

Source: City of Belmont Annual Financial Statements

**CITY OF BELMONT**
**SEWER SYSTEM**
**SUMMARY STATEMENT OF HISTORICAL**
**REVENUE AND EXPENDITURES**
**Last Ten Fiscal Years**

| | Notes | Fiscal Year Ended June 30, 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|---|---|
| REVENUES | | | | | | |
| Charges for services | | $6,851,049 | $8,054,697 | $8,413,152 | $9,092,502 | $9,413,671 |
| Connection charges | (1) | | | | 428,116 | 1,503,782 |
| Miscellaneous revenues (charges) | | 871 | 500 | 0 | 9,095 | 118 |
| Interest revenue | (1) | 8,605 | 11,726 | 12,711 | 75,252 | 90,353 |
| Joint venture interest | (1) | (88,572) | (326,150) | (922,413) | (2,265,589) | (240,494) |
| Total Revenues | | 6,771,953 | 7,740,773 | 7,503,450 | 7,339,376 | 10,767,430 |
| EXPENSES | | | | | | |
| Personnel services | | 1,105,207 | 1,137,123 | 1,181,169 | 1,232,220 | 1,589,589 |
| Supplies, materials and services | | 3,347,179 | 3,535,644 | 4,037,932 | 4,780,951 | 4,987,638 |
| Sewer treatment services | | 158,820 | 204,549 | 0 | | |
| Interest expense | (1) | 562,980 | 547,501 | 530,041 | 1,059,926 | 719,883 |
| Total Expenses | | 5,174,186 | 5,424,817 | 5,749,142 | 7,073,097 | 7,297,110 |
| Net Operating Transfers In (Out) | (1),(2) | (704,024) | (547,775) | (628,769) | (1,285,187) | (824,580) |
| NET REVENUES | | $893,743 | $1,768,181 | $1,125,539 | ($1,018,908) | $2,645,740 |
| Less adjustments | | $0 | $0 | $0 | $4,107,334 | $190,822 |
| AMOUNTS AVAILABLE FOR DEBT SERVICE | | $893,743 | $1,768,181 | $1,125,539 | $3,088,426 | $2,836,562 |

| | Notes | Fiscal Year Ended June 30, 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|---|
| REVENUES | | | | | | |
| Charges for services | | $10,311,885 | $10,850,538 | $12,468,348 | $12,572,930 | $13,995,360 |
| Connection charges | (1) | 60,125 | 49,272 | 60,124 | 3,603,551 | 2,255,284 |
| Miscellaneous revenues (charges) | | | 1,708,958 | 0 | 125 | 0 |
| Interest revenue | (1) | 388,306 | 481,193 | 632,309 | 86,058 | (45,649) |
| Joint venture interest | (1) | (228,686) | (585,866) | (652,586) | (677,611) | (723,609) |
| Total Revenues | | 10,531,630 | 12,504,095 | 12,508,195 | 15,585,053 | 15,481,386 |
| EXPENSES | | | | | | |
| Personnel services | | 2,047,229 | 1,785,140 | 1,233,263 | 1,478,448 | 1,709,147 |
| Supplies, materials and services | | 5,240,333 | 6,688,662 | 5,252,909 | 5,779,254 | 5,406,610 |
| Sewer treatment services | | | | | | |
| Interest expense | (1) | 771,944 | 780,887 | 1,385,791 | 1,424,429 | 1,387,174 |
| Total Expenses | | 8,059,506 | 9,254,689 | 7,871,963 | 8,682,131 | 8,502,931 |
| Net Operating Transfers In (Out) | (1),(2) | (1,312,423) | 0 | (325,000) | (8,334) | (98,948) |
| NET REVENUES | | $1,159,701 | $3,249,406 | $4,311,232 | $6,894,588 | $6,879,507 |
| Less adjustments (1), (2) | | $1,864,622 | $836,288 | $1,670,944 | ($1,579,235) | $96 |
| AMOUNTS AVAILABLE FOR DEBT SERVICE | | $3,024,323 | $4,085,694 | $5,982,176 | $5,315,353 | $6,879,603 |

Notes:
(1) Not included in System Revenues under the Installment Purchase Agreement, beginning March 1, 2016.
(2) Includes transfers for storm drain improvements that mitigate infiltration and intrusion into the sewage system.

Source: City of Belmont

## CITY OF BELMONT
## TEN LARGEST USERS OF THE SEWER SYSTEM

| User | | Type | Fiscal Year 2021-22 Revenues* |
|---|---|---|---|
| McLellan Estate Co | Various | Multifamily Residential | $332,754 |
| Prime Old County LP | 040-271-380 | Multifamily Residential | 284,371 |
| PMI Belmont II LLC | Various | Multifamily Residential | 190,907 |
| Crestview South Apartments LLC | Various | Multifamily Residential | 122,838 |
| Timberlane Apartments Partnership LP | 045-373-150 | Multifamily Residential | 121,028 |
| Catania Limited Partnership | Various | Multifamily Residential | 101,596 |
| Spieker Richard Tod TR & Spieker Catherine Reilly TR | Various | Multifamily Residential | 85,174 |
| Carlmont Heights LLC | 045-030-240 | Multifamily Residential | 83,858 |
| Continentals Belmont Partnership | Various | Shopping Center | 73,358 |
| City of Belmont | Various | Public | 73,208 |

* Includes Base and Flow Charges
Source: City of Belmont
Required per 2016 Sewer Revenue Bonds Continuing Disclosure.

## NUMBER OF SEWER SERVICE USERS

| User Type | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|---|
| All Users | 8,243 | 8,242 | 8,240 | 8,239 | 8,240 |
| | **2018** | **2019** | **2020** | **2021** | **2022** |
| All Users | 8,240 | 8,248 | 8,253 | 8,358 | 8,360 |

(1) Decline due to a change from a flat rate to a metered rate system.

## SEWER SERVICE REVENUES BY CLASS OF USER
## June 30, 2022

| User Class | Revenue | Percent |
|---|---|---|
| Single Family & Multiple Family Residential | $12,367,267 | 88.49% |
| Commercial/Institutional | 1,609,356 | 11.51% |
| Total Revenue | $13,976,623 | 100.00% |

Source: nbsgov.com

**CITY OF BELMONT**
**SCHEDULE OF BUDGETED & PROJECTED**
**SEWER TREATMENT FACILITY CHARGES**
**AND ASSOCIATED DEBT SERVICE**

| Fiscal Year | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
|---|---|---|---|---|---|
| Sewer Treatment Facility Charges Revenue [A] | $3,225,639 | $3,178,480 | $3,196,757 | $3,181,962 | $3,142,679 |
| Debt Service Series 2009A Bonds [B] | (500,056) | (499,732) | (506,481) | (505,436) | (508,836) |
| Debt Service Series 2018 Bonds | | | (1,383,056) | (1,390,750) | (1,388,375) |
| Surplus, after debt service | 2,725,583 | 2,678,748 | 1,307,220 | 1,285,776 | 1,245,468 |
| Debt Service Coverage Ratio | 645.056% | 636.037% | 169.182% | 167.809% | 165.647% |

| Fiscal Year | 2022-23 | 2023-24 | 2024-25 | 2025-26 | 2026-27 |
|---|---|---|---|---|---|
| Sewer Treatment Facility Charges Revenue [A] | $3,142,057 | $3,204,898 | $3,268,996 | $3,334,376 | $3,401,064 |
| Debt Service Series 2018 Bonds | (1,390,125) | (1,390,875) | (1,390,625) | (1,389,375) | (1,387,125) |
| Debt Service 2022 Sewer Treatment Facility Obligations | (1,409,904) | (1,440,922) | (797,659) | (796,911) | (797,818) |
| Surplus, after debt service | 342,028 | 373,101 | 1,080,712 | 1,148,090 | 1,216,121 |
| Debt Service Coverage Ratio | 112.215% | 113.175% | 149.386% | 152.513% | 155.659% |

[A] Not including amounts on deposit in the Rate Stabilization Fund.
If such amounts were added to revenues, debt service coverage would be higher than shown.
[B] Series 2009A Bonds were refunded in May 2022.

Collection of charge began in 2011-12.
Required per 2009 and 2018 Sewer Treatment Facility Revenue Bonds Continuing Disclosure.

Source: nbsgov.com

**COMMUNITY FACILITIES DISTRICT NO. 2000-1 OF THE CITY OF BELMONT**
**CONTINUING DISCLOSURES**

**June 30, 2022**

Bond Principal Outstanding - August 30, 2022 $4,035,000

Balance Outstanding by Fund - August 1, 2022

| | | |
|---|---|---|
| Reserve Fund | $1 | (surety bond w/ Ambac no value) |

**Maximum Debt Service Coverage**

| Year Ending August 1, | Net Taxes | Bond Debt Service | Debt Service Coverage |
|---|---|---|---|
| 2004 | $855,013.15 | $328,750.00 | 2.60 |
| 2005 | 840,459.85 | 650,000.00 | 1.29 |
| 2006 | 848,544.45 | 645,000.00 | 1.32 |
| 2007 | 856,703.50 | 642,200.00 | 1.33 |
| 2008 | 864,937.60 | 640,300.00 | 1.35 |
| 2009 | 873,247.39 | 640,400.00 | 1.36 |
| 2010 | 881,633.49 | 640,425.00 | 1.38 |
| 2011 | 890,096.52 | 639,925.00 | 1.39 |
| 2012 | 898,637.11 | 643,900.00 | 1.40 |
| 2013 | 907,255.90 | 642,088.00 | 1.41 |
| 2014 | 915,953.53 | 644,163.00 | 1.42 |
| 2015 | 924,730.64 | 644,788.00 | 1.43 |
| 2016 | 864,667.73 | 639,550.00 | 1.35 |
| 2017 | 870,121.20 | 643,738.00 | 1.35 |
| 2018 | 878,822.41 | 641,775.00 | 1.37 |
| 2019 | 866,272.46 | 638,950.00 | 1.36 |
| 2020 | 860,531.00 | 640,262.50 | 1.34 |
| 2021 | 869,462.47 | 640,425.00 | 1.36 |
| 2022 | 873,830.66 | 644,437.50 | 1.36 |
| 2023 | 882,568.97 | 642,012.50 | 1.37 |
| 2024 | 891,394.66 | 643,437.50 | 1.39 |
| 2025 | 900,308.61 | 643,425.00 | 1.40 |
| 2026 | 909,311.70 | 641,975.00 | 1.42 |
| 2027 | 918,404.82 | 644,087.50 | 1.43 |
| 2028 | 927,588.87 | 644,475.00 | 1.44 |
| 2029 | 936,864.76 | 643,137.50 | 1.46 |
| 2030 | 946,233.41 | 645,075.00 | 1.47 |
| Total | $23,953,596.86 | $17,038,702.00 | 1.41 |

Special Tax Levy Delinquency Rate - June 30, 2022 0.26% (a)

Status of Foreclosure Actions on Special Tax Levy in Excess of $10,000 None

**Special Tax Delinquency in Excess of 5% of Total Levy**

| Owner | Land Use | Special Tax | Total Special Tax |
|---|---|---|---|
| None | N/A | N/A | N/A |

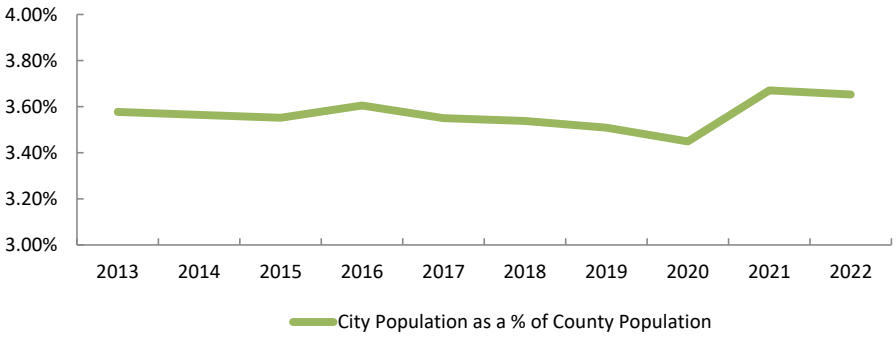
Changes to Tax Rate and Method of Apportionment None

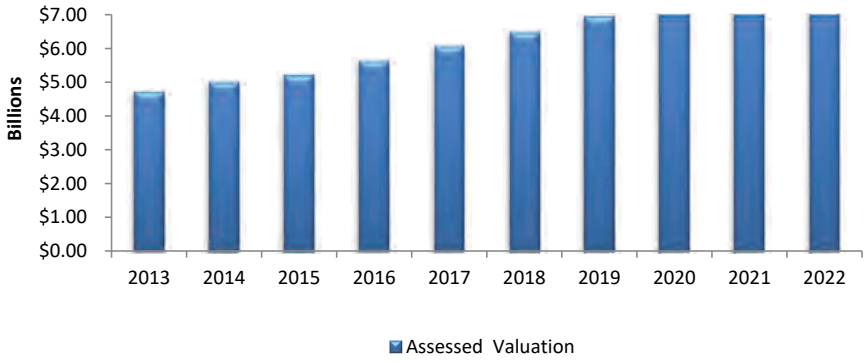
Supplemental California Debt and Investment Advisory Commission Reporting None
CDIAC To be filed by October 30

(a) Provided by NBS - Delinquency Summary Report

**CITY OF BELMONT**
**DEMOGRAPHIC AND ECONOMIC STATISTICS**

**Last Ten Fiscal Years**




| Fiscal Year | City Population | Assessed Valuation | San Mateo County Population | City Population % of County |
|---|---|---|---|---|
| 2013 | 26,316 | $4,712,109,574 | 735,678 | 3.58% |
| 2014 | 26,559 | 5,013,618,086 | 745,193 | 3.56% |
| 2015 | 26,748 | 5,209,249,361 | 753,123 | 3.55% |
| 2016 | 27,608 | 5,648,901,772 | 765,895 | 3.60% |
| 2017 | 27,343 | 6,077,587,115 | 770,256 | 3.55% |
| 2018 | 27,388 | 6,477,809,867 | 774,155 | 3.54% |
| 2019 | 27,174 | 6,951,922,956 | 774,485 | 3.51% |
| 2020 | 26,669 | 7,453,883,672 | 773,244 | 3.45% |
| 2021 | 27,587 | 7,946,879,729 | 751,596 | 3.67% |
| 2022 | 27,203 | 8,281,898,247 | 744,662 | 3.65% |

| | 2016-2020 (a) | 2010-2014 | 2008-2012 | 2006-2010 |
|---|---|---|---|---|
| Per Capita Income: | $79,061 | $56,033 | $52,862 | $52,376 |
| Unemployment Rate: | | | | |
| Male: | 4.20% | 8.59% | 7.57% | 6.16% |
| Female: | 2.10% | 5.61% | 549.00% | 5.57% |
| Total Personal Income: | $160,046 | $106,287 | $103,083 | $99,913 |

(a) The most recent information available is from 2020.

Source: California State Department of Finance
County of San Mateo Controller's Office
www.usa.com

**CITY OF BELMONT**
**PRINCIPAL EMPLOYERS**

**Current Year and Ten Years Ago**

| Fiscal 2021-2022 | | Fiscal 2012-2013 | |
|---|---|---|---|
| **Employer** | **Number of Employees** | **Employer** | **Number of Employees** |
| RING CENTRAL, INC. | 676 | ORACLE AMERICA, INC. | 871 |
| AUTOBAHN MOTORS | 132 | CENGAGE LEARNING, INC. | 338 |
| SAFEWAY STORE #1138 | 113 | SAFEWAY STORE | 184 |
| LUNARDI'S MARKET | 90 | SUNEDISON | 150 |
| SILVERADO - BELMONT HILLS | 84 | NIKON PRECISION, INC. | 146 |
| NIKON PRECISION, INC. | 80 | AUTOBANH MOTORS | 120 |
| WOODMONT REAL ESTATE SERVICES | 57 | CARLMONT GARDENS NURSING CENTER | 110 |
| SUNRISE OF BELMONT | 56 | SILVERADO SR LIVING BELMONT HILLS | 103 |
| MERRY MOPPET PRESCHOOL, INC. | 54 | JAMES ELECTRONICS/LTD | 84 |
| NIKON RESEARCH CORPORATION OF AMERICA | 53 | VINDICIA, INC. | 75 |

Note: Excludes exempt entities, such as financial institutions, governments and non-profits.
Data not available for ranking or total employment.
Source: City of Belmont Finance, Business License (Hdl Companies)

**CITY OF BELMONT**
**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION**

**Last Ten Fiscal Years**




| | Fiscal Year Ended June 30, | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Function** | **2013** | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021** | **2022** |
| General government | 33.00 | 30.00 | 30.00 | 31.00 | 33.50 | 34.00 | 34.00 | 33.42 | 33.00 | 33.00 |
| Public safety | 43.00 | 45.00 | 45.00 | 45.00 | 45.00 | 45.00 | 45.00 | 44.00 | 44.00 | 44.00 |
| Highways and streets | 28.00 | 28.00 | 27.00 | 27.00 | 30.00 | 30.00 | 33.00 | 33.00 | 33.00 | 33.00 |
| Culture and recreation | 22.10 | 22.85 | 22.85 | 22.85 | 23.30 | 24.30 | 24.30 | 24.30 | 24.30 | 24.30 |
| Total | 126.10 | 125.85 | 124.85 | 125.85 | 131.80 | 133.30 | 136.30 | 134.72 | 134.30 | 134.30 |

Source: City of Belmont Budget

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**CITY OF BELMONT**
**OPERATING INDICATORS BY FUNCTION/PROGRAM**

**Last Ten Fiscal Years**

| | Fiscal Year Ended June 30 | | | |
|---|---|---|---|---|
| | **2013** | **2014** | **2015** | **2016** |
| **Function/Program** | | | | |
| Public safety: | | | | |
| Belmont Fire Department (established October 1, 2011) (1) | | | | |
| Fire calls for service | 2,948 | 2,585 | 2,678 | 2,225 |
| Annual Fire Inspections | 302 | 838 | 125 | 850 |
| New Business License Inspections | 50 | 55 | 45 | 52 |
| Plan Checks | 27 | 122 | 133 | 92 |
| Police: | | | | |
| Police calls for service | 28,887 | 30,087 | 30,426 | 29,981 |
| Law violations: (2) | | | | |
| Part I crimes | 555 | 495 | 340 | 493 |
| Physical arrests (adult and juvenile) | 448 | 575 | 546 | 470 |
| Traffic violations (3) | 4,190 | 1,360 | 1,535 | 2,177 |
| Parking violations | 2,332 | 2,732 | 3,351 | 3,078 |
| Public works | | | | |
| Street resurfacing (miles) | 0 | 0 | 0 | 0 |
| Culture and recreation: | | | | |
| Community Services: | | | | |
| Recreation class participants | 35,145 | 39,605 | 39,715 | 40,150 |
| Sewer | | | | |
| Sewer Connections | 7,648 | 7,653 | 7,663 | 7,671 |
| Average daily treatment (millions of gallons) - City only | 1.64 | 1.64 | 1.80 | 1.80 |
| Average daily treatment (millions of gallons) - Total SVCW | 15.75 | 15.75 | 15.75 | 15.75 |
| Treatment capacity - SVCW (millions of gallons) | 29.00 | 29.00 | 29.00 | 29.00 |
| Storm drain inlets | 1,500 | 1,500 | 1,500 | 1,500 |
| Sewer main blockages | 6 | 3 | 6 | 2 |

Source: City of Belmont

Notes:

(1) Fire services provided through Belmont-San Carlos Fire Department through September 30, 2011.

(2) Belmont PD switched to the FBI and California DOJ required NIBRS crime reporting as of June 2021.

(3) The Red Light Camera Enforcement began operations in May 2010 and ceased June 2013.

N/A denotes information not available.

| Fiscal Year Ended June 30 | | | | | |
|---|---|---|---|---|---|
| 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| | | | | | |
| 2,459 | 2,294 | 2,354 | 2,249 | 2,455 | 2,510 |
| 451 | 647 | 466 | 249 | 403 | 340 |
| 83 | 53 | 49 | 38 | 7 | 29 |
| 131 | 183 | 157 | 36 | 209 | 171 |
| 29,039 | 26,715 | 24,947 | 25,347 | 25,559 | 20,858 |
| 474 | 498 | 513 | 558 | 556 | 506 |
| 383 | 336 | 373 | 358 | 459 | 504 |
| 2,449 | 2,373 | 1,644 | 1,580 | 989 | 1,150 |
| 2,461 | 2,428 | 2,350 | 2,037 | 1,935 | 1,574 |
| 0 | 0 | 7 | 2 | 3 | 2 |
| 43,580 | 44,910 | 44,947 | 34,230 | 18,075 | 52,714 |
| 7,673 | 7,678 | 7,682 | 7,687 | 7,689 | 7,690 |
| 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 |
| 15.75 | 15.75 | 15.75 | 15.75 | 15.75 | 15.75 |
| 29.00 | 29.00 | 29.00 | 29.00 | 29.00 | 29.00 |
| 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 |
| 4 | 2 | 2 | 2 | 2 | 2 |

**CITY OF BELMONT**
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**

**Last Ten Fiscal Years**

| | Fiscal Year Ended June 30 | | | |
|---|---|---|---|---|
| | **2013** | **2014** | **2015** | **2016** |
| **Function/Program** | | | | |
| General Government: | | | | |
| Administration Buildings | 2 | 2 | 2 | 2 |
| Public safety: | | | | |
| Fire stations (1) | 2 | 2 | 2 | 2 |
| Police stations | 1 | 1 | 1 | 1 |
| Public works | | | | |
| Miles of streets | 70 | 70 | 70 | 70 |
| Street lights | 1,465 | 1,465 | 1,465 | 1,465 |
| Traffic Signals | 17 | 17 | 17 | 17 |
| Culture and recreation: | | | | |
| Community services: | | | | |
| City parks: | | | | |
| Number of developed parks | 14 | 14 | 14 | 14 |
| Acres of developed parks | 60.40 | 60.40 | 60.40 | 60.40 |
| Number of undeveloped parks | 3 | 3 | 3 | 3 |
| Acres of undeveloped parks | 29.16 | 29.16 | 29.16 | 29.16 |
| Acres of open space | 295.58 | 287.58 | 287.58 | 287.58 |
| Community Buildings | 19 | 19 | 19 | 19 |
| Library: | | | | |
| City Library (2) | 1 | 1 | 1 | 1 |
| Water (Provided by Mid-Peninsula Water District) | | | | |
| Sewer | | | | |
| Miles of sanitary sewers | 85.00 | 85.00 | 85.00 | 85.00 |
| Storm Drains (miles) | 27.00 | 27.00 | 27.00 | 27.00 |
| Number of treatment plants (3) | 1 | 1 | 1 | 1 |

Notes:
(1) Provided through the Belmont-San Carlos Fire Department through September 30, 2011.
Belmont Fire Department established October 1, 2011 provided services through January 12, 2019.
San Mateo Consolidated Fire Department established January 13, 2019.
(2) The Library is property of the City of Belmont and operated by San Mateo County.
(3) Provided through the Silicon Valley Clean Water Authority
N/A denotes information not available.
Source: City of Belmont

| Fiscal Year Ended June 30 | | | | | |
|---|---|---|---|---|---|
| 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| 2 | 2 | 2 | 2 | 2 | 2 |
| 2 | 2 | 2 | 2 | 2 | 2 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 70 | 70 | 70 | 70 | 70 | 70 |
| 1,465 | 1,465 | 1,465 | 1,465 | 1,465 | 1,465 |
| 17 | 17 | 18 | 18 | 18 | 18 |
| 14 | 15 | 15 | 15 | 15 | 15 |
| 60.40 | 61.40 | 61.40 | 61.40 | 61.40 | 61.40 |
| 3 | 3 | 2 | 2 | 2 | 2 |
| 29.16 | 29.16 | 28.16 | 28.16 | 28.16 | 28.16 |
| 287.58 | 287.58 | 287.58 | 287.58 | 287.58 | 287.58 |
| 19 | 19 | 19 | 19 | 19 | 19 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 85.00 | 85.00 | 85.00 | 85.00 | 85.00 | 85.00 |
| 27.00 | 27.00 | 27.00 | 27.00 | 27.00 | 27.00 |
| 1 | 1 | 1 | 1 | 1 | 1 |

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**SUPPLEMENTAL FINANCIAL INFORMATION**
**REGARDING SUCCESSOR AGENCY ASSESSED VALUATIONS**
**(UNAUDITED)**

**Assessed Valuations**

The base year valuation for the Project Area was established in the fiscal year ending June 30, 1982. The following table shows historical incremental assessed valuation (including all categories of assessed value) within the Project Area as of the March 1 lien date for the fiscal years 1982-83 through 2021-2022. It should be noted that due to adjustments after the lien date, assessed value may increase or decrease during the year. Factors causing these adjustments include, but are not limited to, supplemental assessments and appeals to assessed value. These adjustments to assessed values, in turn, cause tax increment revenues to increase or decrease.

**CITY OF BELMONT SUCCESSOR AGENCY**
**(FORMERLY BELMONT REDEVELOPMENT AGENCY)**
**LOS COSTANOS COMMUNITY DEVELOPMENT PROJECT AREA**
**HISTORICAL INCREMENTAL ASSESSED VALUATION**

| Fiscal Year Ending June 30 | Total Assessed Valuation | Incremental Assessed Valuation (1) | Change in Incremental Assessed Valuation From Previous Year |
|---|---|---|---|
| 1983 | $157,135,342 | $21,536,072 | not available |
| 1984 | 171,237,981 | 35,638,711 | 65.48% |
| 1985 | 184,060,881 | 62,564,250 | 75.55% |
| 1986 | 201,153,514 | 65,554,244 | 4.78% |
| 1987 | 234,842,064 | 99,242,794 | 51.39% |
| 1988 | 246,823,012 | 111,223,742 | 12.07% |
| 1989 | 254,810,733 | 119,211,463 | 7.18% |
| 1990 | 275,154,532 | 139,555,262 | 17.07% |
| 1991 | 313,264,539 | 177,665,269 | 27.31% |
| 1992 | 349,801,313 | 214,202,043 | 20.56% |
| 1993 | 376,194,509 | 240,595,239 | 12.32% |
| 1994 | 389,900,944 | 254,301,674 | 5.70% |
| 1995 | 397,847,297 | 262,248,027 | 3.12% |
| 1996 | 420,827,405 | 285,228,135 | 8.76% |
| 1997 | 441,467,705 | 305,868,435 | 7.24% |
| 1998 | 483,248,340 | 347,649,070 | 13.66% |
| 1999 | 508,606,319 | 373,007,049 | 7.29% |
| 2000 | 551,190,752 | 415,591,482 | 11.42% |
| 2001 | 628,703,301 | 493,104,031 | 18.65% |
| 2002 | 703,196,659 | 567,597,389 | 15.11% |
| 2003 | 736,172,756 | 600,573,486 | 5.81% |
| 2004 | 763,224,908 | 627,625,638 | 4.50% |
| 2005 | 793,262,313 | 657,663,043 | 4.79% |
| 2006 | 828,369,282 | 692,770,012 | 5.34% |
| 2007 | 882,997,061 | 747,397,791 | 7.89% |
| 2008 | 925,665,178 | 790,065,908 | 5.71% |
| 2009 | 1,001,611,395 | 866,012,125 | 9.61% |
| 2010 | 1,021,824,923 | 886,225,653 | 2.33% |
| 2011 | 979,692,227 | 844,092,957 | -4.75% |
| 2012 | 1,006,362,049 | 870,762,779 | 3.16% |
| 2013 | 1,064,558,175 | 928,958,905 | 6.68% |
| 2014 | 1,096,475,744 | 960,876,474 | 3.44% |
| 2015 | 1,137,357,996 | 1,001,758,726 | 4.25% |
| 2016 | 1,205,793,308 | 1,070,194,038 | 6.83% |
| 2017 | 1,287,183,196 | 1,151,583,926 | 7.61% |
| 2018 | 1,384,289,254 | 1,248,689,984 | 8.43% |
| 2019 | 1,531,108,751 | 1,395,509,481 | 11.76% |
| 2020 | 1,680,464,323 | 1,544,865,053 | 10.70% |
| 2021 | 1,838,302,558 | 1,702,703,288 | 10.22% |
| 2022 | 1,907,657,139 | 1,772,057,869 | 4.07% |

Source: County of San Mateo

(1) Total assessed valuation in excess of the Agency's 1981-82 base year assessed valuation of $135,599,270.

## Historical Housing Set-Aside Amounts

The following table shows the historical allocation of tax increment revenues by the County of San Mateo derived from the project area.

**CITY OF BELMONT SUCCESSOR AGENCY**
**(FORMERLY BELMONT REDEVELOPMENT AGENCY)**
**LOS COSTANOS COMMUNITY DEVELOPMENT PROJECT AREA**
**HISTORICAL RECEIPT OF TAX INCREMENT AND TRUST FUND REVENUES**

| Fiscal Year Ending June 30 | Secured Tax Increment (2) | Unsecured Tax Increment (2) | Unitary Revenue (3) | Supplemental Allocations (2) | Total Tax Increment (4) | Real Property Tax Trust Fund Allocations (6) | Total Tax | Housing Set Aside Amounts (5) | Change From Prior Year |
|---|---|---|---|---|---|---|---|---|---|
| 1984 | | | | | $285,494 | | $285,494 | $57,099 | |
| 1985 | | | | | 363,836 | | 363,836 | 72,989 | 27.44% |
| 1986 | $429,246 | $84,594 | | $16,681 | 530,521 | | 530,521 | 103,097 | 45.81% |
| 1987 | 725,932 | 82,321 | | 58,699 | 866,952 | | 866,952 | 168,560 | 63.42% |
| 1988 | 787,579 | 69,137 | | 103,030 | 959,746 | | 959,746 | 191,949 | 10.70% |
| 1989 | 924,058 | 73,737 | | 87,124 | 1,084,919 | | 1,084,919 | 216,983 | 13.04% |
| 1990 | 1,035,629 | 85,045 | $25,534 | 57,535 | 1,203,743 | | 1,203,743 | 240,749 | 10.95% |
| 1991 | 1,260,743 | 1,225,929 | 54,683 | 120,184 | 2,661,539 | | 2,661,539 | 311,708 | 121.11% |
| 1992 | 1,629,619 | 81,020 | 57,216 | 145,226 | 1,913,081 | | 1,913,081 | 382,616 | (28.12%) |
| 1993 | 1,758,187 | 93,810 | 58,779 | 59,494 | 1,970,270 | | 1,970,270 | 394,055 | 2.99% |
| 1994 | 1,890,260 | 72,133 | 51,221 | 49,533 | 2,063,147 | | 2,063,147 | 412,629 | 4.71% |
| 1995 | 1,933,676 | 17,827 | 54,213 | 18,928 | 2,024,644 | | 2,024,644 | 404,929 | (1.87%) |
| 1996 | 2,019,812 | 222,873 | 54,170 | 29,872 | 2,326,727 | | 2,326,727 | 465,346 | 14.92% |
| 1997 | 2,227,773 | 131,833 | 39,541 | 105,133 | 2,504,280 | | 2,504,280 | 500,856 | 7.63% |
| 1998 | 2,520,936 | 195,020 | 50,432 | 106,587 | 2,872,975 | | 2,872,975 | 569,942 | 14.72% |
| 1999 | 2,832,402 | 123,236 | 64,836 | 49,610 | 3,070,084 | | 3,070,084 | 614,016 | 6.86% |
| 2000 | 3,076,826 | 118,983 | 57,337 | 183,315 | 3,436,461 | | 3,436,461 | 687,292 | 11.93% |
| 2001 | 3,640,433 | 172,658 | 61,111 | 103,483 | 3,977,685 | | 3,977,685 | 795,537 | 15.75% |
| 2002 | 4,212,040 | 253,052 | 67,477 | 455,911 | 4,988,481 | | 4,988,481 | 997,696 | 25.41% |
| 2003 | 4,415,999 | 220,998 | 72,375 | 300,175 | 5,009,547 | | 5,009,547 | 1,001,909 | 0.42% |
| 2004 | 4,511,245 | 177,074 | 77,251 | 165,496 | 4,931,066 | | 4,931,066 | 986,213 | (1.57%) |
| 2005 | 4,773,499 | 178,051 | 64,387 | 179,086 | 5,195,023 | | 5,195,023 | 1,039,005 | 5.35% |
| 2006 | 4,985,628 | 176,562 | 60,337 | 247,801 | 5,470,328 | | 5,470,328 | 1,094,066 | 5.30% |
| 2007 | 5,297,243 | 163,847 | 151,994 | 334,221 | 5,947,305 | | 5,947,305 | 1,189,461 | 8.72% |
| 2008 | 5,812,332 | 189,141 | 69,495 | 281,093 | 6,352,061 | | 6,352,061 | 1,270,412 | 6.81% |
| 2009 | 6,343,282 | 289,016 | 69,868 | 273,397 | 6,975,563 | | 6,975,563 | 1,395,113 | 9.82% |
| 2010 | 6,631,570 | 205,106 | 78,094 | 72,979 | 6,987,749 | | 6,987,749 | 1,397,550 | 0.17% |
| 2011 | 6,274,474 | 184,886 | 68,347 | 61,692 | 6,589,398 | | 6,589,398 | 1,317,880 | (5.70%) |
| 2012 | 3,205,128 | 372,746 | 39,886 | | 3,617,760 | $1,821,662 | 5,439,422 | 723,552 | (17.45%) |
| 2013 | | | | | | 2,430,695 | 2,430,695 | | (55.31%) |
| 2014 | | | | | | 2,589,571 | 2,589,571 | | 6.54% |
| 2015 | | | | | | 1,744,119 | 1,744,119 | | (32.65%) |
| 2016 | | | | | | 1,865,275 | 1,865,275 | | 6.95% |
| 2017 | | | | | | 1,498,633 | 1,498,633 | | (19.66%) |
| 2018 | | | | | | 992,433 | 992,433 | | (33.78%) |
| 2019 | | | | | | 966,582 | 966,582 | | (2.60%) |
| 2020 | | | | | | 956,855 | 956,855 | | (1.01%) |
| 2021 | | | | | | 966,457 | 966,457 | | 1.00% |
| 2022 | | | | | | 3,922,881 | 3,922,881 | | 305.90% |

(1) Amounts shown are net of amounts waived by the Agency under County Fiscal Agreement.

(2) Breakdown of tax increment amount secured, unsecured and supplemental categories not available for fiscal years ended June 30, 1984 through 1985.

(3) Unitary revenue reported separately starting in the fiscal year ended June 30, 1990.

(4) Total tax increment includes housing set-aside amounts. Under the RDA Dissolution Legislation, the Housing Set Aside was not required in FY 2012 and forward.

(5) This amount calculated as defined in the Fiscal Agreement.

(6) Tax Increment Revenues are no longer allocated to Redevelopment Agencies, effective January 31, 2012. Effective February 1, 2012, the Successor Agency has assumed all obligations of the Redevelopment Agency. Pursuant to law, the Successor Agency receives Real Property Tax Trust Funds Allocations to finance its activities including debt service on obligations of the former Redevelopment Agency.

Source: Belmont Successor Agency and County of San Mateo Controller's Office.

**Debt Service Coverage**

Housing Set-Aside Amounts in fiscal year 2021-2022 were $0 pursuant to AB x1-26. See the table above entitled "Historical Receipt of Tax Incremental Revenues." Prior to July 1, 2011, tax increment revenues were used to fund debt service on the 1996 Housing Set-Aside Bonds. As a result of the dissolution of the Redevelopment Agency pursuant to state law, a Successor Agency assumed the debt and receives tax revenues used to pay debt service and fund other activities of the former Redevelopment Agency. Debt service repayments on these bonds are made by the Successor Agency from tax revenue.

**Major Property Taxpayers**

The ten largest assesses in the Project Area for fiscal 2021-2022 and the assessed valuation of their respective properties in the Project Area as reported by the County are provided in the following schedule. The total taxable value of these properties equals $432,702,061 which represents approximately 23.33% percent of the Project Area's secured taxable valuation (including Unitary Assessed valuation).

**CITY OF BELMONT SUCCESSOR AGENCY**
**(FORMERLY BELMONT REDEVELOPMENT AGENCY)**
**LOS COSTANOS COMMUNITY DEVELOPMENT PROJECT AREA**
**TEN LARGEST SECURED PROPERTY TAX ASSESSES**

| | Assessee | Use | FY21 - 22 Taxable Value (2) | Percentage of Total Secured Taxable Value of Project Area (1) |
|---|---|---|---|---|
| 1 | 600 Clipper Operating LLC | Office | $94,189,576 | 5.08% |
| 2 | Westlake Gresham Center LLC | Office | 57,763,739 | 3.11% |
| 3 | Belmont Hotells LLC | Hotel | 51,852,777 | 2.80% |
| 4 | Nikon Precision Inc. | Office | 44,786,779 | 2.41% |
| 5 | Prime Old County LP | Residential Multi-Family | 34,324,906 | 1.85% |
| 6 | Oracle Corporation | Office | 34,280,064 | 1.85% |
| 7 | SRE California - 3 LLC | Retail | 32,927,132 | 1.78% |
| 8 | Grand Prix Belmont LLC | Hotel | 31,473,548 | 1.70% |
| 9 | 875 Woodside LLC | Residential Multi-Family | 25,864,728 | 1.39% |
| 10 | SSL Landlord LLC | Residential Senior Living | 25,238,758 | 1.36% |
| | Total | | $432,702,007 | 23.33% |
| | Secured taxable value | | $1,854,734,643 | |

(1) The secured taxable value of the Project Area for fiscal year 2021-2022 is $1,854,734,643.

Source: City of Belmont and County of San Mateo Assessor's Office.

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable Members of the City of Council
City of Belmont, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the City of Belmont, California, as of and for the year ended June 30, 2022, and have issued our report thereon dated November 3, 2022. Our report includes a reference to other auditors who audited the financial statements of the San Mateo Consolidated Fire Department (SMC Fire) as of and for the year ended June 30, 2021, related to the calculation of the Investment in Joint Venture, as described in our report on the City's financial statements. Our report also includes an emphasis of a matter paragraph disclosing the implementation of new accounting principles.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We have also issued a separate Memorandum on Internal Control dated November 3, 2022, which is an integral part of our audit and should be read in conjunction with this report.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Maze & Associates

Pleasant Hill, California
November3, 2022

**CITY OF BELMONT**

**MEMORANDUM ON INTERNAL CONTROL**

**FOR THE YEAR ENDED JUNE 30, 2022**

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**CITY OF BELMONT**
**MEMORANDUM ON INTERNAL CONTROL**

**For the Year Ended June 30, 2022**

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MAZE & ASSOCIATES

**MEMORANDUM ON INTERNAL CONTROL**

To the City Council of
the City of Belmont, California

We have audited the basic financial statements of the City of Belmont for the year ended June 30, 2022, and have issued our report thereon dated November 3, 2022. Our opinions on the basic financial statements and this report, insofar as they relate to the Investment in Joint Venture of the San Mateo Consolidated Fire Department (SMC Fire), are based solely on the report of other auditors. In planning and performing our audit of the basic financial statements of the City as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Included in the Schedule of Other Matters are recommendations not meeting the above definitions that we believe are opportunities for strengthening internal controls and operating efficiency.

This communication is intended solely for the information and use of management, City Council, others within the organization, and agencies and pass-through entities requiring compliance with *Government Auditing Standards*, and is not intended to be and should not be used by anyone other than these specified parties.

Maze & Associates

Pleasant Hill, California
November 3, 2022

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**MEMORANDUM ON INTERNAL CONTROL**

**SCHEDULE OF OTHER MATTERS**

**NEW GASB PRONOUNCEMENTS OR PRONOUNCEMENTS NOT YET EFFECTIVE**

The following comment represents new pronouncements taking affect in the next few years. We cite them here to keep you informed of developments:

**EFFECTIVE FISCAL YEARS 2022, 2023 and 2024:**

**GASB 99 – *Omnibus 2022***

The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are as follows:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments,* that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument

- Clarification of provisions in Statement No. 87, *Leases,* as amended, related to the determination of the lease term, classification of a lease as a short term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives

- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements,* related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset

- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements,* related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short term SBITA, and recognition and measurement of a subscription liability

- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt

- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP)

- Disclosures related to nonmonetary transactions

- Pledges of future revenues when resources are not received by the pledging government

**GASB 99 – *Omnibus 2022 (Continued)***

- Clarification of provisions in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments,* as amended, related to the focus of the government-wide financial statements

- Terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*

- Terminology used in Statement 53 to refer to resource flows statements.

**The Requirements of this Statement are Effective as Follows:**

The requirements in paragraphs 26–32 related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.

The requirements in paragraphs 11–25 related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

The requirements in paragraphs 4–10 related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

Earlier application is encouraged and is permitted by individual topic.

**How the Changes in This Statement Will Improve Financial Reporting**

The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to more easily locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements.

**MEMORANDUM ON INTERNAL CONTROL**

**SCHEDULE OF OTHER MATTERS**

**EFFECTIVE FISCAL YEAR 2022/23:**

**GASB 91 – *Conduit Debt Obligations***

The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

A conduit debt obligation is defined as a debt instrument having *all* of the following characteristics:

- There are at least three parties involved:
  (1) an issuer
  (2) a third-party obligor, and
  (3) a debt holder or a debt trustee.

- The issuer and the third-party obligor are not within the same financial reporting entity.

- The debt obligation is not a parity bond of the issuer, nor is it cross-collateralized with other debt of the issuer.

- The third-party obligor or its agent, not the issuer, ultimately receives the proceeds from the debt issuance.

- The third-party obligor, not the issuer, is primarily obligated for the payment of all amounts associated with the debt obligation (debt service payments).

All conduit debt obligations involve the issuer making a limited commitment. Some issuers extend additional commitments or voluntary commitments to support debt service in the event the third party is, or will be, unable to do so.

An issuer should not recognize a conduit debt obligation as a liability. However, an issuer should recognize a liability associated with an additional commitment or a voluntary commitment to support debt service if certain recognition criteria are met. As long as a conduit debt obligation is outstanding, an issuer that has made an additional commitment should evaluate at least annually whether those criteria are met. An issuer that has made only a limited commitment should evaluate whether those criteria are met when an event occurs that causes the issuer to reevaluate its willingness or ability to support the obligor's debt service through a voluntary commitment.

**GASB 91 – *Conduit Debt Obligations (Continued)***

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

Issuers should not report those arrangements as leases, nor should they recognize a liability for the related conduit debt obligations or a receivable for the payments related to those arrangements. In addition, the following provisions apply:

- If the title passes to the third-party obligor at the end of the arrangement, an issuer should not recognize a capital asset.

- If the title does not pass to the third-party obligor and the third party has exclusive use of the entire capital asset during the arrangement, the issuer should not recognize a capital asset until the arrangement ends.

- If the title does not pass to the third-party obligor and the third party has exclusive use of only portions of the capital asset during the arrangement, the issuer, at the inception of the arrangement, should recognize the entire capital asset and a deferred inflow of resources. The deferred inflow of resources should be reduced, and an inflow recognized, in a systematic and rational manner over the term of the arrangement.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

***How the Changes in this Statement will Improve Financial Reporting***

The requirements of this Statement will improve financial reporting by eliminating the existing option for issuers to report conduit debt obligations as their own liabilities, thereby ending significant diversity in practice. The clarified definition will resolve stakeholders' uncertainty as to whether a given financing is, in fact, a conduit debt obligation. Requiring issuers to recognize liabilities associated with additional commitments extended by issuers and to recognize assets and deferred inflows of resources related to certain arrangements associated with conduit debt obligations also will eliminate diversity, thereby improving comparability in reporting by issuers. Revised disclosure requirements will provide financial statement users with better information regarding the commitments issuers extend and the likelihood that they will fulfill those commitments. That information will inform users of the potential impact of such commitments on the financial resources of issuers and help users assess issuers' roles in conduit debt obligations.

**GASB 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements***

The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

***PPPs* –** This Statement requires that PPPs that meet the definition of a lease apply the guidance in Statement No. 87, Leases, as amended, if existing assets of the transferor that are not required to be improved by the operator as part of the PPP arrangement are the only underlying PPP assets and the PPP does not meet the definition of an SCA. This Statement provides accounting and financial reporting requirements for all other PPPs: those that either (1) meet the definition of an SCA or (2) are not within the scope of Statement 87, as amended (as clarified by this Statement). The PPP term is defined as the period during which an operator has a noncancelable right to use an underlying PPP asset, plus, if applicable, certain periods if it is reasonably certain, based on all relevant factors, that the transferor or the operator either will exercise an option to extend the PPP or will not exercise an option to terminate the PPP.

A transferor generally should recognize an underlying PPP asset as an asset in financial statements prepared using the economic resources measurement focus. However, in the case of an underlying PPP asset that is not owned by the transferor or is not the underlying asset of an SCA, a transferor should recognize a receivable measured based on the operator's estimated carrying value of the underlying PPP asset as of the expected date of the transfer in ownership. In addition, a transferor should recognize a receivable for installment payments, if any, to be received from the operator in relation to the PPP. Measurement of a receivable for installment payments should be at the present value of the payments expected to be received during the PPP term. A transferor also should recognize a deferred inflow of resources for the consideration received or to be received by the transferor as part of the PPP. Revenue should be recognized by a transferor in a systematic and rational manner over the PPP term.

This Statement requires a transferor to recognize a receivable for installment payments and a deferred inflow of resources to account for a PPP in financial statements prepared using the current financial resources measurement focus. Governmental fund revenue would be recognized in a systematic and rational manner over the PPP term.

**GASB 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements (Continued)***

This Statement also provides specific guidance in financial statements prepared using the economic resources measurement focus for a government that is an operator in a PPP that either (1) meets the definition of an SCA or (2) is not within the scope of Statement 87, as amended (as clarified in this Statement). An operator should report an intangible right-to-use asset related to an underlying PPP asset that either is owned by the transferor or is the underlying asset of an SCA. Measurement of the right-to-use asset should be the amount of consideration to be provided to the transferor, plus any payments made to the transferor at or before the commencement of the PPP term, and certain direct costs. For an underlying PPP asset that is not owned by the transferor and is not the underlying asset of an SCA, an operator should recognize a liability measured based on the estimated carrying value of the underlying PPP asset as of the expected date of the transfer in ownership. In addition, an operator should recognize a liability for installment payments, if any, to be made to the transferor in relation to the PPP. Measurement of a liability for installment payments should be at the present value of the payments expected to be made during the PPP term. An operator also should recognize a deferred outflow of resources for the consideration provided or to be provided to the transferor as part of the PPP. Expense should be recognized by an operator in a systematic and rational manner over the PPP term.

This Statement also requires a government to account for PPP and non-PPP components of a PPP as separate contracts. If a PPP involves multiple underlying assets, a transferor and an operator in certain cases should account for each underlying PPP asset as a separate PPP. To allocate the contract price to different components, a transferor and an operator should use contract prices for individual components as long as they do not appear to be unreasonable based on professional judgment or use professional judgment to determine their best estimate if there are no stated prices or if stated prices appear to be unreasonable. If determining the best estimate is not practicable, multiple components in a PPP should be accounted for as a single PPP.

This Statement also requires an amendment to a PPP to be considered a PPP modification, unless the operator's right to use the underlying PPP asset decreases, in which case it should be considered a partial or full PPP termination. A PPP termination should be accounted for by a transferor by reducing, as applicable, any receivable for installment payments or any receivable related to the transfer of ownership of the underlying PPP asset and by reducing the related deferred inflow of resources. An operator should account for a termination by reducing the carrying value of the right-to-use asset and, as applicable, any liability for installment payments or liability to transfer ownership of the underlying PPP asset. A PPP modification that does not qualify as a separate PPP should be accounted for by remeasuring PPP assets and liabilities.

***APAs –*** An APA that is related to designing, constructing, and financing a nonfinancial asset in which ownership of the asset transfers by the end of the contract should be accounted for by a government as a financed purchase of the underlying nonfinancial asset. This Statement requires a government that engaged in an APA that contains multiple components to recognize each component as a separate arrangement. An APA that is related to operating or maintaining a nonfinancial asset should be reported by a government as an outflow of resources in the period to which payments relate.

**MEMORANDUM ON INTERNAL CONTROL**

**SCHEDULE OF OTHER MATTERS**

**GASB 96 – *Subscription-Based Information Technology Arrangements***

This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

The subscription term includes the period during which a government has a noncancelable right to use the underlying IT assets. The subscription term also includes periods covered by an option to extend (if it is reasonably certain that the government or SBITA vendor will exercise that option) or to terminate (if it is reasonably certain that the government or SBITA vendor will not exercise that option).

Under this Statement, a government generally should recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. A government should recognize the subscription liability at the commencement of the subscription term, —which is when the subscription asset is placed into service. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments should be discounted using the interest rate the SBITA vendor charges the government, which may be implicit, or the government's incremental borrowing rate if the interest rate is not readily determinable. A government should recognize amortization of the discount on the subscription liability as an outflow of resources (for example, interest expense) in subsequent financial reporting periods.

The subscription asset should be initially measured as the sum of (1) the initial subscription liability amount, (2) payments made to the SBITA vendor before commencement of the subscription term, and (3) capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. A government should recognize amortization of the subscription asset as an outflow of resources over the subscription term.

Activities associated with a SBITA, other than making subscription payments, should be grouped into the following three stages, and their costs should be accounted for accordingly:

- Preliminary Project Stage, including activities such as evaluating alternatives, determining needed technology, and selecting a SBITA vendor. Outlays in this stage should be expensed as incurred.
- Initial Implementation Stage, including all ancillary charges necessary to place the subscription asset into service. Outlays in this stage generally should be capitalized as an addition to the subscription asset.

**GASB 96 – *Subscription-Based Information Technology Arrangements (Continued)***

- Operation and Additional Implementation Stage, including activities such as subsequent implementation activities, maintenance, and other activities for a government's ongoing operations related to a SBITA. Outlays in this stage should be expensed as incurred unless they meet specific capitalization criteria.

In classifying certain outlays into the appropriate stage, the nature of the activity should be the determining factor. Training costs should be expensed as incurred, regardless of the stage in which they are incurred.

If a SBITA contract contains multiple components, a government should account for each component as a separate SBITA or nonsubscription component and allocate the contract price to the different components. If it is not practicable to determine a best estimate for price allocation for some or all components in the contract, a government should account for those components as a single SBITA.

This Statement provides an exception for short-term SBITAs. Short-term SBITAs have a maximum possible term under the SBITA contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. Subscription payments for short-term SBITAs should be recognized as outflows of resources.

This Statement requires a government to disclose descriptive information about its SBITAs other than short-term SBITAs, such as the amount of the subscription asset, accumulated amortization, other payments not included in the measurement of a subscription liability, principal and interest requirements for the subscription liability, and other essential information.

***How the Changes in this Statement will Improve Financial Reporting***

The requirements of this Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.

**MEMORANDUM ON INTERNAL CONTROL**

**SCHEDULE OF OTHER MATTERS**

**EFFECTIVE FISCAL YEAR 2023/24:**

**GASB 100 – *Accounting for Changes and Error Corrections***

The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability

This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements.

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated.

Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles.

**MEMORANDUM ON INTERNAL CONTROL**

**SCHEDULE OF OTHER MATTERS**

**EFFECTIVE FISCAL YEAR 2024/25:**

**GASB 101 – *Compensated Absences***

The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

*Recognition And Measurement*

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

*Notes To Financial Statements*

This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

**GASB 101 – *Compensated Absences (Continued)***

*How the Changes in this Statement Will Improve Financial Reporting*

The unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave.

The model also will result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences.

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## MEMORANDUM ON INTERNAL CONTROL

## STATUS OF PRIOR YEAR SIGNIFICANT DEFICIENCIES

**2021-01 Review Budget Amendments for Proper Recording in the General Ledger**

The original budget and the final budget data, after all amendments have been approved, should be accurately reflected in the general ledger.

After the general ledger was provided for audit, City staff discovered that the final budget amounts had been overstated by a total of $2.9 million in thirteen general ledger accounts in eleven funds and was understated by $210 thousand in one fund. In addition, for one interfund transfer budget amendment of $400 thousand approved during the year, only the budget for the transfer in for the transaction had been recorded in the general ledger.

As a result, the final budgeted amounts were misstated in the twelve funds noted above.

We understand the majority of the misstatements were due to prior year encumbrances being rolled forward incorrectly, and the transfer out budget was not recorded due to it being related to a new account number that was overlooked.

The City should develop procedures to review the budget data periodically to ensure amendments or encumbrance rollovers are recorded properly.

***Current Status:***
Implemented

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## MEMORANDUM ON INTERNAL CONTROL

## STATUS OF PRIOR YEAR OTHER MATTERS

**2021-02 Payroll Database Access and Review**

To ensure proper and accurate processing of the City's payroll transactions and to ensure that only authorized changes are made to pay rates and other critical data, payroll database access should be restricted only to employees that are not involved with processing payroll data.

We understand that the City's third-party payroll system implemented in fiscal year 2020 includes the control point that certain employees can initiate changes to pay rates, but those changes must be approved by a second employee in the Human Resources department. However, during our interim audit, we noted that the Controller has the ability to update employee pay rates without any secondary approval required by the third-party payroll system. We also noted that the Controller serves as one of the backup payroll processors in the event the Accounting Technician III is not available.

During our review of the third-party payroll system access log, we also noted that there were twelve employees listed as "practitioner," including the Controller, the Information Services Director, three Human Resources personnel, the primary payroll processor and six employees that are not involved with the payroll process. We also noted that the Controller and three of the other employees also had the "manager" user profile in the payroll system, which might be the source/cause of the ability to make changes without approval of a separate employee. We were not able to confirm whether any of these other employees have access to both initiate and approve changes to the pay rates or other critical data in the system.

Since pay rate changes are expected be approved electronically, we understand there is no periodic review of changes made to the payroll database to ensure they were approved. We understand that during the implementation of the third-party payroll system in fiscal year 2020, the Controller was assigned super-user rights in the system due to her proficiency with the payroll system, but those rights were not revised or removed after the implementation was complete.

When employees have access to make changes to the payroll system without review and approval by a second person, there is a risk that unauthorized payrate or other changes could be made and employees that are not involved with payroll processing and approval should not be included in the system as "practitioners."

Although we did select four of the thirty-nine employees that received pay rate changes during fiscal year 2021 for testing of authorization of those changes and noted no exceptions, the City must develop procedures to ensure that any pay rate or other critical data changes are initiated and approved by two separate employees and that the system will not allow one employee to execute both sides of the transaction.

The City should remove access to the payroll system from staff that are not involved with processing payroll and ensure those with access to change the pay rates can only initiate such changes and the execution of the changes requires the secondary review by a separate person. The City should also establish procedures to have an employee that does not have edit rights in the ADP payroll system to periodically review and approve changes made to the payroll database and that review should be documented in some formal manner, including the date and time of the review.

## STATUS OF PRIOR YEAR OTHER MATTERS

**2021-02 Payroll Database Access and Review (Continued)**

***Current Status:***
Implemented - Employees who have "practitioner" status in the third-party payroll system are now limited to employees who are involved with payroll processing and approval. Pay rates changes are initiated by employees who have "manager" status in the third-party payroll system, which gets reviewed and approved by a "practitioner" in Human Resources.

**2021-03 Review of Payroll Tax Documents Prior to Filing with Federal Agencies**

Payroll tax documents, such as the quarterly tax returns and annual W-2's, should be reviewed for accuracy prior to filing with the State or Federal agencies. If the City relies upon a third party vendor to prepare the documents, those documents should still be reviewed and approved prior to filing.

During the year end audit, we noted that the City had incurred additional costs of approximately $20 thousand in the Human Resources Department from penalties and interest incurred due to errors in quarterly payroll tax reporting, form W-2 reporting, and other payroll-related filings.

We understand that the City outsourced the filing of these documents to its third-party payroll processor, but City staff did not review the documents prior to filing, so the errors went undetected. As a result, the City incurred unnecessary costs in multiple payroll areas.

City staff should develop procedures to review payroll-related quarterly and annual tax documents prepared by the third party payroll processor prior to filing with the State and federal agencies to ensure reporting is accurate.

***Current Status:***
Implemented

**2018-01 Finance Personnel Super-User Rights**

Good internal controls are based on segregation of duties, and no one finance employee should have access to an asset and the controlling documentation that supports that asset. Ideally, one employee should retain authorization to use an asset and another employee should maintain the records over that asset. Super-user rights give an individual the potential to perform both of these functions. Due to the reasons mentioned above, Finance staff should not normally be allowed to have super-user rights in the City's general ledger system.

The City's former Controller left the City in January 2018, however, we reviewed the City's accounting system access log as of March 2018, and noted that the former Controller had an active status within the Super-User rights group.

**2018-01 Finance Personnel Super-User Rights (Continued)**

Although we understand that the former Controller's access to the City's network system had been inactivated upon departure, which precluded the individual from access to the City's general ledger system, when Finance staff have super-user rights, there is a potential risk of restricting or allowing access to other user's abilities to access the different modules in the accounting system. In addition, unauthorized transactions could be processed without proper review and approval.

The City should review the necessity of granting Finance employees super-user rights to the financial system. For any module within the financial system that these employees do not need to edit, their access should be limited to read-only. In the event the access is deemed to be necessary, the City should implement mitigating controls such as a review and approval of changes made to the system by the applicable employees.

***Current Status:***

Implemented. "Power User" rights that allows for a wide-range of access in the accounting system are restricted only to certain Finance staff, including the Finance Director and Finance Managers. There is a higher-level assignment of "System Administrator" that allows for user creation, password resets, and other high-level functionalities. The System Administrator role is held within the Information Technology Department, which serves as a compensating control and segregation of duties in the City's general ledger system.

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**CITY OF BELMONT**

**REQUIRED COMMUNICATIONS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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**CITY OF BELMONT**
**REQUIRED COMMUNICATIONS**

**For the Year Ended June 30, 2022**

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**REQUIRED COMMUNICATIONS**

To the City Council of
the City of Belmont, California

We have audited the basic financial statements of the City of Belmont, California, for the year ended June 30, 2022. We did not audit the financial statements of the San Mateo Consolidated Fire Department (SMC Fire) as of and for the year ended June 30, 2021, related to the calculation of the Investment in Joint Venture, which represents 2%, 3%, and 0%, respectively, of the total assets, net position and revenues of the governmental activities. The financial statements of SMC Fire were audited by other auditors, whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for this entity, is based solely on the report of the other auditors.

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards and Uniform Guidance,* as well as certain information related to the planned scope and timing of our audit. We have communicated such information orally during our discussion with the Audit Committee on April 19, 2022. Professional standards also require that we communicate to you the following information related to our audit:

## Significant Audit Matters

### *Qualitative Aspects of Accounting Practices*

*Accounting Policies* – Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year, except as follows:

> **Accounting for City-wide administration costs** - Prior to fiscal year 2022, the City charged the cost generated from a General Fund service department to another General Fund service department to cover for the cost of City-wide administration. These charges were reflected as an expenditure in the General Fund with the same amount of corresponding revenue in the General Fund, resulting in no net impact to the General Fund. Beginning in fiscal year 2022, these charges are no longer imposed upon the departments.

**Accountancy Corporation**
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Pleasant Hill, CA 94523

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**GASB 87 – *Leases***

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the leases guidance, unless specifically excluded in this Statement.

The pronouncement became effective, and as disclosed in Note 9F to the financial statements required a prior period restatement for the cumulative effect on the financial statements. The beginning the balances of leases receivable and deferred inflows of resources related to leases were $8,222,012 as of July 1, 2021 and restated and increased the balances in that amount, and the net effect on beginning net position was zero. See the Leases disclosure in Note 10.

**GASB 90 – *Majority Equity Interests (an amendment of GASB Statements No. 14 and No. 61)***

The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

The pronouncement became effective, but did not have a material effect on the financial statements.

**GASB 97 –** ***Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32***

The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The pronouncement became effective, but did not have a material effect on the financial statements. Implementation of the provisions of the pronouncement did require the inclusion of a new note disclosure – see Note 12F to the financial statements.

**GASB 98 –** ***The Annual Comprehensive Financial Report***

This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments.

The requirements of this Statement are effective for fiscal years ending after December 15, 2021, and the City implemented the provisions of the Statement for the year ended June 30, 2022.

**GASB 99 – *Omnibus 2022***

The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The Statement contains provisions that are to be implemented in phases over three fiscal years. The practice issues addressed by this Statement that are effective in fiscal year 2022 are as follows:

- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP)
- Disclosures related to nonmonetary transactions
- Pledges of future revenues when resources are not received by the pledging government
- Clarification of provisions in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments,* as amended, related to the focus of the government-wide financial statements
- Terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*
- Terminology used in Statement 53 to refer to resource flows statements.

The requirements in paragraphs 26-32 of the pronouncement became effective, but did not have a material effect on the financial statements.

The following pronouncements became effective, but did not have a material effect on the financial statements:

**GASB 89 – *Accounting for Interest Cost Incurred before the End of a Construction Period***
**GASB 92 – *Omnibus 2020***
**GASB 93 – *Replacement of Interbank Offered Rates***

*Unusual Transactions, Controversial or Emerging Areas* – We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

*Accounting Estimates* – Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were:

*Estimated Net Pension Liabilities and Pension-Related Deferred Outflows and Inflows of Resources:* Management's estimate of the net pension liabilities and deferred outflows/inflows of resources are disclosed in Note 11 to the financial statements and are based on accounting valuations determined by the California Public Employees Retirement System, which are based on the experience of the City. We evaluated the key factors and assumptions used to develop the estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole.

*Estimated Net OPEB Liabilities and OPEB–Related Deferred Outflows and Inflows of Resources:* Management's estimate of the net OPEB liabilities and deferred outflows/inflows of resources are disclosed in Note 12 to the financial statements and are based on actuarial studies determined by a consultant, which are based on the experience of the City. We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

*Estimated Fair Value of Investments:* As of June 30, 2022, the City held approximately $117.4 million of cash and investments as measured by fair value as disclosed in Note 3 to the financial statements. Fair value is essentially market pricing in effect as of June 30, 2022. These fair values are not required to be adjusted for changes in general market conditions occurring subsequent to June 30, 2022.

*Estimated Investments in Joint Ventures:* Management's estimate of the investments in joint ventures is disclosed in Note 14A to the financial statements and is based on the audited financial statements of the two entities for the prior year fiscal year. We evaluated the key factors and assumptions used to develop the investment in joint venture in determining that it is reasonable in relation to the financial statements taken as a whole.

*Estimate of Depreciation:* Management's estimate of the depreciation is based on useful lives determined by management. These lives have been determined by management based on the expected useful life of assets as disclosed in Note 1G to the financial statements. We evaluated the key factors and assumptions used to develop the depreciation estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

*Estimate of Compensated Absences:* Accrued compensated absences which are comprised of accrued vacation, holiday, and certain other compensating time is estimated using accumulated unpaid leave hours and hourly pay rates in effect at the end of the fiscal year as disclosed in Note 1H to the financial statements. We evaluated the key factors and assumptions used to develop the accrued compensated absences and determined that it is reasonable in relation to the basic financial statements taken as a whole.

*Estimated Claims Liabilities:* Management's estimate of the claims liabilities payable is disclosed in Note 13 to the financial statements and is based on estimates determined by a third party administrator, which are based on the claims experience of the City. We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

*Disclosures* – The financial statement disclosures are neutral, consistent, and clear.

***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Professional standards require us to accumulate all known and likely uncorrected misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We have no such misstatements to report to the City Council.

***Disagreements with Management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

***Management Representations***

We have requested certain representations from management that are included in a management representation letter dated November 3, 2022.

***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

***Other Audit Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

**Other Matters**

We applied certain limited procedures to the required supplementary information that accompanies and supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the required supplementary information and do not express an opinion or provide any assurance on the required supplementary information.

We were engaged to report on the supplementary information that accompanies the financial statements, but is not required supplementary information. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the Introductory and Statistical Sections included as part of the Annual Comprehensive Financial Report, but are not required supplementary information. We did not audit or perform other procedures on this other information, and we do not express an opinion or provide any assurance on them.

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This information is intended solely for the use of City Council and management and is not intended to be, and should not be, used by anyone other than these specified parties.

Maze & Associates

Pleasant Hill, California
November 3, 2022

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# MEMORANDUM

TO: Audit Committee

FROM: Grace Castaneda, Finance Director

SUBJECT: City of Belmont Financial Policies

DATE: November 7, 2022

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The City of Belmont has a long history of being a best practice city and, as such, incorporates Best Practices and Advisories issued annually by the Government Finance Officers Association (GFOA) and from other sources. GFOA Best Practices and Advisories are written as a guide, identifying specific policies and procedures contributing to improved government management. They aim to promote and facilitate positive change rather than to codify current accepted practices. These policies are used by staff to identify enhanced techniques and provide information about effective strategies when these topics arise. They are not prescriptive, but are formative.

As part of the City's annual update, the GFOA Best Practices and Advisories include new or modified recommended practices as they apply to the City. These Best Practices and Advisories can be referenced at www.gfoa.org/best-practices.

Staff would also like to draw the Audit Committee's attention to the annual budget document, which includes a Financial Policies section (www.belmont.gov/budget). It serves as a central reference point to the most important of the City's policies, which are critical to the continued financial health of our local government.

By receiving and accepting this report, the Audit Committee recognizes the importance of Best Practices in the design, operation, and administration of the City's internal control system, and in doing so, discharges its fiduciary duties and responsibilities. It is recommended that the Audit Committee direct the Chair to transmit this action to the City Council as part of its annual report on the audit to City Council. By doing so, the Committee is recommending that the financial policies be accepted by City Council.

Comments and suggestions for additional areas of public finance that could be better served by the development of policies are encouraged.

Feel free to contact me, should you have any questions.

# STAFF REPORT

| | |
|---|---|
| **Meeting Date:** | November 22, 2022 |
| **Agency:** | City of Belmont |
| **Staff Contact:** | Dino Francesconi, Chief Building Official, (650) 595-7450, dfrancesconi@belmont.gov |
| **Agenda Title:** | 2022 California Building, Residential, Mechanical, Plumbing and Electrical Codes with local Amendments, and the 2022 California Fire Code as Amended by the San Mateo Consolidated Fire Department |
| **Agenda Action:** | Ordinance |

## Recommendation

Introduce an ordinance adopting the 2022 California Building Standards Codes with local amendments (First Reading), set a public hearing date for the ordinance for January 10, 2023, and adopt the findings necessary for the local amendments by resolution.

## Strategic Focus Area

Not Applicable

## Background

On January 1, 2023 the 2022 California Building Standards Code, also known as the California Code of Regulations (CCR) Title 24, will go into effect. These regulations, which include the California Building Code, are applicable to all occupancies, in all cities and counties. Local governments may amend the provisions of the code if findings can be made that due to either climatic, geological, or topographical conditions it is necessary to make such changes. Staff is recommending that the Council adopt the California Building Standards Code and the accompanying amendments and appendices. A companion effort centers on review and adoption of Reach Energy Codes consistent with City Council action taken in June 2022. Staff will introduce the Reach Energy Code Amendments item at an upcoming Council meeting (within the next 45 days but no later than the January 10, 2023, Council meeting).

## Analysis

The City of Belmont is part of the Silicon Valley Uniform Code Adoption and Interpretation Program, which strives to achieve uniformity among the local jurisdictions in the enforcement of the codes. To that end, minimizing the number of amendments to the state codes is the prime goal. The ordinance presented as part of this report attempts to achieve that goal to a large degree; however, there are exceptions. These exceptions are attributable to local conditions that are somewhat unique to cities located on the San Francisco peninsula. The exceptions are in the form of amendments and appendices, and are summarized below.

1. The San Mateo Consolidated Fire Department is seeking consistency with other local fire departments by amending state codes to better suit the unique environment on the Peninsula. These amendments impact both the fire code and the building code.

- Amendments to Chapter 9—FIRE PROTECTION SYSTEMS and Chapter 15—ROOF ASSEMBLIES AND ROOFTOP STRUCTURES of the California Building Code

Purpose: The Fire Department wishes to amend Chapter 9 of the Building Code to duplicate the proposed amendments to the automatic fire sprinkler sections that are contained in the 2016 California Fire Code. The proposed amendments to Chapter 15 of the Building Code are intended to address Belmont's particular needs relative to climatic and topographical conditions that would require a higher fire-resistive rating for roof coverings.

2. The state has chosen to not adopt the following code section from the Uniform Plumbing Code (the model code that serves as a basis for the California Plumbing Code). Staff is recommending the adoption of this code section in the best interest of the community. The code section and the purpose for its adoption are as follows:

- Section 609.10 Water Hammer Arrestors of the California Plumbing Code

Purpose: The City of Belmont is situated in hilly terrain. Consequently, the water pressure for the community varies depending on the location of a building relative to the adjacent topography and the proximity to the water pumps. Water hammer is a frequent problem that is detrimental to the supply system. The condition is especially acute at quick acting valves. The installation of air chambers has proven ineffectual in mitigating water hammer. Adoption of this entire code section addresses this condition.

3. The state has chosen to not adopt the following appendices from the building codes. Staff is recommending their adoption in the best interest of the community. Those appendices and the purpose for their adoption are as follows:

- Appendix Chapter AH of the CRC—Patio Covers

Purpose: During the summer months, prevailing westerly winds from the Pacific Ocean move through the City of Belmont often in excess of 18 miles per hour. This condition can compromise the outdoor experience, even during periods of warm weather. In order to enjoy the sunshine and views, without the discomfort of the wind, a patio cover is desirable. However, due to the percentage of fenestration, these structures would not meet the requirements of the energy code. As such a special category, which is not considered conditioned space, is necessary.

- Appendix Chapter AK of the CRC—Sound Transmission

Purpose: The topography of the City of Belmont is such that development of tracts of single unit homes will be rare. The City is primarily built-out. Future development is anticipated to include mixed-use occupancies and higher density housing along the transit corridor. Secondary dwelling units will increase in popularity. Sound transmission controls have been excluded in the California Residential Code, although they are included in the California Building Code. The inclusion of

this appendix in the CRC will allow enforcement of sound transmission controls in secondary dwelling units and duplexes.

- Appendix Chapter AX of the CRC—Swimming Pools, Spas, and Hot Tubs

Purpose: The City of Belmont enjoys a Mediterranean climate with temperatures that can reach 90 degrees Fahrenheit in the summer months. A popular form of outdoor recreation is the use of swimming pools, spas, and hot tubs. The majority of pools in Belmont are located in single unit dwellings. However, the California Residential Code has not adopted the provisions of the Swimming Pool Safety Act, although they have been adopted in the California Building Code. If challenged, this omission makes enforcement difficult to substantiate.

**CEQA**

Adoption of the ordinance and resolution are exempt from the requirements of the California Environmental Quality Act (CEQA) under Title 14 of the California Code of Regulations, Section 15061(b)(3), in that it is not a Project which has the potential for causing a significant effect on the environment.

**Alternatives**

1. Direct any questions to staff for additional research and response.
2. Take no action.

**Attachments**

A. Ordinance Adopting the 2022 California Building, Residential, Mechanical, Plumbing and Electrical Codes with Local Amendments. Additionally, to Ratify the 2022 California Fire Code as Amended by the San Mateo Consolidated Fire Department.

**Fiscal Impact**

☒ No Fiscal Impact

☐ Funding Source Confirmed:

| **Source:** | **Purpose:** | **Public Outreach:** |
|---|---|---|
| Staff | Statutory/Contractual Requirement | Posting of Agenda |

# ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY OF BELMONT ADOPTING THE 2022 CALIFORNIA BUILDING, PLUMBING, MECHANICAL, ELECTRICAL, AND RESIDENTIAL CODES BY REFERENCE AS AMENDED, AND RATIFYING THE SAN MATEO CONSOLIDATED FIRE DEPARTMENT FIRE CODE ADOPTING AND AMENDING 2022 CALIFORNIA FIRE CODE AND 2021 INTERNATIONAL WILDLAND URBAN INTERFACE CODE**

THE CITY COUNCIL OF THE CITY OF BELMONT DOES ORDAIN AS FOLLOWS:

SECTION 1. REPEALS

All ordinances or parts of ordinances of the City of Belmont that are in conflict with this ordinance are repealed to the extent that they are in conflict with this ordinance.

SECTION 2. DRAFTING SYNTAX

Belmont City Code (BCC) section text is italicized in this ordinance to assist the reader in distinguishing between City of Belmont modifications to the California Building Standards Code and the City Code section text adopting the modifications.

For each section of the California Building Standards Code that is modified in part by the City of Belmont, whole subsections that are not modified are indicated by the subsection number followed by "{text not modified}"with the appropriate acronym for the specific code, which is to be codified as written. Each subsection that is deleted in its entirety by the City of Belmont is indicated by the subsection number followed by "- deleted".

SECTION 3. BCC SECTION 7-22 AMENDED

Belmont City Code Section 7-22 is amended to read as follows:

**Sec. 7-22 2022 California Building Code Adopted**

The 2022 California Building Code (CBC), California Code of Regulations, Title 24, Part 2, adopting the 2021 International Building Code of the International Code Council with necessary California amendments, is adopted by reference as the Building Code of the City of Belmont, California. A copy of 2022 CBC must be maintained in the Office of the City Clerk.

SECTION 4. BCC SECTION 7-23 AMENDED

Belmont City Code Section 7-23 is amended to read as follows:

**Sec. 7-23 2022 CBC Appendix Chapters Adopted**

(a) The following Appendix Chapter of the 2022 California Building Code is adopted: Appendix Chapter I (Patio Covers).

(b) The remaining Appendix Chapters are not adopted unless adopted by a state agency for application to occupancies subject to that agency's jurisdiction.

SECTION 5. BCC SECTION 7-24 AMENDED

Belmont City Code Section 7-24 is amended to read as follows:

**Sec. 7-24 2022 CBC Chapter 1, Division II Adopted with Amendments**

(a) Except for the sections set forth in subsection (b), the requirements reproduced in Chapter 1, Division II of the 2022 California Building Code are adopted by reference, and govern the administration of the Belmont Building Code. References to model codes in the adopted sections mean the corresponding California Codes as adopted by the City of Belmont.

(b) The following sections of Chapter 1, Division II of the 2022 California Building Code are not adopted: 101.1, 101.2, 101.4.4, 102.1, 102.5, 102.6, 103, 104.8, 114.3, and 114.4.

SECTION 6. BCC SECTION 7-25 AMENDED

Belmont City Code Section 7-25 is amended to read as follows:

**Sec. 7-25 Numbering of Amendments to 2022 CBC**

The 2022 California Building Code is amended as provided in Sections 7-25.502, 7-25.903, 7-25.905, 7-25.907, and 7-25.1009. The number to the right of the decimal point in these sections corresponds to the section in the 2022 California Building Code that is amended.

SECTION 7. BCC SECTION 7-25.502 AMENDED

Belmont City Code Section 7-25.501 is amended as follows:

**Sec. 7-25.502 Amendment of 2022 CBC Section 502 (Building Address)**

*Section 502 of the 2022 California Building Code is amended as follows:*

**502.1 Address Identification.** New and existing buildings must have approved address numbers, building numbers or approved building identification placed in a position that is plainly legible and visible from the street or road fronting the property. These numbers must contrast with their background. Address numbers must be Arabic numerals or alphabet letters. The numbers must be either internally or externally illuminated in all new construction and in all alterations greater than 50% of the original structure. Numbers must be as follows:

1. Minimum of ½ inch stroke by 6 inches high.

2. When the structure is 36 to 50 feet from the street or fire district access a minimum of ½ inch stroke by 9 inches high is required.

3. When the structure is more than 50 feet from the street or fire apparatus access, a minimum of 1 inch stroke by 12 inches high is required.

**502.1.2 Multi -Tenant Buildings**. Numbers or letters must be designated on all occupancies within a building. Size must be ½ inch stroke by 4 inches high and on a

contrasting background. Directional address numbers or letters must be provided. The addresses or numbers must be visible from the street posted at a minimum height of 5 feet, 6 inches above the finished floor, must be visible from the street and must be either internally or externally illuminated in all new construction.

**502.1.3 Multiple buildings on one site.** Where multiple buildings on one property are accessed by the means of a private road, and the buildings cannot be viewed from the public way, a monument sign, or other signs or other approved means must be used to identify the structure. Address identification must be maintained on each of the buildings within the site.

**502.1.4 Rear Addressing**. When required by the chief, approved numbers or addresses must be placed on all new and existing buildings in such a position as to be plainly visible and legible from the fire apparatus road at the back of a property or where rear parking lots or alleys provide an acceptable vehicular access. Number stroke and size must comply with 502.1.

SECTION 8. BCC SECTION 7-25.901 DELETED

Belmont City Code Section 7-25.901 is repealed. The code publisher is directed to not show the section as reserved.

SECTION 9. BCC SECTION 7-25.903 AMENDED

Belmont City Code Section 7-25.903 is amended as follows:

**Sec. 7-25.903 Amendment of 2022 CBC Section 903 (Automatic Sprinkler Systems)**

*Section 903 of the 2022 California Building Code is amended to read:*

903.1 through 903.1.1 {CBC text not modified}

**903.2 Where required.** Approved automatic sprinkler systems must be installed throughout all new buildings unless the structure does not require a building permit.

Exception: Detached Group U occupancies separated from structures in accordance with Table 705.5 of the California Building Code.

903.2.1 through 903.2.10 - deleted

903.2.11 through 903.2.21 {CBC text not modified}

**903.2.22 Existing buildings and structures**. Proposed addition, alterations or fire repairs in existing non-sprinklered buildings over a three-year period exceeding 50% of the original gross floor area square footage must require the entire building to be installed with an automatic fire sprinkler system as follows:

1. Any additions that increase the existing gross floor area by more than 50% require the entire building to be installed with an automatic fire sprinkler system.

2. Any combination of additions, alterations and/or fire repairs to more than 50% of the existing gross building area requires the entire existing building to be installed with an automatic fire sprinkler system. For purposes of this section, alterations only apply to the building area if they increase the size of the fire area of the room or space. See the Policy Manual for further guidance.

3. Any addition, alteration or repair within a building that contains an automatic fire sprinkler system must have the automatic fire sprinkler system extended or modified to the area of proposed work.

4. Any change in use or occupancy creating a more hazardous fire or life safety condition, as determined by the Fire Code Official requires that an automatic fire sprinkler system be installed. For purposes of this section, the relative hazard category must be in accordance with table 903.2.20 based on table 1011.5 of the International Existing Building Code.

Table 903.2.22

| Relative Hazard | Occupancy Class |
|---|---|
| 1 (Highest Hazard) | H, L |
| 2 | I-2, I-2.1, I-3, I-4 |
| 3 | A, C, E, M, R-1, R-2, R-2.1, R-4 |
| 4 | B, F-1, M, S-1, R-3, R-3.1 |
| 5 (Lowest Hazard) | F-2, S-2, U |

Exceptions:

1. Seismic or accessibility improvements

2. Any exemption otherwise allowable under the Fire Code, as adopted by the San Mateo Consolidated Fire Department at the discretion of the Fire Marshal.

3. Exterior improvements and work not requiring permits as provided in the Building Code.

4. Detached Group U occupancies or detached carports less than 400 square feet.

5. Work requiring only a mechanical, electrical, plumbing and/or demolition permit.

6. Group R-3.1 occupancies unless already containing a fire sprinkler system.

903.3 through 903.3.1.1.3 {CBC text not modified}

**903.3.1.2 NFPA 13 sprinkler systems**. Automatic sprinkler systems in Group R occupancies must be installed throughout in accordance with 903.3.1.1.

Exception:

R-3 occupancies must have an automatic sprinkler system installed in accordance with NFPA 13D.

903.3.1.2.1 through 903.3.1.2.3 {CBC text not modified}

**903.3.1.3 NFPA 13D sprinkler systems.** Automatic Sprinkler systems installed in one- and two-family dwellings; Group R-3; and townhouses may be installed throughout in accordance with NFPA 13D as amended in Chapter 35. NFPA 13D sprinkler systems must comply with section 903.4.2 Alarms.

903.3.2 through 903.4.1 {CBC text not modified}

**903.4.2 Alarms**. One approved audible and visual devices must be connected to every automatic sprinkler system at an approved location. The sprinkler water-flow alarm devices must be activated by waterflow equivalent to the flow of a single sprinkler of the smallest orifice size installed in the system. Where a fire alarm system is installed, actuation of the automatic sprinkler system must actuate the building fire alarm system.

903.4.3 through 903.5 {CBC text not modified}

SECTION 10. BCC SECTION 7-25.905 AMENDED

Belmont City Code Section 7-25.905 is amended as follows:

**Sec. 7-25.905 Amendment of 2022 CBC Section 905 (Standpipe Systems)**

*Section 905 of the 2022 California Building Code is amended to read:*

905.1 through 905.3 {CBC text not modified}

**905.3.1 Height**. {CBC text not modified}

1. {CBC text not modified}
2. Buildings that are more than 2 stories in height.
3. {CBC text not modified}
4. {CBC text not modified}

Exceptions: 1 – 6.2 {CBC text not modified}

905.3.2 through 905.11 {CBC text not modified}

SECTION 11. BCC SECTION 7-25.907 AMENDED

Belmont City Code Section 7-25.907 is amended as follows:

**Sec. 7-25.907 Amendment of 2022 CBC Section 907 (Fire Alarm and Detection Systems)**

*Section 907 of the 2022 California Building Code is amended to read:*

907.1 through 907.1.5 {CBC text not modified}

**907.1.6 Fire Alarm Certification.** New fire alarm systems must be UL-Certified. A Certificate of Completion and other documentation as listed in NFPA 72 must be provided for all new fire alarm system installations. It is the responsibility of the building owner or owner's representative to obtain and maintain a current and valid Certificate. The protected premise must be issued a UUFX type certification from Underwriters Laboratories (UL).

**907.1.6.1 Posting of Certificate**. The UL certificate required in section 907.1.6 must be posted in a durable transparent cover within 3 feet of the fire alarm control panel within 45 days of the final acceptance test/inspection.

907.2 through 907.8 {CBC text not modified}

SECTION 12. BCC SECTION 7-25.1009 AMENDED

Belmont City Code Section 7-25.1009 is amended as follows:

**Sec. 7-25.1009 Amendment of 2022 CBC Section 1009 (Accessible Means of Egress)**

*Section 1009 of the 2022 California Building Code is amended to read:*

1009.1 through 1009.3.3 Exception 6 {CBC text not modified}

**1009.3.4 Convenience Stair.** Convenience stairs in buildings 4 or more stories in height that are not required as exits must be limited to connect only 2 floors.

1009.4 through 1009.12 {CBC text not modified}

SECTION 13. BCC SECTION 7-32 AMENDED

Belmont City Code Section 7-32 is amended to read:

**Sec. 7-32 2022 California Residential Code Adopted**

The building standards in the 2022 California Residential Code (CRC), California Code of Regulations, Title 24, Part 2.5, adopting the 2021 International Residential Code of the International Code Council with necessary California amendments, is adopted by reference as the Residential Code of the City of Belmont, California. A copy of 2022 CRC must be maintained on file in the office of the City Clerk.

SECTION 14. BCC SECTION 7-33 AMENDED

Belmont City Code Section 7-33 is amended to read as follows:

**Sec. 7-33 2022 CRC Appendix Chapters Adopted**

(a) The following Appendix Chapters of the 2022 California Residential Code are adopted: Appendix Chapters AK (Sound Transmission) and AX (Swimming Pool Safety Act).

(b) The remaining Appendix Chapters are not adopted unless adopted by a state agency for application to occupancies subject to that agency's jurisdiction.

SECTION 15. BCC SECTION 7-34 AMENDED

Belmont City Code Section 7-34 is amended to read as follows:

**Sec. 7-34 2022 CRC Chapter 1, Division II Adopted with Amendments**

(a) Except for the sections set forth in subsection (b), the requirements reproduced in Chapter 1, Division II of the 2022 California Residential Code are adopted by reference, and govern the administration of the Belmont Residential Code. References to model codes in the adopted sections mean the corresponding California Codes as adopted by the City of Belmont.

(b) The following sections of Chapter 1, Division II of the 2022 California Residential Code are not adopted: R101, R102.1, R102.5, R102.6, R102.7, R102.7.1, R103, R104.8, R104.8.1, R112.3., R112.4, and R113.3.

SECTION 16. BCC SECTION 7-35 AMENDED

Belmont City Code Section 7-35 is amended to read:

**Sec. 7-35 Numbering of Amendments to 2022 CRC**

The 2022 California Residential Code is amended as provided in Sections 7-35.R313, 7-35.R319, and 7-35.R902. The number to the right of the decimal point in these sections corresponds to the section in the 2022 California Residential Code that is amended.

SECTION 17. BCC SECTION 7-35.R313 AMENDED

Belmont City Code Section 7-35.R313 is amended to read:

**Sec. 7-35.R313 Amendment of 2022 CRC Section R313 (Automatic Fire Sprinkler Systems)**

*Section R313 of the 2022 California Residential Code is amended to read:*

**R313.1 Townhouse and one- and two family dwelling automatic fire sprinkler systems.** An automatic residential fire sprinkler system (ARFS) must be installed in townhouses, one-family and two-family dwellings throughout the entire building or structure as follows:

1. In new unit construction.

2. When additions, alterations or repairs are made to an existing building or structure.

3. When any change in use or occupancy occurs creates a more hazardous fire/life safety condition as determined by the Fire Code Official

Exceptions:

1. In an existing building or structure without an ARFS, additions, alterations, and repairs that when combined over a three year period total 50% or less the original floor area. For purposes of this exception, only alterations that increase the size of the fire area of the room or space are counted. See the San Mateo Consolidated Fire Department Fire Policy Manual for further guidance.

2. Seismic or accessibility improvements;

3. Any exemption required by law or otherwise allowable under the Fire Code as determined by the Code Official.

4. Exterior improvements and work not requiring permits as provided in the Building Code.

5. Detached Group U occupancies or detached carports less than 400 square feet.

6. Work requiring only a mechanical, electrical, plumbing and/or demolition permit.

7. Group R-3.1 occupancies unless already containing a fire sprinkler system.

8. An accessory dwelling unit to a single- or two family dwelling provided all of the following are met:

   8.1 The unit meets the definition of Accessory Dwelling Unit in Government Code Section 65852.2

   8.2 The existing primary residence does not have automatic fire sprinklers.

   8.3 The detached unit does not exceed 1,200 square feet.

   8.4 The unit is on the same lot as the primary residence.

**R313.1.1 NFPA 13D sprinkler systems**. Automatic Sprinkler systems installed in one- and two-family dwellings; Group R-3; and townhouses may be installed throughout in accordance with NFPA 13D as amended in Chapter 44. NFPA 13D sprinkler systems must comply with section R313.1.2 Alarms.

**R313.1.2 Alarms**. One approved audible and visual devices must be connected to every automatic sprinkler system at an approved location. The sprinkler water-flow alarm

devices must be activated by waterflow equivalent to the flow of a single sprinkler of the smallest orifice size installed in the system. Where a fire alarm system is installed, actuation of the automatic sprinkler system must actuate the building fire alarm system.

R313.2 –R313.2.1 deleted.

R313.3 through R313.3.8.2 {CRC text not modified}

SECTION 18. BCC SECTION 7-35.R319 AMENDED

Belmont City Code Section 7-35.R319 is amended to read:

**Sec. 7-35.R319 Amendment to 2022 CRC Section R313 (Site Address)**

*Section R319 of the 2022 California Residential Code is amended to read:*

**SECTION R319**
**SITE ADDRESS**

**R319.1 Address identification**. New and existing buildings must have approved address numbers, building numbers or approved building identification placed in a position that is plainly legible and visible from the street or road fronting the property. These numbers must contrast with their background. Address numbers must be Arabic numerals or alphabet letters. The numbers must be either internally or externally illuminated in all new construction and in all alterations greater than 50% of the original structure. Numbers must be as follows:

1. Minimum of ½ inch stroke by 6 inches high.

2. When the structure is 36 to 50 feet from the street or fire department access a minimum ½ inch stroke by 9 inches high is required.

3. When the structure is more than 50 feet from the street or fire apparatus access, a minimum of 1 inch stroke by 12 inches high is required.

**R319.1.1 Multi-tenant buildings**. Numbers or letters must be designated on all occupancies within a building. Size must be ½ inch stroke by 4 inches high and on a contrasting background. Directional address numbers or letters must be provided. The addresses or numbers must be visible from the street posted at a minimum height of 5 feet, 6 inches above the finished floor, must be visible from the street and must be either internally or externally illuminated in all new construction.

**R319.1.2 Multiple buildings on one site**. Where multiple buildings on one property are accessed by the means of a private road, and the buildings cannot be viewed from the public way, a monument sign, or other signs or other approved means must be used to identify the structure. Address identification must be maintained on each of the buildings within the site.

**R319.1.3 Rear addressing**. When required by the chief, approved numbers or addresses must be placed on all new and existing buildings in such a position as to be plainly visible

and legible from the fire apparatus road at the back of a property or where rear parking lots or alleys provide an acceptable vehicular access. Number stroke and size must comply with CBC 505.1.

SECTION 19. BCC SECTION 7-35.R902 AMENDED

Belmont City Code Section 7-35.R902 is amended to read as follows:

**Sec. 7-35. R902 Amendment to 2022 CRC Section R902 (Fire Classification)**

*Section R902 of the 2022 California Residential Code is amended to read:*

R902.1 through R902.l.1 {CRC text not modified}

**R902.1.2 Roof coverings in all other areas**. The entire roof covering of every existing structure where more than 50 percent of the total roof area is replaced within any one-year period, the entire roof covering of every new structure, and any roof covering applied in the alteration, repair or replacement of the roof of every existing structure, must be a fire-retardant roof covering that is at least Class B.

R902.2.1.3 through R902.4 {CRC text not modified}

SECTION 20. BCC SECTION 7-42 AMENDED

Belmont City Code Section 7-42 is amended to read as follows:

**Sec. 7-42 2022 California Electrical Code Adopted**

The building standards in the 2022 California Electrical Code (CEC), California Code of Regulations, Title 24, Part 3, adopting the 2020 National Electrical Code of the National Fire Protection Associations with necessary California amendments, is adopted by reference as the Electrical Code of the City of Belmont, California. A copy of 2022 CEC must be maintained on file in the office of the City Clerk.

SECTION 21. BCC SECTION 7-43 AMENDED

Belmont City Code Section 7-43 is amended to read as follows:

**Sec. 7-43 Administrative Provisions**

The administrative provisions in 2022 California Building Code, Chapter 1, Division II as adopted and amended by Section 7-24, govern the administration of the Belmont Electrical Code.

SECTION 22. BCC SECTION 7-52 AMENDED

Belmont City Code Section 7-52 is amended to read as follows:

**Sec. 7-52 2022 California Mechanical Code Adopted**

The building standards in the 2022 California Mechanical Code (CMC), California Code of

Regulations, Title 24, Part 4, adopting the 2021 Uniform Mechanical Code of the International Association of Plumbing and Mechanical Officials with necessary California amendments, is adopted by reference as the Mechanical Code of the City of Belmont, California. A copy of 2022 CMC will be maintained on file in the office of the City Clerk.

SECTION 23. BCC SECTION 7-53 AMENDED

Belmont City Code Section 7-53 is amended to read as follows:

**Sec. 7-53 2022 CMC Appendix Chapters Adopted**

(a) The following Appendix Chapters of the 2022 California Mechanical Code are adopted: (none).

(b) The remaining Appendix Chapters are not adopted unless adopted by a state agency for application to occupancies subject to that agency's jurisdiction.

SECTION 24. BCC SECTION 7-54 AMENDED

Belmont City Code Section 7-54 is amended to read as follows:

**Sec. 7-54 2022 CMC Chapter 1, Division II Adopted with Amendments**

(a) Except for the sections set forth in subsection (b), the requirements reproduced in Chapter 1, Division II of the 2022 California Mechanical Code are adopted by reference, and govern the administration of the Belmont Mechanical Code. References to model codes in the adopted sections mean the corresponding California Codes as adopted by the City of Belmont.

(b) The following sections of Chapter 1, Division II of the 2022 California Mechanical Code are not adopted unless adopted by a state agency: 101, 102.1, 103.2, and 106.3.

SECTION 25. BCC SECTION 7-55 AMENDED

Belmont City Code Section 7-55 is amended to read:

**Sec. 7-55 Numbering of Amendments to 2022 CMC**

The 2022 California Mechanical Code is amended as provided in Section 7-55.T104.5. The number to the right of the decimal point in these sections corresponds to the section in the 2022 California Mechanical Code that is amended.

SECTION 26. BCC SECTION 7-55.T104.5 AMENDED

Belmont City Code Section 7-55.T104.5 is amend to read:

**Sec. 7-55.T104.5 Amendment of 2022 CMC Table 104.5 (Mechanical Permit Fees)**

*Table 104.5 of the 2022 California Mechanical Code is amended to read:*

**Table 104.5.** Mechanical permit fees are as set forth on the City's Master Fee Schedule.

SECTION 27. BCC SECTION 7-62 AMENDED

Belmont City Code Section 7-62 is amended to read as follows:

**Sec. 7-62 2022 California Plumbing Code Adopted**

The building standards in the 2022 California Plumbing Code (CPC), California Code of Regulations, Title 24, Part 5, adopting the 2021 Uniform Plumbing Code of the International Association of Plumbing and Mechanical Officials with necessary California amendments, is adopted by reference as the Plumbing Code of the City of Belmont, California. A copy of 2022 CPC must be maintained on file in the office of the City Clerk.

SECTION 28. BCC SECTION 7-63 AMENDED

Belmont City Code Section 7-63 is amended to read as follows:

**Sec. 7-63 2022 CPC Appendix Chapters Adopted**

(a) The following Appendix Chapters of the 2022 California Plumbing Code are adopted: (none).

(b) The remaining Appendix Chapters are not adopted unless adopted by a state agency for application to occupancies subject to that agency's jurisdiction.

SECTION 29. BCC SECTION 7-64 AMENDED

Belmont City Code Section 7-64 is amended to read as follows:

**Sec. 7-64 2022 CPC Chapter 1, Division II Adopted with Amendments**

(a) Except for the sections set forth in subsection (b), the requirements reproduced in Chapter 1, Division II of the 2022 California Plumbing Code are adopted by reference, and govern the administration of the Belmont Plumbing Code. References to model codes in the adopted sections mean the corresponding California Codes as adopted by the City of Belmont.

(b) The following sections of Chapter 1, Division II of the 2022 California Plumbing Code are not adopted unless adopted by a state agency: 101, 102.1, 103.2, and 106.2 and 106.3.

SECTION 30. BCC SECTION 7-65 AMENDED

Belmont City Code Section 7-65 is amended to read:

**Sec. 7-65 Numbering of Amendments to 2022 CPC**

The 2022 California Plumbing Code is amended as provided in Sections 7-65.T104.5 and 7-65.609.10. The number to the right of the decimal point in these sections corresponds to the section in the 2022 California Plumbing Code that is amended.

SECTION 31. BCC SECTION 7-65.T104.5 ADDED

Belmont City Code Section 7-65 T104.5 is added to read:

**Sec. 7-65.T104.5 Amendment of 2022 CPC Table 104.5 (Plumbing Permit Fees)**

*Table 104.5 of the 2022 California Plumbing Code is amended to read:*

Table 104.5. Plumbing permit fees are as set forth on the City's Master Fee Schedule.

SECTION 32. BCC SECTION 7-65.609.10.2 AMENDED

Belmont City Code Section 7-65.609.10.2 is amended to read:

**Sec. 7-65.609.10.2 Addition of Section 609.11.2 to 2022 CPC**

*Section 609.11.2 is added to the 2022 California Plumbing Code to read:*

**609.11.2** Section 609.11 applies to all occupancies including HCD 1 and 2.

SECTION 33. BCC SECTION 7-70 AMENDED

Belmont City Code Section 7-70 is amended to read:

**Sec. 7-70 Ratification of San Mateo Consolidated Fire Department Fire Code**

San Mateo Consolidated Fire Department Ordinance 2022-001 "Establishing The San Mateo Consolidated Fire Department Fire Code By Adopting The 2021 International Fire Code With The 2022 California Fire Code Amendments And the 2021 International Wildland Urban Interface Code with Local Findings And Modification" adopting the 2022 California Fire Code with local amendments and the 2021 International Wildland Urban Interface Code with local amendments as the Fire Code for the joint powers authority is hereby ratified by the City of Belmont in accordance with Health and Safety Code Section 13869.7 and applies throughout the city.

SECTION 34. SEVERABILITY.

If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held by a court of competent jurisdiction to be invalid, such a decision does not affect the validity of the remaining portions of this Ordinance. The City Council of the City of Belmont declares that it would have passed this Ordinance and each section or subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared invalid.

SECTION 35. EFFECTIVE DATE.

This Ordinance takes effect and will be enforced 30 days after its adoption.

* * *

The City Council of the City of Belmont, California introduced the foregoing ordinance, on [insert date], 2022 and adopted the ordinance at a regular meeting held on [insert date], 2022 by the following vote:

Ayes:

Noes:

Absent:

Abstain:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

City Attorney