



AGENDA

REGULAR JOINT MEETING OF THE OAKLEY CITY COUNCIL/OAKLEY CITY COUNCIL ACTING AS THE SUCCESSOR AGENCY TO THE OAKLEY REDEVELOPMENT AGENCY/ OAKLEY PUBLIC FINANCING AUTHORITY

Tuesday, December 10, 2019

6:30 PM

Oakley City Council Chambers, 3231 Main Street, Oakley, CA

MISSION STATEMENT: The City of Oakley exists to build and enhance a quality community and to serve the public in a friendly, efficient, responsive manner.

VISION STATEMENT: The City of Oakley will be recognized as a model of civic participation and a vibrant Delta community where families live, work, play, shop and visit.

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A complete packet of information containing staff reports and exhibits related to each item is available for public review prior to an Oakley City Council and/or City Council Acting as the Successor Agency to the Oakley Redevelopment Agency/Oakley Public Financing Authority meeting at Oakley City Hall, 3231 Main Street, Oakley, CA 94561. Any writings or documents provided to a majority of the Oakley City Council, Oakley City Council Acting as the Successor Agency to the Oakley Redevelopment Agency or Oakley Public Financing Authority regarding any item on this agenda will be made available for public inspection, during regular business hours, at the front counter in the Main Lobby of the Oakley City Hall located at 3231 Main Street, Oakley, CA 94561.

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Please keep cell phones/electronic devices turned off during the meeting. Please be advised that City Council meetings are video recorded and attendees may appear on video.

1. OPENING MATTERS

Oakley City Council/Oakley City Council Acting as the Successor Agency to the Oakley Redevelopment Agency/Oakley Public Financing Authority

- 1.1 Call to Order and Roll Call of the Oakley City Council/Oakley City Council Acting as the Successor Agency to the Oakley Redevelopment Agency/Oakley Public Financing Authority**
- 1.2 Presentation and Recognition of 20th Anniversary Committee Members (Lindsey Bruno, Recreation Manager)**
[Certificates of Recognition](#)
- 1.3 Recognition of 2019 Leadership Academy Graduates (Nancy Marquez-Suarez, Assistant to the City Manager)**

2. PUBLIC COMMENTS

At this time, the public is permitted to address the Oakley City Council/Oakley City Council Acting as the Successor Agency to the Oakley Redevelopment Agency/Oakley Public Financing Authority on non-agendized items. PUBLIC COMMENTS ARE LIMITED TO THREE (3) MINUTES. In accordance with State Law, however, no action or discussion may take place on any item not appearing on the posted agenda. The Oakley City Council/ Oakley City Council Acting as the Successor Agency to the Oakley Redevelopment Agency/Oakley Public Financing Authority may respond to statements made or questions asked or may request Staff to report back at a future meeting on the matter. The exceptions under which the Oakley City Council/Oakley City Council Acting as the Successor Agency to the Oakley Redevelopment Agency/Oakley Public Financing Authority MAY discuss and/or take action on items not appearing on the agenda are contained in Government Code §54954.2(b)(1)(2)(3). Members of the public should submit any Speaker Cards for Public Comments in advance of the Mayor calling for Public Comments.

3. CONSENT CALENDAR

Consent Calendar items are typically non-controversial in nature and are considered for approval by the Oakley City Council/ Oakley City Council Acting as the Successor Agency to the Oakley Redevelopment Agency/Oakley Public Financing Authority with one single action. Members of the audience, Staff or the Oakley City Council/ Oakley City Council Acting as the Successor Agency to the Oakley Redevelopment Agency/Oakley Public Financing Authority who would like an item removed from the Consent Calendar for purposes of public input may request the Mayor remove the item. Members of the public should submit

any Speaker Cards related to the Consent Calendar in advance of the Consent Calendar being considered.

- 3.1 Approve Minutes from the Special Meeting of the Oakley City Council held November 12, 2019 (Libby Vreonis, City Clerk)**
[11-12-19-Special Meeting Minutes](#)
- 3.2 Approve Minutes from Regular Joint City Council/City Council Acting as the Successor Agency to the Redevelopment Agency/Public Financing Authority Meeting held November 12, 2019 (Libby Vreonis, City Clerk)**
[11-12-19-Regular Joint Meeting Minutes](#)
- 3.3 Accept Report Out of Closed Session Memo (Derek Cole, City Attorney)**
[Memo](#)
- 3.4 Waive the Second Reading and Adopt an Ordinance Adding Chapter 7.16 to the Oakley Municipal Code Regarding the Permit Process for Electric Vehicle Charging Stations (Louis Kidwell, Building Official and Joshua McMurray, Economic Development Director)**
[Ordinance](#)
- 3.5 Waive the Second Reading and Adopt an Ordinance for a Zoning Text Amendment to Section 9.1.1802 (Accessory Structure Development Regulations) of Chapter 1 of Title 9 of the Oakley Municipal Code (RZ 02-19) Regarding Allowable Location of Accessory Structures on Large Lots (Ken Strelo, Principal Planner)**
[Ordinance](#)
- 3.6 Approve City Council/Successor Agency/Public Financing Authority Meeting Dates for 2020 (Libby Vreonis, City Clerk)**
[Staff Report](#)
 - [1. List of Proposed 2020 Meeting Dates](#)
 - [2. City Council Resolution Approving 2020 Meeting Dates](#)
 - [3. Successor Agency Resolution Approving 2020 Meeting Dates](#)
 - [4. Public Financing Authority Resolution Approving 2020 Meeting Dates](#)
- 3.7 Development Impact Fee Five Year Report (Tim Przybyla, Finance Director)**
[Staff Report](#)
 - [1. Resolution](#)
 - [2. Five Year Report](#)
- 3.8 Adopt a Resolution Accepting the Comprehensive Annual Financial Report (CAFR), Memorandum on Internal Control, Required Communications and**

Report on Agreed Upon Procedures for Fiscal Year 2018-2019 (Tim Przybyla, Finance Director)

Staff Report

1. Resolution
2. FY 2018-2019 CAFR (Exhibit A to Resolution)
3. FY 2018-2019 Memorandum on Internal Control (Exhibit B to Resolution)
4. FY 2018-2019 Required Communications (Exhibit C to Resolution)
5. FY 2018-2019 Appropriations Limit Report (Gann Limit Report) (Exhibit D to Resolution)

3.9 Acceptance of Work Associated with the Laurel Road and Rose Avenue Intersection Improvement Project - Capital Improvement Project Number 191 (Kevin Rohani, P.E., Public Works Director/City Engineer)

Staff Report

1. Resolution
2. Notice of Completion

3.10 Approval of a Contract to West Coast Arborists, Inc. for Citywide Tree Pruning Services (Kevin Rohani, P.E., Public Works Director/City Engineer)

Staff Report

1. Resolution
2. Proposal from West Coast Arborists, Inc.

3.11 Award of Contract to SOLitude Lake Management for Lake and Pump Station Maintenance Services at Cypress Grove, Emerson Ranch, and Delaney Park Subdivisions. (Kevin Rohani, P.E., Public Works Director/City Engineer)

Staff Report

1. Resolution
2. Proposal from SOLitude Lake Management – Cypress Grove
3. SOLitude Delaney Park Pond Proposal
4. Proposal from SOLitude Lake Management – Emerson Ranch

3.12 Acceptance of work associated with Capital Improvement Project Number 233– Fiscal Year 2019/20 Curb, Gutter and Sidewalk Repair and Replacement Project. (Kevin Rohani, P.E., Public Works Director/City Engineer)

Staff Report

1. Resolution
2. Notice of Completion

3.13 Award Contract to Prime Mechanical Service for HVAC Preventative Maintenance and Repair Services for City of Oakley Facilities (Kevin Rohani, P.E., Public Works Director/City Engineer)

Staff Report

1. Resolution

2. Proposal from Prime Mechanical Service

3.14 Annexation No. 20 (The Village at Main – Subdivision 9503) to the City of Oakley Community Facilities District No. 2015-2 (Parks, Street Light, Landscape and Stormwater Services) (Kevin Rohani, P.E., Public Works Director/City Engineer)

Staff Report

1. Unanimous Approval of Annexation to a Community Facilities District and Related Matters - City of Oakley Community Facilities District No. 2015-2 (Parks, Street Light, Landscape and Stormwater Services);
2. Resolution Approving the Annexation (Annexation No. 20) of Property Located in the Future Annexation Area of the City of Oakley Community Facilities District No. 2015-2 (Parks, Street Light, Landscape and Stormwater Services);
3. Boundary Map – Annexation Map No. 20 to City of Oakley Community Facilities District No. 2015-2 (Parks, Street Light, Landscape and Stormwater Services);
4. Amendment No. 20 to Notice of Special Tax Lien - City of Oakley Community Facilities District No. 2015-2 (Parks, Street Light, Landscape and Stormwater Services).

3.15 Annexation No. 1 (The Village at Main - Subdivision 9503) to the City of Oakley Community Facilities District No. 2018-1 (Fire Protection Services) (Kevin Rohani, P.E., Public Works Director/City Engineer)

Staff Report

1. Unanimous Approval of Annexation to a Community Facilities District and Related Matters - City of Oakley Community Facilities District No. 2018-1 (Fire Protection Services)
2. Resolution Approving the Annexation (Annexation No. 1) of Property Located in the Future Annexation Area of the City of Oakley Community Facilities District No. 2018-1 (Fire Protection Services)
3. Boundary Map - Annexation Map no. 1 to City of Oakley Community Facilities District No. 2018-1 (Fire Protection Services)
4. Amendment No. 1 to Notice of Special Tax Lien - City of Oakley Community Facilities District No. 2018-1 (Fire Protection Services)

3.16 Creating Zone 172 within the Oakley Special Police Tax Area consisting of The Village at Main (Subdivision 9503) project located at 1731 Main Street (APNs 037-100-013, 037-100-019, 037-100-023, 037-100-048, and 037-100-049) (Kevin Rohani, P.E., Public Works Director/City Engineer)

Staff Report

1. Resolution Creating Oakley Special Police Tax Zone 172
Exhibit A - Diagram
2. Ordinance Establishing a Special Tax
2A. Exhibit A – Diagram
2B. Exhibit B – Schedule for Police Service Tax

3.17 Acceptance of Park Improvements associated with Duarte Ranch Unit 1 Subdivision 9027, Parcel A for Duarte Ranch Park (Kevin Rohani, P.E., Public

Works Director/City Engineer)

Staff Report

1. Resolution
2. Vicinity Map
3. Grant Deed

4. PUBLIC HEARINGS

5. REGULAR CALENDAR

5.1 Cooperative Agreement with WestGate Services, Inc for the Entitlement and Preparation for Sale of 27-acres of City-owned property located at 1180 E. Cypress Road in Oakley (APN 032-081-025) (Bryan Montgomery, City Manager)

Suggested Action: Adopt the Resolution

Staff Report

1. Site View
2. Proposed Cooperative Agreement
3. Resolution

5.2 Adopt a Resolution to Approve the City Councilmember Committee Appointee List for 2020 (Libby Vreonis, City Clerk)

Staff Report

1. Proposed City Council Committee Appointment List-2020
2. Resolution

6. REPORTS

**6.1 CITY MANAGER
(a) City Manager**

**6.2 OAKLEY CITY COUNCIL/OAKLEY CITY COUNCIL ACTING AS THE
SUCCESSOR AGENCY TO THE OAKLEY REDEVELOPMENT AGENCY**

(a) Reports from Council Liaisons to Regional Committees, Commissions and Boards AND Oakley City Council/Oakley City Council Acting as the Successor Agency to the Oakley Redevelopment Agency

(b) Requests for Future Agendas

7. WORK SESSIONS

8. CLOSED SESSION

8.1 CONFERENCE WITH REAL PROPERTY NEGOTIATION

(Pursuant to Section 54956.8 of the Government Code)

Property: Lease of real property located at 3070 Main Street, Oakley, California

**Agency Negotiator: Bryan Montgomery, City Manager and Dwayne Dalman,
Economic Development Manager**

Negotiating Parties: City of Oakley, Owner and Lessor, Martin Oviedo

Under Negotiation: Price and terms of payment for lease of real property

8.2 Report Out of Closed Session (Derek Cole, City Attorney)

9. ADJOURN



Certificate of Appreciation

Presented to:

Carl Fuller

*In recognition of the service provided as a subcommittee member of the
20th Anniversary Celebration ad-hoc committee.*

Awarded this 10th day of December 2019

Mayor



Certificate of Appreciation

Presented to:

Andrea Freyler

*In recognition of the service provided as a subcommittee member of the
20th Anniversary Celebration ad-hoc committee.*

Awarded this 10th day of December 2019

Mayor



Certificate of Appreciation

Presented to:

Lynell Fuller

*In recognition of the service provided as a subcommittee member of the
20th Anniversary Celebration ad-hoc committee.*

Awarded this 10th day of December 2019

Mayor



Certificate of Appreciation

Presented to:

Rebecca Calderon

*In recognition of the service provided as a subcommittee member of the
20th Anniversary Celebration ad-hoc committee.*

Awarded this 10th day of December 2019

Mayor



Certificate of Appreciation

Presented to:

Forge Oliveros

*In recognition of the service provided as a subcommittee member of the
20th Anniversary Celebration ad-hoc committee.*

Awarded this 10th day of December 2019

Mayor



Certificate of Appreciation

Presented to:

Bill La Spada

*In recognition of the service provided as a subcommittee member of the
20th Anniversary Celebration ad-hoc committee.*

Awarded this 10th day of December 2019

Mayor



Certificate of Appreciation

Presented to:

Vera Martinez

*In recognition of the service provided as a subcommittee member of the
20th Anniversary Celebration ad-hoc committee.*

Awarded this 10th day of December 2019

Mayor



Certificate of Appreciation

Presented to:

Nancy Huffaker

*In recognition of the service provided as a subcommittee member of the
20th Anniversary Celebration ad-hoc committee.*

Awarded this 10th day of December 2019

Mayor



Certificate of Appreciation

Presented to:

Yared Salgado

*In recognition of the service provided as a subcommittee member of the
20th Anniversary Celebration ad-hoc committee.*

Awarded this 10th day of December 2019

Mayor



Certificate of Appreciation

Presented to:

Corinne Kuhlmann

*In recognition of the service provided as a subcommittee member of the
20th Anniversary Celebration ad-hoc committee.*

Awarded this 10th day of December 2019

Mayor



Certificate of Appreciation

Presented to:

April Lyons

*In recognition of the service provided as a subcommittee member of the
20th Anniversary Celebration ad-hoc committee.*

Awarded this 10th day of December 2019

Mayor



Certificate of Appreciation

Presented to:

Katie Begell

*In recognition of the service provided as a subcommittee member of the
20th Anniversary Celebration ad-hoc committee.*

Awarded this 10th day of December 2019

Mayor



Certificate of Appreciation

Presented to:

Chris Fore

*In recognition of the service provided as a subcommittee member of the
20th Anniversary Celebration ad-hoc committee.*

Awarded this 10th day of December 2019

Mayor



Certificate of Appreciation

Presented to:

Mulenga Anderson

*In recognition of the service provided as a subcommittee member of the
20th Anniversary Celebration ad-hoc committee.*

Awarded this 10th day of December 2019

Mayor



Certificate of Appreciation

Presented to:

Amber Martin

*In recognition of the service provided as a subcommittee member of the
20th Anniversary Celebration ad-hoc committee.*

Awarded this 10th day of December 2019

Mayor



Certificate of Appreciation

Presented to:

Selvin Rosales Espino

*In recognition of the service provided as a subcommittee member of the
20th Anniversary Celebration ad-hoc committee.*

Awarded this 10th day of December 2019

Mayor



Certificate of Appreciation

Presented to:

Kenneth Lindsey

*In recognition of the service provided as a subcommittee member of the
20th Anniversary Celebration ad-hoc committee.*

Awarded this 10th day of December 2019

Mayor



Certificate of Appreciation

Presented to:

Alexandro Hernandez

*In recognition of the service provided as a subcommittee member of the
20th Anniversary Celebration ad-hoc committee.*

Awarded this 10th day of December 2019

Mayor



Certificate of Appreciation

Presented to:

Julietta Rascon Hall

*In recognition of the service provided as a subcommittee member of the
20th Anniversary Celebration ad-hoc committee.*

Awarded this 10th day of December 2019

Mayor



Certificate of Appreciation

Presented to:

Jena Williams

*In recognition of the service provided as a subcommittee member of the
20th Anniversary Celebration ad-hoc committee.*

Awarded this 10th day of December 2019

Mayor

**Minutes of the Special Meeting of the Oakley City Council held
November 12, 2019
6:00 p.m.
Oakley City Council Chambers
3231 Main Street, Oakley, California 94561**

1. Call to Order

Mayor Claire Alaura called the special meeting to order at 6:00 p.m. in the Oakley City Council Chambers located at 3231 Main Street, Oakley, California.

2. Roll Call

Mayor Claire Alaura, Vice Mayor Doug Hardcastle and Councilmembers Sue Higgins and Kevin Romick were present. Councilmember Randy Pope was absent.

3. Pledge of Allegiance

**3.1 Pledge of Allegiance to the Flag
(Amy Hernandez, Student at Oakley Elementary School)**

Amy Hernandez, Student at Oakley Elementary School, led the Pledge of Allegiance to the Flag.

The City Council thanked her.

4. Public Comments

5. Opening Matters

**5.1 Presentation of Certificate of Recognition to Vice Mayor Hardcastle
(Office of Congressman Jerry McNerney)**

On behalf of the Office of Congressman Jerry McNerney, Emily Owens, Director of Operations, presented a Certificate of Recognition to Vice Mayor Hardcastle for his years of public service.

**5.2 Presentation of Certificate of Recognition to Vice Mayor Hardcastle
(Office of Senator Steve Glazer)**

This item was heard after item 5.7.

On behalf of the Office of Senator Steve Glazer, Susannah Meyer, Senior District Representative, East Contra Costa County, presented a Certificate of Recognition to Vice Mayor Hardcastle for his years of public service and congratulated him on his retirement.

**5.3 Presentation of Certificate of Recognition to Vice Mayor Hardcastle on behalf
of the Office of Assemblymember Frazier (Mayor Alaura)**

This item was heard after item 5.6.

The Office of Assemblymember Jim Frazier provided a Certificate of Recognition to Vice Mayor Hardcastle for his years of public service which Mayor Alaura presented to him.

**5.4 Presentation of Certificate of Recognition to Vice Mayor Hardcastle
(Office of Supervisor Diane Burgis)**

Contra Costa County Supervisor Diane Burgis presented a Certificate of Recognition to Vice Mayor Hardcastle for his years of public service.

5.5 Recognition of Service of Vice Mayor Hardcastle (Oakley City Council)

Mayor Alaura presented flowers to Vice Mayor Hardcastle's wife, Lyn, and thanked her for her support of Vice Mayor Hardcastle throughout the years.

Councilmember Higgins presented Vice Mayor Hardcastle a plaque of recognition and thanked him for his service.

Councilmember Romick thanked Vice Mayor Hardcastle for his service on the City Council and many organizations within the City. He presented a street sign to him which reads "Hardcastle Way" so wherever he may go next, he is always home.

City Manager Bryan Montgomery presented a gift card to Hook, Line & Sinker to Vice Mayor Hardcastle on behalf of Councilmember Pope.

5.6 Recognition of Service of Vice Mayor Hardcastle (City Staff)

On behalf of City staff, City Clerk Libby Vreonis thanked Vice Mayor Hardcastle for always supporting staff. She presented him a wish jar containing well wishes from City staff.

5.7 Comments from Vice Mayor Hardcastle

Vice Mayor Hardcastle expressed it has been his honor to serve his friends and neighbors in Oakley for many years. He mentioned he has served on soccer boards and coached kids in different sports who are now leaders in the community and it has been a great pleasure to work with the kids. He shared that he served on the Ironhouse Sanitary District (ISD) Board for 12 years and at that time ISD built an undercrossing so three different districts could safely cross under the railroad tracks and during this time with help from the state and ratepayers, a new state of the art recycling system was built to serve Oakley for many years; it came in on time and below budget. He mentioned in 2012, he was elected to the City Council to represent residents, be a voice for all, and he always tried to listen and treat others as he would want to be treated. He mentioned he believes one of the Oakley City Council's greatest accomplishments is that it is one of the safest cities in California, a big part due to the City having its own Police Department who are very involved with the community and take great pride in the service they give to us all. He shared he has served on many boards and committees including the Fire Board and it was his pleasure to be part of the process that hired Fire Chief Brian Helmick; with support, their vision and ours of having more fire stations and more personnel someday to help us all will be accomplished. He commented that when he joined the Army 50 years ago, he didn't sign up to be an army of one, but rather to be part of a great army that works together. He expressed that when we can all come together and work toward a common goal, we're able to accomplish great things and he believes the Council has done that along with community engagement. He thanked his wife Lynda for always being by his side with continued support and prayers. He also thanked God who inspires him to do good works. He also thanked the City staff and volunteers to make Oakley a great place to live. He expressed thanks to everyone for their support and prayers to do the work he has done.

6. Adjourn

Mayor Alaura announced a brief reception will be held for Vice Mayor Hardcastle in the lobby before the regular meeting begins and applicants for the City Council vacancy seat should see the City Clerk to draw a number for the order of interviews if they have not done so already.

There being no further business, the meeting was adjourned at 6:18 p.m.

Respectively Submitted,

Libby Vreonis
City Clerk

**Minutes of the Regular Joint Meeting of the Oakley City
Council/Oakley City Council Acting as the Successor Agency to the
Oakley Redevelopment Agency/Oakley Public Financing Authority
held
November 12, 2019**

1) OPENING MATTERS

Call to Order and Roll Call of the Oakley City Council/Oakley City Council Acting as the Successor Agency to the Oakley Redevelopment Agency/Oakley Public Financing Authority

Mayor Claire Alaura called the meeting to order at 6:30 p.m. in the Oakley City Council Chambers located at 3231 Main Street, Oakley, California. In addition to Mayor Alaura, Vice Mayor Doug Hardcastle and Councilmembers Sue Higgins and Kevin Romick were present. Councilmember Randy Pope was absent.

1.2 Update Provided by Brian Helmick, Fire Chief of the East Contra Costa Fire Protection District

East Contra Costa Fire Protection District (ECCFPD) Chief Brian Helmick introduced Fire Marshal Steve Aubert.

Fire Marshal Aubert shared that SB 1205 requires an annual report of mandated inspections of educational occupancies and residential occupancies which was provided to the East Contra Costa Fire Board.

Chief Helmick reported that ECCFPD now has a Prevention Bureau which is huge for community risk reduction through plan review. He shared information regarding ECCFPD. He also shared a challenge ECCFPD faces is addressing growth while its revenues have remained the same. He explained that from 2002-2019, ECCFPD had no elected Board, but it does now and ECCFPD runs on a 3 station model when it needs 6 stations today, and eventually 9 stations. He also explained providing adequate fire protection to residents is challenging because ECCFPD didn't apply appropriate measures on growth; ECCFPD is looking at community facilities districts (CFDs) and impact fees and to determine the best approach for efficiency. He mentioned he wanted to fix and address growth before making any request. He shared that he anticipates by Feb 2020 to build 2 to 4 additional stations as more people are coming into the jurisdiction. He shared that ECCFPD is living within its means but has a revenue issue. He mentioned that ECCFPD has a sustainable 10-year budget, but cannot increase beyond, but it has plans in place and is building stations to prepare for growth because he would rather have stations ready to staff than staff with no stations. He explained ECCFPD is limited to revenue from taxes and assessments. He expressed that ECCFPD will continue to work with the City, get impact fees up to speed to address growth, and explore a community-wide CFD. He concluded by mentioning ECCFPD is conducting a listening campaign now until January 2020 in which comments can be on the mailer card (he provide copies in the lobby), through its website and social media, and by contacting him directly. He added that he will return to discuss options. He welcomed everyone to attend or view the livestreaming of

ECCFPD meetings including its Finance meetings the third Thursday of each month and its Board meetings the second Wednesday of each month.

Mayor Alaura thanked him for his update.

1.3 Update Provided by Zain Mehmood, Appointee to the Contra Costa Transportation Authority Citizen Advisory Committee

Contra Costa Transportation Authority Citizen Advisory Committee Appointee Zain Mehmood presented an update to the City Council. He shared that the Vision 2040 General Plan update for unincorporated areas of the County addresses housing, urban sprawl, traffic and economic development. He added that the majority of land is being looked at to rezone for commerce and residential communities. He explained the County's General Plan connects all cities together. He also discussed the Contra Costa County Electric Vehicle Readiness Blueprint. He explained that a litigation settlement with Volkswagen provides funds for electric vehicle (EV) charging stations to augment sites such as a transit yard, car pool station, and parking lot to be shared with BART and the County. He mentioned the blueprint explains funding available to cities. He also shared that CCTA, BART and the City of Brentwood are exploring grant and other funding to complete a trail crossing at the Bypass area of HWY 4 to the Mokelumne Trail. He mentioned BART has asked for planning assistance to see if a parking station and further extension of BART would be feasible to provide transit improvement. He concluded by mentioning that the public can be involved by viewing General Plan updates to seminars via Google and help shape economic development and zoning guidelines, and there is a large amount of assistance available for businesses interested in EV stations.

Mayor Alaura thanked him for his update.

1.4 Proclamations Honoring the Oakley Youth Advisory Council for Receiving Presidential Award (Lindsey Bruno, Recreation Manager)

Recreation Manager Lindsey Bruno announced that a group of 22 volunteers meet from July to June of each year to form the Oakley Youth Advisory Council and the volunteers dedicate a minimum of 70 hours of service per year, some exceed 100 hours. She explained that the age of recipients changes the requirements of awards received. She presented the proclamations to the recipients.

2) PUBLIC COMMENTS

Online Public Comments

Mayor Alaura announced an online comment was submitted by Al Bergman, President of the Summer Lake HOA Board, who mentioned there may be some speakers present tonight speaking on behalf of themselves and not the Board and he is already working with Police Chief Christensen regarding safety and evacuation issues. She announced there will be a meeting at the Summer Lake meeting hall Thursday evening to address residents' concerns.

Speaker Card Public Comments

Diane Spurrier submitted a speaker card to request the City Council enact rent control and she also expressed support of Mike Dupray for City Council.

Kristen Chrithfield commented she is not a resident of Oakley; however, her property has been used for an evacuation route, most recently with the Summer Lake fire. She mentioned she has questions and needs answers. She inquired why there is not a plan already in place. She explained she has had her gates opened twice and people in that area don't know that they have access to get out. She mentioned she has heard from the Chief of Police, but no one else, and this is a matter that concerns her and everyone in Summer Lake and Bethel Island.

Mayor Alaura commented there are different routes out and not everyone knew that during the evacuation, but residents were being directed to those routes during the fire by police and fire. She mentioned the meeting Thursday will address questions and concerns. She expressed she appreciates her concerns.

Ms. Chrithfield commented that when the fire broke out someone from Knightsen opened the gates to exit and she called dispatch to request assistance to direct traffic. She mentioned Brentwood Police told them they could close the gate at any time when they left mid-evacuation.

Mayor Alaura commented that during emergencies, there is mutual assistance between cities.

Ms. Chrithfield inquired if assistance is only for homeowners.

Mayor Alaura responded it is for anyone. She welcomed Ms. Chrithfield and attend the meeting and provide information regarding access.

City Manager Bryan Montgomery commented that the Chief of Police is the point of contact for the City and he will work out specifics to an agreement with Ms. Chrithfield including liability and terms.

Ms. Chrithfield commented she wants everyone on the same page and for everyone to know.

Sharon Kuykendall provided a handout to the City Council which included photos of the fire. She explained she was in the fire for 2.5 hours, received direction from no one, no one let residents know what was going on, and she had to go back into the fire. She commented that the 2018-2020 Strategic Plan indicates the City has implemented a plan with Fire but twice it has failed. She explained traffic backed up on Bethel Island Road and East Cypress with no direction and she is on record in May of 2019 telling the Council this could be like another Paradise incident. She commented that a fire station was built and residents are paying a tax that no other city is paying; therefore, she is looking for reimbursement because the station was supposed to be built by the developer. She also commented that this is the second time Ms. Chrithfield allowed emergency access road through her property, but no one knew this. She shared she has requested the agreement with Shea Homes for Bethel Island Road and Mr. Montgomery explained it could be built with future development (approximately 15 years at a cost of \$14 million), but she wants to know where the money is that Summer Lake residents have already paid (she has paid for 10 years).

Mayor Alaura commented the item is not on the meeting agenda; therefore, the Council can't go into detail, but there are ways to understand where community facilities district (CFD) money goes and it is earmarked. She explained Shea Homes gave money for the building of the fire station and the CFD money goes to fire for ongoing expenses of the Fire District. She mentioned it is her understanding that the evacuation process was slow, but successful for in

that there were no injuries or deaths to people. She mentioned routes and communication needs to be addressed. She added she understands that everyone in Oakley is concerned because we are all neighbors and she would ask everyone to attend the meeting Thursday.

City Manager Bryan Montgomery commented he has offered 3-4 times to meet with Ms. Kuykendall and he extended his offer again to meet with her.

Naushaba Nazly commented she is a resident and real estate broker, she deals with the community daily, and Oakley lacks a nursing home. She inquired if there is any land allocated or zoned for a 99-person nursing home.

City Manager Bryan Montgomery mentioned staff will get in touch with her to discuss.

3) CONSENT CALENDAR

- 3.1 Approve the Minutes of the Regular Joint Oakley City Council/Oakley City Council Acting as the Successor Agency to the Oakley Redevelopment Agency Meeting and Special Meeting of the Public Financing Authority held October 22, 2019 (Libby Vreonis, City Clerk)**
- 3.2 Waive the Second Reading and Adopt an Ordinance Adopting Editorial Corrections in Relation to Various Uniform Building Codes Which are Adopted by Reference (Derek Cole, City Attorney)**
- 3.3 Waive the Second Reading and Adopt an Ordinance Approving a Rezone (RZ 07-18) from Single-Family Residential (R-6) to Planned Unit Development (P-1) in relation to the Acacia Project located at 5360 Main Street (APN's 033-030-001 and 033-030-027) (Joshua McMurray, Community Development Director)**
- 3.4 Waive the Second Reading and Adopt an Ordinance Adding Section 2.1.009 to the Oakley Municipal Code Requiring Electronic Filing of Campaign Statements and Statements of Economic Interests (Libby Vreonis, City Clerk)**
- 3.5 Waive the Second Reading and Adopt an Ordinance to Amend Chapter 6.02 of the Oakley Municipal Code Related to Reimbursement for Adjustment to Public Utilities in Streets and Sidewalks (Derek Cole, City Attorney)**
- 3.6 Waive the First Reading and Introduce an Ordinance Adding Chapter 7.16 to the Oakley Municipal Code Regarding the Permit Process for Electric Vehicle Charging Stations (Louis Kidwell, Building Official and Joshua McMurray, Economic Development Director)**
- 3.7 City Council 1st Quarter Investment Report (Tim Przybyla, Finance Director)**
- 3.8 Successor Agency 1st Quarter Investment Report (Tim Przybyla, Finance Director)**
- 3.9 Adopt a Resolution to Accept a Grant and Authorize Entering into a Funding Agreement with the California Department of Justice (Rick Grubaugh, Police Sergeant)**

- 3.10 Adoption of a Resolution Authorizing the Filing of an Application to the State of California Housing and Community Development Department for the SB 2 Planning Grant Program (Joshua McMurray, Community Development Director)**
- 3.11 Approval of Contract Amendment # 1 with Universal Site Services, Inc. (USS) for Porter Maintenance Services for various City of Oakley Parks and Facilities (Kevin Rohani P.E. Public Works Director/City Engineer)**
- 3.12 Acceptance of Work Associated with Capital Improvement Project No. 176 – Demolition of Structures at the Site of the Oakley Community Regional Park Project (Kevin Rohani, P.E., Public Works Director/City Engineer)**
- 3.13 Approval of Contract Amendment # 1 with TNT Dev Services, Inc. for On-Call Consulting Services Related to the Current Development Engineering and Inspection Services for FY 2019/20 (Kevin Rohani, P.E., Public Works Director/City Engineer)**
- 3.14 Ratify Election: Waive the Second Reading, Adopt Ordinance No. 14-19 Authorizing the Levy of a Special Tax on Parcels of Land within Tax Area Zone 171 within the Oakley Special Police Tax Area for Police Protection Services for the Shiloh Subdivision 8975 project located at the southwest corner of Main Street and Simoni Ranch Road (APN 034-250-011) (Kevin Rohani, City Engineer/Public Works Director)**
- 3.15 Annexation No. 19 (Shiloh Subdivision 8975) to the City of Oakley Community Facilities District No. 2015-2 (Parks, Street Light, Landscape and Stormwater Services) (Kevin Rohani, P.E., Public Works Director/City Engineer)**
- 3.16 Approval of Subdivision Improvement Agreement and Approval of the Final Map for Shiloh Subdivision 8975 located on the Southwest Corner of Main Street and Simoni Ranch Road (Kevin Rohani, P.E., Public Works Director/City Engineer)**

Vice Mayor Hardcastle mentioned he would abstain from items 3.1 and 3.3.

Mayor Alaura pulled item 3.9

Online Public Comments and Public Speaker Card Comments

No online comments or public speaker cards were submitted for the Consent Calendar.

It was moved by Councilmember Romick and seconded by Vice Mayor Hardcastle to approve the Consent Calendar, reflecting Vice Mayor Hardcastle abstaining from items 3.1 and 3.3, and item 3.9 being decided separately. AYES: Alaura, Higgins, Romick. ABSTENTION: Hardcastle. ABSENT: Pope.

Item 3.9

Mayor Alaura inquired if the grant money will enhance the work already being done or if it will provide something new.

City Manager Bryan Montgomery responded the funds will provide the appropriation for the work that is ongoing; this will be more specific and provide some additional money for overtime for staff to do a little more.

Mayor Alaura mentioned she wanted clarification if it was going to add to the budget or if it was the current budget.

It was moved by Vice Mayor Hardcastle and seconded by Councilmember Romick to approve item 3.9. AYES: Alaura, Hardcastle, Higgins, Romick. ABSENT: Pope.

4) PUBLIC HEARINGS

4.1 Middlefield at Delaney Park Design Review and Final Development Plan Amendment (DR 09-19. FDP 01-19) – Request for Residential Design Review Approval of One Neighborhood Totaling 96 Single-Family Residential Lots within the Delaney Park Subdivision, and a Final Development Plan Amendment to Modify the Rear Setback for Plan 1 (Ken Strelo, Principal Planner)

Principal Planner Ken Strelo presented the staff report.

Online Public Comments and Public Speaker Card Comments

No online comments or public speaker cards were submitted for item 4.1.

Trent Sanson with DeNova Homes expressed support for Richmond American's architecture and concurred with staff's recommendation for approval.

Mayor Alaura commented that this project will provide larger homes than other surrounding neighborhoods and she appreciates a variety for families to choose from. She shared it does not bother her to make an exception for a 14 foot distance for Plan 1 for there to be enough room in front when coming into the neighborhood as opposed to the rear setbacks.

Councilmember Romick commented "ditto". He mentioned the homes are bigger than average in the development, it provides a good mix, he likes the footprint, and the houses will add another variety for buyers to choose from.

Vice Mayor Hardcastle commented that he likes that it provides more single-story houses in the development.

Councilmember Higgins commented that she echoes Vice Mayor Hardcastle's comments regarding single-story houses.

It was moved by Councilmember Romick and seconded by Vice Mayor Hardcastle to approve item 4.1. AYES: Alaura, Hardcastle, Higgins, Romick. ABSENT: Pope.

4.2 Allowable Location of Accessory Structures on Large Lots – Zoning Text Amendment to Section 9.1.1802 (Accessory Structure Development Regulations) of Chapter 1 of Title 9 of the Oakley Municipal Code (RZ 02-19) (Ken Strelo, Principal Planner)

Principal Planner Ken Strelo presented the staff report.

Online Public Comments and Public Speaker Card Comments

No online comments or public speaker cards were submitted for item 4.2.

It was moved by Vice Mayor Hardcastle and seconded by Councilmember Higgins to approve item 4.2. AYES: Alaura, Hardcastle, Higgins, Romick. ABSENT: Pope.

5) REGULAR CALENDAR

5.1 Consideration of an Option Agreement with Juli Delbarba-Favalora to purchase approximately 1,500 square feet of City-owned property located at 3540 and 3570 Main Street (APNs 037-160-024 and 037-160-025) (Bryan Montgomery, City Manager)

City Manager Bryan Montgomery presented the staff report.

Councilmember Romick commented that he believes he can speak for the City Council that they would like to see option A or B formulated and brought back, but not option C.

Mr. Montgomery mentioned there is no rush for an option agreement, but if there is some more work to be done before the agreement, he believes it could be discussed now.

Vice Mayor Hardcastle commented he would like to see seating as provided in option A as opposed to benches and tables.

Ms. DelBarba-Favalora explained that options B and C were created because to get all entitlements is very expensive and at the last minute other variables came her way so she had to quickly come up with other options to present; she had 2 days to create option C; therefore, she is willing to get feedback and entertain a workshop to incorporate her original goal to bring wine history back to the community. She further explained that she has a project budget and option A would double her budget. She mentioned she likes option B, but space is limited, and option A is also small for a lot of money upfront. She shared that she wants to create something to reach her goal but do it feasibly and there are many features that could go into option C; i.e., artifacts into pillars, seating and overhead structure. She requested more flexibility so she can present something she likes during design review. She mentioned she wants to bring it to the community and operate wine tasting from the site.

Mayor Alaura commented that Councilmember Romick did speak on behalf of all; the Council would want it be some sort of building. She recommended Ms. DelBarba-Favalora take Councilmember Romick's suggestion to come back with one option within her budget and within her vision, to incorporate Oakley history and enjoy wine, and present something more viable than option C.

Ms. DelBarba-Favalora inquired if it is possible the design can be similar to option C but with a more permanent awning or if it has to be a building.

Mayor Alaura expressed her preference is some sort of building to sustain the weather.

Councilmember Higgins inquired if the design is like the City's amphitheater and inquired if there is enough room in that space.

Ms. DelBarba-Favalora responded "yes".

Councilmember Higgins expressed concern that the project is very close to the railroad tracks and Main Street which doesn't provide a play area.

Ms. DelBarba-Favalora commented that she hasn't ruled out any options; however, she needs more flexibility which is why option C was provided. She explained that she didn't want to build another building next to the Bistro building which she already owns because if the Bistro has other opportunities, she may be forced to go back into the Bistro building.

Mayor Alaura commented that the Council's consensus is to have some sort of standing building.

Ms. DelBarba-Favalora inquired if she should go into the rest of the option agreement points.

Mayor Alaura indicated that can be discussed when it comes back.

Councilmember Romick inquired if any action is necessary.

Mr. Montgomery responded no action is needed at this time.

Online Public Comments

Mayor Alaura announced an online comment form was submitted by George Fuller which the Council had an opportunity to review. Mr. Fuller mentioned any sale of City of Oakley property should be for an appraised value, failing to act responsibly with public property allows the purchasing party to receive a gift of public funds, and any profit earned on such sale should be placed in the General Fund to be used for projects such as a library. He encouraged the City Council to cease subsidizing a bourgeois class to build private profit developments and take time to look at other needed projects in the City.

Public Speaker Card Comments

No public speaker cards were submitted for item 5.1.

5.2 Resolution of Support for a Cooperative Plan with Contra Costa County to Explore the Development of a Library at the former Delta Station site located at 210 O'Hara Avenue (Bryan Montgomery, City Manager)

City Manager Bryan Montgomery commented he was excited to speak with Supervisor Burgis about a possible plan for the Library. He mentioned staff is aware that the current building is not adequate, but a new building could possibly replace the existing building with discussion and

planning with the Library. He mentioned it could cost \$20k-\$30k for site review. He introduced Supervisor Diane Burgis to discuss further.

Supervisor Burgis shared that she understands the community wanting a Library and she has been keeping eye on a building for the Library so when the Sheriff's station vacated the old Library building on O'Hara Avenue, she discussed it with the County Administrator and the County has no current plans for the building. She mentioned she spoke with the person appointed to the Library Commission to assist the Friends of the Oakley Library to find funding because there needs to be a plan on the City's part in order for the County to explore it further.

Vice Mayor Hardcastle inquired if the County will sign the property over.

Supervisor Burgis explained no specific financial plan has been discussed, but historically there has been a good price for these things.

Mayor Alaura commented that the Library is still a viable place for meeting and she appreciates Supervisor Burgis coming here to support it.

Councilmember Romick commented it makes perfect sense to relocate the Library to its roots.

Mr. Montgomery mentioned the cost to construct a new Library at this site is not within City or Library resources; therefore, citizen support would be needed.

Online Public Comments

No online comments were submitted for item 5.2.

Public Speaker Card Comments

Paul Seger submitted a comment card in support of rapid development of a stand-alone Oakley Library.

Gabriel Luna commented that Oakley needs a new library, books are important for his family because books open the mind to a new world of imagination. He mentioned he loves books and wants to someday write his own books. He asked the City Council to please support the plan to explore building a new library.

It was moved by Vice Mayor Hardcastle and seconded by Councilmember Higgins to approve item 5.2. AYES: Alaura, Hardcastle, Higgins, Romick. ABSENT: Pope.

Mayor Alaura announced a brief recess at 7:53 p.m.

The City Council reconvened at 8:04 p.m.

5.3 Interviews and Selection of One Person to Fill a Vacancy Seat on the Oakley City Council for the Remainder of the Current Term Expiring November 2020 (Libby Vreonis, City Clerk)

City Clerk Libby Vreonis presented the staff report. She announced one applicant withdrew from the appointment process.

Councilmember Romick requested clarification how the ranking sheet works.

Ms. Vreonis explained that the first applicant's name would go in the space to the far left and the Council will work left to right to fill in the names of applicants in the order which they believe they should rank.

Online Public Comments

George Fuller submitted an online comment. He expressed concern that the application for City Council appointment was on the City's website which was inaccessible to the public November 5, 6 and 7; therefore interested persons may not have had access to apply. He suggested an ethical and integrity-based approach would be to discard the current process and begin anew, with the four current Councilmembers deciding if there should be an appointment or election. He mentioned this would ensure no Oakley resident was disenfranchised because of the website malfunction.

Public Speaker Card Comments

Diane Spurrier and Lena O'Neil jointly submitted a speaker card.

Mayor Alaura informed them they may both speak.

Lena O'Neil commented she is here to support Michael Dupray for the City Council vacancy seat. She mentioned usually three times is a charm and this will be his fifth time so perhaps the City council can consider him.

Diane Spurrier commented that Michael Dupray is active in the community and with seniors; when rent increases occurred, he stepped up to help freeze rent increases temporarily when no one else did which is admirable and should be considered.

Mayor Alaura commented she was an applicant in 2014 when a vacancy seat on the Oakley City Council was available at the time Supervisor Burgis went to the East Bay Regional Parks District. She shared that she applied for the seat and did not get it, but it solidified her wanting to be part of the City Council. She mentioned she understands how nerve racking the interview process can be and she gave kudos to the applicants for taking the leap.

Before the meeting, applicants drew numbers to determine the order of interviews. Applicants were escorted by staff into a conference room across the hall from the City Council Chambers and interviewed by the City Council individually in the following order: Yared Oliveros, Nicholas Caputo, Samar Narang, Michael Krieg, Roni Gehlke, Ramzey Alam, Jordan James, and Michael Dupray.

Yared Oliveros introduced herself. She shared that she is a proud wife to a marine veteran, a mother and business woman. She shared that she and her family recently moved to Oakley from Los Angeles and she immediately jumped into being a champion and change agent of the City, having graduated from the City of Oakley Leadership Academy and taking part in the 20th Anniversary planning committee for gala and park fundraiser events. She mentioned she is also involved in National Night Out which started with 30 neighbors and now has over 100 neighbors, she creates neighborly events throughout the year, and she participates in the local food pantry. She added she recently joined the Oakley Chamber of Commerce to meet local business owners and to have a better understanding how to highlight Oakley businesses. She shared she

recently partnered with Economic Development Manager Dwayne Dalman to host an event in which company representatives from Tesla®, Uber, Netflix, and The Coca-Cola Company shared their experiences. She mentioned she has a Bachelor's degree and a Master's degree in organizational management from the University of Phoenix and has worked with companies such as Hilton, Star Site and Tesla. She mentioned she sees the value in this beautiful city and wants to preserve its history while making it the best it can be. She thanked the City Council for its consideration and expressed that she hopes to be a champion agent for the City and collaborate with the City Council and residents. She concluded by sharing that a roman philosopher once said that whenever there is a human being, there is an opportunity for kindness, and if selected, she knows she will be able to work together as a team to make great things happen. She thanked the City Council for the opportunity to apply and mentioned she looks forward to being part of the team.

Vice Mayor Hardcastle inquired if she sees something in the City that concerns her, what steps she would take to ensure the issue is resolved.

Ms. Oliveros replied that she believes it is important to get the facts and good data, listen to any issues that may arise, have good debate and find consensus to get to the final goal. She added that the focus should not only be on immediate resolution, but how it will impact the City at large.

Councilmember Higgins asked her to share some of her key strengths that she will bring to the City that will specifically help everyone to continue to work cohesively as a team.

Ms. Oliveros responded that she has had an opportunity to create events, projects and programs to allow the community to get engaged. She expressed that she believes her project planning skills, her tenacity to network with CEO's, and being someone who is engaged on a daily basis will allow her to work with others to reach a common goal.

Councilmember Romick asked her to describe what she feels is the proper role of a City Councilmember in relation to residents, fellow Councilmembers and staff.

Ms. Oliveros responded that she believes the City Council is doing an amazing job and it is important not just to be listeners, but servants. She explained being on the City Council is not just a title, but an opportunity to serve all, celebrate wins, create engagement, and see the larger picture.

Mayor Alaura asked her how she would bridge the gap between long-term residents and new residents.

Ms. Oliveros responded that it is important to leverage technology as there are many people who do not have access to it or know how to use it, and an opportunity should be provided to educate residents on technology. She expressed it is great to see the passion long-term residents have and she wants to serve them as well as future residents. She mentioned engagement is key, whether through technology or forums in the morning or evenings to accommodate commuters.

Mayor Alaura thanked her and called for applicant Nicholas Caputo.

Nicholas Caputo thanked the City Council for the opportunity to apply. He shared he is a product of Oakley; he has attended Oakley schools since elementary, and he has 5 children and

family deeply rooted in Oakley. He mentioned he has seen Oakley grow and this is an opportunity to build a stronger foundation for his family and future generations. He shared he is involved with coaching youth basketball which provides him perspective into opportunities that could be made available to youth in the Oakley community and he understands retail businesses with his employment experience in the furniture business, with high attention to customer service issues. He expressed he believes he has experienced these things for certain reasons and wants to be part of the team to move Oakley forward, bringing new ideas and suggestions.

Councilmember Higgins asked him to share some of his key strengths that he will bring to the City that will specifically help everyone to continue to work cohesively as a team.

Mr. Caputo responded that understanding and taking into consideration each position and what each person brings to the table is important to build a stronger team.

Councilmember Romick asked him to describe what he feels is the proper role of a City Councilmember in relation to residents, fellow Councilmembers and staff.

Mr. Caputo commented that understanding the big picture is important to figure out the greater good, understanding youth and elderly, and figuring out growth to get to the next level.

Vice Mayor Hardcastle inquired if he sees something in the City that concerns him, what steps he would take to ensure the issue is resolved.

Mr. Caputo responded that social media and the City's website has lot of information. He mentioned that understanding the problem and when the issued occurred are important to figure out next steps.

Mayor Alaura asked him how he would bridge the gap between long-term residents and new residents.

Mr. Caputo commented that the City does a great job with Civic Center park events which have provided great strides to create community connections. He mentioned youth sports and schools connect families. He shared that he would like to see more retail growth, i.e., shopping, restaurants, birthday party venues for kids, and event places which could help bridge the gap.

Mayor Alaura asked him if he plans to run in the 2020 election if not selected tonight.

Mr. Caputo responded that he sees the appointment process as a great opportunity to get involved without the cost of running a campaign and he would be greatly appreciative of this position, but would definitely run for the future if not selected.

Mayor Alaura thanked him and called for applicant Samar Narang.

City Manager Bryan Montgomery commented that the City Council now has two applicants it has interviewed so the second column on the ranking sheet would be completed with the two applicant names and the applicant on top being the superior choice.

Samar Narang shared he has been living in Oakley 10 years at the border of Antioch and Oakley near Orchard Park School and therefore, he works with the Antioch Unified School District LCAP committee. He also shared he is involved in the Oakley Suicide Walk, he has two

small daughters, he is a medical auditor, and before being an auditor, he owned a Little Caesar's Pizza business, then worked for Chevron in Concord before it closed.

Councilmember Romick asked him to describe what he feels is the proper role of a City Councilmember in relation to residents, fellow Councilmembers and staff.

Mr. Narang responded there are a lot of opportunities with growth and setting policy and rules for proper growth is important. He mentioned he understands from being part of the Leadership Academy that the City Manager works for the City and City Council to make suggestions and the City Council looks at the big picture in terms of what is approved or not approved. He also mentioned staff provides recommendations to the City Council.

Vice Mayor Hardcastle inquired if he sees something in the City that concerns him, what steps he would take to ensure the issue is resolved.

Mr. Narang shared he had an option to call the City twice, once when one of his streetlights went out which was taken care of and the other was for animal control when he saw a snake on the road. He mentioned these were issues, he took action on them to get them resolved, and the City responded which shows the City listens and takes care of issues which is the process he would take.

Councilmember Higgins asked him to share some of his key strengths that he will bring to the City that will specifically help everyone to continue to work cohesively as a team.

Mr. Narang responded the City Council is doing a great job, he is not looking to change anything, and he wants to be part of something already great. He shared the strength he would bring is a new viewpoint. He mentioned with technology changing, there is a lot of pressure with the City to implement rules and regulations; i.e, Airbnb. He shared what really appealed to him was the one-year term for the appointment because it would provide the City an opportunity to see if he is the right person and for him to determine if it is something he would want to commit to for a next term, and it would allow him to carry on what is already working.

Mayor Alaura asked him how he would bridge the gap between long-term residents and new residents.

Mr. Narang responded that in his application he mentioned there is a lot of change and growth happening and Oakley is changing; some long-term residents and business owners are leaving which provides opportunity for new residents and businesses. He shared that the long-term residents have a taste of the small town feel and history of the past whereas new residents likely are only home to sleep because of their long commutes; their needs are different. He mentioned it has transformed from a slow, laid-back city to a rush city. He added that people come to Oakley for recreation and people want transportation improvements so Oakley is changing. He mentioned he can bring his experiences and views.

Mayor Alaura asked him if he plans to run in the 2020 election if not selected tonight.

Mr. Narang commented that he would only be on the City Council for one year. He shared that he would be doing it for the City, not for money or other reasons and he wants to work with the City regardless. He shared best wishes for whoever comes in at that time.

Mayor Alaura thanked him and called for applicant Michael Krieg.

Michael Krieg shared that he is married with 2 children, 4 grandchildren and he is a Navy Veteran. He mentioned those experiences made him the person he is. He also shared he is retired from sales and information technology and he is a graduate of the University of California at Santa Barbara. He mentioned when he and his wife were first married, they bought a home in Oakley because it is affordable and they have lived in Oakley 37 years. He shared he was involved as scout leader, in Little League, and youth oriented activities. He mentioned he became involved with the National Wildlife Association where he became a volunteer for a long time and he is currently active as Oakley's appointee to the Contra Costa Mosquito & Vector Control District, as a volunteer science teacher at the Big Break Regional Shoreline, as a volunteer for You, Me, We=Oakley! citizenship workshops and as a CERT member. He shared that he looks at the opportunity to become a City Councilmember as yet another way to engage with his community. He mentioned he doesn't have a program or an agenda; he has time and energy that he can contribute to City business, he has an open mind, he is willing to listen and hopes he can contribute to moving Oakley along in the great direction as it has been for the last 20 years.

Vice Mayor Hardcastle inquired if he sees something in the City that concerns him, what steps he would take to ensure the issue is resolved.

Mr. Krieg responded the first thing he would do is get more information so he has a basis for a solid decision, research and talk to the right people, evaluate options and move forward.

Councilmember Higgins asked him to share some of his key strengths that he will bring to the City that will specifically help everyone to continue to work cohesively as a team.

Mr. Krieg responded that he listens first and make decisions later to allow time to collect information. He shared that he is patient, takes his turn, and he is not pushy, but can be authoritative when he needs to be. He mentioned one advantage he brings is working for the Mosquito District because he has the concept of how public agencies function and he understands the differences between the public and private sector. He mentioned he has a good understanding of the Brown Act, public agendas, and as President of the District Board this year, how to lead meetings. He also mentioned he has good tendrils into the community; he knows people and has good resources, and he has enough background in the community to know where Oakley has been and where it would probably like to go.

Councilmember Romick asked him to describe what he feels is the proper role of a City Councilmember in relation to residents, fellow Councilmembers and staff.

Mr. Krieg responded that he thinks there is a misconception that the City Council runs this City; the operation of the City is for the City Manager and staff, he believes that is how the City Manager is supposed to function and he supports that. He added that it is important for the City Council to be out there and receive input and information through their own mechanisms so it can combine the information it has from the public and staff to make good decisions.

Mayor Alaura asked him how he would bridge the gap between long-term residents and new residents.

Mr. Krieg responded that Oakley has transformed from a faceless bedroom community to a destiny community. He mentioned the Veterans Day ceremony brought people of all colors and languages together to participate as a community in the same event. He expressed he would

like to see You, Me, We=Oakley! expand its ability for people of diverse cultures to share their culture. He mentioned there has been a little bit of it with the Dia de los Muertos event and he would like to see it on a regular basis so it shares a natural part of our community even though there may be little differences.

Mayor Alaura asked him if he plans to run in the 2020 election if not selected tonight.

Mr. Krieg responded that it is unlikely; if the City Council chooses somebody else, he feels that is an acceptable decision and he doesn't have strong political views; therefore, if the City Council sees him as a good fit, he wants to contribute; if not good fit, he would take that advice.

Mayor Alaura thanked him and called for applicant Roni Gehlke.

Roni Gehlke shared that she is almost a 30-year resident; she has been very active in the community over many years, e.g., as the Oakley Almond Festival Chair, as Director of the Delta Science Center and she helped build the vision of the shoreline park. She mentioned she always wanted to be involved in the City Council, but she wanted to get some things done and complete that work; with the Delta Science Center closed, now is a good time to explore the opportunity to be on the City Council. She mentioned she is a past Citizen of the Year, she owns her own business, she writes a local column on local activities and events, and hopefully does her part to promote Oakley and the cities around it.

Councilmember Higgins asked her to share some of her key strengths that she will bring to the City that will specifically help everyone to continue to work cohesively as a team.

Ms. Gehlke shared that one of her key strengths is that she is a public outreach promotional person; everything she does has to do with promoting the City, people within the City, activities, groups and organizations. She mentioned she works to bring everyone together, inform everyone what is going on, and she is active in the community. She added that she has a lot of contacts from people she has met over the years and she is able to direct people to the appropriate resources when they have questions. She mentioned she believes she can be of great help to the City Council.

Vice Mayor Hardcastle inquired if she sees something in the City that concerns her, what steps she would take to ensure the issue is resolved.

Ms. Gehlke responded that she has always gone straight to the source when she has had questions or wants to talk to Councilmembers or other agencies. She added that it helps being familiar with the people who run things so she is able to direct people when they have concerns or questions, or she can help facilitate information. She mentioned she enjoys that role and helping others.

Councilmember Romick asked her to describe what she feels is the proper role of a City Councilmember in relation to residents, fellow Councilmembers and staff.

Ms. Gehlke responded that she thinks the role of a Councilmember is to be the public face to the community for the City and that person needs to be accessible, able to listen, and be able to relay back information to staff so they can help with issues and concerns. She added that she also believes that the Councilmember should help with directing what they want the City to be about and to access the help, and also to receive public input what they want the City to be about. She expressed it is important to be that communication piece.

Mayor Alaura asked her how she would bridge the gap between long-term residents and new residents.

Ms. Gehlke responded that it is hard in some ways, but in other ways it's a lot easier because knowing people that have lived in Oakley for many years, she knows that there are some long-term residents who like to reach out to new residents to help them and move the City forward.

Mayor Alaura asked her if she plans to run in the 2020 election if not selected tonight.

Ms. Gehlke responded that she thinks so; she has held back because she gets involved in a lot, but at this point yes. She mentioned something else could come along to divert her attention because she enjoys good causes, many of which she is involved in currently and other opportunities she sees lurking in the future.

Mayor Alaura thanked her and called for applicant Ramzey Alam.

Ramzey Alam shared he is native to Oakley and works in the Bay Area for Kaiser Permanente and as a reserve deputy for Citrus Heights. He mentioned he was previously an officer for the Sheriff's Department and loves his 5-year old daughter.

Councilmember Romick asked him to describe what he feels is the proper role of a City Councilmember in relation to residents, fellow Councilmembers and staff.

Mr. Alam responded that Councilmembers must be transparent, have integrity and above all, look out for the resident first, then yourself.

Vice Mayor Hardcastle inquired if he sees something in the City that concerns him, what steps he would take to ensure the issue is resolved.

Mr. Alam requested he repeat the question.

Vice Mayor Hardcastle repeated he question.

Mr. Alam responded he would take information and absorb its totality, get all the facts, look to the person in charge, and ask if there is any assistance he can provide. He mentioned he would follow the chain of command to move forward.

Councilmember Higgins asked him to share some of his key strengths that he will bring to the City that will specifically help everyone to continue to work cohesively as a team.

Mr. Alam shared that he listens very well and has encountered many different people from different walks of life in his employment; he is non-judgmental and hears their ideas which is better than just blurting out whatever comes out of mouth.

Mayor Alaura asked him how he would bridge the gap between long-term residents and new residents.

Mr. Alam responded he would hold more events. He shared him and his family relocated from San Francisco in 2002 and the City embraced them and raised them; they attended the Almond Festival, Bell Games, and met with Police, Fire and City Officials. He expressed more events

would bring the community together and bridge the gap from old Oakley to new Oakley to all Oakley.

Mayor Alaura asked him if he plans to run in the 2020 election if not selected tonight.

Mr. Alam responded “yes” and that he looks forward to being more involved.

Mayor Alaura thanked him and called for applicant Jordan James.

Jordan James shared that he has an interest in the City as he has lived in Oakley 17-18 years, he is impressed with what the City Council has done with Downtown development. He shared it's coming along nicely, but he would like to be part of furthering that effort on the Western Main Street ingress. He mentioned he was a Planning Commissioner in Oakley at the time of its inception of initiatives and he participated on the General Plan at which time they looked at the bypass of the Downtown which he was not in favor of at that time. He commented that he remembers that Kevin (Councilmember Romick) mentioned that Oakley would like to lure larger industrial employers to Oakley to have people live where they work and he would like to continue that. He commented that the Laurel Avenue initiatives have come to fruition which alleviates a lot of the traffic from Main Street and he thinks Oakley should concentrate on retail development in the Downtown. He mentioned a woman commented tonight she would like to put in some sort of building and Oakley has always been flexible in development; therefore, it would be important to develop that sort of thing further.

Vice Mayor Hardcastle inquired if he sees something in the City that concerns him, what steps he would take to ensure the issue is resolved.

Mr. James responded that someone can submit comment cards and he can also get a hold of the appropriate division to ensure staff and the resident have had dialogue. He mentioned in the event the resident needs to be contacted and have issues addressed, he would respectfully listen and respond responsibly to concerns which is part of city government.

Councilmember Romick asked him to describe what he feels is the proper role of a City Councilmember in relation to residents, fellow Councilmembers and staff.

Mr. James responded the City Council's role is to basically be the implementer of concerns of the citizens. He mentioned traffic, circulation, development, small retail v large retail should be considered how it could impact mom and pop retail; therefore, it is important to be responsible to citizens and try and work with City Management to address their concerns.

Councilmember Higgins asked him to share some of his key strengths that he will bring to the City that will specifically help everyone to continue to work cohesively as a team.

Mr. James shared that he thinks his experience on the Planning Commission opened his eyes to a lot of things and the fact that Oakley was a new city then and his experience with the General Plan, road infrastructure and development experience would make him invaluable to renew the General Plan. He commented that he noticed that architectural concerns were addressed with the Oakley Storage facility on Laurel that affect quality of life in Oakley as it sits on the main ingress into Oakley; these little things make a difference, as well as street sweeping, traffic patterns and bike access. He shared he is a Paralegal and has Real Estate law experience which allows him to look at legal implications of proposed developments and analyze things relevant for highest and best use of properties or eminent domain.

Mayor Alaura asked him how he would bridge the gap between long-term residents and new residents.

Mr. James commented that housing affordability is an issue; there are many commuters who can afford to live in Oakley; however, their children and families may not be able to afford it. He mentioned addressing this concern and looking at high density residential with possible buffer zones between it and commercial industrial would be something he would be considerate of for those living in Oakley for long periods of time.

Mayor Alaura asked him if he plans to run in the 2020 election if not selected tonight.

Mr. James commented he did not come into this with any particular agenda; he is looking at the quality of life for residents, code enforcement, and police and safety. He mentioned he could consider running, but it is not necessarily something he would do. He added he is looking for smaller things that affect the quality of life of residents. He mentioned the City Council has done a very nice job and he would be interested in participating in moving things forward. He thanked the City Council for the opportunity.

Mayor Alaura thanked him and called for applicant Michael Dupray.

Michael Dupray shared he has been an Oakley resident since 2011 and was involved in the Vintage Parkway beautification project and he became involved in local politics and other issues. He mentioned he is a Navy Veteran and current Commander of the Oakley Veterans. He shared that he took on the task of the senior rent issue because he saw a problem, identified the issue and is working through the issue which is going to be a long and hard effort, but he can't give up. He also shared he was the City's appointee to the Contra Costa Transportation Authority Citizen Advisory Committee where he learned about city planning and revenue. He mentioned he is making solid contacts with other cities and agencies and believes he has good relationships with everyone so if he needs information he can get it and move forward. He added he has some experience with State and Federal officials having participated with two bargaining teams which were successful. He mentioned he is working with Kiwanis, and Oakley Seniors, and there are other issues they are dealing with like taking care of Veteran Seniors who couldn't afford to live in one place so the Veterans, Seniors and Rotary got together and moved the resident out of one place and into another. He shared the Oakley Veterans moved earlier this year. He mentioned they helped move another Veteran family out of senior living and into Antioch which was less expensive.

Councilmember Romick asked him to describe what he feels is the proper role of a City Councilmember in relation to residents, fellow Councilmembers and staff.

Mr. Dupray responded that the relationship should be respectful. He mentioned a Councilmember is a representative of the residents to City staff and he understands as a Councilmember that he could not direct staff; that things must be done in this forum. He explained this is a non-partisan position; therefore, Councilmembers do not take political sides or entertain political debate on Republicans or Democrats; it is only about the people of Oakley and solving problems.

Vice Mayor Hardcastle inquired if he sees something in the City that concerns him, what steps he would take to ensure the issue is resolved.

Mr. Dupray responded that it depends on what the issue is and he would take it to the appropriate level. He provided an example that junk being dumped on the side of the road or a yard that is ill kept would be an ordinance issue. As a Councilmember, he would find out what the legalities are, what the Code states, and make recommendations to City staff.

Councilmember Higgins asked him to share some of his key strengths that he will bring to the City that will specifically help everyone to continue to work cohesively as a team.

Mr. Dupray shared his ability to communicate is key; he is not afraid to ask questions and find answers to understand. He mentioned this is a team effort and he would utilize his relationships to help solve problems. He mentioned he works with the Seniors, Veterans and Kiwanis and he would bring the different groups together to meet quarterly to discuss issues and needs which he believes the Oakley Librarian has expressed an idea to do.

Mayor Alaura asked him how he would bridge the gap between long-term residents and new residents.

Mr. Dupray responded that it is a hard gap to bridge. He shared he grew up in Fair Oaks, California, where all the residents worked at McClellan Air Force Base and everyone wanted to keep the nice country feel, but eventually the city filled up with other people wanting the same thing. He mentioned it is more affordable in Oakley, the crime rate is low, and it has great access to services for retirees so everyone wants a piece of it; it is difficult to keep the balance between maintaining the small town feel and increasing residents. He compared it to a garden in that you have a set amount of space and it eventually fills up and you have to weed it out and take care of it. He added it's a hard task to do, but Oakley is always headed in the right direction; it has to make sure that the garden continues to be weeded and fertilized to make it look pretty. He commented that if somebody finds out about your best fishing hole, everybody wants it and now you have to stock it with fish.

Mayor Alaura asked him if he plans to run in the 2020 election if not selected tonight.

Mr. Dupray responded "yes".

Mayor Alaura thanked him and called for applicant Yared Oliveros to return.

Mayor Alaura asked her if she plans to run in the 2020 election if not selected tonight.

Ms. Oliveros responded "yes".

The City Council completed its ranking sheets and provided them to the City Clerk.

Mayor Alaura requested clarification regarding if a majority decides or if there needs to be three affirmative votes.

City Attorney Derek Cole commented there needs to be three affirmative votes.

Mayor Alaura thanked everyone for sticking through the long meeting and expressed it is nice that they want to be part of this process.

Mr. Cole explained staff has assigned 3 points to the Council's top vote, 2 points to its second top vote and 1 point to the third top vote and he shared the results of those points. He indicated a motion and second are needed and three Councilmembers need to approve the appointment.

It was moved by Councilmember Romick and seconded by Vice Mayor Hardcastle to appoint Michael Krieg to the Oakley City Council for the remainder term ending in November of 2020.

Mayor Alaura welcomed the applicants back into the Council Chambers and thanked them for applying. She mentioned that as they were making their way into the conference room earlier, she shared with the rest of the community that a few years before she came onto the City Council via election, she was in the same seat as the applicants tonight and she did not get it at that time, but it solidified for her that she still wanted to be involved and she pushed on. She mentioned for those who have indicated to her that they are interested in running during the election, it is a great commitment to want to be part of it and if not in that way, another way. She expressed that she hopes to see all of the applicants. She announced the results have been tallied and the top points have resulted in the Council's approval of Michael Krieg. She congratulated him and thanked the applicants. She mentioned Mr. Krieg will be sworn in at the December 10 Council meeting.

6) REPORTS

6.1 CITY MANAGER

(a) City Manager

None.

(b) Progress Update to the 2018-2020 Strategic Plan

City Manager Bryan Montgomery mentioned the Progress Update to the 2018-2020 Strategic Plan has been provided to the City Council.

The City Council had no questions.

6.2 OAKLEY CITY COUNCIL/OAKLEY CITY COUNCIL ACTING AS THE SUCCESSOR AGENCY TO THE OAKLEY REDEVELOPMENT AGENCY

(a) Reports from Council Liaisons to Regional Committees, Commissions and Boards AND Oakley City Council/Oakley City Council Acting as the Successor Agency to the Oakley Redevelopment Agency

Councilmember Romick reported he attended the EC squared 5th Tuesday event. He explained the group meets 2-3 times per year and it received an update on the County's General Plan which is a mess as it hasn't been thoroughly updated in decades. He commented that fortunately Oakley is not in the same situation. He also reported Oakley's Veterans Day event was incredible; it was the best attended event of the years it has been held, it was a gorgeous day, it was great to see so many people participate, and it was an awesome opportunity for kids to salute and present essays regarding their military heroes. He mentioned the general speaker brought attention to what war is like; it provided a somber moment, but hit a point that war is hell. He thanked the Veterans.

Councilmember Higgins thanked staff and volunteers for providing the Veterans Day event. She reported she attended the memorial event to honor former students and veterans Stephen Wilson and Joseph Graves. She also reported she attended the Farmers Market at Oakley's Civic Center Plaza which is held Sundays, 9am-1pm; the County Supervisor Town Hall meeting in Brentwood, the Associated Builders and Contractors Northern California Chapter trades competition in Livermore, and Oakley's Dia de Los Muertos event. She mentioned she would love to see Oakley go after a trade school; Livermore's Contractor's program has 300 students. She also mentioned she volunteered with CERT the day of the fire in Oakley and encouraged everyone to sign up for Nixle alerts by texting 888777.

Councilmember Romick commented that Measure L is providing funds for a trade school at Freedom High School which is in progress and will provide training opportunities in a couple of years.

Councilmember Higgins commented this program offers apprenticeships to journeyman level, past the high school level.

Vice Mayor Hardcastle thanked everyone for entrusting him with decisions and thanked staff for making the Council's job easier. He recommended not to believe what is on internet and to go to the source for answers. He thanked the City Council, staff and community for their support and trust. He commented that he wishes he could see the fruition of the 55-acre park in Oakley because it will be a gem. He added there are lots of great things to come so hold on and enjoy.

Mayor Alaura reported she attended the Mayors' Conference in El Cerrito where Bob Powers, BART Director, presented on rider safety including increasing BART police and CSOs and also providing training for its front line staff. She mentioned he will be coming to Oakley to provide a presentation; although there is not a station in Oakley, it is important for commuters who may use BART to understand its direction.

(b) Requests for Future Agendas

Councilmember Higgins commented that Contra Costa County recently adopted an ordinance to prohibit the use of Roundup® in landscaping or with contractors who perform landscaping services and she would like Oakley to consider a similar ordinance.

City Manager Bryan Montgomery suggested if there is interest from the City Council, staff can look into it or other options and place it on a future agenda for discussion. He mentioned staff has been waiting for the State to rule one way or the other and it has not yet.

Mayor Alaura inquired if this is in response from other cities being sued for using Roundup®.

Councilmember Romick inquired if cities are being sued or Monsanto (the maker of Roundup®).

Mr. Montgomery responded it is individuals bringing suit.

Mayor Alaura suggested to see what the County is doing and also explore other options available.

7) WORK SESSIONS

None.

8) CLOSED SESSION

**8.1 CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION
Initiation of Litigation Pursuant to Government Code Section 54956.9(b)
One potential case.**

Mayor Alaura announced the closed session item and thanked everyone for attending.

8.2 Report Out of Closed Session (Derek Cole, City Attorney)

The reportable action will be summarized in the memorandum to be approved at the December 10 meeting.

9) ADJOURN

There being no further business, the meeting was adjourned at 9:55 p.m.

Respectively Submitted,

Libby Vreonis
City Clerk



MEMORANDUM
Office of the City Attorney

Date: November 13, 2019
To: Mayor and Members of City Council
Cc: Bryan Montgomery, City Manager
From: Derek P. Cole, City Attorney
Subject: Closed Session Report-Out Memo

FOR CONSIDERATION AT THE CITY COUNCIL MEETING OF DECEMBER 10, 2019

Background and Analysis

The City Council considered the following closed session item at its meeting held November 12, 2019:

CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION
Initiation of Litigation Pursuant to Government Code Section 54956.9(b)
One potential case.

The Council approved the filing of a Health and Safety Code receivership and code enforcement action against the property owner of 5413 Sellers Avenue. Councilmember Pope was absent. It was moved by Vice Mayor Hardcastle and seconded by Councilmember Romick. The vote was unanimous.

Fiscal Impact

None.

Recommendation

Receive and file this report.

Attachments

None.

ORDINANCE NO. ____-19

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF OAKLEY
ADDING CHAPTER 7.16 TO THE OAKLEY MUNICIPAL CODE
REGARDING ELECTRIC VEHICLE CHARGING STATIONS

The City Council of the City of Oakley does ordain as follows:

Section 1. The Oakley Municipal Code is hereby amended to add Chapter 7.16 which reads as follows:

**“Chapter 7.16
ELECTRIC VEHICLE CHARGING STATIONS**

- 7.16.010 Purpose**
7.16.020 Definitions
7.16.030 Requirements for expedited permitting

7.16. 010 Authority; Purpose; Applicability.

- A. Authority. This chapter is adopted under the authority of Government Code section 65850.7. The building official is authorized to implement this chapter and to create a checklist of requirements consistent with section 65850.7.
- B. Purpose. The purpose of this chapter is to create an expedited and streamlined permitting process for electric vehicle charging systems.
- C. Applicability. This chapter applies to the permitting of electric vehicle charging stations.

7.16.020 Definitions.

In this chapter:

Electric vehicle charging station or charging station means any level of electric vehicle supply equipment station that is designated and built in compliance with the California Electric Code, Article 625, as it reads on October 8, 2015, and delivers electricity from a source outside an electric vehicle into a plug-in electric vehicle.

Electric vehicle charging station checklist means the checklist prepared by the chief building official to implement this chapter. (See sections 7.16.010A and 7.16.030A.)

Electronic submittal means the use of email, the internet, or facsimile.

7.16.030 Requirements for expedited permitting.

- A. Application. An applicant for an electric vehicle charging station must submit a building permit application on the form provided by the city, accompanied by each item of information listed in the city's electric vehicle charging station checklist. Both the application form and the checklist are available online.

If an application is incomplete, the city will issue a written correction notice detailing each deficiency.

- B. Permit issuance. An application that satisfies the application and checklist requirements will be considered complete, and the city will issue a building permit.
- C. Permit denial. The city may deny the building permit if it makes written findings based upon substantial evidence in the record that the proposed installation will have a specific, adverse impact upon the public health or safety, and there is no feasible method to satisfactorily mitigate or avoid the impact (as the terms are defined in Government Code section 65850.7(i)).”

Section 2. Severability.

In the event that any section or portion of this ordinance shall be determined to be invalid or unconstitutional, such section or portions shall be deemed severable and all other sections or portions hereof shall remain in full force and effect.

Section 3. California Environmental Quality Act (“CEQA”) finding.

This ordinance is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3), Review for Exemption, because it can be seen with certainty that this ordinance will not have a significant effect on the environment; therefore it is not subject to CEQA.

Section 4. Effective Date and Publication.

This ordinance shall take effect and be in force and effect thirty (30) days from and after the date of its passage. The City Clerk shall cause the ordinance to be published within fifteen (15) days after its passage in a newspaper of general circulation, or by publishing a summary of the proposed ordinance, posting a certified copy of the proposed ordinance in the office of the City Clerk at least five (5) days prior to the City Council meeting at which the ordinance is to be adopted, and within fifteen (15) days after its adoption, publishing a summary of

the ordinance with the names of the Council Members voting for and against the ordinance.

The foregoing ordinance was adopted with the reading waived at a regular meeting of the Oakley City Council on _____, 2019 by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

APPROVED:

, Mayor

ATTEST:

Libby Vreonis, City Clerk

Date

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF OAKLEY ADOPTING A
ZONING TEXT AMENDMENT TO OAKLEY MUNICIPAL CODE SECTION 9.1.1802
(ACCESSORY STRUCTURE DEVELOPMENT REGULATIONS) RELATED TO
ALLOWABLE LOCATIONS OF ACCESSORY STRUCTURES ON LARGE LOTS
(SUBSECTION 9.1.1802(c)1(a)) (RZ 02-19)**

The City Council of the City of Oakley does ordain as follows:

SECTION 1. Subsection 9.1.1802(c)1(a) of the Oakley Municipal Code Section 9.1.1802 titled, Accessory Structure Development Regulations,” is hereby amended as follows:

“c. Minimum Setbacks.

1) All Residential Lots.

- a) Accessory structures shall be located outside of the required front yard (front yard setback) and shall not have any portion closer than the main house to the front property line, except: (1) unenclosed, nonsolid roof gazebos, pergolas or similar structures may be located in front of the house, but not within the required front yard setback; (2) decorative landscape trellises and arbors covering no more than thirty-two (32) square feet and no more than eight feet tall may be located within the required front yard, but not within the public right-of-way; and (3) accessory structures that match or complement the design, materials, and colors of the main house on large lots (40,000 sf or larger) where the accessory structure is located a minimum of 50 feet behind the front property line, subject to the review and approval of the Planning Division;”

SECTION 2. California Environmental Quality Act (CEQA).

This project is exempt from environmental analysis under the requirements of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15061(b)(3), because it can be seen with certainty that the proposed amendments will not have a significant effect on the environment.

SECTION 3. Effective Date and Posting.

This ordinance shall take effect and be in force thirty (30) days from and after the date of its passage. The City Clerk shall cause the ordinance to be published within fifteen (15) days after its passage in a newspaper of general circulation, or by publishing a summary of the proposed ordinance, posting a certified copy of the proposed ordinance in the City Clerk’s Office at least five (5) days prior to the City Council meeting at which the ordinance is to be adopted, and within fifteen (15) days after its adoption, publishing a summary of the ordinance with the names of the Council Members voting for and against the ordinance.

The foregoing ordinance was adopted with the reading waived at a regular meeting of the Oakley City Council on _____, 2019 by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

APPROVED:

, Mayor

Date

ATTEST:

Libby Vreonis, City Clerk

Date

STAFF REPORT

DATE: December 10, 2019

TO: Bryan Montgomery, City Manager

Approved and Forwarded to the City Council

FROM: Libby Vreonis, City Clerk

SUBJECT: Regular Joint City Council / City Council Acting as the Successor Agency to the Oakley Redevelopment Agency/Oakley Public Financing Authority Meeting Dates in 2020

Background and Analysis

The regular joint Oakley City Council / Oakley City Council Acting as the Successor Agency to the Oakley Redevelopment Agency/Oakley Public Financing Authority meetings have traditionally been scheduled on the second and fourth Tuesdays of each month beginning at 6:30 p.m., and the second meetings in July, August, November and December have been canceled.

Attached is a list of proposed regular joint Oakley City Council / Oakley City Council Acting as the Successor Agency to the Oakley Redevelopment Agency/Oakley Public Financing Authority meeting dates for 2020 for review and approval.

Fiscal Impact

None.

Staff Recommendation

Staff recommends that the Oakley City Council, Successor Agency and Public Financing Authority approve the attached list of proposed regular meeting dates for 2020 or approve alternative dates that would be more suitable.

Attachments

1. List of Proposed 2020 Meeting Dates for the Regular Joint Oakley City Council / Oakley City Council Acting as the Successor Agency to the Oakley Redevelopment Agency/Oakley Public Financing Authority
2. City Council Resolution Approving 2020 Meeting Dates

3. Successor Agency Resolution Approving 2020 Meeting Dates
4. Oakley Public Financing Authority Resolution Approving 2020 Meeting Dates



**2020 REGULAR JOINT OAKLEY CITY COUNCIL/
OAKLEY CITY COUNCIL ACTING AS THE
SUCCESSOR AGENCY TO THE OAKLEY
REDEVELOPMENT AGENCY / *PUBLIC FINANCING
AUTHORITY MEETING DATES**

Regular Joint Oakley City Council/Oakley City Council acting as the Successor Agency to the Redevelopment Agency meetings are held on the second and fourth Tuesdays at 6:30 pm in the Council Chambers, located at 3231 Main Street, Oakley, CA. The meeting dates for 2020 are as follows:

January 14	July 14
January 28	(second meeting cancelled)
February 11	August 11
February 25	(second meeting cancelled)
March 10	September 8
March 24	September 22
April 14	October 13
April 28	October 27
May 12	November 10
May 26	(second meeting cancelled)
June 9	December 8
June 23	(second meeting cancelled)

*Oakley Public Financing Authority meetings will be held jointly with the Oakley City Council / Oakley City Council Acting as the Successor Agency to the Oakley Redevelopment Agency meetings the second Tuesday of each month unless otherwise noticed.

RESOLUTION NO. _____-19

RESOLUTION OF THE OAKLEY CITY COUNCIL APPROVING 2020 MEETING DATES FOR THE REGULAR JOINT OAKLEY CITY COUNCIL/ OAKLEY CITY COUNCIL ACTING AS THE SUCCESSOR AGENCY TO THE OAKLEY REDVELOPMENT AGENCY/OAKLEY PUBLIC FINANCING AUTHORITY

BE IT RESOLVED by the City Council of the City of Oakley that the attached 2020 meeting dates for the Regular Joint Oakley City Council / Oakley City Council Acting as the Successor Agency to the Oakley Redevelopment Agency/Oakley Public Financing Authority are hereby approved.

The foregoing resolution was introduced at a regular meeting of the Oakley City Council held on the 10th day of December 2019, by Councilmember _____, who moved its adoption, which motion being duly seconded by Councilmember _____, was upon voice vote carried and the resolution adopted by the following vote:

AYES:

NOES:

ABSTENTION:

ABSENT:

APPROVED:

, Mayor

ATTEST:

Libby Vreonis, City Clerk

Date

SA RESOLUTION NO. _____-19

**RESOLUTION OF THE OAKLEY CITY COUNCIL ACTING AS THE
SUCCESSOR AGENCY TO THE OAKLEY REDEVELOPMENT AGENCY
APPROVING 2020 MEETING DATES FOR THE REGULAR JOINT OAKLEY
CITY COUNCIL/ OAKLEY CITY COUNCIL ACTING AS THE SUCCESSOR
AGENCY TO THE OAKLEY REDEVELOPMENT AGENCY/OAKLEY PUBLIC
FINANCING AUTHORITY**

BE IT RESOLVED by the Oakley City Council of the City of Oakley, acting as the Successor Agency to the Oakley Redevelopment Agency, that the attached 2020 meeting dates for the Regular Joint Oakley City Council / Oakley City Council Acting as the Successor Agency to the Oakley Redevelopment Agency/Oakley Public Financing Authority are hereby approved.

The foregoing resolution was introduced at a regular meeting of the Oakley City Council held on the 10th day of December 2019, by Agencymember _____, who moved its adoption, which motion being duly seconded by Agencymember _____, was upon voice vote carried and the resolution adopted by the following vote:

AYES:

NOES:

ABSTENTION:

ABSENT:

APPROVED:

, Chair

ATTEST:

Libby Vreonis, Secretary

Date

RESOLUTION NO. _____-19

**RESOLUTION OF THE OAKLEY PUBLIC FINANCING AUTHORITY
APPROVING 2020 MEETING DATES FOR THE REGULAR JOINT OAKLEY
CITY COUNCIL/ OAKLEY CITY COUNCIL ACTING AS THE SUCCESSOR
AGENCY TO THE OAKLEY REDEVELOPMENT AGENCY/OAKLEY PUBLIC
FINANCING AUTHORITY**

BE IT RESOLVED by the City Council of the City of Oakley that the attached 2020 meeting dates for the Regular Joint Oakley City Council / Oakley City Council Acting as the Successor Agency to the Oakley Redevelopment Agency/Oakley Public Financing Authority are hereby approved.

The foregoing resolution was introduced at a regular meeting of the Oakley City Council held on the 10th day of December 2019, by Boardmember _____, who moved its adoption, which motion being duly seconded by Boardmember _____, was upon voice vote carried and the resolution adopted by the following vote:

AYES:

NOES:

ABSTENTION:

ABSENT:

APPROVED:

, Chair

ATTEST:

Libby Vreonis, Secretary

Date

STAFF REPORT

DATE: December 10, 2019

TO: Bryan Montgomery, City Manager

Approved and Forwarded to the City Council

FROM: Tim Przybyla, Finance Director

SUBJECT: Development Impact Fee Five Year Report

Background and Analysis

State law allows the City to charge fees to offset impacts associated with new development. Along with requirements related to the amount of the fees, nexus to impacts, and specifications for use of the fees, the Law requires that the City prepare annual and five year reports for each fee program. The annual report must include a fee schedule, beginning and ending fund balances, revenues, expenditures and project information. The five year report must include information showing the fees are being spent timely and include supporting information about each program's projects that support making a number of required findings. Once prepared and made available to the Public, it must also be presented to the City Council. The attached report is the City's Five Year Report for the period ending June 30, 2019 containing the prescribed information for each of the City's Impact Fee Programs.

The attached Five Year Report was prepared in accordance with Government Code sections 66000 et seq. and made available to the public on November 25, 2019. The law requires the report be presented to the City Council at the next regular meeting not less than 15 days after it is made available to the public.

Fiscal Impact

None.

Staff Recommendation

Staff recommends that City Council approve the Resolution accepting the attached Report and making the required findings pursuant to Government Code Sections 66000 et seq.

Attachments

1. Resolution
2. Five Year Report

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OAKLEY ACCEPTING
THE FIVE YEAR DEVELOPMENT IMPACT FEE REPORT FOR THE PERIOD
ENDING JUNE 30, 2019 AND MAKING REQUIRED FINDINGS AS REQUIRED BY
GOVERNMENT CODE SECTIONS 66000 ET SEQ.**

WHEREAS, State Law allows Cities to establish development impact fees to mitigate the impacts of new development on growing communities; and

WHEREAS, the City of Oakley did, in 2003, adopt its existing development impact fee programs; and

WHEREAS, Sections 66000 et seq. of the California Government Code contains the provisions defining parameters of development impact fees, as well as reporting and maintenance requirements to ensure the ongoing appropriateness of the fees charged; and

WHEREAS, the attached Five Year Report contains information that meets both the annual and five year reporting requirements described in the Code; and

WHEREAS, State Law also requires that every five years the Council make the following specific findings for each fee program related to that portion of the account or fund remaining unexpended, whether committed or uncommitted:

- a) Identify the purpose to which the fee is to be put;
- b) Demonstrate a reasonable relationship between the fee and the purpose for which it is charged;
- c) Identify all sources and amounts of funding anticipated to complete financing of incomplete improvements identified in the program;
- d) Designate the approximate dates on which the funding referred to in c) is expected to be deposited into the appropriate account or fund; and

WHEREAS, Staff recommends the City Council accept the attached report and incorporate it herein in order to make the required findings.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Oakley accepts the attached Five Year Report, and makes the following required findings for each of the City's Development Impact Fee Programs, incorporating the information from the report into this resolution.

- 1. The report includes the stated purpose for each fee;
- 2. The report includes the amount of fees unexpended in each Fund at June 30, 2019 and sufficient detail regarding the expected use of the fees to demonstrate a reasonable relationship between the fee and the purpose for which it is charged;

3. The report includes the sources and amounts of funding anticipated to complete financing of incomplete improvements identified in each program;
4. The report includes the approximate dates on which the funding is expected to be deposited into the appropriate account or fund to finance the incomplete improvements noted.

The foregoing resolution was introduced at a regular meeting of the City Council of the City of Oakley held on the 10th day of December 2019 and adopted by the following vote:

AYES:

NOES:

ABSTENTION:

ABSENT:

APPROVED: _____
MAYOR

ATTEST:

Libby Vreonis, CITY CLERK

**Five Year Report
Development Impact Fees
For the City of Oakley
For Fiscal Year Ending June 30, 2019**

Government Code Sections 66000 et seq. require local agencies to submit annual and five-year reports detailing the status of development impact fees. The annual report must be made available to the public no later than 180 days after the end of the fiscal year, and must be presented to the City Council at least fifteen days after it is made available to the public. The five year report must be made available to the public following the fifth year the fees are collected and each five years thereafter. This report is the City's Five Year Report for the period ended June 30, 2019.

This report includes all of the Annual Report required data, and data that supports the findings required by the Code for the five year period. Below, and on the following pages you will find for each fee program:

1. A brief description of the program.
2. Beginning and ending balances for the year.
3. Amount of fees collected and the interest earned during the year.
4. Total Expenditures for the year.
5. A summary of fund balances and five year test.
6. A detailed list of current year disbursements by project, including the percentages funded by fees, including operating transfers.
7. Information listing the programs' projects expected to be funded with fees that have been collected but unspent, whether committed or not yet committed, including data from the City's most current Capital Improvement Plan.
8. A current schedule of fees.

The fee programs included in this report are the following:

Section A – Traffic Impact Fee Program

Section B – Park Impact Fee Program

Section C – Child Care Facilities Impact Fee Program

Section D - Public Facilities Impact Fee Program

Section E – Fire Facilities Impact Fee Program

Program Descriptions

A. Traffic Impact Fee Program

The Traffic Impact Fee Program was established by the City on incorporation in 1999, and included separate Area of Benefit and Median Island Fees. In 2003, all of these programs were rolled up into a broader Traffic Impact Fee Program. The Program's stated purpose is to finance roadway improvements to reduce the impacts caused by future development in the City. The City accounts for the program in its Traffic Impact Fee Fund.

B. Park Impact Fee Program

In 2003, the City amended its existing Park Impact Fee Program. The stated purpose for the program is to acquire property and develop city parks to reduce the impacts caused by future development in the City. The City accounts for the program in its Park Impact Fee Fund.

C. Child Care Facilities Impact Fee Program

The Child Care Facilities Impact Fee Program was established by the County and subsequently adopted by the City to finance the acquisition, or design, engineering, construction and other costs related to child care facilities in order to reduce the impacts caused by future development. The Child Care Fee is no longer collected since the City Council rescinded and repealed Article 6 of Chapter 2 of Title 9 of the Oakley Municipal Code in 2009 as the result of the adoption of Ordinance No. 11-09. The funds that were collected before the adoption and are remaining in the account will be paid to Cemo Commercial, Inc. per CC Reso 150-15.

D. Public Facilities Impact Fee Program

The Public Facilities Impact Fee Program was established by the City in 2003 to finance the acquisition, or design, engineering, construction and other costs related to the purchase or construction of the Civic Center, Community Center, and Corporation Yard detailed in the resolution establishing the fee. These facilities were identified as necessary to reduce the impacts caused by future development in the City. The City accounts for the program in its Public Facilities Impact Fee Fund.

E. Fire Facilities Impact Fee Program

The Fire Facilities Impact Fee Program was established by the City in 2003 to finance the acquisition, design, engineering, construction, upgrade and or other costs related to the improved fire facilities in Oakley and Knightsen. Specific projects were identified in the enabling legislation, although subject to revision by the City Council.

Attached Supporting Documentation

The pages following include the supporting documentation required to meet the annual program reporting requirements and to support the Council's ability to make the findings they are required to make for each program as part of this five year report.

The City's Capital Improvement Plan (CIP) is updated annually and provides a longer-term view of the City's plan for public improvements. The Fee Program revenues are budgeted and allocated through the annual CIP and City Budget process. References to CIP project numbers in the attachments have been provided where they are part of the adopted CIP.

TRAFFIC IMPACT FEES

Section A Summary of Annual Activity

Fund Balance	Fee Income	Interest & Misc Inc	Expenditures	Fund Balance
6/30/18	18/19	18/19	18/19	06/30/19
\$ 7,758,565	951,092	236,673	3,266,254	\$ 5,680,076

Above includes \$577,224 in deferred impact fees receivable from the Successor Agency to the Oakley Redevelopment Agency for a prior housing project. The balance is due on or before December 2063 at variable interest rate.

Section B Summary of Fund Balance

Five Year Revenue Test
Using First In First Out Method

Unspent Funds Representing Ending Fund Balance:	Amount
Revenues Collected from FY 14/15	\$ -
Revenues Collected from FY 15/16	-
Revenues Collected from FY 16/17	-
Revenues Collected from FY 17/18	4,492,312
Revenues Collected from FY 18/19	1,187,766

Deferred Impact Fees Receivable	(577,224)
Total Ending Fund Balance	\$ 5,102,854

Section C Summary of Expenditures

Expenditure Detail:	CIP #	% Complete	% Funded by Fee	Expenditures 18/19	Future Traffic Fee Appropriations 19/20 - 23/24+	Future Add'l Appropriations & Other Funding Sources	Future Funding & Construction
Administrative & Operating Expenditures				\$ 85,005	TBD		
Laurel Rd/Rose Ave Intersection Improvement Project	191	100%	100%	1,019,983	-		
Laurel Rd Widening (Rose Ave to Mellowood Dr) Project	196	100%	100%	1,885,552	-		
Laurel Rd Reconstruction (Mellowood-Main)	208	20%	100%	40,136	-		
Main St-O'Hara Ave Intersection Improvement	218	80%	100%	181,281	-		
Downtown Oakley Renovation	229	100%	100%	19,945	-		
FY 18-19 Traffic Signal Modernization Project	222	30%	100%	34,353	-		
				\$ 3,266,254	\$ -		

PARK IMPACT FEES

Section A Summary of Annual Activity

Fund Balance 06/30/18	Fee Income 18/19	Interest & Misc Inc 18/19	Expenditures 18/19	Fund Balance 06/30/19	
\$ 1,382,332	284,471	72,435	1,438,777	\$ 300,462	***

*** Above includes \$427,954 in deferred impact fees receivable from the Successor Agency to the Oakley Redevelopment Agency for a prior housing project. The balance is due on or before December 2063 at variable interest rate. The deficit Fund Balance is expected to be eliminated from future Fee Revenues.

Section B Summary of Fund Balance

Five Year Revenue Test Using First In First Out Method

Unspent Funds Representing Ending Fund Balance:	Amount
Revenues Collected from FY 13/14	-
Revenues Collected from FY 14/15	-
Revenues Collected from FY 15/16	-
Revenues Collected from FY 16/17	-
Revenues Collected from FY 17/18	-
Revenues Collected from FY 18/19	-
Deferred Impact Fees Receivable	
Total Ending Fund Balance	\$ -

Section C Summary of Expenditures

Expenditure Detail:	CIP #	% Complete	% Funded by Fee	Expenditures 18/19	Future Park Fee Appropriations 19/20 - 23/24+	Future Additional Appropriations & Other Funding Sources	Future Funding & Construction
Administrative Fees & Expenses							
Recreation Center Project	194	100%	100%	\$ 27,825	TBD		
Athletic Field at Nunn-Wilson Park	206	5%	100%	1,333,505	-		
Outdoor Fitness Court	240	100%	100%	31,440	-		
				\$ 46,006			
				\$ 1,438,777	\$ -		

CHILD CARE IMPACT FEES

Section A Summary of Annual Activity

Fund Balance 6/30/2018	Fee Income 18/19	Interest & Misc Inc 18/19	Expenditures 18/19	Fund Balance 6/30/2019
\$ 467,540		5,324	472,864	\$ -

Section B Summary of Fund Balance

Five Year Revenue Test
Using First In First Out Method

Unspent Funds Representing Ending Fund Balance:	Amount
Revenues Collected from FY 13/14 and Prior	-
Revenues Collected from FY 14/15	-
Revenues Collected from FY 15/16	-
Revenues Collected from FY 16/17	-
Revenues Collected from FY 17/18	-
Revenues Collected from FY 18/19	-
Total Ending Fund Balance	\$ -

Section C Summary of Expenditures

Expenditure Detail:

CIP #	% Complete	% Funded by Fee	Expenditures 18/19	Future Child Care Fee Appropriations 19/20 - 23/24+	Future Funding & Other Funding Sources	Future Funding & Construction
Administrative Fees	100%	100%	\$ (52,136)	TBD		
Grant - New Child Care Facility	100%	100%	525,000.00			
			\$ 472,864	\$ -		

PUBLIC FACILITIES IMPACT FEES

Section A Summary of Annual Activity

Fund Balance 6/30/2018	Fee Income 18/19	Interest & Misc Inc 18/19	Expenditures 18/19	Fund Balance 06/30/19
\$ 610,687	400,605	7,620	686,402	\$ 332,510 ***

Above includes \$136,979 in deferred impact fees receivable from the Successor Agency to the Oakley Redevelopment Agency for a prior housing project. The balance is due on or before December 2063 at variable interest rate.

Section B Summary of Fund Balance

Five Year Revenue Test
Using First In First Out Method

Unspent Funds Representing Ending Fund Balance:	\$ Amount
Revenues Collected from FY 13/14 and Prior	-
Revenues Collected from FY 14/15	-
Revenues Collected from FY 15/16	-
Revenues Collected from FY 16/17	-
Revenues Collected from FY 17/18	-
Revenues Collected from FY 18/19	332,510
Deferred Impact Fees Receivable	(136,979)
Total Ending Fund Balance	\$ 195,531

Section C Summary of Expenditures

Expenditure Detail:

Administrative Fees
Transfer to Fund 361 2006 COP Debt Service Fund

CIP #	% Complete	% Funded by Fee	Expenditures 18/19	Future Public Fac. Fee Appropriations 19/20 - 23/24+	Future Additional Appropriations & Other Funding Sources	Future Funding & Construction
		100%	\$ 13,335	TBD		
		100%	673,067	\$3,334,645		
			<u>\$ 686,402</u>	<u>\$ 3,334,645</u>		

FIRE PROTECTION FACILITIES IMPACT FEES

Section A Summary of Annual Activity

Fund Balance 6/30/2018	Fee Income 18/19	Interest & Misc Inc 18/19	Expenditures 18/19	Fund Balance 6/30/2019
\$ 3,338,381	85,297	1,947,365	4,331,987	\$ 1,039,056 *

Section B Summary of Fund Balance

Five Year Revenue Test Using First In First Out Method

Unspent Funds Representing Ending Fund Balance:	Amount
Revenues Collected from FY 13/14 and Prior	-
Revenues Collected from FY 14/15	-
Revenues Collected from FY 15/16	-
Revenues Collected from FY 16/17	-
Revenues Collected from FY 17/18	-
Revenues Collected from FY 18/19	1,039,056
Total Ending Fund Balance	\$ 1,039,056

* The conditions of approval for the Summerlake Subdivision had required the developer of the Summerlake Subdivision to construct a new Fire Station on East Cypress Road across from this subdivision. This task had been delayed for several years, and finally in 2017 a settlement was reached between the City and the Developer. A contractor and architect was hired by the City to start the design and construction of this new Fire Station. It is anticipated that the construction of this project will start in fall 2018.

Section C Summary of Expenditures

Expenditure Detail:	CIP #	% Complete	% Funded by Fee	Expenditures 18/19	Future Fire Fac. Fee Appropriations 19/20 - 23/24+	Future Additional Appropriations & Other Funding Sources	Future Funding & Construction
Administrative Fees				\$ 4,169	\$ -		
New Fire Station at 3200 E. Cypress Rd	217	80%	100%	\$4,327,818	-		
				\$ 4,331,987	\$ -		

FY 19-20

Impact Fees by Land Use Category (fees are subject to change)

Effective July 1, 2019

Fee Type	Single Family (per unit)	Multi-Family (per unit)	Secondary Dwelling Unit	Commercial (per 1,000 sf.)	Commercial Recreation (per 1,000 sf.)	Business Park (per 1,000 sf.)	Light Industrial (per 1,000 sf.)	Utility Energy (per 1,000 sf.)	Other (as noted)
Oakley Traffic	\$12,696.96	\$7,745.41	\$3,640.34	\$3,352.00	\$4,494.56	\$7,693.88	\$4,494.56	\$4,494.56	\$12,696.96 (per peak hour trip)
RTD/M (Regional Traffic) (to be adjusted 01/01/18)	\$19,021.33	\$11,676.61	\$5,488.01	\$1,858.40	\$1,858.40	\$1,616.00	\$1,616.00	\$1,616.00	\$22,377.56 (per peak hour trip)
Park Acquisition	\$934.79	\$610.93	\$287.14	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Park Improvement	\$8,122.90	\$5,308.01	\$2,494.76	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Public Facilities	\$3,526.79	\$2,309.77	\$1,085.59	\$520.90	\$416.38	\$1,040.08	\$442.08	\$442.08	
East County Fire Protection District	\$766.55	\$478.96	\$225.11	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$462.59 per mobile home
General Plan *	See "other"	See "other"	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$300.00 per gross acre
South Oakley Intra-Plan **	See "other"	See "other"	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$352.00 per gross acre
Total	\$45,069.32	\$28,129.69	\$13,220.95	\$5,731.30	\$6,769.34	\$10,349.96	\$6,552.64	\$6,552.64	

*The General Plan fee is collected to reimburse the City for the costs associated with preparing and adopting the City's General Plan.

**The SOIMP fee is collected to reimburse the City for the costs associated with preparing and adopting the SOIMP.

Underlined fees are representative of a temporary fee reduction program for non-residential projects that is set to expire on December 31, 2019. Additional fees may be required by outside agencies, such as sewer, water, school impact, and drainage fees. You are encouraged to contact the applicable agency to inquire about fee amounts. Some outside agency fees may be collected by the City and transferred to the applicable agency. For more information, see below:

- Contact Ironhouse Sanitary District at (925) 625-2279 for sewer connection fees.
- Contact Diablo Water District at (925) 625-3798 for water service hook-up fees.
- Contact Contra Costa County Flood Control and Water Conservation District at (925) 313-2000 for drainage impact fees.
- Contact Oakley Union Elementary School District at (925) 625-0700 for school impact fees for all parcels east of Empire Avenue.
- Contact Liberty Union High School District at (925) 634-2166 for school impact fees for all parcels east of Empire Avenue.
- Contact Antioch Unified School District at (925) 706-4100 for school impact fees for all parcels west of Empire Avenue.
- Contact Contra Costa Environmental Health at (925) 692-2500 for information on wells or septic systems.

STAFF REPORT

DATE: December 10, 2019

TO: Bryan Montgomery, City Manager

Approved and Forwarded to the City Council

FROM: Tim Przybyla, Finance Director

SUBJECT: Adopt Resolution Accepting the Comprehensive Annual Financial Report (CAFR), Memorandum on Internal Control, Required Communications and Report on Agreed Upon Procedures for Fiscal Year 2018-2019

Background and Analysis

The Fiscal Year 2018-2019 CAFR, including the City's audited financial statements is attached. The Successor Agency to the Oakley Redevelopment Agency is also included in the CAFR. In accordance with State Law, the Auditors also performed agreed upon procedures to review our Appropriations Limit calculations and compliance. Maze and Associates performed the engagements and have issued an unqualified (clean) opinion on the financial statements, as presented.

The Auditor's Memorandum on Internal Control and the Auditor's Required Communications letter include the required communications from Statement of Auditing Standards (SAS) No. 112 Communicating Internal Control Related Matters Identified in an Audit. SAS No. 112 requires that the Auditor report any "material weakness" or "significant deficiency" found during the audit. The attached Memorandum on Internal Control does contain one significant deficiency this year with Management's response. It also includes an "other matters" recommendation to the City for strengthening internal controls with Management's response to each of those.

The Auditor's "Agreed Upon Procedures Report on Compliance with the Proposition 111 2018-2019 Appropriations Limit Increment" is also attached. The agreed upon procedures is less in scope than the audit, but in carrying out the procedures, the Auditors walked through the calculation and confirmed the City followed appropriate procedures in complying with appropriations limit calculation requirements.

Fiscal Impact

None.

Staff Recommendation

Staff recommends the City Council adopt the attached resolution accepting the reports.

Attachments

1. Resolution
2. FY 2018-2019 CAFR
3. FY 2018-2019 Memorandum on Internal Control
4. FY 2018-2019 Required Communications
5. FY 2018-2019 Gann Limit Report

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OAKLEY ACCEPTING
THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR), MEMORANDUM
ON INTERNAL CONTROL, REQUIRED COMMUNICATIONS, AND REPORT ON
AGREED UPON PROCEDURES FOR FISCAL YEAR 2018-19**

WHEREAS, each year the City hires an independent audit firm to complete an audit of the City's books and records; and

WHEREAS, the City's citizens, bondholders, bond insurers, rating agencies and others rely on the audited financial statements, and other related information published by the City to monitor the City's financial health; and

WHEREAS, the City publishes a Comprehensive Annual Financial Report (CAFR), which includes its audited Basic Financial Statements as defined in Governmental Accounting Standards, as well as Supplementary Information; and

WHEREAS, the Auditor has as part of its most recently completed audit prepared a "Memorandum on Internal Control" outlining any significant deficiencies, material weaknesses, and/ or any additional suggestions the Auditor feels might be of benefit to the City; and

WHEREAS, the Auditor has prepared a letter of "Required Communications" which includes certain information related to the audit that professional standards require to be communicated to the City Council and management under generally accepted auditing standards, Government Auditing Standards and the Uniform Guidance; and

WHEREAS, the Auditor was also engaged to perform certain agreed upon procedures to verify the City's Appropriations Limit calculations and has issued a report related thereto; and

WHEREAS, the CAFR, Memorandum on Internal Control, Required Communications and Report on Agreed Upon Procedures performed for Fiscal Year 2017-18 are attached hereto as Exhibits A, B, C and D.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Oakley accepts the attached CAFR, Memorandum of Internal Control, Required Communications and Report on Agreed Upon Procedures performed for Fiscal Year 2018-19.

The foregoing resolution was introduced at a regular meeting of the City Council of the City of Oakley held on the 10th day of December 2019 and adopted by the following vote:

AYES:
NOES:
ABSTENTION:

ABSENT:

APPROVED: _____
 _____, MAYOR

ATTEST:

Libby Vreonis, CITY CLERK

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2019



OAKLEY
—  —
CALIFORNIA

**CITY OF OAKLEY, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019**

**PREPARED BY THE
FINANCE DEPARTMENT**

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CITY OF OAKLEY, CALIFORNIA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2019

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December 10, 2019

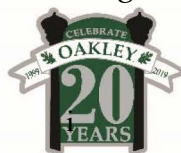
To the Citizens of the City of Oakley,
and the Honorable Members of the Oakley City Council,

We are pleased to submit to you the City of Oakley's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. This report is published in accordance with State law that requires financial statements be presented in conformity with accounting principles generally accepted in the United States of America, and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. It is also prepared to meet reporting standards set forth by the Governmental Finance Officers Association.

This letter of transmittal is designed to complement the Management's Discussion and Analysis (MD&A) and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, the management of the City has established a comprehensive internal control framework designed to both protect the government's assets from loss, theft, or misuse and compile sufficient reliable information for the presentation of the City's financial statements in conformity with GAAP. Given the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal control has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement.

To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and the changes in financial position of the governmental activities and the various funds of the City; and includes all disclosures necessary to enable the reader to gain an understanding of the City's financial affairs.



Celebrate Oakley 20 Years!

CITY PROFILE

The City of Oakley is a community of approximately 42,000 residents located in the eastern portion of Contra Costa County in the San Francisco Bay Area. The City entity is a California municipality incorporated on July 1, 1999, and operates under a Council-City Manager form of government. The City Council is comprised of five members elected by the voters city-wide, serving in staggered four year terms. The Council hires a City Manager to run the City's day-to-day operations.

The City provides the following services: Legislative; Administrative; Building and Safety; Code Enforcement, Planning; Engineering; Streets, Parks and Landscape Maintenance; Recreation; and Police Protection. Other community services that are provided by local special districts with their own governing boards include: Sewer, Water, Transit, Irrigation, Mosquito Abatement, Flood Control, Schools, and Fire Protection. The City contracts for sanitation services with a local firm under a long-term franchise agreement.

FINANCIAL INFORMATION

Discussion and analysis of the City's finances can be found in the MD&A section of the attached report. The information below includes a summary of what is recorded in the General Fund and certain Other Financial Information of ongoing interest but not included in the MD&A.

The Financial Statements presented in this CAFR include the City and its component unit, the Oakley Public Financing Authority. It is blended in the report since it is governed by the City Council sitting in a separate capacity and provides services exclusively to the City. The Oakley Redevelopment Agency was dissolved on January 31, 2012, and its assets and liabilities were transferred to the City, as Housing Successor, and to a Successor Agency. The Successor Agency is reported as a Private Purpose Trust Fund, since it is legally a separate Entity and its decisions and governance subject to the approval of parties other than the City Council.

Each year, the City Council holds a strategic planning discussion and adopts a budget to direct the allocation of City resources in accordance with its strategic planning priorities. The process typically begins in January with internal budget reviews, followed by a strategic planning session in March, a budget workshop in May to discuss a Proposed Budget, and adoption of a final Recommended Budget in June. The City operates on a fiscal year that begins each July 1 and ends on

June 30. The adopted Budget includes the annual update of the City's Comprehensive Statement of Financial Policies, which serves as a framework for its financial practices, an update to its 10 Year Plan, and budgets for each of the funds under the City's control. Budgetary control is established at the Fund level.

The City's General Fund is its primary operating fund, and is used to account for Legislative, Administrative Services, Community Development, Recreation, Police and Public Works operations, and is where the City accounts for all its general purpose revenues. It is distinguished from the City's other governmental funds that are used to account for special purpose revenues, capital projects, debt service activities, and monies held for the benefit of others.

Debt Management

The City generally does not incur debt, except in instances where there will be long-term benefits or where no other method of acquiring an asset is possible. Equipment purchases are generally funded through the City's Equipment Replacement Fund or with current revenues.

Reserves

The City has sufficient reserves to meet its current and immediate future obligations. The Statement of Financial Policies contains reserve policies and the City's Adopted Budget includes a 10 Year Plan which highlights the impact of near term decisions on fund balances and reserves during the 10-year period. Furthermore, in order to maintain the 10 Year Plan's relevance, twice each year (at budget adoption and again at mid-year), the City reviews and updates the assumptions used in the Plan.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

In preparing the budget for FY 2019/20, management considered the following significant factors likely to affect the financial condition of the City:

- Housing prices have continued to strengthen and building activity continues to grow, with 139 new homes built in FY 2018/19. Property tax revenue growth is estimated at 5%, reflecting the increasing market strength, offset by conservative estimates of what the County Assessor might or might not reflect in his assessed values. In addition, the City projects developers will complete 200 new homes in FY 2019/20.

- The City has accumulated reserves well in excess of its adopted policy level of 20% of anticipated General Fund expenditures. With an adequate reserve the Council has begun the appropriation of the excess to fund one-time additional infrastructure and economic development investments.
- In December 2016 the California Public Employees Retirement System (“CalPERS”) lowered the discount rate assumption, the long-term rate of return from 7.50% to 7% over the subsequent three years. In FY 2017/18 the City set up a pension trust that will be used to reduce the unfunded accrued liability and/or provide rate stabilization in future years. The City Council approved continued contributions to that trust for FY 2019/20.

While the budget news was generally good, the City Council continues to support a budget process that uses recurring revenues for recurring expenditures and allocates one-time funds for one-time purposes, reflecting the Council’s commitment to conservative budgeting, controlling costs, and using the City’s revenues wisely.

LONG TERM FINANCIAL PLANNING

The City adopts a balanced budget for each fiscal year by June 30. The City has financial policies that include the use of one-time revenues will be used for non-recurring or one-time expenditures including capital and reserves. The City has adopted a fund balance policy that requires the unassigned fund balance in the General Fund to be at least 20% of operating expenditures. As part of the budgeting process a 10 year financial projection is approved each year. This creates the framework to evaluate the City’s success in ensuring service sustainability. Each year a 5-year Capital Improvement Plan is created to maintain the core infrastructure of the City will building new infrastructure for the community.

THE LOCAL AND REGIONAL ECONOMIES

Oakley’s local economy continued to grow in FY 2018/19. While commercial activity in the region has improved, commercial vacancies in nearby cities remain a viable and competing alternative to new ground-up construction in Oakley. New development and City initiatives bring infrastructure improvements and attractive new neighborhoods, and these investments also support the City’s efforts to attract new businesses and expand existing local employment opportunities. The City continues the revitalization of the downtown area, with

the improvement and widening of Main Street. New commercial development is planned in the downtown and grant funding has been received by the San Joaquin Joint Powers Authority to install an Amtrak train platform in the downtown area.

Like most small cities in metropolitan areas, Oakley's economy is influenced strongly by the regional economy. It rises as the region expands, and falls as the region contracts.

The greater San Francisco Bay Area economy has continued to improve this last year and employment for the City's residents has improved yet again. Oakley has a labor force of 22,116 with an unemployment rate that decreased in 2019 down to 3.5%, from 4.2% in 2018 and 5.5% in 2017.

INDEPENDENT AUDITORS

State statutes require an annual audit by independent certified public accountants. The accounting firm of Maze & Associates has been engaged by the City to conduct this year's audit. The auditor's report on the basic financial statements is included in the financial section of the report.

AWARDS FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended June 30, 2018. To receive the award, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

AVAILABILITY TO THE PUBLIC

Once accepted by the Council, the report will be made available to the Public at the City Offices, on the City's website, at State and Federal repositories, and by providing copies to the City's bond disclosure dissemination agent.

CONCLUSION

We are proud to deliver to you the City's Comprehensive Annual Financial Report for the year ended June 30, 2019. The preparation of this report on a timely basis could not be accomplished without the dedicated services of Finance Department staff and the assistance of many others in the City organization. We would like to express our appreciation to everyone who contributed to its preparation and thank you for your continued support in planning and conducting the financial operations of the City in a responsible and progressive manner.

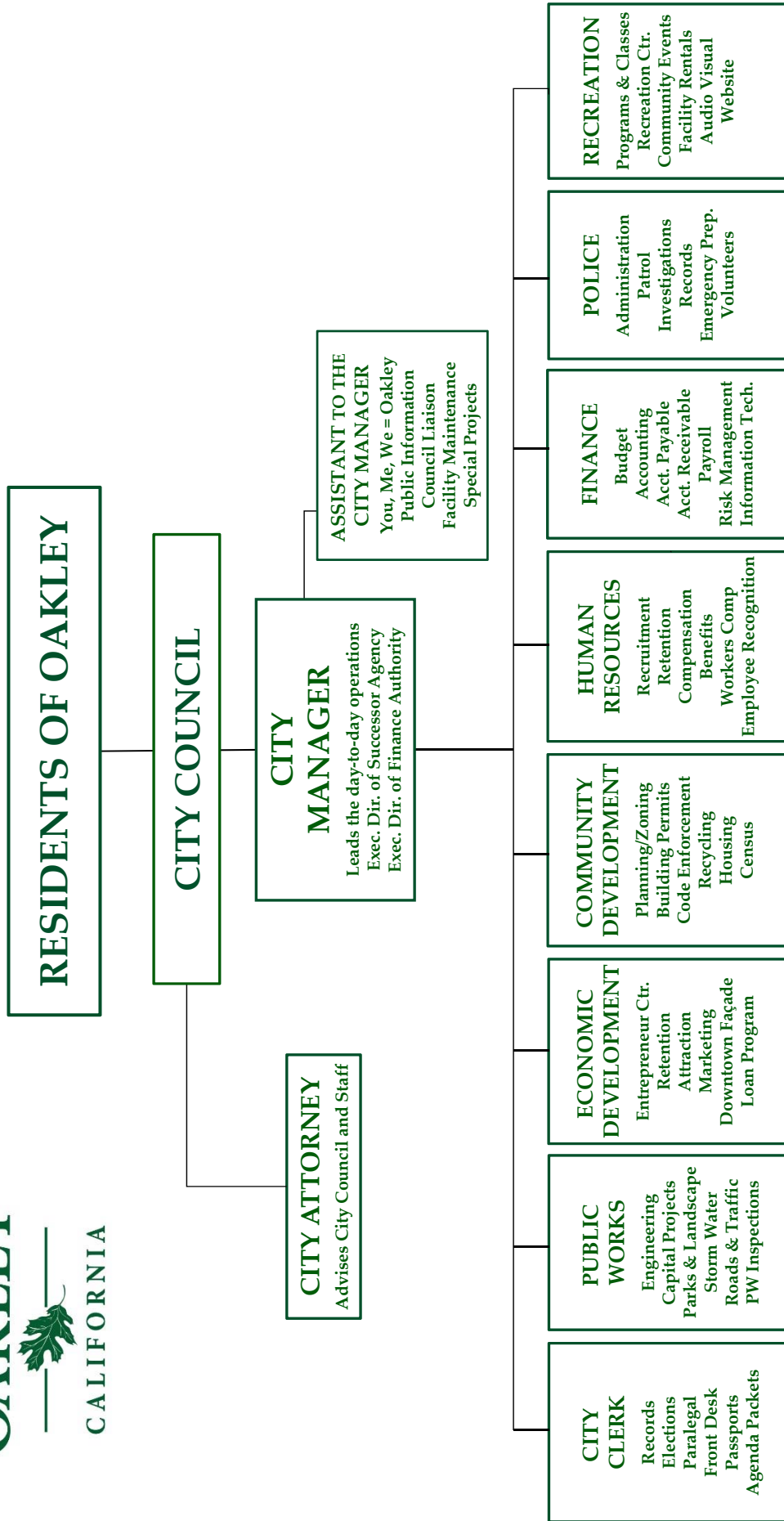
Respectfully submitted,



Bryan H. Montgomery
City Manager



Tim Przybyla
Finance Director



CITY OF OAKLEY
ELECTED OFFICIALS AND
ADMINISTRATIVE PERSONNEL

JUNE 30, 2019

ELECTED OFFICIALS

Mayor	Claire Alaura
Vice-Mayor	Doug Hardcastle
Council Member	Sue Higgins
Council Member	Kevin Romick
Council Member	Randy Pope

ADMINISTRATIVE PERSONNEL

City Manager
City Attorney
Finance Director
Chief of Police
City Clerk
City Engineer

Bryan H. Montgomery
Derek Cole
Deborah Sultan
Eric Christensen
Libby Vreonis
Kevin Rohani



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Oakley
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council
City of Oakley, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Oakley, California, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund of the City as of June 30, 2019, 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.

Other Matters

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, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The Introductory Section, Supplemental Information, and Statistical Section listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplemental 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. Such 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 Supplemental Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2019 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 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.



Pleasant Hill, California
December 2, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of the City of Oakley's financial performance for the fiscal year ended June 30, 2019, provides an overview of year ending results based on the government-wide statements, an analysis on the City's overall financial position and results of operations to assist users in evaluating the City's financial position, and discussions of both significant changes that occurred in funds and significant budget variances. In addition, it describes the activities during the year for capital assets and long-term debt. It concludes with a description of currently known facts, decisions, and conditions that are expected to have a significant effect on the financial position or results of operations. Please read this MD&A in conjunction with the City's financial statements.

FINANCIAL HIGHLIGHTS

- Government-wide net position increased by \$8,302,069, or 3.60 percent this year.
- Government-wide program expenses exceeded program revenues by \$6,484,280.
- General Fund revenues were \$1,328,271 more than budgeted; expenditures were \$1,154,527 less than budgeted.
- The General Fund balance at the end of the year was \$16,937,026 of which \$7,795,960 was available/unassigned.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and Statement of Activities (on pages 14 and 15) provide information about the activities of the City as a whole and present a long-term view of the City's finances. Fund financial statements start on page 18. For governmental activities, the fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds and other funds. The remaining fiduciary fund statement provides financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

REPORTING THE CITY AS A WHOLE

The Statement of Net Position and the Statement of Activities:

Our analysis of the City as a whole begins on page 5. One of the most important questions asked about the City's finances is "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities to answer this question. These statements include all assets, deferred outflows/inflows of resources and liabilities of the City using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's *net position* and *changes in net position*. Net position is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, which is one way to measure the City's financial health, or *financial position*. Over time, *increases or decreases* in the City's net position is an indication of whether its *financial health* is improving or deteriorating. To put the City's financial health in perspective, you will likely need to consider certain non-financial factors, such as changes in the economy, that impact consumer spending or property values. In the statement of Net Position and the Statement of Activities, we include City Activities from two categories:

Governmental activities – Most of the City's basic services are reported in this category, and include: general government (city manager, city clerk, finance, etc.), community development (planning, building and public works), police protection, and recreation. Property taxes, sales tax, transient occupancy tax, user fees, interest income, franchise fees, state and federal grants, contributions from other agencies, and other revenues finance these activities.

Component unit activities – The City includes one additional legal entity in its report – the Oakley Public Financing Authority. Although legally separate, the City is financially accountable for this "component unit".

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds (called "major" funds) and other funds (called "non-major" funds) – not the City as a whole. Some funds are required by State law and/or by bond covenants; however, management has established other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for the use of certain taxes, grants, and other resources. The City's funds are classified as Governmental Funds, Proprietary Funds or Fiduciary Funds.

Governmental Funds

Most of the City's basic services are reported in governmental funds, which focus on how money flows in and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences of results in the Governmental Fund financial statements to those in the Government-Wide financial statements are explained in a reconciliation following each Governmental Fund financial statement.

Proprietary Funds - Internal Service Activities

The City has established Equipment Replacement and Capital Facilities Maintenance and Replacement Internal Services Funds. Internal Service Funds are operated in a manner similar to a private business enterprise. In the case of the Equipment Replacement Fund, it charges the other City funds to accumulate amounts sufficient to replace the equipment at the end of its useful life. The Capital Facilities Maintenance and Replacement Fund charges the other City Funds to accumulate amounts sufficient pay for major repairs and building systems replacements when they may occur. These Funds are reported using the *accrual basis of accounting*.

Trust and Agency Funds - Reporting the City's Fiduciary Responsibilities

The City is the trustee, or *fiduciary*, for certain funds held on behalf of bondholders and other governmental agencies. The City's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. We exclude these activities from the City's other financial statements because the City doesn't own these assets and cannot use them to finance its operations. The City is the Successor Agency to the Oakley Redevelopment Agency, and the Successor Agency's assets and liabilities are accounted for in a private purpose trust fund reported with the City's other fiduciary funds.

THE CITY AS A WHOLE

For FY 2018/19 the City's combined net position increased \$8,302,069 from \$233,159,946 to \$241,462,015. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental activities.

Table 1
Net Position
As of June 30, 2019 and 2018

Governmental Activities	2019	2018
Assets		
Current and restricted assets	\$ 61,895,295	\$ 68,264,585
Capital assets	<u>196,864,631</u>	<u>180,279,036</u>
Total Assets	<u>258,759,926</u>	<u>248,543,621</u>
Deferred Outflows of Resources		
Related to pensions (Note 11)	<u>2,259,151</u>	<u>2,260,877</u>
Liabilities		
Long-term debt outstanding	9,160,000	9,440,000
Other liabilities	<u>10,310,864</u>	<u>8,121,586</u>
Total Liabilities	<u>19,470,864</u>	<u>17,561,586</u>
Deferred Inflows of Resources		
Related to pensions (Note 11)	<u>86,198</u>	<u>82,966</u>
Net Position		
Net Investment in Capital Assets	185,805,254	174,868,247
Restricted	35,779,720	39,006,277
Unrestricted	<u>19,877,041</u>	<u>19,285,422</u>
Total Net Position	<u>\$ 241,462,015</u>	<u>\$ 233,159,946</u>

The City's Net Position is made-up of three components: Net Investment in Capital Assets; Restricted Net Position; and Unrestricted Net Position. Net Investment in Capital Assets, representing capital assets, and principally infrastructure assets, accounts for the majority of the City's governmental activities net position.

The increase in Net Investment in Capital Assets resulted primarily from the completion of the new Recreation Center, the Laurel Road/Rose Avenue Intersection Improvement Project and the Laurel Road Reconstruction Project.

The decrease in Restricted Net Position is primarily due to a reduction in funds restricted for capital projects, as a result of current year project expenditures.

The increase in Unrestricted Net Position is primarily attributed to the General Fund revenues in excess of expenditures.

Table 2
Changes in Net Position
As of June 30, 2019 and 2018

Governmental Activities	<u>2019</u>	<u>2018</u>
REVENUES		
<u>Program revenues:</u>		
Charges for Services	\$13,439,746	\$13,042,309
Operating Grants & Contributions	2,090,548	1,618,517
Capital Grants & Contributions	8,430,423	10,562,120
<u>General revenues:</u>		
Property tax	7,435,086	6,917,627
Sales tax	2,040,960	1,825,960
Other taxes	2,203,087	2,153,588
Use of money and property	1,645,140	881,080
Miscellaneous	<u>1,462,076</u>	<u>1,686,485</u>
Total Revenues	<u>38,747,066</u>	<u>38,687,686</u>
EXPENSES		
Legislative	754,545	641,120
Administrative Services	1,970,609	1,877,531
Law Enforcement	9,567,083	9,097,003
Community Development and Housing	4,022,546	3,163,011
Public Works	12,969,355	12,199,629
Recreation	770,516	628,909
Interest on long-term debt	<u>390,343</u>	<u>400,175</u>
Total Expenses	<u>30,444,997</u>	<u>28,007,378</u>
Change in Net Position	8,302,069	10,680,308
Net Position – Beginning	<u>233,159,946</u>	<u>222,479,638</u>
Net Position – Ending	<u>\$241,462,015</u>	<u>\$233,159,946</u>

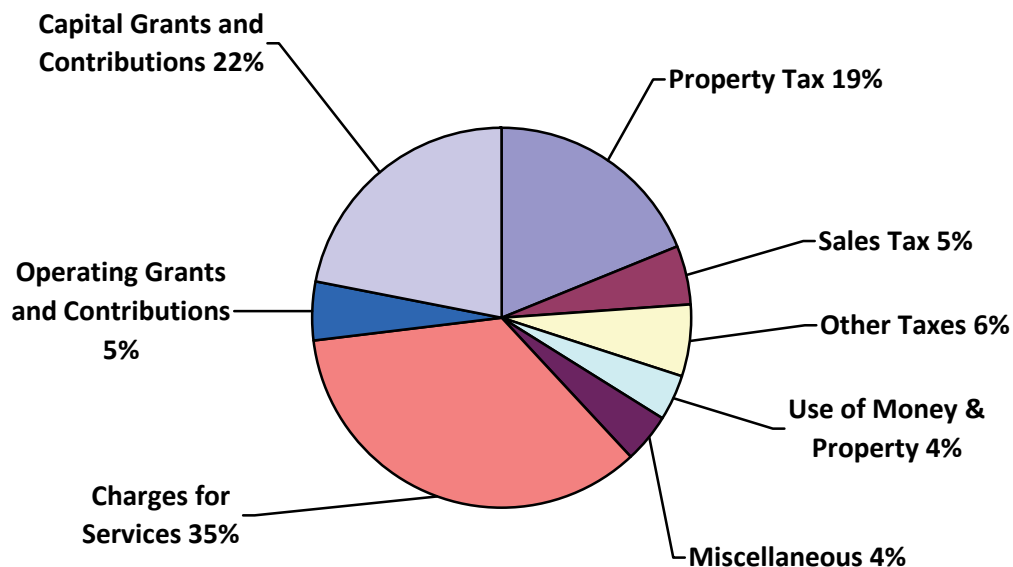
Governmental Activities

Total revenue was \$38,747,066. Charges for services which accounts for 35% of revenue increased \$397,437 due to increased developer fees, special assessments for lighting and landscape districts and public safety assessments. Property taxes increased \$517,459 due to increased property values and the increase in new homes. Most other categories experienced slight increases with the exception of capital grants and contributions. Although FY 2018/19 included developer infrastructure of \$4,798,628, the prior year included federal grants for street improvements of \$1,500,000 and developer traffic mitigation fees of \$4,200,000 that did not recur.

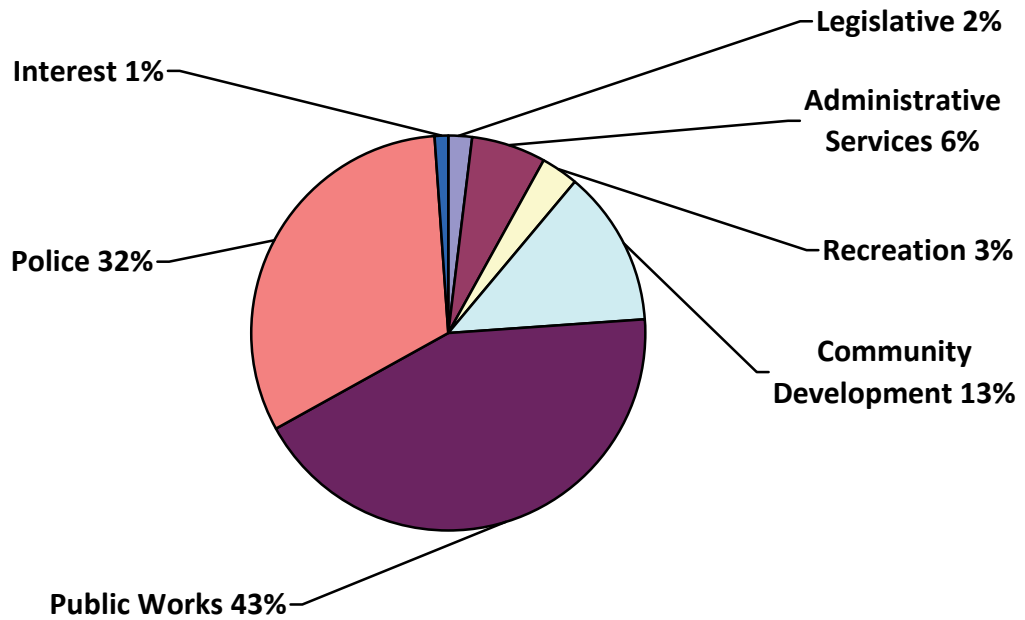
Total expenses were \$30,444,997. Public Works, with \$12,969,355 of expenses, represented the largest component of total governmental expenses. The \$769,726 increase in Public Works expenses resulted from increases in capital projects for street repair and maintenance. Law Enforcement expenses increased \$470,080 primarily due to salary increases, worker's compensation and an increase in dispatching services.

Fiscal Year 2019 Government Activities

Sources of Revenues



Functional Expenses



THE CITY'S FUNDS

On page 18, the governmental funds balance sheet is shown. The combined fund balance was \$43,491,068, a decrease of \$6,719,985. The largest contributors to the change in fund balance were the decrease in the Debt Service Fund (\$4,023,321) due to costs incurred on the construction of the Recreation Center, the decrease in the Traffic Impact Fees Fund (\$1,925,746) and the decrease in the Fire Impact Fees Fund (\$2,299,490) resulting from a reduction in restricted funds for capital projects from the prior year. These decreases were somewhat offset by slight fund balance increases in the General Fund (\$602,445), the Landscape and Lighting District Fund (\$549,121) and the Low and Moderate Income Housing Asset Fund (\$46,308). The combined fund balance includes the General Fund balance of \$16,937,026.

The General Fund balance increased by \$602,445 from the prior year. The increased revenues in property taxes, and licenses and permits were due to the increase in residential building and development. Expenditures increased \$2,433,413 primarily due to increases in capital outlay.

General Fund Unassigned fund balances increased by \$623,849, due primarily to the Net Change in Fund Balance of \$602,445.

General Fund revenues were \$2,325,306 more than expenditures before transfers.

General Fund Budgetary Highlights

For the City's General Fund, actual revenues of \$15,361,305 were \$1,328,271 more than the final budgeted revenues of \$14,033,034. Property, sales and other tax revenues exceeded budget by \$457,530. Original budgeted property and sales tax increased by \$511,000 during the year. The increase in assessed value of property was approximately 9% better than projected and the City received better than expected sales tax revenues. Licenses & Permits exceeded final budget by \$304,574 due to permits, building inspections and business license revenue coming in higher than anticipated. Use of money and property revenue was over budget by \$396,448 due to increased interest and gain on investments.

Actual General Fund expenditures of \$13,035,999 were \$1,154,527 less than final budget of \$14,190,526. Savings were primarily in Administrative Services (\$293,818), Community Development (\$253,338), Public Works (\$313,739) and Law Enforcement (\$217,885). The savings resulted from unspent contingencies and capital projects that were not completed in the current fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2019, the City had \$196,864,631 invested in a broad range of capital assets including land, streets, bridges, drainage systems, traffic lights, parks, buildings, vehicles and equipment. (See Table 3).

Table 3
Capital Assets
As of June 30, 2019 and 2018

Governmental Activities	2019	2018
Non Depreciable		
-Land	\$18,355,525	\$15,491,660
-Construction in progress	10,082,793	7,262,162
Depreciable, net of accumulated depreciation:		
-Machinery, equipment and vehicles	800,598	800,316
-Buildings and improvements	20,994,363	11,203,731
-Park improvements	10,641,599	9,698,693
-Infrastructure	<u>135,989,753</u>	<u>135,822,474</u>
Total Capital Assets	<u>\$196,864,631</u>	<u>\$180,279,036</u>

Capital assets increased by \$16,585,595 during fiscal year 2018-2019 as construction of the new Recreation Center and portions of the Laurel Road Widening Project were completed and further portions of the Laurel Road Widening Project continued or began. In addition, the city accepted developer dedicated infrastructure totaling \$4,798,628.

The City's FY 2019/20 capital improvement budget calls for it to spend \$6,482,500 for new capital projects, the majority being the construction of the downtown parking lot and train platform station and parking, roadways, and the police department expansion project. The work projects will be financed primarily with Traffic Impact Fees, Gas Tax, and General Fund Allocations. Additional information about the capital assets can be found in Note 7 of the financial statements.

Debt

At year-end, the City's governmental activities had \$9,160,000 of outstanding debt as shown in Table 4. In December 2016, the City issued the 2016 Lease Revenue Bonds of \$10,025,000 to refinance the outstanding 2006 Certificates of Participation and to finance the construction of the Oakley Recreation Center. Additional information about the City's debt can be found in Note 8 of the financial statements.

Table 4
Outstanding Debt at Year-End

Governmental Activities	<u>2019</u>	<u>2018</u>
2016 Lease Revenue Bonds	\$9,160,000	\$9,440,000

During the year, the City made all of its current year debt service payments in a timely manner.

CONTACTING THE CITY FOR FINANCIAL INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City's Finance Department at the City offices at 3231 Main Street, Oakley, California, by calling (925) 625-7010, or forwarding your inquiry via the "contact us" page on the City's website (www.oakleyinfo.com). This CAFR, as well as other financial documents, is posted in the Finance Department section of the City's website.

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CITY OF OAKLEY

STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES

The Statement of Net Position and the Statement of Activities summarize the entire 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 Statement of Net Position reports the difference between the City's total assets and deferred outflows of resources and the City's total liabilities and deferred inflows of resources, including all the City's capital assets and all its long-term debt. The Statement of Net Position focuses the reader on the composition of the City's Net Position, by subtracting total liabilities from total assets.

The Statement of Net Position summarizes the financial position of all of the City's Governmental Activities in a single column. The City's Governmental Activities include the activities of its General Fund, along with all its Special Revenue, Capital Projects and Debt Service Funds.

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, available revenues and measurable expenditures.

The Statement of Activities presents the City's expenses first, listed by program. 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 program. The City's general revenues are then listed in the Governmental Activities 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 and the Oakley Public Financing Authority, which is legally separate but is a component unit of the City because it is controlled by the City, which is financially accountable for the activities of the entity.

CITY OF OAKLEY
STATEMENT OF NET POSITION
JUNE 30, 2019

	<u>Governmental Activities</u>
ASSETS	
Cash and investments available for operations (Note 3)	\$42,092,676
Cash and investments with fiscal agent (Note 3)	812,575
Accounts receivable, net of allowance for doubtful accounts (Note 1F)	2,625,272
Interest receivable	198,770
Prepays and deposits	55,000
Loans receivable (Note 5)	12,056,820
Land held for resale (Note 6)	4,054,182
Capital assets (Note 7):	
Land and construction in progress	28,438,318
Depreciable, net	<u>168,426,313</u>
Total Assets	<u>258,759,926</u>
DEFERRED OUTFLOWS OF RESOURCES	
Related to pensions (Note 11)	<u>2,259,151</u>
LIABILITIES	
Accounts payable	2,276,588
Accrued liabilities	389,631
Deposits payable	1,549,808
Unearned revenue	993,071
Interest payable	62,228
Claims payable - due in one year (Note 14)	56,171
Compensated absences (Note 1H):	
Due within one year	828,928
Due in more than one year	276,310
Advance from Fire District (Note 15D)	1,900,000
Long-term debt (Note 8):	
Due within one year	295,000
Due in more than one year	8,865,000
Net pension liability (Note 11)	<u>1,978,129</u>
Total Liabilities	<u>19,470,864</u>
DEFERRED INFLOWS OF RESOURCES	
Related to pensions (Note 11)	<u>86,198</u>
NET POSITION (Note 10)	
Net investment in capital assets	<u>185,805,254</u>
Restricted for:	
Capital projects	25,256,797
Debt service	40,665
Low and moderate income housing	<u>10,482,258</u>
Total Restricted Net Position	<u>35,779,720</u>
Unrestricted net position	<u>19,877,041</u>
Total Net Position	<u><u>\$241,462,015</u></u>

See accompanying notes to financial statements

CITY OF OAKLEY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Legislative	\$754,545				(\$754,545)
Administrative Services	1,970,609	\$398,748	\$250,000		(1,321,861)
Community Development	4,019,054	2,758,948	19,295	\$485,902	(754,909)
Public Works	12,969,355	5,206,221	1,564,492	7,944,521	1,745,879
Housing Programs	3,492				(3,492)
Law Enforcement	9,567,083	4,886,917	205,436		(4,474,730)
Recreation	770,516	188,912	51,325		(530,279)
Interest and fiscal charges	390,343				(390,343)
Total Governmental Activities	<u>\$30,444,997</u>	<u>\$13,439,746</u>	<u>\$2,090,548</u>	<u>\$8,430,423</u>	<u>(6,484,280)</u>
General revenues:					
Taxes:					
Property taxes					7,435,086
Sales taxes					2,040,960
Business license taxes					159,586
Transient occupancy taxes					269,504
Franchise taxes					1,773,997
Intergovernmental, unrestricted:					
Motor vehicle in lieu					20,036
Other					1,679
Use of money and property					1,645,140
Miscellaneous					<u>1,440,361</u>
Total General Revenues					<u>14,786,349</u>
Change in Net Position					8,302,069
Net Position-Beginning					<u>233,159,946</u>
Net Position-Ending					<u><u>\$241,462,015</u></u>

See accompanying notes to financial statements

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FUND FINANCIAL STATEMENTS

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 in fiscal 2019. Individual non-major funds may be found in the Supplemental Section.

GENERAL FUND

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. Revenues deposited in the General Fund include property tax, sales tax, franchise fees, business licenses, fines and forfeitures and fees for services. This fund is used to finance most of the City's basic services including Legislative, General Administration, Law Enforcement, Public Works and Community Development.

LIGHTING AND LANDSCAPING DISTRICTS SPECIAL REVENUE FUND

This fund accounts for assessments made upon parcels of land within the Lighting and Landscaping Zones #1, #2 and #3 and their use in accordance with the provisions of the State of California Streets and Highway Code.

PUBLIC PROTECTION SPECIAL REVENUE FUND

This fund accounts for dedicated Police Services Special Taxes and State COPS program funds.

LOW AND MODERATE INCOME HOUSING ASSET SPECIAL REVENUE FUND

This fund accounts for the housing assets of the former Oakley Redevelopment Agency and loan repayments restricted to low and moderate income housing projects.

TRAFFIC IMPACT FEES CAPITAL PROJECTS FUND

This fund accounts for fees assessed on new development to provide street and road improvements.

FIRE IMPACT FEES CAPITAL PROJECTS FUND

This fund accounts for fees assessed on new developments to provide for fire protection capital facilities.

GENERAL CAPITAL PROJECTS FUND

This fund accounts for revenues and expenditures related to General Fund contributions, grants and other funding sources for capital projects not accounted for in other capital projects funds. It accounts for the total expenditures for each project charged to this fund.

DEBT SERVICE FUND

This fund accounts for principal and interest on the City's debt issues.

CITY OF OAKLEY
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2019

	General	Lighting and Landscaping Districts	Public Protection	Low and Moderate Income Housing Asset
ASSETS				
Cash and investments available for operations (Note 3)	\$12,181,914	\$9,004,302	\$21,474	\$148,664
Cash and investments with fiscal agent (Note 3)	428,914			
Accounts receivable, net of allowance for doubtful accounts (Note 1F)	749,839			
Interest receivable	69,574	40,983	7,707	718
Due from other funds (Note 4C)	18,771			
Prepays and deposits	55,000			
Loans receivable (Note 5)	555,266			11,475,033
Advances to other funds (Note 4B)	128,532			
Land held for resale (Note 6)	4,054,182			
Total Assets	\$18,241,992	\$9,045,285	\$29,181	\$11,624,415
LIABILITIES				
Accounts payable	\$545,314	\$369,319		
Accrued liabilities	389,631			
Due to other funds (Note 4C)				
Deposits payable	4,517			
Unearned revenue	365,504		\$29,181	
Advances from other funds (Note 4B)		78,532		\$1,142,157
Total Liabilities	1,304,966	447,851	29,181	1,142,157
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - loans receivable				11,475,033
Unavailable revenue - interest on advances to other funds				
Total Deferred Inflows of Resources				11,475,033
FUND BALANCES				
Fund balance (Note 10):				
Nonspendable	4,792,980			
Restricted	428,914	8,597,434		
Assigned	3,919,172			
Unassigned	7,795,960			(992,775)
Total Fund Balances (Deficits)	16,937,026	8,597,434		(992,775)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$18,241,992	\$9,045,285	\$29,181	\$11,624,415

See accompanying notes to financial statements

Traffic Impact Fees	Fire Impact Fees	General Capital Projects	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
\$5,908,284	\$558,703	\$1,736,423	\$40,151 623	\$10,861,587 383,038	\$40,461,502 812,575
31,155	950,000 6,415	387,439 8,134	514	537,994 26,394	2,625,272 191,594 18,771 55,000
26,521 577,224				564,933	12,056,820 1,270,689 4,054,182
<u>\$6,543,184</u>	<u>\$1,515,118</u>	<u>\$2,131,996</u>	<u>\$41,288</u>	<u>\$12,373,946</u>	<u>\$61,546,405</u>
\$512,352	\$476,227	\$20,665		\$185,922	\$2,109,799 389,631 18,771 18,771
114,042		378,566		1,545,291 105,778 50,000	1,549,808 993,071 1,270,689
<u>626,394</u>	<u>476,227</u>	<u>399,231</u>		<u>1,905,762</u>	<u>6,331,769</u>
125,605				122,930	11,475,033 248,535
<u>125,605</u>				<u>122,930</u>	<u>11,723,568</u>
5,791,185	1,038,891	1,732,765	\$41,288	8,535,433 1,809,821	4,792,980 24,433,145 7,461,758 6,803,185
<u>5,791,185</u>	<u>1,038,891</u>	<u>1,732,765</u>	<u>41,288</u>	<u>10,345,254</u>	<u>43,491,068</u>
<u>\$6,543,184</u>	<u>\$1,515,118</u>	<u>\$2,131,996</u>	<u>\$41,288</u>	<u>\$12,373,946</u>	<u>\$61,546,405</u>

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CITY OF OAKLEY
Reconciliation of the
GOVERNMENTAL FUNDS - BALANCE SHEET
with the
STATEMENT OF NET POSITION
JUNE 30, 2019

Total fund balances reported on the governmental funds balance sheet: \$43,491,068

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 Government Funds. 196,864,631

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 Statement of Net Position. 1,471,561

NON-CURRENT REVENUES

Revenues which are unavailable on the Fund Balance Sheets because they are not available currently are taken into revenue in the Statement of Activities. 11,723,568

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:

Long-term debt	(9,160,000)
Interest payable	(62,228)
Advance from Fire District	(1,900,000)
Compensated absences	(1,105,238)
Net pension liability and pension-related deferred outflows/inflows of resources	194,824
Claims Payable	(56,171)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$241,462,015

See accompanying notes to financial statements

CITY OF OAKLEY
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019

	General	Lighting and Landscaping Districts	Public Protection	Low and Moderate Income Housing Asset
REVENUES				
Property taxes	\$6,914,809			
Sales tax	2,040,960			
Other taxes	2,043,501	\$48,491		
Licenses and permits	1,771,874			
Charges for services	215,331			
Fines and forfeits	128,901			
Intergovernmental:				
Motor vehicle in lieu	20,036			
Other	364,913		\$148,747	
Developer fees				
Special assessments		3,985,952	4,709,448	
Loan repayments				\$72,347
Use of money and property	690,848	177,315	15,482	2,761
Miscellaneous	1,170,132	250		
Total Revenues	15,361,305	4,212,008	4,873,677	75,108
EXPENDITURES				
Current:				
Legislative	730,299			
Administrative Services	1,585,615			
Community Development	2,000,384			
Public Works	1,230,277	3,552,263		
Housing programs				3,492
Law Enforcement	4,905,287		4,873,677	
Recreation	689,241			
Capital outlay	1,894,896			
Debt service:				
Principal				
Interest and fiscal charges		1,780		25,308
Total Expenditures	13,035,999	3,554,043	4,873,677	28,800
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,325,306	657,965		46,308
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of property	239			
Transfers in (Note 4A)	51,900	141,156		
Transfers (out) (Note 4A)	(1,775,000)	(250,000)		
Total Other Financing Sources (Uses)	(1,722,861)	(108,844)		
NET CHANGE IN FUND BALANCES	602,445	549,121		46,308
FUND BALANCES (DEFICIT) AT BEGINNING OF YEAR	16,334,581	8,048,313		(1,039,083)
FUND BALANCES (DEFICIT) AT END OF YEAR	\$16,937,026	\$8,597,434		(\$992,775)

See accompanying notes to financial statements

Traffic Impact Fees	Fire Impact Fees	General Capital Projects	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
				\$520,277	\$7,435,086
					2,040,960
				915,728	3,007,720
					1,771,874
					215,331
					128,901
					20,036
	\$1,900,000	\$387,439		2,270,867	5,071,966
\$951,092	85,297			2,152,913	3,189,302
				318,520	9,013,920
					72,347
190,718	47,365	39,465	\$34,546	160,078	1,358,578
45,955		65,838		1,295,419	2,577,594
1,187,765	2,032,662	492,742	34,546	7,633,802	35,903,615
					730,299
					1,585,615
	4,169			1,953,972	3,958,525
43,374				1,547,122	6,373,036
					3,492
					9,778,964
				60,310	749,551
3,070,137	4,327,983	1,965,689	4,060,504	3,427,630	18,746,839
			280,000		280,000
			390,430		417,518
3,113,511	4,332,152	1,965,689	4,730,934	6,989,034	42,623,839
(1,925,746)	(2,299,490)	(1,472,947)	(4,696,388)	644,768	(6,720,224)
					239
		1,475,000	673,067	550,000	2,891,123
		(39,465)		(826,658)	(2,891,123)
		1,435,535	673,067	(276,658)	239
(1,925,746)	(2,299,490)	(37,412)	(4,023,321)	368,110	(6,719,985)
7,716,931	3,338,381	1,770,177	4,064,609	9,977,144	50,211,053
\$5,791,185	\$1,038,891	\$1,732,765	\$41,288	\$10,345,254	\$43,491,068

CITY OF OAKLEY
Reconciliation of the
NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS
with the
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

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 (\$6,719,985)

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.	
Capital outlay and certain departmental expenditures are added back to fund balance	18,881,428
Depreciation expense is deducted from fund balance	
(Depreciation expense is net of internal service fund depreciation of \$566,429 which has already been allocated to serviced funds.)	(6,850,349)
Developer dedicated infrastructure is added to fund balance	4,798,628
Assets funded by internal service funds are added to fund balance	40,785

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	280,000

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):	
Non-current portion of compensated absences	(148,677)
Interest payable	1,867
Unavailable revenue	(86,434)
Advance from Fire District	(1,900,000)
Net pension liability and deferred outflows/inflows related to pensions	76,525
Claims payable	(33,096)

ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY

Internal Service Funds are used by management to charge the costs of certain activities, such as equipment acquisition and maintenance 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 - Internal Service Fund	(38,623)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$8,302,069</u></u>
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See accompanying notes to financial statements

CITY OF OAKLEY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Amended Budget	Actual Amounts	Variance Positive (Negative)
REVENUES				
Property taxes	\$6,339,740	\$6,787,740	\$6,914,809	\$127,069
Sales taxes	1,831,000	1,894,000	2,040,960	146,960
Other taxes	1,990,000	1,860,000	2,043,501	183,501
Licenses and permits	1,820,000	1,467,300	1,771,874	304,574
Charges for services	186,600	199,600	215,331	15,731
Fines and forfeits	129,700	129,700	128,901	(799)
Intergovernmental:				
Motor vehicle in lieu	15,000	15,000	20,036	5,036
Other	325,000	356,742	364,913	8,171
Use of money and property	246,000	294,400	690,848	396,448
Miscellaneous	1,087,349	1,028,552	1,170,132	141,580
Total Revenues	<u>13,970,389</u>	<u>14,033,034</u>	<u>15,361,305</u>	<u>1,328,271</u>
EXPENDITURES				
Current:				
Legislative	698,216	726,488	730,299	(3,811)
Administrative Services	2,324,866	1,879,433	1,585,615	293,818
Community Development	2,365,439	2,253,722	2,000,384	253,338
Public Works	932,879	1,544,016	1,230,277	313,739
Law Enforcement	5,162,370	5,123,172	4,905,287	217,885
Recreation	780,598	726,446	689,241	37,205
Capital outlay	24,000	1,937,249	1,894,896	42,353
Total Expenditures	<u>12,288,368</u>	<u>14,190,526</u>	<u>13,035,999</u>	<u>1,154,527</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,682,021</u>	<u>(157,492)</u>	<u>2,325,306</u>	<u>2,482,798</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of property			239	239
Transfers in			51,900	51,900
Transfers (out)	<u>(2,875,000)</u>	<u>(1,775,000)</u>	<u>(1,775,000)</u>	
Total Other Financing Sources (Uses)	<u>(2,875,000)</u>	<u>(1,775,000)</u>	<u>(1,722,861)</u>	<u>52,139</u>
NET CHANGE IN FUND BALANCES	<u>(\$1,192,979)</u>	<u>(\$1,932,492)</u>	<u>602,445</u>	<u>\$2,534,937</u>
Fund balance at beginning of year			<u>16,334,581</u>	
Fund balance at end of year			<u><u>\$16,937,026</u></u>	

See accompanying notes to financial statements

CITY OF OAKLEY
LIGHTING AND LANDSCAPING DISTRICTS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
REVENUES				
Other taxes	\$56,730	\$56,730	\$48,491	(\$8,239)
Intergovernmental				
Special assessments	3,974,683	3,974,683	3,985,952	11,269
Use of money and property			177,315	177,315
Miscellaneous			250	250
Total Revenues	<u>4,031,413</u>	<u>4,031,413</u>	<u>4,212,008</u>	<u>180,595</u>
EXPENDITURES				
Current:				
Public Works	4,106,513	4,938,060	3,552,263	1,385,797
Capital outlay		39,000		39,000
Debt service:				
Interest and fiscal charges			1,780	(1,780)
Total Expenditures	<u>4,106,513</u>	<u>4,977,060</u>	<u>3,554,043</u>	<u>1,423,017</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(75,100)</u>	<u>(945,647)</u>	<u>657,965</u>	<u>1,603,612</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	189,722	189,722	141,156	(48,566)
Transfers out		(250,000)	(250,000)	
Total Other Financing Sources (Uses)	<u>189,722</u>	<u>(60,278)</u>	<u>(108,844)</u>	<u>(48,566)</u>
NET CHANGE IN FUND BALANCES	<u>\$114,622</u>	<u>(\$1,005,925)</u>	<u>549,121</u>	<u>\$1,555,046</u>
Fund balance at beginning of year			<u>8,048,313</u>	
Fund balance at end of year			<u>\$8,597,434</u>	

See accompanying notes to financial statements

CITY OF OAKLEY
PUBLIC PROTECTION SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
REVENUES				
Intergovernmental:				
Other	\$100,000	\$100,000	\$148,747	\$48,747
Special assessments	\$4,332,053	4,652,053	4,709,448	57,395
Use of money and property	3,000	3,000	15,482	12,482
Total Revenues	<u>4,435,053</u>	<u>4,755,053</u>	<u>4,873,677</u>	<u>118,624</u>
EXPENDITURES				
Current:				
Law Enforcement	<u>4,435,053</u>	<u>4,755,053</u>	<u>4,873,677</u>	<u>(118,624)</u>
Total Expenditures	<u>4,435,053</u>	<u>4,755,053</u>	<u>4,873,677</u>	<u>(118,624)</u>
NET CHANGE IN FUND BALANCES	<u> </u>	<u> </u>		<u> </u>
Fund balance at beginning of year			<u> </u>	
Fund balance at end of year			<u> </u>	

See accompanying notes to financial statements

CITY OF OAKLEY
LOW AND MODERATE INCOME HOUSING ASSET SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
REVENUES				
Loan repayment	\$12,000	\$12,000	\$72,347	\$60,347
Use of money and property	1,500	1,500	2,761	1,261
Total Revenues	<u>13,500</u>	<u>13,500</u>	<u>75,108</u>	<u>61,608</u>
EXPENDITURES				
Current:				
Housing programs	3,500	3,500	3,492	8
Debt service:				
Interest	<u>10,000</u>	<u>10,000</u>	<u>25,308</u>	<u>(15,308)</u>
Total Expenditures	<u>13,500</u>	<u>13,500</u>	<u>28,800</u>	<u>(15,300)</u>
NET CHANGE IN FUND BALANCES	<u> </u>	<u> </u>	46,308	<u>\$46,308</u>
Fund balance (deficit) at beginning of year			<u>(1,039,083)</u>	
Fund balance (deficit) at end of year			<u>(\$992,775)</u>	

See accompanying notes to financial statements

PROPRIETARY FUNDS

INTERNAL SERVICE FUNDS

Internal service 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 to other City funds be financed through user fees to those funds

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 the internal service fund is 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.

CITY OF OAKLEY
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2019

	Governmental Activities - Internal Service Funds
ASSETS	
Current:	
Cash and investments available for operations (Note 3)	\$1,631,174
Receivables:	
Interest	<u>7,176</u>
Total Current Assets	<u>1,638,350</u>
Noncurrent:	
Capital assets (Note 7):	
Depreciable, net	<u>6,607,294</u>
Total noncurrent Assets	<u>6,607,294</u>
Total Assets	<u>8,245,644</u>
LIABILITIES	
Accounts payable	<u>166,789</u>
Total Liabilities	<u>166,789</u>
NET POSITION (Note 10)	
Net investment in capital assets	6,607,294
Unrestricted	<u>1,471,561</u>
Total Net Position	<u><u>\$8,078,855</u></u>

See accompanying notes to financial statements

CITY OF OAKLEY
 PROPRIETARY FUNDS
 STATEMENT OF REVENUE, EXPENSES
 AND CHANGES IN FUND NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2019

	Governmental Activities - Internal Service Funds
	<u> </u>
OPERATING REVENUES	
Charges for services	<u>\$450,000</u>
Total Operating Revenues	<u>450,000</u>
OPERATING EXPENSES	
Supplies	81,525
Depreciation	<u>566,429</u>
Total Operating Expenses	<u>647,954</u>
Operating Income (Loss)	<u>(197,954)</u>
NONOPERATING REVENUES (EXPENSES)	
Gain on sale of capital assets	19,808
Interest income	<u>36,518</u>
Total Nonoperating Revenues	<u>56,326</u>
Income (Loss) Before Contributions	(141,628)
Contributions	<u>103,005</u>
Change in net position	(38,623)
BEGINNING NET POSITION	<u>8,117,478</u>
ENDING NET POSITION	<u><u>\$8,078,855</u></u>

See accompanying notes to financial statements

CITY OF OAKLEY
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2019

	Governmental Activities - Internal Service Funds
	<u> </u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$450,000
Payments to suppliers	<u>(8,873)</u>
Cash Flows from Operating Activities	<u>441,127</u>
 CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Proceeds from sale of capital assets	19,808
Acquisition of capital assets	<u>(178,527)</u>
Cash Flows from Capital Financing Activities	<u>(158,719)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Interest	<u>33,830</u>
Net Cash Flows	316,238
Cash and investments at beginning of period	<u>1,314,936</u>
Cash and investments at end of period	<u><u>\$1,631,174</u></u>
 NONCASH TRANSACTIONS	
Contribution of capital assets	<u><u>\$103,005</u></u>
Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities:	
Operating income (loss)	(\$197,954)
Adjustments to reconcile operating income (loss) to cash flows from operating activities:	
Depreciation	566,429
Net change in liabilities:	
Accounts payable	<u>72,652</u>
Cash Flows from Operating Activities	<u><u>\$441,127</u></u>

See accompanying notes to financial statements

FIDUCIARY FUNDS

FIDUCIARY FUNDS

These funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the City-wide financial statements, but are presented in separate Fiduciary Fund financial statements. Fiduciary assets are held for others, therefore they are reported in aggregate without indicating whether they are restricted or unrestricted.

Successor Agency to the Redevelopment Agency Private Purpose Trust Fund is used to account for the activities of the Successor Agency to the former Redevelopment Agency of the City of Oakley.

Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments.

CITY OF OAKLEY
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2019

	Successor Agency to the Redevelopment Agency Private Purpose Trust Fund	Agency Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and investments (Note 3)	\$1,274,773	\$2,744,234
Cash and investments with fiscal agent (Note 3)	22,510	1,525,806
Accounts receivable	2,000	
Interest receivable		6,089
Loans receivable (Note 16B)	<u>674,679</u>	
Total Assets	<u>1,973,962</u>	<u><u>\$4,276,129</u></u>
LIABILITIES		
Accounts payable		
Interest payable	274,967	
Due to other agencies		\$1,033,602
Due to bondholders		3,242,527
Long-term debt (Note 16C):		
Due within one year	540,000	
Due in more than one year	<u>25,461,679</u>	
Total Liabilities	<u>26,276,646</u>	<u><u>\$4,276,129</u></u>
NET POSITION		
Held in Trust for the Successor Agency and Other Governments	<u><u>(\$24,302,684)</u></u>	

See accompanying notes to financial statements

CITY OF OAKLEY
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019

	Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund
<hr/>	
ADDITIONS	
Property taxes	\$1,963,996
Use of money and property	73,534
	<hr/>
Total Additions	2,037,530
	<hr/>
DEDUCTIONS	
Redevelopment and Economic Development	250,000
Debt service:	
Interest and fiscal charges	1,626,723
	<hr/>
Total Deductions	1,876,723
	<hr/>
Change in Net Position	160,807
NET POSITION HELD IN TRUST FOR SUCCESSOR AGENCY AND OTHER GOVERNMENTS	
Beginning of year	(24,463,491)
	<hr/>
End of year	(\$24,302,684)
	<hr/> <hr/>

See accompanying notes to financial statements

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CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Oakley was incorporated as a general law city on July 1, 1999. Oakley is a community of approximately 40,144 residents situated in Contra Costa County on the east side of San Francisco Bay. Oakley is located approximately 50 miles east of the City of San Francisco. The City operates under the Council-Manager form of government and provides the following services: law enforcement, highways and streets, public improvements, planning and zoning, recreation, and general administration services.

The financial statements and accounting policies of the City conform with generally accepted accounting principles applicable to governments. 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 City is governed by a five member council elected by City residents. The City is legally separate and fiscally independent which means it can issue debt, set and modify budgets and fees and sue or be sued. The accompanying basic financial statements include only the financial activities of the City and the Oakley Public Financing Authority, which is a component unit controlled by and dependent on the City. The Authority is included (“blended”) with funds of the City since it is governed by the City Council sitting in a separate capacity.

The Oakley Public Financing Authority is a separate governmental entity whose purpose is to assist in the financing and refinancing of certain redevelopment activities of the former Redevelopment Agency and certain programs and projects of the City. The Authority’s activities to date consist only of the purchase and resale of City or Redevelopment Agency debt issues, and the issuance of the 2004-1 Limited Obligation Bonds, the 2006-1 Infrastructure Revenue Bonds, the 2006 Certificates of Participation and the Refunding Revenue Bonds, Series 2012, the Refunding Revenue Bonds, Series 2014, and the 2016 Lease Revenue Bonds. Separate financial statements are not issued for the Oakley Public Financing Authority.

B. *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 United States of America.

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. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues 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.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements: The fund financial statements provide information about the City's funds, including blended component units. The emphasis of fund financial statements is on major individual governmental funds, each of which is displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

C. Major Funds

Major governmental 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 and deferred outflows of resources, liabilities and deferred inflows of resources, 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.

The City reported the following major governmental funds in the accompanying financial statements:

General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. Revenues deposited in the General Fund include property tax, sales tax, franchise fees, business licenses, fines and forfeitures and fees for services. This fund is used to account for most of the City's basic services including Legislative, General Administration, Law Enforcement, Recreation and Community Development.

Lighting and Landscaping Districts Special Revenue Fund – This fund accounts for assessments made upon parcels of land within the Lighting and Landscaping Zones #1, #2 and #3 and their use in accordance with the provisions of the State of California Streets and Highway Code.

Public Protection Special Revenue Fund – This fund accounts for dedicated Police Services Special Taxes and State COPS program funds.

Low and Moderate Income Housing Asset Special Revenue Fund – This fund accounts for the housing assets of the former Oakley Redevelopment Agency and loan repayments restricted to low and moderate income housing projects.

Traffic Impact Fees Capital Projects Fund – This fund accounts for fees assessed on new development to provide street and road improvements.

Fire Impact Fees Capital Projects Fund – This fund accounts for fees assessed on new developments to provide for fire protection capital facilities.

General Capital Projects Fund – This fund accounts for revenues and expenditures related to General Fund contributions, grants and other funding sources for capital projects not accounted for in other capital projects funds. It accounts for the total expenditures for each project charged to this fund.

Debt Service Fund – This fund accounts for principal and interest on the City's outstanding debt issues.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City also reports the following fund types:

Internal Service Funds – The funds account for equipment replacement and capital facilities maintenance and replacement; all of which are provided to City departments on a cost reimbursement basis.

Fiduciary Funds – These funds account for assets held by the City as an agent for various functions. The Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund accounts for the accumulation of resources to be used for payments at appropriate amounts and times in the future. Agency funds are used to account for assets held by the City as an agent for the Assessment Districts 2004-1 and 2006-1, assets held on behalf of the County for regional mitigation fees and on behalf of other agencies for other purposes. The financial activities of these funds are excluded from the City-wide financial statements, but are presented in separate Fiduciary Fund financial statements.

D. Basis of Accounting

The government-wide 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. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Governmental capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Those revenues susceptible to accrual are sales tax, transfer tax, fines, interest revenue and gross receipts taxes. Charges for services, and licenses and permits are not susceptible to accrual because they are not measurable until received in cash.

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 an accrual basis, revenue from property 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.

The City may fund programs with a combination of cost-reimbursement grants, categorical block grants, special purpose revenues and general purpose revenues. While both restricted and unrestricted Net Position may be available to finance program expenditures the City's policy is to first apply restricted purpose revenues to such programs, followed by general purpose revenues if necessary.

Certain indirect costs are included in program expenses reported for individual functions and activities.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of net position or balance sheet 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 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. The City has only one item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: accounts receivable, interest on interfund advances and loans receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

F. *Accounts Receivable*

Receivables at June 30, 2019 were comprised of the following:

Governmental Activities:	Taxes	Accounts	Inter-Governmental	Total Receivables
General Fund	\$710,992	\$1,160	\$37,687	\$749,839
Fire Impact Fees Capital Projects Fund			950,000	950,000
General Capital Projects			387,439	387,439
Non-Major Governmental Funds	149,528	207,251	181,215	537,994
Total Accounts Receivable	<u>\$860,520</u>	<u>\$208,411</u>	<u>\$1,556,341</u>	<u>\$2,625,272</u>

G. *Property Taxes and Special Assessment Revenue*

Revenue is recognized in the fiscal year for which the tax and assessment is levied. The County of Contra Costa levies, bills and collects property taxes and special assessments for the City; under the County's "Teeter Plan" the County remits the entire amount levied for secured taxes 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.

The term "unsecured" refers to taxes on personal property other than real estate, land and buildings. These taxes are secured by liens on the personal property being taxed. Secured and unsecured property tax revenues are recognized by the City in the fiscal year they are assessed, provided they become available as defined above.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. *Compensated Absences*

Compensated absences comprise unpaid vacation and certain compensated time off, which are accrued as earned. For all governmental funds, amounts expected to be paid out for permanent liquidation are recorded as fund liabilities; the long-term portion is recorded in the Statement of Net Position. The liability for compensated absences is determined annually. The changes in the compensated absences were as follows:

	Governmental Activities
Beginning Balance	\$956,561
Additions	1,098,845
Payments	<u>(950,168)</u>
Ending Balance	<u>\$1,105,238</u>
Current Portion	<u><u>\$828,928</u></u>

The long-term portion of governmental activities compensated absences is liquidated primarily by the General Fund.

I. *Prepays and Deposits*

Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Prepays and deposits in governmental funds are equally offset by nonspendable fund balance which indicates that they do not constitute available spendable resources even though they are a component of net current assets.

J. *Fair Value Measurements*

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.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Use of Estimates

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 and liabilities 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.

L. Closed Fund

The Youth Development Special Revenue Fund and the Childcare Impact Fees Capital Projects Fund were closed as of June 30, 2019.

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING

A. Budget Policy

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Work sessions are conducted to obtain citizen's comments.
3. The budget is legally enacted by City Council resolution.
4. All appropriations transfers between funds must be approved by the City Council by resolution during the fiscal year. The City Manager is authorized to transfer unencumbered appropriations within a fund. In addition, amendments that are made to authorize spending of increased or new special purpose revenues may be approved by the City Manager. The legally adopted budget requires that expenditures not exceed total appropriations at the fund level.
5. Budgets are adopted for all Governmental Funds except the 2006-1 Assessment District Capital Projects Fund, which is governed by bond covenants.
6. Formal budgetary integration is employed as a management control device during the year for all budgeted funds.
7. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
8. Budgeted amounts appearing in the budgetary comparison statements are as originally adopted or as amended by the City Council or the City Manager, as authorized.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2019

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING (Continued)

B. *Encumbrances*

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. Encumbrance accounting is employed as an extension of formal budgetary integration in all budgeted funds. Unexpended operating appropriations lapse at year end and must be reappropriated in the following year. Unexpended capital projects appropriations are automatically reappropriated in the following year. Encumbrances outstanding at year-end are recorded as restricted, committed or assigned fund balance, depending on the classification of the resources to be used to liquidate the encumbrance, since they do not constitute expenditures or liabilities.

C. *Expenditures in Excess of Appropriations*

The following funds incurred expenditures in excess of appropriations:

Fund	Expenditures Over Appropriations
Public Protection Special Revenue Fund	\$118,624
Low Income and Moderate Income Housing Asset Special Revenue Fund	15,300
Debt Service Fund	57,867
Developers Deposits Special Revenue Fund	1,013,686
Public Facilities Impact Fee Capital Projects Fund	13,335
Cypress Grove Capital Projects Fund	319
Street Maintenance Reserve Capital Projects Fund	128
2006-1 Assessment District Capital Projects Fund	128

The funds had sufficient revenues or other resources to finance these expenditures.

NOTE 3 – CASH AND INVESTMENTS

The City pools cash from all sources and all funds, except cash of the Successor Agency and cash with fiscal agents, so that it can be invested at the maximum yield, consistent with safety and liquidity, while individual funds can make expenditures at any time.

A. *Policies*

The City and its fiscal agents invest in individual investments and in investment pools. Individual investments are evidenced by specific identifiable pieces of paper called *securities instruments*, or by an electronic entry registering the owner in the records of the institution issuing the security, called the *book entry* system. Individual investments are generally made by the City's fiscal agents as required under its debt issues. In order to maximize security, the City employs the Trust Department of a bank as the custodian of all City managed investments, regardless of their form.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2019

NOTE 3 – CASH AND INVESTMENTS (Continued)

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'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:

City cash and investments:

Cash and investments available for operations	\$42,092,676
Cash and investments with fiscal agent	812,575
Total City Cash and Investments	<u>42,905,251</u>

Cash and investments in Fiduciary Funds (Separate Statement):

Successor Agency to the Redevelopment

Agency Private Purpose Trust Fund:

Cash available for operations	1,274,773
Cash and investments with fiscal agent	22,510

Agency Funds:

Cash and investments available for operations	2,744,234
Cash and investments with fiscal agent	<u>1,525,806</u>
Total Cash and Investments	<u><u>\$48,472,574</u></u>

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2019

NOTE 3 – CASH AND INVESTMENTS (Continued)

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 following, 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:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
U.S. Government Securities	5 years		No Limit	No Limit
U.S. Government Agency Securities: Federal Home Loan Bank Federal National Mortgage Association Federal Farm Credit Bank Federal Home Loan Mortgage Corporation Student Loan Marketing Association Government National Mortgage Association	5 years		No Limit	No Limit
State of California Warrants, Treasury Notes or Bonds	5 years		No Limit	No Limit
California Local Agency Investment Fund	N/A		No Limit	\$65 million per account
Certificates of Deposit	5 years	A1/P1	30%	No Limit
Bankers Acceptances	180 days	A1/P1	40%	30%
Medium Term Corporate Notes	5 years	AAA	30%	No Limit
Money Market Funds	N/A	Top rating category	20%	No Limit
Investment Trust of California (CalTRUST)	N/A		No Limit	No Limit
Repurchase Agreements	1 year		No Limit	No Limit

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2019

NOTE 3 – CASH AND INVESTMENTS (Continued)

D. Investments Authorized by Debt Agreements

The City and Successor Agency 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. 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:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality
U.S. Government Securities	N/A	Aaa/AAA
U.S. Government Agency Securities	N/A	N/A
Local Agency Investment Fund	N/A	\$65 million per account
Bankers Acceptances	360 days	A1/A1+/P1
Commercial Paper	270 days	A-1+/P-1
Money Market Funds	N/A	A/AAAm/AAAm
Municipal Obligations	N/A	Aaa/AAA
Pre-refunded Municipal Obligations	N/A	Highest
General Obligations	N/A	A2/A
Investment Agreements/Contracts	N/A	A
Repurchase Agreements	N/A	N/A
Investments fully insured by the FDIC	N/A	N/A
Tax-exempt Obligations	N/A	Highest Rating
Short term Certificates of Deposit	360 days	A1/A1+/P1
Certificates of Deposit	N/A	A
California Asset Management Program	N/A	N/A
Shares in a California Common Law Trust	N/A	N/A

E. Public Agencies Post-Employment Trust

On June 29, 2017, the City Council adopted resolution 86-17 approving the adoption of the Public Agencies Post-Employment Trust administered by Public Agency Retirement Services (PARS). The Trust is an irrevocable trust and qualifies as an Internal Revenue Section 115 trust. This trust will assist the City in mitigating the CalPERS contribution rate volatility. Investments of funds held in Trust are governed by the Investment Guideline Document for the investment account and by the agreement for administrative services with PARS, rather than the general provisions of the California Government Code or the City's investment policy. The City elected a discretionary investment approach which allows the City to maintain oversight of the investment management, control on target yield and the portfolio's risk tolerance, under the Balanced Index PLUS investment option. The assets in the Trust will eventually be used to fund pension plan obligations.

F. Interest Rate Risk and Fair Value Hierarchy

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City generally manages its interest rate risk by holding investments to maturity.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2019

NOTE 3 – CASH AND INVESTMENTS (Continued)

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 distribution of the City's investments by maturity. At June 30, 2019, all of the City's investments, except for the certificates of deposit, mature in 12 months or less. The certificates of deposit mature as follows: \$245,000 – 1 year or less, \$735,000 – 2 years or less.

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.

Investment Type	Level 2	Investments Measured at Net Asset Value	Investments Measured at Amortized Cost	Total
<i>Cash and Investments in City Treasury:</i>				
Money Market Funds			\$2,117,269	\$2,117,269
CalTRUST	\$9,556,852			9,556,852
<i>Held by Fiscal Agents:</i>				
Certificates of Deposit	980,000			980,000
California Asset Management Program		\$22,510		22,510
PARS Balanced Index PLUS		428,914		428,914
Money Market Funds			929,467	929,467
Total Investments	<u>\$10,536,852</u>	<u>\$451,424</u>	<u>\$3,046,736</u>	<u>14,035,012</u>
<i>Investments Exempt from Fair Value Hierarchy:</i>				
Local Agency Investment Fund				31,989,025
Cash deposits in banks				<u>2,448,537</u>
Total Cash and Investments				<u>\$48,472,574</u>

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 fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand, and 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 \$65 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, 2019, these investments matured in an average of 173 days.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2019

NOTE 3 – CASH AND INVESTMENTS (Continued)

The City is a participant in the Short-Term Fund of the Investment Trust of California (CalTrust), a joint powers authority and public agency established by its members under the provisions of Section 6509.7 of the California Government Code. Members and participants are limited to California public agencies. CalTrust is governed by a Board of Trustees of seven Trustees, at least seventy-five percent of whom are from the participating agencies. The City reports its investment in CalTrust at the fair value amount provided by CalTrust, which is the same as the value of the pool shares. The balance is available for withdrawal on demand, and is based on the accounting records maintained by CalTrust. Included in CalTrust's investment portfolio are: United States Treasury Notes, Bills, Bonds or Certificates of Indebtedness; registered state warrants or treasury notes or bonds; California local agency bonds, notes, warrants or other indebtedness; federal agency or United States government-sponsored enterprise obligations; bankers acceptances; commercial paper; negotiable certificates of deposit; repurchase agreements; medium-term notes; money market mutual funds; notes, bonds or other obligation secured by a first priority security interest in securities authorized under Government Code Section 53651; and mortgage passthrough securities, collateralized mortgage obligations, and other asset – backed securities.

CalTrust's Short-Term Fund has a target portfolio duration of 0 to 2 years. At June 30, 2019, these investments matured in an average of 295 days. The investment in CalTrust, classified in Level 2 of the fair value hierarchy, is valued based on the fair value factor provided by the CalTrust, which is calculated as the average cost to net asset value per share of the Short-Term Fund. At June 30, 2019, the fair value approximated the City's cost.

The Successor Agency is a participant in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the Trust). The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act (California Government Code Sections 6500 et seq., or the "Act") for the purpose of exercising the common power of its Participants to invest certain proceeds of debt issues and surplus funds. CAMP's investments are limited to investments permitted by subdivisions (a) to (n), inclusive, of Section 53601 of the California Government Code. The Successor Agency reports its investments in CAMP at the fair value amounts provided by CAMP, which is the same as the value of the pool share in accordance with GASB 79 requirements. At June 30, 2019, the fair value approximated the Successor Agency's cost. At June 30, 2019, these investments have an average maturity of 54 days.

The Successor Agency, as a CAMP shareholder, may withdraw all or any portion of the funds in its CAMP account at any time by redeeming shares. The CAMP Declaration of Trust permits the CAMP trustee to suspend the right of withdrawal from CAMP or to postpone the date of payment of redemption proceeds if the New York Stock Exchange is closed other than for customary weekend and holiday closings, if trading on the New York Stock Exchange is restricted, or if, in the opinion of the CAMP trustees, an emergency exists such that disposal of the CAMP pool securities or determination of its net asset value is not reasonably practicable. If the right of withdrawal is suspended, the Successor Agency may either withdraw its request for that withdrawal or receive payment based on the net asset value of the CAMP pool next determined after termination of the suspension of the right of withdrawal.

Money market funds are available for withdrawal on demand and at June 30, 2019 matured in an average of 27 days.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2019

NOTE 3 – CASH AND INVESTMENTS (Continued)

G. 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, 2019 for CalTRUST is AAf, California Asset Management Program is rated AAAM, and all the City's Money Market Funds are rated AAAM as provided by Standard and Poor's investment ratings service. The Local Agency Investment Fund external investment pool and the certificates of deposit were not rated as of June 30, 2019.

H. Concentration of Credit Risk

Significant investments in the securities of any individual issuers, other than U. S. Treasury securities, investment pools and money market funds, in the Agency Funds at June 30, 2019 were as follows:

Issuer	Investment Type	Amount
BMW Bank of North America	Certificate of Deposit	\$245,000
Discover Bank	Certificate of Deposit	245,000
Goldman Sachs Bank	Certificate of Deposit	245,000
Ally Bank Midvale Utah	Certificate of Deposit	245,000

NOTE 4 – INTERFUND TRANSACTIONS

A. Transfers Between Funds

With Council approval, resources may be transferred from one City fund to another. Transfers are used: to move revenue from the fund that statute or budget requires to collect the item to the fund that statute or budget requires to expend the item; distribute unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; and to provide additional resources for current operations or debt service.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2019

NOTE 4 – INTERFUND TRANSACTIONS (Continued)

Transfers between Funds during the fiscal year ended June 30, 2019 and the purpose for each were as follows:

Fund Receiving Transfer	Fund Making Transfers	Transfer Amount
General Fund	General Capital Projects	\$39,465 (A)
	Non-Major Governmental Funds	12,435 (A)
Lighting and Landscaping Districts Special Revenue Fund	Non-Major Governmental Funds	141,156 (B)
General Capital Projects	General Fund	1,225,000 (B)
	Lighting and Landscaping Districts	
	Special Revenue Fund	250,000 (B)
Debt Service Fund	Non-Major Governmental Funds	673,067 (C)
Non-Major Governmental Funds	General Fund	550,000 (B)
	Total Interfund Transfers	<u>\$2,891,123</u>

(A) To transfer interest.

(B) To fund capital projects and administration.

(C) To fund debt service.

B. Long-Term Interfund Advances

At June 30, 2019 the funds below had made advances which were not expected to be repaid within the next year. The balances in the funds with the advance to other funds are offset by unavailable revenue or nonspendable fund balance.

Advances to Other Funds	Advances from Other Funds	Advanced Amount
General Fund	Lighting and Landscaping Districts Special Revenue Fund	\$78,532
General Fund	Non-Major Governmental Funds	50,000
Traffic Impact Fees	Low and Moderate Income Housing Asset Special Revenue Fund	577,224
Non-Major Governmental Funds	Low and Moderate Income Housing Asset Special Revenue Fund	564,933
	Total Interfund Advances	<u>\$1,270,689</u>

Since the City's formation in 1999, the General Fund has, on occasion, made advances to the Lighting and Landscaping Districts Special Revenue Fund to cure operating deficits in two of the Landscaping Districts. The advances bear interest at the City's investment pool rate. The balance of these advances totaled \$78,532 at June 30, 2019.

The General Fund agreed to advance \$50,000 to the Public Facilities Impact Fee Capital Projects Fund to fund a debt service shortfall in fiscal year 2019. The advance bears interest at the City's investment pool rate.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2019

NOTE 4 – INTERFUND TRANSACTIONS (Continued)

The Traffic Impact Fees Capital Projects Fund, Park Impact Fees Capital Projects Fund, and Public Facilities Impact Fees Capital Projects Fund agreed to accept deferred payment of impact fees by the former Redevelopment Agency to assist with the Courtyards at Cypress Grove affordable housing project. Although no cash was advanced, these obligations were recorded as advances to the former Redevelopment Agency. The City's Low and Moderate Income Housing Asset Special Revenue Fund, as Housing Successor to the former Redevelopment Agency's housing activities, assumed the obligation to repay the advances, which will be repaid from future loan collections. The advances bear interest at the City's annual pooled investment rate which was of 2.27% for fiscal year 2019. The balance outstanding at June 30, 2019 was \$1,142,157.

C. 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 Park Impact Fees Capital Project Fund owed the General Fund \$18,771 as of June 30, 2019.

NOTE 5 – LOANS RECEIVABLE

A. Low and Moderate Income Housing and City Loans Receivable

The former Redevelopment Agency engaged in programs designed to encourage construction of or improvement in low-to-moderate income housing. Under these programs, grants or loans were provided under favorable terms to homeowners or developers who agreed to expend these funds in accordance with the Agency's terms. With the dissolution of the Redevelopment Agency as discussed in Note 16, the City agreed to become the successor to the Redevelopment Agency's housing activities and as a result the Low and Moderate Income Housing Asset Fund assumed the loans receivable of the Redevelopment Agency's Low and Moderate Income Housing Fund. In addition, the City has made loans to certain employees and to local businesses for economic development. Although these loans and notes are expected to be repaid in full, their balance has been offset by unavailable revenue or nonspendable fund balance. The balances of the loans receivable, including accrued interest, at June 30, 2019 are set forth below:

Golden Oak Manor	\$1,173,948
Silver Oak Apartments	617,552
Oakley Senior Housing	755,398
Oakley Cypress Associates	3,518,750
Carol Lane	5,288,184
First Time Homebuyer	121,201
Employee Home Loans	480,203
New Lifeline Ministries	26,521
Downtown Revitalization Loan Program	75,063
	<hr/>
Total	<u><u>\$12,056,820</u></u>

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2019

NOTE 5 – LOANS RECEIVABLE (Continued)

B. *Golden Oak Manor*

Under the terms of a Loan Agreement dated December 19, 1994 between the Redevelopment Agency and the Developer, Golden Oak Manor, L.P., the Agency loaned the amount of \$780,000 to construct 50 senior residential rental units, with 24 of the units being restricted to very low income households. The loan is secured by a deed of trust on the property, is due in 2054 and bears simple annual interest of 3 percent. Interest and principal are deferred for 60 years or upon transfer of the property to an unqualified entity. Any unpaid amounts are considered deferred; all deferred principal and interest is due when the note matures. During fiscal year 2017, the loan was assigned and transferred from Golden Oak Manor, L.P., to Golden Oak Manor II, L.P.

C. *Silver Oak Apartments*

Under the terms of a Loan Agreement dated May 1, 1998 between the Redevelopment Agency and the Developer, Ecumenical Association for Housing, the Agency loaned \$374,220 along with an additional \$99,206 in January 1999, for a total loan amount of \$473,426, to fund the construction of 24 affordable housing units. The loan is secured by a deed of trust on the property, is due in 2058 and bears simple annual interest of 3 percent with principal and interest due annually to the extent there is “residual receipts” as defined in the agreement. Any unpaid amounts are considered deferred; all deferred principal and interest is due when the note matures.

D. *Oakley Senior Housing*

Under the terms of a Loan Agreement dated February 8, 2000 between the Redevelopment Agency and the Developer, Oakley Senior Associates, L.P., the Agency loaned the amount of \$1,800,000 to fund the acquisition and development costs to construct eighty units of affordable housing for low and moderate income seniors. The loan is secured by a deed of trust on the property, is due in 55 years from the issuance of the certificate of completion, but not later than 2058, and bears simple annual interest of 3 percent, with principal and interest due annually to the extent there is “residual receipts” as defined in the agreement. Any unpaid amounts are considered deferred; all deferred principal and interest is due when the note matures. The Agency received a payment of \$547,000 from the developer during fiscal year 2002. A portion of the loan had been funded by the Redevelopment Agency Projects Fund, and with the dissolution of the Agency effective February 1, 2012, the assets of the Redevelopment Agency Projects Fund, including a portion of the Oakley Senior Housing loan in the amount of \$623,082, were assumed by a Successor Agency as discussed in Note 16.

E. *Oakley Cypress Associates*

Under the terms of the Loan Agreement dated December 1, 2005, the Redevelopment Agency loaned \$2.5 million to Oakley Cypress Associates to assist in the development of 96 affordable housing units. The loan is secured by a deed of trust on the property and bears simple interest of 3 percent annually. Principal and interest payments are due annually to the extent that Oakley Cypress Associates has “residual receipts” as defined in the agreement. The remaining balance of unpaid principal and accrued interest is due fifty-five years after the issuance of the certificate of completion, but no later than December 1, 2063.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2019

NOTE 5 – LOANS RECEIVABLE (Continued)

F. Carol Lane

Under the terms of a Loan Agreement dated February 23, 2007 between the Redevelopment Agency and the Developer, 59 Carol Lane, L.P., the Agency loaned the amount of \$3,858,753 to fund the acquisition and development costs to construct two hundred and eight units of senior and family affordable housing for low and very-low income households. The loan is secured by a deed of trust on the property, is due in 55 years from the issuance of the certificate of completion, but not later than 2062, and bears simple interest of 3 percent annually, with principal and interest due annually to the extent there are “residual receipts” as defined in the agreement. Any unpaid amounts are considered deferred; all deferred principal and interest is due when the note matures.

G. First-Time Homebuyer Program

The Redevelopment Agency administered a First-Time Homebuyers Program funded by Bond proceeds in the amount of \$512,392 in 1994, under which low and moderate income individuals may qualify for first-time home buyer deferred second mortgages to purchase homes in the Oakley area. The individual loans are 30-year fixed rate deferred loans, bearing interest at a rate equal to two percent below the Lender’s rate and do not exceed \$50,000. These loans are due thirty years from the date of issuance, but principal and accrued interest will be forgiven at maturity if the unit was owner occupied for the full thirty years. Under the terms of the Program, loans must be repaid in full if the property is sold to a nonqualified buyer.

H. Employee Home Loans

On December 1, 2005, the City loaned \$550,000 and \$70,000 to a City employee for the purpose of purchasing a home. The loan of \$550,000 is secured by a deed of trust, has a term of 30 years and bears interest of 2.5%. The \$70,000 loan was repaid in January 2006. In March 2009 the City amended the employment agreement to extend the final payment of the housing assistance loan by one year to December 2036. In June 2010 the City again amended the employment agreement to extend the final payment from December 2036 to December 2037. Each extension reflected a one-year deferral of mortgage payments and included no forgiveness of principal. The loan is being repaid timely and at June 30, 2019 had a remaining balance of \$390,033.

On December 15, 2007, the City loaned \$100,000 to a second City employee for the purpose of purchasing a home. The loan of \$100,000 is secured by a deed of trust, has a term of 15 years and bears interest of 2.5%. This employee left the City during fiscal year 2009 and the City entered into a supplemental agreement with the employee that does not require the employee to immediately repay the loan. The City retains an interest in the home and will receive repayment depending on the sales price. However, the City has agreed to forgive its loan if the sales proceeds are less than the outstanding balance on the first deed of trust on the home. The home has not been sold as of June 30, 2019, and at June 30, 2019 the loan has a remaining balance of \$90,170.

As of June 30, 2019, the combined balance of these loans is \$480,203.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2019

NOTE 5 – LOANS RECEIVABLE (Continued)

I. New Lifeline Ministries

The City installed frontage improvements that are to be paid by the property owner, New Lifeline Ministries. Under the terms of a June 2015 reimbursement agreement, New Lifeline Ministries agreed to reimburse the City for its costs incurred in the amount of \$36,165. The loan is unsecured, bears interest of 1% and is repayable in equal monthly installments over 15 years. The balance of the loan as of June 30, 2019 is \$26,521.

J. Revitalization Loan Program

In 2014, the City Council approved funds to be allocated for the Downtown Revitalization Loan Program. The goal of the Loan Program is to leverage public funds and private investment to further enhance the physical appearance and economic vitality of the commercial buildings and businesses in the downtown corridor. The long-term objectives of the program include improving the physical appearance of the buildings and area, encouraging the retention and attraction of businesses to the corridor, increasing property values, increasing tenant stability, increasing pedestrian walkability and creating a stronger “sense of place”. Loan funds under the program can be used for façade improvements, landscaping and exterior lighting, signage, ADA compliance, building infrastructure upgrades needed for new tenant conversion and demolition. The loan program requires that the applicant contribute minimum equity of 10% of the total projects.

The City issued the first loan under the program in October 2017 in the amount of \$75,000. The loan is divided into two equal parts, 50% of the loan in the amount of \$37,500 bears fixed interest of 2% over a ten year term and the other 50% does not bear interest and is forgivable in ten equal annual increments as long as the improvements are in place. The loan is secured by a promissory note and a personal guarantee, as well as UCC filings on all equipment purchased by the loan. 50% of the loan, or \$37,500, The loan can be assumed and prepaid with no prepayment penalty, but is due and payable if the business is sold. The balance of the loan was \$75,063 as of June 30, 2019.

NOTE 6 – LAND HELD FOR RESALE

The City has purchased parcels that are expected to be resold in the near future. Such land parcels are accounted for at the lower of cost or net realizable value or agreed-upon sales price if a disposition agreement has been made with a developer.

The balance of land held for resale in the General Fund at June 30, 2019 was \$4,054,182.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2019

NOTE 7 – CAPITAL ASSETS

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated acquisition value on the date contributed.

All capital assets with limited useful lives 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.

Depreciation is provided using the half-year convention method which is like the straight-line method in that the cost of the asset is divided by its expected useful life in years, but the asset is depreciated over 6 months instead over one year in its first year. The result is charged to expense each year until the asset is fully depreciated. The capitalization threshold for equipment with a cost of \$5,000 or more and a useful life of more than two years, and for all buildings, improvements and infrastructure with a cost of \$50,000 or more and a useful life of more than two years. The City has assigned the useful lives listed below to capital assets:

Buildings	40 years
Improvements	5-15 years
Machinery and Equipment	5 years
Vehicles	5 years
Roadways:	
Streets (includes pavement, sidewalk, curb & gutters, trees & signs)	7-40 years
Traffic Signals	25 years
Street Lights	40 years
Bridges	100 years
Parks and Recreation:	
General Improvement	25 years
Specialty Features	10 years

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2019

NOTE 7 – CAPITAL ASSETS (Continued)

A. Capital Assets Additions and Retirements

Capital asset balances comprise the following:

	Balance as of June 30, 2018	Additions	Retirements	Transfers	Balance as of June 30, 2019
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$15,491,660	\$2,689,397		\$174,468	\$18,355,525
Construction in Progress	7,262,162	17,433,850		(14,613,219)	10,082,793
Total capital assets not being depreciated	22,753,822	20,123,247		(14,438,751)	28,438,318
Capital assets being depreciated:					
Buildings and Improvements	16,004,388	7,009		10,445,148	26,456,545
Machinery and Equipment	2,347,562	89,656		17,834	2,455,052
Vehicles	1,813,931	183,833	(\$11,378)		1,986,386
Roadways:					
Pavement	188,240,348	3,598,628		2,063,511	193,902,487
Sidewalks	9,797,203				9,797,203
Curbs and Gutters	10,292,523			172,264	10,464,787
Traffic Signals	3,995,057			134,853	4,129,910
Regulatory Signs and Street Trees	2,156,224			50,681	2,206,905
Street Lights	3,239,203				3,239,203
Bridges	4,422,722				4,422,722
Parks and Recreation Structures	15,309,628			1,554,460	16,864,088
Total capital assets being depreciated	257,618,789	3,879,126	(11,378)	14,438,751	275,925,288
Less accumulated depreciation for:					
Buildings and Improvements	(4,800,657)	(661,525)			(5,462,182)
Machinery and Equipment	(2,014,420)	(125,693)			(2,140,113)
Vehicles	(1,346,757)	(165,348)	11,378		(1,500,727)
Roadways:					
Pavement	(74,566,644)	(5,091,262)			(79,657,906)
Sidewalks	(3,191,132)	(130,646)			(3,321,778)
Curbs and Gutters	(3,144,899)	(146,560)			(3,291,459)
Traffic Signals	(1,793,107)	(141,184)			(1,934,291)
Regulatory Signs and Street Trees	(1,274,161)	(217,764)			(1,491,925)
Street Lights	(1,236,939)	(80,981)			(1,317,920)
Bridges	(1,113,924)	(44,261)			(1,158,185)
Parks and Recreation Structures	(5,610,935)	(611,554)			(6,222,489)
Total accumulated depreciation	(100,093,575)	(7,416,778)	11,378		(107,498,975)
Net capital assets being depreciated	157,525,214	(3,537,652)		14,438,751	168,426,313
Governmental activities capital assets, net	\$180,279,036	\$16,585,595			\$196,864,631

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2019

NOTE 7 – CAPITAL ASSETS (Continued)

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 accounted for as revenues at the time the capital assets are contributed.

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

Administrative Services	\$187,536
Public Works	6,662,813
Internal Service Funds	<u>566,429</u>
Total Depreciation	<u><u>\$7,416,778</u></u>

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. The City's long-term debt is recorded only in the government-wide financial statements.

In governmental fund types, debt discounts and issuance costs are recognized in the current period.

A. Current Year Transactions and Balances

The City's debt issue and transaction is shown below and discussed in detail thereafter.

	Original Issue Amount	Balance June 30, 2018	Retirements	Balance June 30, 2019	Current Portion
2016 Lease Revenue Bonds					
2.00-5.00%, due 5/1/2041	<u>\$10,025,000</u>	<u>\$9,440,000</u>	<u>(\$280,000)</u>	<u>\$9,160,000</u>	<u>\$295,000</u>

B. 2016 Lease Revenue Bonds

On December 1, 2016, the Oakley Public Financing Authority issued the 2016 Lease Revenue Bonds in the principal amount of \$10,025,000 to: (i) refinance the outstanding 2006 Certificates of Participation together with related lease payment obligations, (ii) obtain additional funds to finance the construction of a community center and related facilities (the "2016 Project"), (iii) pay the premium of a debt service reserve policy for the Bonds and (iv) pay the costs of issuing the Bonds, including the premium for the Policy. Principal is payable annually and the interest is payable semi-annually through 2041. The 2006 Certificates of Participation were called on January 14, 2017.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2019

NOTE 8 – LONG-TERM DEBT (Continued)

Under the terms of the Trust Agreement for the 2016 Lease Revenue Bonds, an event of default occurs if (i) the Authority fails to pay interest or principal on the Bonds when due and payable, (ii) the Authority fails to observe or perform in any material way any other covenant or term contained in the Trust Agreement, (iii) the Authority commences a voluntary case under Title 11 of the United States Code, or (iv) an event of default occurs under the lease entered into in connection with the Bonds (the “Lease”). The City has pledged City Hall as collateral for the Lease payments due to the Authority.

Upon the occurrence of an event of default, the Trustee may enforce all rights of the bond owners, including without limitation the right to receive and collect the lease payments payable by the City under the Lease (the “Lease Payments”) and declare the principal and interest of all of the Bonds then outstanding to be due and payable immediately; provided, that neither the Authority nor the Trustee may accelerate the Lease Payments or otherwise declare any Lease Payments not then in default to be immediately due and payable.

The City’s failure to pay Lease Payments when due, among other items, constitutes an event of default under the Lease. Upon the occurrence of an event of default under the Lease Agreement, the Authority may exercise any and all remedies available under law or granted under the Lease and the Trustee acting at the direction of the insurer of the Bonds, has the right to re-enter and re-let City Hall and to terminate the Lease.

C. Debt Service Requirements

Annual debt service requirements are shown below for the City’s long-term debt:

For the Year Ending June 30	Principal	Interest
2020	\$295,000	\$373,369
2021	305,000	361,569
2022	315,000	349,369
2023	330,000	336,769
2024	345,000	323,569
2025 - 2029	1,960,000	1,404,756
2030 - 2034	2,185,000	982,770
2035 - 2039	2,345,000	518,492
2040 - 2041	1,080,000	67,238
	\$9,160,000	\$4,717,901

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2019

NOTE 9 – ASSESSMENT DEBT WITH NO CITY COMMITMENT

On August 3, 2004, and July 19, 2006, the Oakley Public Financing Authority issued \$17,150,000 principal amount of Revenue Bonds and \$11,460,000 principal amount of Infrastructure Revenue Bonds to finance the construction and acquisition of certain public improvements within the City's Special District Nos. 2004-1 and 2006-1, respectively. On March 3, 2012, the 2004 Bonds were refunded by the Refunding Revenue bonds, Series 2012 in the principal amount of \$14,775,000. On October 15, 2014, the Oakley Public Financing Authority issued Refunding Revenue Bonds, Series 2014, in the principal amount of \$9,070,000 to refund the 2006 Bonds. The Bonds are secured only by revenues received as payment of assessments levied against property within Special District Nos. 2004-1 and 2006-1. Neither the faith and credit nor the general taxing power of the City of Oakley have been pledged to the payment of the Bonds. Therefore, the Bonds have been excluded from the accompanying financial statements. The outstanding balances of the Bonds were \$11,755,000 and \$7,790,000, respectively, at June 30, 2019.

NOTE 10 – 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 of resources over all its liabilities and deferred inflows of resources, 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 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, receivables and deferred outflows of resources, less its liabilities and deferred inflows of resources.

The City's fund balances are classified 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:

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2019

NOTE 10 – NET POSITION AND FUND BALANCES (Continued)

Nonspendable 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 redevelopment 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.

Committed fund balances have constraints imposed by formal action of the City Council, such as by Resolution or Ordinance, which are equally binding, and may be altered only by the same formal action of the City Council.

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 under the Appropriations Control Policy, the City Manager. This category includes encumbrances that are not to be liquidated by restricted or committed resources; 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.

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.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2019

NOTE 10 – NET POSITION AND FUND BALANCES (Continued)

Detailed classifications of the City's Fund Balances, as of June 30, 2019, are below:

Fund Balance Classifications	Major								Total
	Special Revenue Funds			Major Capital Projects Funds					
	General Fund	Low and Mod		Traffic Impact Fees	Fire Impact Fees	General Capital Projects	Debt Service Fund	Other Governmental Funds	
		Lighting and Landscaping District	Income Housing Asset						
Nonspendables:									
Items not in spendable form:									
Prepays and deposits	\$55,000								\$55,000
Loans Receivable	555,266								555,266
Land Held for resale	4,054,182								4,054,182
Advances	128,532								128,532
Total Nonspendable Fund Balances	4,792,980								4,792,980
Restricted for:									
Pension benefits	428,914								428,914
Lighting and landscaping services		\$8,597,434							8,597,434
Traffic impact projects				\$5,791,185					5,791,185
Fire impact projects					\$1,038,891				1,038,891
Public facilities impact projects								\$332,510	332,510
Street maintenance and improvement								1,643,070	1,643,070
2006-1 Assessment District								345,122	345,122
NPDES projects								388,941	388,941
Community Facilities District #1								1,971,789	1,971,789
Community Facilities District 2015-1								1,726,448	1,726,448
Citywide Community Facilities								229,425	229,425
Agricultural Conservation								7,111	7,111
Debt Service							\$41,288		41,288
Park Impact Fees								300,461	300,461
Cypress Grove improvements								36,419	36,419
Regional Park								1,554,137	1,554,137
Total Restricted Fund Balances	428,914	8,597,434		5,791,185	1,038,891		41,288	8,535,433	24,433,145
Assigned to:									
Termination Payments	132,500								132,500
Uninsured Claims Payable	350,000								350,000
Police vehicles	206,531								206,531
Plans - Consulting	3,230,141								3,230,141
Main Street Projects						\$1,732,765		1,809,821	3,542,586
Total Assigned Fund Balances	3,919,172					1,732,765		1,809,821	7,461,758
Unassigned:									
General Fund	7,795,960								7,795,960
Other fund deficits			(\$992,775)						(992,775)
Total Unassigned Fund Balances	7,795,960		(992,775)						6,803,185
Total Fund Balances	\$16,937,026	\$8,597,434	(\$992,775)	\$5,791,185	\$1,038,891	\$1,732,765	\$41,288	\$10,345,254	\$43,491,068

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2019

NOTE 10 – NET POSITION AND FUND BALANCES (Continued)

C. Minimum Fund Balance Policies

The City's Budget Policies require the City to strive to maintain the following fund balances:

- 1) 20% of the annual operating expenditures in the General Fund's Unassigned Fund Balance for emergencies and unforeseen operating or capital needs. The primary purpose of this reserve is to protect the City's essential service programs and funding requirements during periods of economic downturn (defined as a recession lasting two or more years) or other unforeseen catastrophic costs not covered by the annually budgeted Contingency Reserve.
- 2) Budget a Contingency Reserve each year for non-recurring unanticipated expenditures or to set aside funds to cover known contingencies with unknown costs. The level of the Contingency Reserve will be established as needed but shall not be less than 2% of General Fund operating expenditures. The balance of the reserve, which is a component of the General Fund's Unassigned Fund Balance was \$348,284 as of June 30, 2019.
- 3) Establish an account to accumulate funds to be used for payment of accrued employee benefits for terminated employees. The accumulated amount in the reserve will equal the projected payout of accumulated benefits requiring conversion to pay on retirement for employees then eligible for retirement so there are funds to pay out accumulated benefits requiring conversion to pay on termination. The balance of the reserve was \$132,500 as of June 30, 2019.
- 5) Claims Reserves will be budgeted at a level which, together with purchased insurance, adequately protects the City. The City will maintain a reserve of two times its deductibles for those claims covered by the insurance pool of which the City is a member (currently the Municipal Pooling Authority of Northern California). In addition, the City will perform an annual analysis of past claims not covered by the pool, and reserve an appropriate amount to pay for uncovered claims as well as Labor Code Section 4850 Salary Continuation payments. The balance of the reserve was \$350,000 as of June 30, 2019.
- 6) The City will establish a Street Maintenance Reserve Fund for the accumulation of funds for the long-term maintenance of the City's streets. The amounts transferred into the reserve will be used to augment the City's Gas Tax, Measure J, and other street improvement revenues in completing street maintenance and improvement projects. The reserve shall be considered fully funded when the balance and the combination of anticipated special revenues eligible for street maintenance is sufficient to pay for the next 3 years' anticipated maintenance, which is approximately \$2.25 million. The balance of the reserve was \$1,045,319 as of June 30, 2019.
- 7) The City will establish a Vehicle and Equipment Replacement Reserve Fund for the accumulation of funds for the replacement of worn and obsolete vehicles and other capital equipment. The accumulated amount in the reserve will equal at least 50% of the accumulated depreciation on the City's books for these assets, plus any amounts necessary to ensure the City's ability to replace them when they reach the end of their useful lives. Network and Computer replacement will be gauged using a 3 year lifecycle. The balance of the reserve was \$1,025,754 as of June 30, 2019, which does not meet the targeted level. However, management believes the balance is sufficient to fund all anticipated replacements.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2019

NOTE 10 – NET POSITION AND FUND BALANCES (Continued)

- 8) The City will seek to build and maintain a Facilities Maintenance Capital Asset Reserve Fund for capital costs associated with the maintenance of all City building facilities. The reserve will be maintained at a level at least equal to projected five year facilities maintenance capital costs. Park operating funds shall budget annual capital replacement costs and use them to fund reserves for future equipment replacement and resurfacing needs. The balance of the Facilities Maintenance Capital Asset Reserve was \$445,807 as of June 30, 2019 and many of the park operating funds do not have sufficient revenues to adequately fund reserves, which does not meet the targeted level. However, management believes the balance is sufficient to fund all anticipated replacements.
- 9) The City will seek to build and maintain a Storm Drain Depreciation Reserve for costs associated with the major maintenance and capital improvement costs included in the Storm Drain (NPDES) program budget. The minimum reserve level will be 50% of the costs projected over the next five years, or \$250 thousand per year as of June 30, 2019. The balance of the reserve which is a component of the NPDES Special Revenue Fund's Restricted Fund Balance was \$270,070 as of June 30, 2019.
- 10) The City will establish a Reserve for Qualifying Expenditures and will transfer into it from current revenues all amounts necessary to ensure compliance with Gann Limit provisions. These funds will be used solely to pay for Gann Limit excludable capital expenditures. To qualify, they must be for assets having a value greater than \$100,000 and having a useful life of at least 10 years. The City was in compliance with the Gann Limit provisions as of June 30, 2019, and therefore was not required to establish a Reserve for Qualifying Expenditures as of June 30, 2019.

NOTE 11 – PENSION PLAN

A. General Information about the Pension Plan

Plan Description – All qualified permanent, probationary and part-time employees are eligible to participate in the City's Safety (police) 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 four rate plans (three miscellaneous and one safety). 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.

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 1957 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.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2019

NOTE 11 – PENSION PLAN (Continued)

In August 2010, the City Council authorized an amendment to the contract between the City and the CalPERS in order to establish a Tier 2 retirement benefits structure. The Tier 2 changed the retirement benefit formula from 2.5%@55 to 2%@60 for new miscellaneous employees hired on or after October 18, 2010. A Tier 3 structure was established to implement the provisions of the Pension Reform Act of 2013 (PEPRA), Assembly Bill 340, and is applicable to employees new to CALPERS, and hired after December 31, 2012, and not subject to grandfathering into the previously existing Tier 2 Rate Plan.

Effective August 12, 2015, the City established a Safety Plan that provides benefits for safety employees hired after January 1, 2013 using the 2.7% @ 57 benefit formula.

The Plan's provisions and benefits in effect at June 30, 2019, are summarized as follows:

	Miscellaneous		
	Classic Tier 1	Classic Tier 2	PEPRA Tier 3
Hire date	Prior to October 18, 2010	On or after October 18, 2010	On or after January 1, 2013
Benefit formula	2.5% @ 55	2.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	2.0 % to 2.5%	1.092% - 2.418%	1.0% - 2.5%
Required employee contribution rates	8.000%	7.000%	6.250%
Required employer contribution rates	10.609%	8.099%	6.842%
Required UAL contribution	\$128,874	\$1,461	\$1,883
Safety			
PEPRA			
Hire date	On or after January 1, 2013		
Benefit formula	2.7% @ 57		
Benefit vesting schedule	5 years service		
Benefit payments	monthly for life		
Retirement age	50 - 57		
Monthly benefits, as a % of eligible compensation	2.0% - 2.7%		
Required employee contribution rates	13.000%		
Required employer contribution rates	12.930%		
Required UAL contribution	\$1,137		

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 (UAL). The dollar amounts are billed on a monthly basis or can be paid in a lump sum at a reduced amount. The City elected to make the lump sum contributions and the required contribution for the unfunded liability was \$133,355 in fiscal year 2019, as shown in the table above.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2019

NOTE 11 – PENSION PLAN (Continued)

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.

For the year ended June 30, 2019, the City’s total contributions to the Plan were \$1,038,446.

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

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’s 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.

As of June 30, 2019, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$1,966,754
Safety	<u>11,375</u>
Total Net Pension Liability	<u><u>\$1,978,129</u></u>

The governmental activities net pension liability is liquidated primarily by the General Fund.

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, 2018, 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, 2017 rolled forward to June 30, 2018 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, 2017 and 2018 was as follows:

Proportion - June 30, 2017	0.02077%
Proportion - June 30, 2018	<u>0.02053%</u>
Change - Increase (Decrease)	<u><u>-0.00024%</u></u>

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2019

NOTE 11 – PENSION PLAN (Continued)

For the year ended June 30, 2019, the City recognized pension expense of \$961,921. At June 30, 2019, 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	\$1,038,446	
Differences between actual and expected experience	75,705	(\$25,680)
Changes in assumptions	225,332	(55,102)
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	909,868	(5,416)
Net differences between projected and actual earnings on plan investments	9,800	
Total	<u>\$2,259,151</u>	<u>(\$86,198)</u>

\$1,038,446 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Annual Amortization
2020	\$599,869
2021	460,003
2022	92,405
2023	(17,770)

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2019

NOTE 11 – PENSION PLAN (Continued)

Actuarial Assumptions – For the measurement period ended June 30, 2018, the total pension liability was determined by rolling forward the June 30, 2017 total pension liability. The June 30, 2017 total pension liabilities were based on the following actuarial methods and assumptions for all benefit tiers:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	(1)
Investment Rate of Return	7.15% (2)
Mortality	Derived using CalPERS Membership Data for all Funds (3)
Post Retirement Benefit Increase	Contract COLA up to 2.00% 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 Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report that can be found on the CalPERS website.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2017 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.

Change of Assumptions – For the measurement date of June 30, 2018, the inflation rate reduced from 2.75% to 2.50%.

Discount Rate – The discount rate used to measure the total pension liability for each Plan was 7.15%. The projection of cash flows used to determine the discount rate for each 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, each Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members for all plans in the PERF. 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 for each Plan.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2019

NOTE 11 – PENSION PLAN (Continued)

The long-term expected rate of return on pension 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 pension plan investment expense and inflation) are developed for each major asset class.

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 (geometric) 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 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 equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class (a)	Current Target Allocation	Real Return Years 1 - 10(b)	Real Return Years 11+©
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	–%	–0.92%
Total	100.0%		

(a) In the CalPERS CAFR, 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 Securities.

(b) An expected inflation of 2.0% used for this period.

(c) An expected inflation of 2.92% used for this period.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2019

NOTE 11 – PENSION PLAN (Continued)

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:

1% Decrease	6.15%
Net Pension Liability	\$3,450,249
Current Discount Rate	7.15%
Net Pension Liability	\$1,978,129
1% Increase	8.15%
Net Pension Liability	\$763,927

Pension Plan Fiduciary Net Position – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS

The City established a post-employment health care defined contribution plan in May 2016, pursuant to a negotiated Memoranda of Understanding (MOU) with its Oakley Police Officers Association employee bargaining unit. The City's funding obligation for the plan is defined within the MOU and is a specified contribution of \$450 per month per police employee.

The administration of benefits for the plan rests with the plan administrator. The administrator for the plan is the Peace Officers Research Association of California (PORAC) Retiree Medical Trust. There are no vesting requirements to be eligible to use these funds post-employment. The benefit can only be used to purchase post-employment health insurance.

Contributions to the plan during fiscal year 2019 were \$173,250.

NOTE 13 – DEFERRED COMPENSATION PLANS

City employees may also defer a portion of their compensation under City sponsored Deferred Compensation Plans. The City offers the opportunity to participate in one of two plans, one created in accordance with Internal Revenue Code Section 457, and one created in accordance with Internal Revenue Code 401a. Under the 457 plan, participants are not taxed on the deferred portion of their compensation until distributed to them; under the 401a plan different rules apply and amounts contributed may be either pre-tax or after-tax depending on applicable plan rules. Under both plans, distributions may be made only at termination, retirement, death or in an emergency as defined by the Plan.

The laws governing deferred compensation plan assets require plan assets to be held by a Trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these plans are not the City's property and are not subject to City control, they have been excluded from these financial statements.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2019

NOTE 14 – RISK MANAGEMENT

A. *Municipal Pooling Authority of Northern California (MPA)*

The City is a member of the Municipal Pooling Authority of Northern California. The Authority provides coverage against various types of loss risks under the terms of a joint-powers agreement with the City and several other cities and governmental agencies. The City participates in the coverage programs as follows:

Types of Coverage (Deductible)	Coverage Limits
Liability (\$25,000)	\$29,000,000
Vehicle - Physical Damage (\$3,000 for police vehicles, \$2,000 for all others)	250,000
Worker's Compensation (no deductible)	Statutory Limit
Property:	
All Risk and Copper Claims (\$25,000), Water Claims (\$150,000)	1,000,000,000
Flood*	25,000,000
Pollution Liability (\$100,000)	1,000,000
Boiler and Machinery (\$5,000)	100,000,000
Cyber Liability (\$50,000)	2,000,000
Government Crime (\$2,500)	1,000,000
Employment Liability (\$50,000)	2,000,000

* \$100,000 minimum deductible per occurrence, except Zones A and V, which are subject to a \$250,000 deductible per occurrence.

The Authority is governed by a Board consisting of representatives from member municipalities. The Board controls the operations of the Authority, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on the Board.

The City's deposits with the Authority are in accordance with formulas established by the Authority. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating.

Audited financial statements for the Authority are available from MPA, 1911 San Miguel Drive, Suite 200, Walnut Creek, CA 94596.

B. *Liability for Uninsured Claims*

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. Settlements have not exceeded insurance coverage for the past three fiscal years.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2019

NOTE 14 – RISK MANAGEMENT (Continued)

The City's liability for uninsured liability claims at June 30 was estimated by management based on claims experience during the fiscal year and was computed as follows:

	June 30	
	2019	2018
Balance at beginning of year	\$23,075	\$105,122
Liability for current fiscal year claims	61,177	7,552
Change in liability for prior fiscal year claims and claims incurred but not reported (IBNR)	30,717	(32,476)
Claims paid	(58,798)	(57,123)
Balance at end of year	<u>\$56,171</u>	<u>\$23,075</u>

NOTE 15 – COMMITMENTS AND CONTINGENCIES

A. Construction and Other Commitments

The City has the following outstanding construction commitments as of June 30, 2019 which are included in the balance of encumbrances in Note 15D:

Laurel Road/Rose Ave Intersection Signalization	\$1,661,005
Laurel Road Widening (Rose to Mellowood)	1,626,571
Fire Station #55	1,086,903
Downtown Train Platform Station and Parking	268,575
Laurel Road Reconstruction (Mellowood-Main)	63,622
Outdoor Fitness Park	50,166
Piper Lane Drainage Channel Trash Capture	49,757
PD Locker Room/Detective Rm Expansion	37,035
Regional Park at Dutch Slough	26,244
Vintage Parkway Repair and Resurfacing	25,476
Athletic Field at Nunn-Wilson Park	15,550
Downtown Parking Lot	12,077
Main-St - O'Hara Ave Intersection Improvement	9,867
3300 Main Street Building Remodeling	5,927
Empire Ave-Gateway Drive Intersection Signal	3,932

In addition to the commitments above, the City agreed to grant up to \$925,000 of Childcare Development Fees to a developer for the construction of a childcare facility. The City has disbursed \$875,000 to date, and as of June 30, 2019 the undisbursed amount is \$50,000.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2019

NOTE 15 – COMMITMENTS AND CONTINGENCIES (Continued)

B. *Litigation*

The City is subject to litigation arising in the normal course of business. In the opinion of the City Attorney, there is no presently filed litigation which is likely to have a material adverse effect on the financial position of the City.

C. *Federal and State Grant Programs*

The City participates in several federal and State grant programs. These programs are subject to audit 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 have been proposed as a result of audits completed to date; 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.

D. *Funding Plan for Construction of Station 55 and Advance from Fire District*

In September 2018, the City entered into a cooperative funding agreement with the East Contra Costa Fire Protection District for the construction of Fire Station No. 55 in the Summer Lakes subdivision. Under the terms of a separate settlement agreement with a developer, the City received \$3.12 million for the design and construction of Fire Station #55 along with the dedication of a one acre parcel on which the station is to be built. Under the terms of the cooperative funding agreement, the District agreed to advance \$1.9 million to the City to complete the design and construction of Station 55. Within thirty days of final completion of the project, the City agrees to transfer title to Station 55 and the associated one acre parcel to the District.

Starting sixty days following the final completion of the project, the advance from the District is repayable on a monthly basis from fire facilities impact fees collected by the City in the previous month. The advance of funds does not bear interest and the balance of the advance was \$1.9 million at June 30, 2019.

E. *Encumbrances*

Encumbrances outstanding as of June 30, 2019 by fund were as follows:

Major Governmental Funds:	
General Fund	\$206,531
Lighting and Landscaping Districts Special Revenue Fund	4,280
Traffic Impact Fees Capital Projects Fund	2,660,081
Fire Impact Fees Capital Projects Fund	1,086,903
General Capital Projects Fund	41,484
Non-Major Governmental Funds	1,132,456
Total Encumbrances	<u><u>\$5,131,735</u></u>

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2019

NOTE 16 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES

A. REDEVELOPMENT DISSOLUTION

In an effort to balance its budget, the State of California adopted ABx1 26 on June 28, 2011, amended by AB1484 on June 27, 2012 (collectively referred to as the Dissolution Act), which suspended all new redevelopment activities except for limited specified activities as of that date and dissolved redevelopment agencies on January 31, 2012.

The suspension provisions prohibited all redevelopment agencies from a wide range of activities, including incurring new indebtedness or obligations, entering into or modifying agreements or contracts, acquiring or disposing of real property, taking actions to adopt or amend redevelopment plans and other similar actions, except actions required by law or to carry out existing enforceable obligations, as defined in ABx1 26.

In addition, the Dissolution Act directs the State Controller to review the activities of all redevelopment agencies and successor agencies to determine whether an asset transfer between an 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 State Controller's Office completed its asset transfer review in July 2015, which did not require the transfer of any additional assets to the Successor Agency.

Effective January 31, 2012, the Redevelopment Agency was dissolved. In accordance with the Dissolution Act, certain assets of the Redevelopment Agency Low and Moderate Income Housing Fund were distributed to a Housing Successor; and all remaining Redevelopment Agency assets and liabilities were distributed to a Successor Agency.

Under the provisions of ABx1 26, the City was eligible to elect to become the Housing Successor and retain the housing assets and elected to do so. On February 1, 2012, the Agency's housing assets were transferred to the City's Low and Moderate Income Housing Asset Special Revenue Fund. The activities of the Housing Successor are reported in the Low and Moderate Income Housing Assets Special Revenue Fund as the City has control of those assets, which may be used in accordance with the low and moderate income housing provisions of California Redevelopment Law.

The City also elected to become the Successor Agency and on February 1, 2012 the Redevelopment Agency's remaining assets were distributed to and liabilities were assumed by the Successor Agency. ABx1 26 requires the establishment of an Oversight Board to oversee the activities of the Successor Agency and one was established on April 17, 2012. The activities of the Successor Agency are subject to review and approval of the Oversight Board, which is comprised of seven members, including one member of City Council and one former Redevelopment Agency employee appointed by the Mayor.

The activities of the Successor Agency are reported in the Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund as the activities are under the control of the Oversight Board and the Department of Finance. The City provides administrative services to the Successor Agency to wind down the affairs of the former Redevelopment Agency.

The Department of Finance issued the Successor Agency a Finding of Completion on August 15, 2014.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2019

NOTE 16 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES
(Continued)

Cash and investments of the Successor Agency as of June 30, 2019 includes the following:

Cash available for operations:	
Cash available for operations	\$54,802
Cash held for September 2, 2019 debt service payment	1,219,971
Cash and investments with fiscal agent	<u>22,510</u>
Total Cash and Investments	<u><u>\$1,297,283</u></u>

Details regarding cash and investments are discussed in Note 3. Information presented in the following footnotes represents other assets and liabilities of the Successor Agency as of June 30, 2019.

B. LOANS RECEIVABLE

The Successor Agency assumed the non-housing loans receivable of the Redevelopment Agency as of February 1, 2012. The Redevelopment Agency engaged in programs designed to encourage construction of or improvement to low-to-moderate income housing. Under these programs, grants or loans were provided under favorable terms to homeowners or developers who agreed to expend these funds in accordance with the Agency's terms. The balance of the portion of the Oakley Senior Housing loan assumed by the Successor Agency as discussed in Note 5D above, including accrued interest was \$674,679 as of June 30, 2019.

C. LONG-TERM DEBT

The Successor Agency assumed the long-term debt of the Redevelopment Agency as of February 1, 2012.

1. Current Year Transaction and Balances

All of the long-term debt of the Successor Agency is comprised of Tax Allocation Bonds issued by the Redevelopment Agency. The Bonds are special obligations of the Agency and are secured only by the Agency's tax increment revenues. Tax Allocation Bond transactions were as follows:

	Original Issue Amount	Balance June 30, 2018	Additions	Retirements	Balance June 30, 2019	Current Portion
2008 Subordinate Tax Allocation Bonds						
4.00-5.00%, due 9/1/2038	\$25,095,000	\$22,650,000		(\$22,650,000)		
2015A Tax Allocation Bonds						
3.375-5.00%, due 9/01/2028	2,595,000	2,595,000			\$2,595,000	
2015B Tax Allocation Bonds						
2.00-3.75%, due 9/01/2024	3,115,000	3,115,000		(245,000)	2,870,000	\$470,000
2018 Tax Allocation Refunding Bonds						
3.25-6.00%, due 9/01/2038	18,655,000		\$18,655,000		18,655,000	70,000
Add: Unamortized Bond Premium			1,881,679		1,881,679	
Total		<u>\$28,360,000</u>	<u>\$20,536,679</u>	<u>(\$22,895,000)</u>	<u>\$26,001,679</u>	<u>\$540,000</u>

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2019

NOTE 16 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES
(Continued)

2. *Redevelopment Agency 2008 Subordinate Tax Allocation Bonds*

On May 10, 2008, the Agency issued Subordinate Tax Allocation Bonds, Series 2008A, to provide financing for various redevelopment projects. The bonds were secured by the Agency's tax increment, however, the 2008A Bonds were subordinated to the 2003 Tax Allocation Bonds that were refunded by the 2015 Tax Allocation Bonds. The 2008 Bonds were on parity with the 2015 Bonds discussed below. Principal is payable annually and the interest was payable semi-annually through 2039. The Bonds were defeased with the issuance of the 2018 Tax Allocation Refunding Bonds discussed below.

3. *Successor Agency 2015 Tax Allocation Bonds*

On May 6, 2015, the Agency issued \$2,595,000 in 2015 Tax Allocation Bonds, Series A, and \$3,115,000 in 2015 Tax Allocation Bonds, Series B. The proceeds of these bonds, secured by property tax revenues in the Redevelopment Property Tax Trust Fund, were used to refund and defease the outstanding 2003 Tax Allocation Bonds. The 2003 Bonds were called on June 19, 2015.

Under the terms of the Trust Indenture for the 2015 Bonds, an event of default occurs if, among other things, the Successor Agency (i) fails to pay interest or principal on the 2015 Bonds when due and payable, (ii) fails to observe or perform any other covenant or term contained in the Trust Indenture, or (iii) commences a voluntary case under Title 11 of the United States Code. Upon the occurrence of an event of default, the Trustee may exercise any remedies available to the Trustee and the bond owners in law or at equity.

The 2015 Bonds are secured by the Successor Agency's property tax revenues in the Redevelopment Property Tax Trust Fund. Annual principal payments on the 2015 Bonds are due September 2, and semi-annual interest payments are due March 1 and September 1, through 2028.

4. *Successor Agency 2018 Tax Allocation Refunding Bonds*

On July 19, 2018, the Agency issued \$18,655,000 in 2018 Tax Allocation Refunding Bonds. The proceeds of these bonds, secured by property tax revenues in the Redevelopment Property Tax Trust Fund, were used to refund and defease the outstanding 2008 Subordinate Tax Allocation Bonds. The refunding reduces the total debt service payments over 21 years by \$7,649,546 and results in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$3,097,278. The 2008 Bonds were called on September 1, 2018.

Under the terms of the Trust Indenture for the 2018 Bonds, an event of default occurs if, among other things, the Successor Agency (i) fails to pay interest or principal on the 2018 Bonds when due and payable, (ii) fails to observe or perform any other covenant or term contained in the Trust Indenture, or (iii) commences a voluntary case under Title 11 of the United States Code. Upon the occurrence of an event of default, the Trustee may exercise any remedies available to the Trustee and the bond owners in law or at equity.

The 2018 Bonds are secured by the Successor Agency's property tax revenues in the Redevelopment Property Tax Trust Fund. The 2018 Bonds are on parity with the 2015 Bonds discussed above. Annual principal payments on the 2018 Bonds are due September 2, and semi-annual interest payments are due March 1 and September 1, through 2028.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2019

NOTE 16 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES
(Continued)

5. Pledge of Tax Revenues

As discussed above, the Agency had pledged all future tax increment revenues, less amounts required to be set aside in the Redevelopment Agency Low and Moderate Income Housing Capital Projects Fund and certain tax increment pass through payments, for the repayment of both the 2003 and 2008A Tax Allocation Bonds (non-housing revenues). The Agency had also pledged tax increment revenues required to be set aside in the Redevelopment Agency Low and Moderate Income Housing Capital Projects Fund (housing revenue) for the repayment of a portion of the 2003 Tax Allocation Bonds. With the issuance of the 2018 Bonds, the tax increment revenue is pledged on parity with the 2015 and 2018 Bonds. The pledge of all future tax increment revenues ends upon repayment of the \$35,731,819 remaining debt service on the 2015 and 2018 Bonds above, which is scheduled to occur in 2039.

With the dissolution of the Redevelopment Agency discussed above, Tax Increment is no longer distributed, and instead the Successor Agency receives payments from the County's Redevelopment Property Tax Trust Fund (RPTTF) that are to be used to fund debt service on the Bonds, with no distinction between housing and non-housing revenues. Beginning in fiscal year 2012, under the provisions of the laws dissolving the Redevelopment Agency, the Successor Agency only receives the funds necessary to fulfill its approved obligations. Total property taxes available for distribution to the Successor Agency and other taxing entities for fiscal year 2019 calculated by the County Auditor-Controller was \$3,508,700 and the total received by the Successor Agency for fiscal year 2019 debt service was \$1,963,996 which represented of 205% of the \$955,832 of debt service.

6. Debt Service Requirements

Annual debt service requirements for the Bonds are shown below:

For the Year Ending June 30	Principal	Interest
2020	\$540,000	\$1,017,321
2021	815,000	994,885
2022	845,000	962,305
2023	880,000	925,498
2024	920,000	887,048
2025 - 2029	5,255,000	3,748,765
2030 - 2034	6,610,000	2,355,340
2035 - 2039	8,255,000	720,657
	24,120,000	\$11,611,819
Add: Unamortized Premium	1,881,679	
Net Long Term Debt	\$26,001,679	

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2019

NOTE 16 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES
(Continued)

D. COMMITMENTS AND CONTINGENCIES

1. State Approval of Enforceable Obligations

The Successor Agency prepares a Recognized Obligation Payment Schedule (ROPS) semi-annually that contains all proposed expenditures for the subsequent six-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 amount, if any, of current obligations that may be denied by the State Department of Finance in the future cannot be determined at this time.

2. State Asset Transfer Review

The activities of the former Redevelopment Agency and the Successor Agency were also subject to further examination by the State of California. The State Controller's Office conducted a review of the propriety of asset transfers between the former Redevelopment Agency or the Successor Agency and any public agency that occurred on or after January 1, 2011. The results of that review were issued in July 2015 and although the review did identify ineligible transfers of assets from the former Redevelopment Agency to the City, the report reflected the current year and prior year transfers discussed in Note 16A and made no further demands for the return of assets to the Successor Agency.

E. CONTRA COSTA COUNTYWIDE CONSOLIDATED OVERSIGHT BOARD

On July 1, 2018, the duties of the Oakley Oversight Board transferred to a new Contra Costa Countywide Consolidated Oversight Board, which will now be responsible for overseeing the winddown affairs of all Successor Agencies in Contra Costa County, including the Successor Agency to the Oakley Redevelopment Agency.

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REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION

Miscellaneous and Safety Rate Plans, a Cost Sharing-Employer Defined Benefit Pension Plan
Last 10 Years*

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Measurement Date	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018
Plan's Proportion of the Net Pension Liability (Asset)	0.04460%	0.05032%	0.04978%	0.02077%	0.02053%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$1,102,233	\$1,380,410	\$1,729,323	\$2,059,612	\$1,978,129
Plan's Covered Payroll	\$1,972,266	\$2,494,839	\$3,497,131	\$6,800,698	\$8,031,468
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	55.89%	55.33%	49.45%	30.29%	24.63%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	79.82%	78.40%	74.06%	73.31%	72.60%

Notes to Schedule:

* - Fiscal year 2015 was the 1st year of implementation.

REQUIRED SUPPLEMENTARY INFORMATION

Miscellaneous and Safety Rate Plans, a Cost Sharing-Employer Defined Benefit Pension Plan
Last 10 Years*

SCHEDULE OF CONTRIBUTIONS

For the year Ended June 30	2015	2016	2017	2018	2019
Actuarially determined contribution	\$296,613	\$382,769	\$746,429	\$986,847	\$1,038,446
Contributions in relation to the actuarially determined contributions	296,613	382,769	746,429	986,847	1,038,446
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0
Covered payroll	\$2,494,839	\$3,497,131	\$6,800,698	\$8,031,468	\$8,224,932
Contributions as a percentage of covered payroll	11.89%	10.95%	10.98%	12.29%	12.63%

* Fiscal year 2015 was the 1st year of implementation.

SUPPLEMENTAL INFORMATION

MAJOR GOVERNMENTAL FUNDS, OTHER THAN GENERAL FUND AND SPECIAL REVENUE FUNDS
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TRAFFIC IMPACT FEES CAPITAL PROJECTS FUND

This fund accounts for fees assessed on new development to provide street and road improvements.

FIRE IMPACT FEES CAPITAL PROJECTS FUND

This fund accounts for fees assessed on new developments to provide for fire protection capital facilities.

GENERAL CAPITAL PROJECTS FUND

This fund accounts for revenues and expenditures related to General Fund contributions, grants and other funding sources for capital projects not accounted for in other capital projects funds. It accounts for the total expenditures for each project charged to this fund.

DEBT SERVICE FUND

This fund accounts for principal and interest payments on the City's outstanding debt issues.

CITY OF OAKLEY
MAJOR GOVERNMENTAL FUNDS OTHER THAN THE
GENERAL FUND AND SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019

	TRAFFIC IMPACT FEES			FIRE IMACT FEES		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Intergovernmental:						
Other				\$1,900,000	\$1,900,000	
Developer fees	\$995,000	\$951,092	(\$43,908)	79,000	85,297	\$6,297
Use of money and property	30,000	190,718	160,718	43,000	47,365	4,365
Miscellaneous	103,478	45,955	(57,523)			
Total Revenues	<u>1,128,478</u>	<u>1,187,765</u>	<u>59,287</u>	<u>2,022,000</u>	<u>2,032,662</u>	<u>10,662</u>
EXPENDITURES						
Current:						
Community Development					4,169	(4,169)
Public Works	19,280	43,374	(24,094)			
Capital outlay	8,027,226	3,070,137	4,957,089	5,414,425	4,327,983	1,086,442
Debt service:						
Principal						
Interest						
Total Expenditures	<u>8,046,506</u>	<u>3,113,511</u>	<u>4,932,995</u>	<u>5,414,425</u>	<u>4,332,152</u>	<u>1,082,273</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(6,918,028)	(1,925,746)	4,992,282	(3,392,425)	(2,299,490)	1,092,935
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)						
Total Other Financing Sources (Uses)						
NET CHANGE IN FUND BALANCES	<u>(\$6,918,028)</u>	<u>(1,925,746)</u>	<u>\$4,992,282</u>	<u>(\$3,392,425)</u>	<u>(2,299,490)</u>	<u>\$1,092,935</u>
Fund balance at beginning of year		<u>7,716,931</u>			<u>3,338,381</u>	
Fund balance at end of year		<u>\$5,791,185</u>			<u>\$1,038,891</u>	

GENERAL CAPITAL PROJECTS			DEBT SERVICE FUND		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$87,000	\$387,439	\$300,439			
	39,465	39,465	\$5,000	\$34,546	\$29,546
	65,838	65,838			
87,000	492,742	405,742	5,000	34,546	29,546
3,293,719	1,965,689	1,328,030	4,000,000	4,060,504	(60,504)
			\$280,000	280,000	
			393,067	390,430	2,637
3,293,719	1,965,689	1,328,030	4,673,067	4,730,934	(57,867)
(3,206,719)	(1,472,947)	1,733,772	(4,668,067)	(4,696,388)	(28,321)
1,475,000	1,475,000		673,067	673,067	
	(39,465)	(39,465)			
1,475,000	1,435,535	(39,465)	673,067	673,067	
(\$1,731,719)	(37,412)	\$1,694,307	(\$3,995,000)	(4,023,321)	(\$28,321)
	1,770,177			4,064,609	
	\$1,732,765			\$41,288	

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NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS**GAS TAX**

This fund accounts for revenues and expenditures received from the State of California under Street and Highways Code Sections 2105, 2106, 2107 and 2107.5. The allocations must be spent for street maintenance and construction.

NPDES

This fund accounts for storm water utility fees assessed on properties city-wide and used to pay for the “National Pollution Discharge Elimination System” to prevent further polluting of our streams and bays as mandated by the Federal government.

DEVELOPER DEPOSITS

This fund accounts for deposits received from contractors and property owners to offset the cost of providing certain Community Development services including processing applications and reviewing grading plans of applicant projects.

YOUTH DEVELOPMENT

This fund accounts for youth development grant programs.

COMMUNITY FACILITIES DISTRICT #1

This fund accounts for maintenance and operations related to drainage and flood control at the Cypress Grove development.

COMMUNITY FACILITIES DISTRICT 2015-1

This fund accounts for the activities associated with the maintenance of neighborhood parks, community parks, regional parks, street lighting, landscaping and storm water detention facilities at Emerson Ranch.

OAKLEY WELCOMING

This fund accounts for the activities associated with the grant-funded Oakley Welcoming program under the You Me We Oakley! brand.

AG CONSERVATION

This fund accounts for the activities associated with establishing and carrying out the City’s agricultural conservation program.

CITYWIDE COMMUNITY FACILITIES DISTRICT

This fund was established to account for the activities associated with the maintenance of neighborhood parks and stormwater detention facilities in the areas of the 2015-2 Citywide Community Facility District.

REGIONAL PARK

This fund was established to account for the activities associated with the development and maintenance of the Oakley Regional Community Park.

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

CAPITAL PROJECTS FUNDS**MEASURE J**

This fund accounts for the City's portion of the half-cent County-wide sales tax levied to fund transportation improvements to local streets.

PARK IMPACT FEES

This fund accounts for fees assessed on new development to provide for park acquisition and development.

CHILDCARE IMPACT FEES

This fund accounts for fees assessed on new developments to provide for childcare facilities.

PUBLIC FACILITIES IMPACT FEE

This fund accounts for fees assessed on new development to provide for public facilities.

MAIN STREET

This fund accounts for Main Street related projects funded by the General Fund.

CYPRESS GROVE CAPITAL PROJECT

This fund accounts for funds from the 2004-1 Limited Obligation Bonds used to purchase infrastructure assets built by developers in the 2004-1 Assessment District area.

STREET MAINTENANCE RESERVE

This fund was established to account for the accumulation of funds for the long-term maintenance of the City's streets. The amounts transferred into the reserve will be used to augment the City's Gas Tax, Measure J, and other street improvement revenues in completing street maintenance and improvement projects. The reserve shall be considered fully funded when the balance and the combination of anticipated special revenues eligible for street maintenance is sufficient to pay for the next 3 years' anticipated maintenance, which is anticipated to occur by June 30, 2018.

2006-1 ASSESSMENT DISTRICT CAPITAL PROJECTS

This fund accounts for funds from the 2006 Infrastructure Revenue Bonds that will ultimately be used to purchase infrastructure assets built by developers in the 2006-1 Assessment District area.

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CITY OF OAKLEY
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2019

	SPECIAL REVENUE FUNDS			
	Gas Tax	NPDES	Developer Deposits	Youth Development
ASSETS				
Cash and investments available for operations	\$122,287	\$243,713	\$1,395,493	
Cash with fiscal agent				
Accounts receivable, net	149,528	181,215	177,251	
Interest receivable	733	939		
Advances to other funds				
Total Assets	<u>\$272,548</u>	<u>\$425,867</u>	<u>\$1,572,744</u>	
LIABILITIES				
Accounts payable	\$49,944	\$36,926	\$30,453	
Due to other funds				
Deposits payable			1,542,291	
Advances from other funds				
Unearned revenue				
Total Liabilities	<u>49,944</u>	<u>36,926</u>	<u>1,572,744</u>	
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - interest on advances to other funds				
Total Deferred Inflows of Resources				
FUND BALANCES				
Restricted	222,604	388,941		
Assigned				
Total Fund Balance	<u>222,604</u>	<u>388,941</u>		
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$272,548</u>	<u>\$425,867</u>	<u>\$1,572,744</u>	

SPECIAL REVENUE FUNDS

Community Facilities District #1	Community Facilities District 2015-1	Oakley Welcoming	Ag Conservation	Citywide Community Facilities District	Regional Park
\$1,962,846	\$1,719,263	\$108,550	\$7,070	\$229,411	\$1,560,619
9,017	7,358	574	41	964	
<u>\$1,971,863</u>	<u>\$1,726,621</u>	<u>\$109,124</u>	<u>\$7,111</u>	<u>\$230,375</u>	<u>\$1,560,619</u>
\$74	\$173	\$3,346		\$950	\$3,482
		105,778			3,000
<u>74</u>	<u>173</u>	<u>109,124</u>		<u>950</u>	<u>6,482</u>
1,971,789	1,726,448		\$7,111	229,425	1,554,137
<u>1,971,789</u>	<u>1,726,448</u>		<u>7,111</u>	<u>229,425</u>	<u>1,554,137</u>
<u>\$1,971,863</u>	<u>\$1,726,621</u>	<u>\$109,124</u>	<u>\$7,111</u>	<u>\$230,375</u>	<u>\$1,560,619</u>

(Continued)

CITY OF OAKLEY
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2019

	CAPITAL PROJECTS FUNDS			
	Measure J	Park Impact Fees	Childcare Impact Fees	Public Facilities Impact Fee
ASSETS				
Cash and investments available for operations	\$1,415,151			\$273,760
Cash with fiscal agent				
Accounts receivable, net		\$30,000		
Interest receivable	5,315	1,372		1,578
Advances to other funds		427,954		136,979
Total Assets	<u>\$1,420,466</u>	<u>\$459,326</u>		<u>\$412,317</u>
LIABILITIES				
Accounts payable		\$46,971		
Due to other funds		18,771		
Deposits payable				
Advances from other funds				\$50,000
Unearned revenue				
Total Liabilities		<u>65,742</u>		<u>50,000</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - interest on advances to other funds		93,123		29,807
Total Deferred Inflows of Resources		<u>93,123</u>		<u>29,807</u>
FUND BALANCES				
Restricted	\$1,420,466	300,461		332,510
Assigned				
Total Fund Balance	<u>1,420,466</u>	<u>300,461</u>		<u>332,510</u>
Total Liabilities, Deferred Inflows of Resources	<u>\$1,420,466</u>	<u>\$459,326</u>		<u>\$412,317</u>

CAPITAL PROJECTS FUNDS

Main Street	Cypress Grove Capital Project	Street Maintenance Reserve	2006-1 Assessment District	Total Nonmajor Governmental Funds
\$778,105		\$1,045,319		\$10,861,587
	\$37,916		\$345,122	383,038
	(1,497)			537,994
				26,394
				564,933
<u>\$778,105</u>	<u>\$36,419</u>	<u>\$1,045,319</u>	<u>\$345,122</u>	<u>\$12,373,946</u>
\$13,603				\$185,922
				18,771
				1,545,291
				50,000
				105,778
<u>13,603</u>				<u>1,905,762</u>
				122,930
				122,930
	\$36,419		\$345,122	8,535,433
<u>764,502</u>		<u>\$1,045,319</u>		<u>1,809,821</u>
<u>764,502</u>	<u>36,419</u>	<u>1,045,319</u>	<u>345,122</u>	<u>10,345,254</u>
<u>\$778,105</u>	<u>\$36,419</u>	<u>\$1,045,319</u>	<u>\$345,122</u>	<u>\$12,373,946</u>

CITY OF OAKLEY
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019

	SPECIAL REVENUE FUNDS			
	Gas Tax	NPDES	Developer Deposits	Youth Development
REVENUES				
Property taxes		\$520,277		
Other taxes				
Intergovernmental:				
Other	\$1,564,492			
Developer fees			\$1,467,837	
Special assessments				
Use of money and property	2,704	8,042		(\$8)
Miscellaneous	20,644	430		6,914
Total Revenues	1,587,840	528,749	1,467,837	6,906
EXPENDITURES				
Current:				
Community Development			1,467,837	
Public Works	589,100	618,284		
Recreation				6,906
Capital outlay	1,072,283	109,322		
Total Expenditures	1,661,383	727,606	1,467,837	6,906
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(73,543)	(198,857)		
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers (out)	(141,156)			
Total Other Financing Sources (Uses)	(141,156)			
NET CHANGE IN FUND BALANCES	(214,699)	(198,857)		
Fund balance (deficit) at beginning of year	437,303	587,798		
Fund balances (deficit) at end of year	\$222,604	\$388,941		

SPECIAL REVENUE FUNDS

Community Facilities District #1	Community Facilities District 2015-1	Oakley Welcoming	Ag Conservation	Citywide Community Facilities District	Regional Park
	\$770,928			\$126,462	\$18,338
\$318,520 49,953	28,091	\$2,079 51,325	\$181	3,373	12,400 1,000,000
368,473	799,019	53,404	181	129,835	1,030,738
103,791	97,350	53,404		16,248	49,708
103,791	97,350	53,404		16,248	49,708
264,682	701,669		181	113,587	981,030
264,682	701,669		181	113,587	981,030
1,707,107	1,024,779		6,930	115,838	573,107
\$1,971,789	\$1,726,448		\$7,111	\$229,425	\$1,554,137

(Continued)

CITY OF OAKLEY
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019

	CAPITAL PROJECTS FUNDS			
	Measure J	Park Impact Fees	Childcare Impact Fees	Public Facilities Impact Fee
REVENUES				
Property taxes				
Other taxes				
Intergovernmental:				
Other	\$706,375			
Developer fees		\$284,471		\$400,605
Special assessments				
Use of money and property	19,683	12,435	\$5,323	7,620
Miscellaneous		60,000		
Total Revenues	<u>726,058</u>	<u>356,906</u>	<u>5,323</u>	<u>408,225</u>
EXPENDITURES				
Current:				
Community Development			472,800	13,335
Public Works	106,384	15,390		
Recreation				
Capital outlay	<u>183,434</u>	<u>1,410,951</u>	<u>64</u>	
Total Expenditures	<u>289,818</u>	<u>1,426,341</u>	<u>472,864</u>	<u>13,335</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>436,240</u>	<u>(1,069,435)</u>	<u>(467,541)</u>	<u>394,890</u>
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers (out)		(12,435)		(673,067)
Total Other Financing Sources (Uses)		<u>(12,435)</u>		<u>(673,067)</u>
NET CHANGE IN FUND BALANCES	436,240	(1,081,870)	(467,541)	(278,177)
Fund balance (deficit) at beginning of year	<u>984,226</u>	<u>1,382,331</u>	<u>467,541</u>	<u>610,687</u>
Fund balances (deficit) at end of year	<u><u>\$1,420,466</u></u>	<u><u>\$300,461</u></u>	<u><u></u></u>	<u><u>\$332,510</u></u>

CAPITAL PROJECTS FUNDS

Main Street	Cypress Grove Capital Project	Street Maintenance Reserve	2006-1 Assessment District	Total Nonmajor Governmental Funds
				\$520,277
				915,728
				2,270,867
				2,152,913
				318,520
	\$3,067		\$5,135	160,078
	64,410		91,696	1,295,419
	67,477		96,831	7,633,802
				1,953,972
\$256	319			1,547,122
				60,310
101,612	500,000	\$128	128	3,427,630
101,868	500,319	128	128	6,989,034
(101,868)	(432,842)	(128)	96,703	644,768
275,000		275,000		550,000
				(826,658)
275,000		275,000		(276,658)
173,132	(432,842)	274,872	96,703	368,110
591,370	469,261	770,447	248,419	9,977,144
\$764,502	\$36,419	\$1,045,319	\$345,122	\$10,345,254

CITY OF OAKLEY
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULES OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019

SPECIAL REVENUE FUNDS						
	GAS TAX			N.P.D.E.S.		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes				\$450,000	\$520,277	\$70,277
Other taxes						
Intergovernmental:						
Other	\$1,558,361	\$1,564,492	\$6,131			
Developer fees						
Special assessments						
Use of money and property	1,000	2,704	1,704	2,000	8,042	6,042
Miscellaneous		20,644	20,644		430	430
Total Revenues	<u>1,559,361</u>	<u>1,587,840</u>	<u>28,479</u>	<u>452,000</u>	<u>528,749</u>	<u>76,749</u>
EXPENDITURES						
Current:						
Community Development						
Public Works	575,960	589,100	(13,140)	498,820	618,284	(119,464)
Recreation						
Capital Outlay	1,101,643	1,072,283	29,360	359,256	109,322	249,934
Total Expenditures	<u>1,677,603</u>	<u>1,661,383</u>	<u>16,220</u>	<u>858,076</u>	<u>727,606</u>	<u>130,470</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(118,242)</u>	<u>(73,543)</u>	<u>44,699</u>	<u>(406,076)</u>	<u>(198,857)</u>	<u>207,219</u>
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)	(189,722)	(141,156)	48,566			
Total Other Financing Sources (Uses)	<u>(189,722)</u>	<u>(141,156)</u>	<u>48,566</u>			
NET CHANGE IN FUND BALANCES	<u>(\$307,964)</u>	<u>(214,699)</u>	<u>\$93,265</u>	<u>(\$406,076)</u>	<u>(198,857)</u>	<u>\$207,219</u>
Fund balances (deficit) at beginning of year		437,303			587,798	
Fund balances (deficit) at end of year		<u>\$222,604</u>			<u>\$388,941</u>	

SPECIAL REVENUE FUNDS

DEVELOPER DEPOSITS			YOUTH DEVELOPMENT			COMMUNITY FACILITIES DISTRICT #1		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$454,151	\$1,467,837	\$1,013,686						
						\$318,520	\$318,520	
			\$15,200	(\$8) 6,914	(\$8) (8,286)	5,000	49,953	\$44,953
<u>454,151</u>	<u>1,467,837</u>	<u>1,013,686</u>	<u>15,200</u>	<u>6,906</u>	<u>(8,294)</u>	<u>323,520</u>	<u>368,473</u>	<u>44,953</u>
454,151	1,467,837	(1,013,686)						
			15,200	6,906	8,294	219,150	103,791	115,359
<u>454,151</u>	<u>1,467,837</u>	<u>(1,013,686)</u>	<u>15,200</u>	<u>6,906</u>	<u>8,294</u>	<u>219,150</u>	<u>103,791</u>	<u>115,359</u>
						104,370	264,682	160,312
						\$104,370	264,682	\$160,312
							1,707,107	
							\$1,971,789	

(Continued)

CITY OF OAKLEY
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULES OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019

SPECIAL REVENUE FUNDS						
	COMMUNITY FACILITIES DISTRICT 2015-1			OAKLEY WELCOMING		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes						
Other taxes	\$761,111	\$770,928	\$9,817			
Intergovernmental:						
Other						
Developer fees						
Special assessments						
Use of money and property	\$2,000	28,091	26,091		\$2,079	\$2,079
Miscellaneous				\$73,550	51,325	(22,225)
Total Revenues	763,111	799,019	35,908	73,550	53,404	(20,146)
EXPENDITURES						
Current:						
Community Development						
Public Works	488,981	97,350	391,631			
Recreation				73,550	53,404	20,146
Capital Outlay						
Total Expenditures	488,981	97,350	391,631	73,550	53,404	20,146
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	274,130	701,669	427,539			
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)						
Total Other Financing Sources (Uses)						
NET CHANGE IN FUND BALANCES	\$274,130	701,669	\$427,539			
Fund balances (deficit) at beginning of year		1,024,779				
Fund balances (deficit) at end of year		\$1,726,448				

SPECIAL REVENUE FUNDS								
AG CONSERVATION			CITYWIDE COMMUNITY FACILITIES DISTRICT			REGIONAL PARK		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
			\$129,519	\$126,462	(\$3,057)	\$21,455	\$18,338	(\$3,117)
	\$181	\$181		3,373	3,373		12,400	12,400
						1,000,000	1,000,000	
	181	181	129,519	129,835	316	1,021,455	1,030,738	9,283
			17,886	16,248	1,638			
						542,329	49,708	492,621
			17,886	16,248	1,638	542,329	49,708	492,621
	181	181	111,633	113,587	1,954	479,126	981,030	501,904
	181	\$181	\$111,633	113,587	\$1,954	\$479,126	981,030	\$501,904
	6,930			115,838			573,107	
	\$7,111			\$229,425			\$1,554,137	

(Continued)

CITY OF OAKLEY
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULES OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019

CAPITAL PROJECTS FUNDS						
	MEASURE J			PARK IMPACT FEES		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes						
Other taxes						
Intergovernmental:						
Other	\$575,000	\$706,375	\$131,375			
Developer fees				\$280,000	\$284,471	\$4,471
Special assessments						
Use of money and property	2,000	19,683	17,683	5,000	12,435	7,435
Miscellaneous				60,000	60,000	
Total Revenues	577,000	726,058	149,058	345,000	356,906	11,906
EXPENDITURES						
Current:						
Community Development						
Public Works	66,427	106,384	(39,957)		15,390	(15,390)
Recreation						
Capital Outlay	1,372,878	183,434	1,189,444	1,494,391	1,410,951	83,440
Total Expenditures	1,439,305	289,818	1,149,487	1,494,391	1,426,341	68,050
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(862,305)	436,240	1,298,545	(1,149,391)	(1,069,435)	79,956
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)					(12,435)	(12,435)
Total Other Financing Sources (Uses)					(12,435)	(12,435)
NET CHANGE IN FUND BALANCES	(\$862,305)	436,240	\$1,298,545	(\$1,149,391)	(1,081,870)	\$67,521
Fund balances (deficit) at beginning of year		984,226			1,382,331	
Fund balances (deficit) at end of year		\$1,420,466			\$300,461	

CAPITAL PROJECTS FUNDS

CHILDCARE IMPACT FEES			PUBLIC FACILITIES IMPACT FEE			MAIN STREET		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
			\$299,000	\$400,605	\$101,605			
\$2,500	\$5,323	\$2,823	1,000	7,620	6,620			
2,500	5,323	2,823	300,000	408,225	108,225			
\$575,000	472,800	102,200		13,335	(13,335)		\$256	(\$256)
	64	(64)				\$813,613	101,612	712,001
575,000	472,864	102,136		13,335	(13,335)	813,613	101,868	711,745
(572,500)	(467,541)	104,959	300,000	394,890	94,890	(813,613)	(101,868)	711,745
			(673,067)	(673,067)		275,000	275,000	
			(673,067)	(673,067)		275,000	275,000	
<u>(\$572,500)</u>	<u>(467,541)</u>	<u>\$104,959</u>	<u>(\$373,067)</u>	<u>(278,177)</u>	<u>\$94,890</u>	<u>(\$538,613)</u>	<u>173,132</u>	<u>\$711,745</u>
	<u>467,541</u>			<u>610,687</u>			<u>591,370</u>	
				<u>\$332,510</u>			<u>\$764,502</u>	

(Continued)

CITY OF OAKLEY
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULES OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019

	CAPITAL PROJECTS FUNDS					
	CYPRESS GROVE CAPITAL PROJECT			STREET MAINTENANCE RESERVE		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes						
Other taxes						
Intergovernmental:						
Other						
Developer fees						
Special assessments						
Use of money and property		\$3,067	\$3,067			
Miscellaneous	\$57,764	64,410	6,646			
Total Revenues	57,764	67,477	9,713			
EXPENDITURES						
Current:						
Community Development						
Public Works		319	(319)			
Recreation						
Capital Outlay	\$500,000	500,000			\$128	(\$128)
Total Expenditures	500,000	500,319	(319)		128	(128)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(442,236)	(432,842)	9,394		(128)	(128)
OTHER FINANCING SOURCES (USES)						
Transfers in				\$275,000	275,000	
Transfers (out)						
Total Other Financing Sources (Uses)				275,000	275,000	
NET CHANGE IN FUND BALANCES	<u>(\$442,236)</u>	(432,842)	<u>\$9,394</u>	<u>\$275,000</u>	274,872	<u>(\$128)</u>
Fund balances (deficit) at beginning of year		469,261			770,447	
Fund balances (deficit) at end of year		<u>\$36,419</u>			<u>\$1,045,319</u>	

CAPITAL PROJECTS FUNDS

2006-1 ASSESSMENT DISTRICT

Budget	Actual	Variance Positive (Negative)
	\$5,135	\$5,135
\$91,327	91,696	369
91,327	96,831	5,504
	128	(128)
	128	(128)
91,327	96,703	5,376
\$91,327	96,703	\$5,376
	248,419	
	\$345,122	

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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.

EQUIPMENT REPLACEMENT

This fund is used to finance and account for the replacement of equipment used by City departments.

CAPITAL FACILITIES MAINTENANCE AND REPLACEMENT

This fund is used to account for the maintenance and replacement of the City's capital facilities used by City departments.

CITY OF OAKLEY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2019

	<u>Equipment Replacement</u>	<u>Capital Facilities Maintenance and Replacement</u>	<u>Total</u>
ASSETS			
Current:			
Cash and investments available for operations	\$1,172,034	\$459,140	\$1,631,174
Receivables:			
Interest	<u>5,371</u>	<u>1,805</u>	<u>7,176</u>
Total Current Assets	<u>1,177,405</u>	<u>460,945</u>	<u>1,638,350</u>
Noncurrent:			
Capital assets:			
Depreciable, net	<u>800,598</u>	<u>5,806,696</u>	<u>6,607,294</u>
Total Noncurrent Assets	<u>800,598</u>	<u>5,806,696</u>	<u>6,607,294</u>
Total Assets	<u>1,978,003</u>	<u>6,267,641</u>	<u>8,245,644</u>
LIABILITIES			
Accounts payable	<u>151,651</u>	<u>15,138</u>	<u>166,789</u>
Total Assets	<u>151,651</u>	<u>15,138</u>	<u>166,789</u>
NET POSITION			
Net investment in capital assets	800,598	5,806,696	6,607,294
Unrestricted	<u>1,025,754</u>	<u>445,807</u>	<u>1,471,561</u>
Total Net Position	<u><u>\$1,826,352</u></u>	<u><u>\$6,252,503</u></u>	<u><u>\$8,078,855</u></u>

CITY OF OAKLEY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Equipment Replacement</u>	<u>Capital Facilities Maintenance and Replacement</u>	<u>Total</u>
OPERATING REVENUES			
Charges for services	<u>\$150,000</u>	<u>\$300,000</u>	<u>\$450,000</u>
Total Operating Revenues	<u>150,000</u>	<u>300,000</u>	<u>450,000</u>
OPERATING EXPENSES			
Supplies	38,285	43,240	81,525
Depreciation	<u>291,041</u>	<u>275,388</u>	<u>566,429</u>
Total Operating Expenses	<u>329,326</u>	<u>318,628</u>	<u>647,954</u>
Operating Income (Loss)	<u>(179,326)</u>	<u>(18,628)</u>	<u>(197,954)</u>
NONOPERATING REVENUES (EXPENSES)			
Gain on sale of assets	19,808		19,808
Interest income	<u>30,114</u>	<u>6,404</u>	<u>36,518</u>
Total Nonoperating Revenues	<u>49,922</u>	<u>6,404</u>	<u>56,326</u>
Income (Loss) Before Contributions	<u>(129,404)</u>	<u>(12,224)</u>	<u>(141,628)</u>
Contributions	<u>103,005</u>		<u>103,005</u>
Change in net position	(26,399)	(12,224)	(38,623)
BEGINNING NET POSITION	<u>1,852,751</u>	<u>6,264,727</u>	<u>8,117,478</u>
ENDING NET POSITION	<u><u>\$1,826,352</u></u>	<u><u>\$6,252,503</u></u>	<u><u>\$8,078,855</u></u>

CITY OF OAKLEY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

	Equipment Replacement	Capital Facilities Maintenance and Replacement	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$150,000	\$300,000	\$450,000
Payments to suppliers	<u>78,336</u>	<u>(87,209)</u>	<u>(8,873)</u>
Cash Flows from Operating Activities	<u>228,336</u>	<u>212,791</u>	<u>441,127</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
Proceeds from sale of capital assets	19,808		19,808
Acquisition of capital assets	<u>(171,518)</u>	<u>(7,009)</u>	<u>(178,527)</u>
Cash Flows from Noncapital Financing Activities	<u>(151,710)</u>	<u>(7,009)</u>	<u>(158,719)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest	<u>28,449</u>	<u>5,381</u>	<u>33,830</u>
Net Cash Flows	105,075	211,163	316,238
Cash and investments at beginning of period	<u>1,066,959</u>	<u>247,977</u>	<u>1,314,936</u>
Cash and investments at end of period	<u><u>\$1,172,034</u></u>	<u><u>\$459,140</u></u>	<u><u>\$1,631,174</u></u>
NONCASH TRANSACTIONS			
Contribution of capital assets	<u><u>\$103,005</u></u>	<u><u></u></u>	<u><u>\$103,005</u></u>
Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities:			
Operating income (loss)	(\$179,326)	(\$18,628)	(\$197,954)
Adjustments to reconcile operating income (loss) to cash flows from operating activities:			
Depreciation	291,041	275,388	566,429
Net change in liabilities:			
Accounts payable	<u>116,621</u>	<u>(43,969)</u>	<u>72,652</u>
Cash Flows from Operating Activities	<u><u>\$228,336</u></u>	<u><u>\$212,791</u></u>	<u><u>\$441,127</u></u>

AGENCY FUNDS

Agency Funds account for assets held by the City as an agent for individuals, governmental entities and non-public organizations.

ASSESSMENT DISTRICT 2004-1

This fund accounts for Assessment District 2004-1 special assessment collections and debt service payments.

GENERAL AGENCY FUND

This fund accounts for fees established by the County to fund future County capital facilities from development that are collected via building permits and submitted to the County, as well as assets held on behalf of other agencies for other purposes.

ASSESSMENT DISTRICT 2006-1

This fund accounts for Assessment District 2006-1 special assessment collections and debt service payments.

CITY OF OAKLEY
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2019

	Balance June 30, 2018	Additions	Reductions	Balance June 30, 2019
<u>Assessment District 2004-1</u>				
Assets				
Cash and investments	\$936,442	\$1,200,662	\$1,154,992	\$982,112
Cash with fiscal agent	1,144,370	32,195		1,176,565
Interest receivable	2,490	3,424	2,490	3,424
Total Assets	<u>\$2,083,302</u>	<u>\$1,236,281</u>	<u>\$1,157,482</u>	<u>\$2,162,101</u>
Liabilities				
Due to bondholders	<u>\$2,083,302</u>	<u>\$1,236,281</u>	<u>\$1,157,482</u>	<u>\$2,162,101</u>
Total Liabilities	<u>\$2,083,302</u>	<u>\$1,236,281</u>	<u>\$1,157,482</u>	<u>\$2,162,101</u>
<u>General Agency Fund</u>				
Assets				
Cash and investments	<u>\$1,000,071</u>	<u>\$3,487,254</u>	<u>\$3,453,723</u>	<u>\$1,033,602</u>
Liabilities				
Due to other agencies	<u>\$1,000,071</u>	<u>\$3,487,254</u>	<u>\$3,453,723</u>	<u>\$1,033,602</u>
Total Liabilities	<u>\$1,000,071</u>	<u>\$3,487,254</u>	<u>\$3,453,723</u>	<u>\$1,033,602</u>
<u>Assessment District 2006-1</u>				
Assets				
Cash and investments	\$695,160	\$770,938	\$737,578	\$728,520
Cash with fiscal agent	340,690	8,551		349,241
Interest receivable	1,906	2,665	1,906	2,665
Total Assets	<u>\$1,037,756</u>	<u>\$782,154</u>	<u>\$739,484</u>	<u>\$1,080,426</u>
Liabilities				
Due to bondholders	<u>\$1,037,756</u>	<u>\$782,154</u>	<u>\$739,484</u>	<u>\$1,080,426</u>
Total Liabilities	<u>\$1,037,756</u>	<u>\$782,154</u>	<u>\$739,484</u>	<u>\$1,080,426</u>
<u>Totals - All Agency Funds</u>				
Assets				
Cash and investments	\$2,631,673	\$5,458,854	\$5,346,293	\$2,744,234
Cash with fiscal agent	1,485,060	40,746		1,525,806
Interest receivable	4,396	6,089	4,396	6,089
Total Assets	<u>\$4,121,129</u>	<u>\$5,505,689</u>	<u>\$5,350,689</u>	<u>\$4,276,129</u>
Liabilities				
Due to other agencies	\$1,000,071	\$3,487,254	\$3,453,723	\$1,033,602
Due to bondholders	3,121,058	2,018,435	1,896,966	3,242,527
Total Liabilities	<u>\$4,121,129</u>	<u>\$5,505,689</u>	<u>\$5,350,689</u>	<u>\$4,276,129</u>

STATISTICAL SECTION

STATISTICAL SECTION

This part of the City's Comprehensive Annual 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 and Estimated Actual Value of Taxable Property
2. Property Tax Rates, All Overlapping Governments
3. Principal Property Tax Payers
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, Former Redevelopment Agency Tax Allocation Bonds

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:

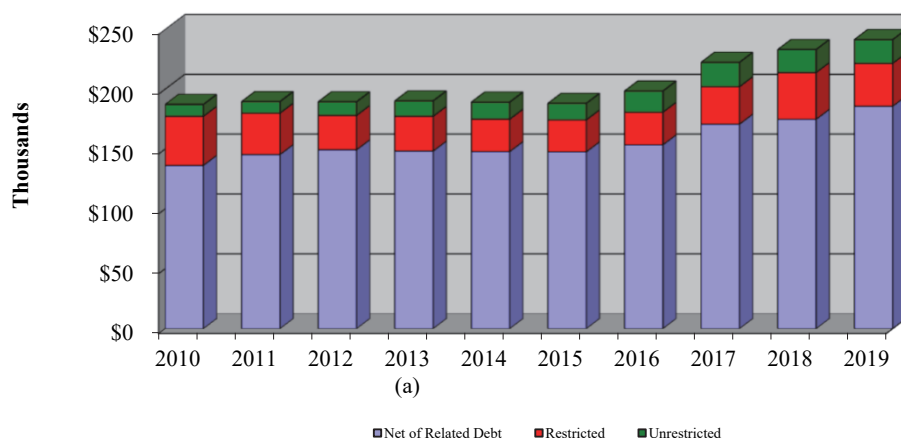
1. Budgeted Full-Time Equivalent City Government Employees by Function
2. Operating Indicators by Function/Program
3. Capital Asset Statistics by Function/Program

Sources

Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

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CITY OF OAKLEY
Net Position by Component (000's)
Last Ten Fiscal Years
(accrual basis of accounting)



	Fiscal Year Ended June 30,									
	2010	2011	2012	2013 (a)	2014	2015	2016	2017	2018	2019
Primary government										
Governmental activities										
Net investment in capital assets	\$136,320	\$145,396	\$149,394	\$148,296	\$147,874	\$147,685	\$153,509	\$170,799	\$174,868	\$185,805
Restricted	40,968	34,572	28,647	28,996	27,042	26,651	27,205	31,286	39,006	35,780
Unrestricted	9,979	9,713	11,462	12,975	14,338	13,898	17,784	20,395	19,286	19,877
Total governmental activities net position	<u>\$187,267</u>	<u>\$189,681</u>	<u>\$189,503</u>	<u>\$190,267</u>	<u>\$189,254</u>	<u>\$188,234</u>	<u>\$198,498</u>	<u>\$222,480</u>	<u>\$233,160</u>	<u>\$241,462</u>

NOTES:

(a) The City implemented the provisions of GASB Statement 63 in fiscal year 2013, which replaced the term "net assets" with the term "net position."

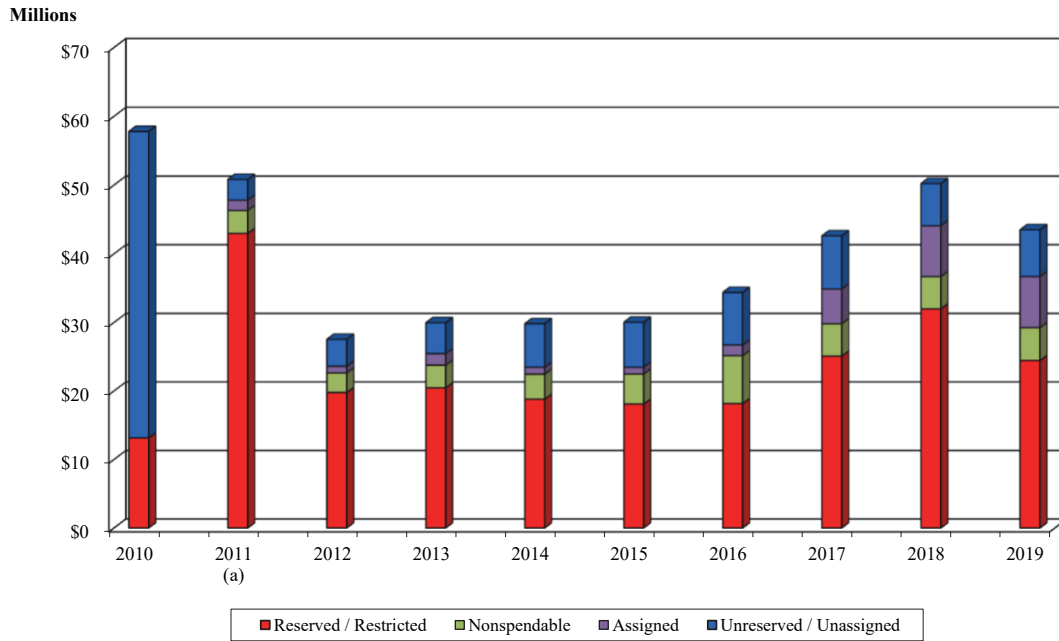
CITY OF OAKLEY
Changes in Net Position (000's)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013 (e)	2014	2015	2016	2017	2018	2019
Expenses										
Governmental Activities:										
Legislative	\$492	\$500	\$466	\$492	\$446	\$466	\$481	\$604	\$641	\$754
Administrative Services	872	913	769	973	1,301	1,341	1,220	1,855	1,877	1,971
Community Development	2,572 (b)	1,830	1,711	1,802	1,819	1,843	2,152	2,088	3,160	4,019
Public Works	8,687 (b)	9,181	12,507 (c)	9,631	10,177	10,640	11,478	11,818	12,200	12,969
Redevelopment and										
Economic Development	3,610	2,023	932 (d)							
Housing Programs				9	8	45	85	3	3	4
Law Enforcement	7,280	7,259	7,462	7,338	7,694	8,314	8,230	8,066	9,097	9,567
Recreation	352	273	360	420	478	524	560	562	629	771
Interest and fiscal charges	2,030	2,000	606 (d)	324	317	301	292	476	400	390
Total Governmental Activities Expenses	25,895	23,979	24,813	20,989	22,240	23,474	24,498	25,472	28,007	30,445
Total Primary Government Expenses	25,895	23,979	24,813	20,989	22,240	23,474	24,498	25,472	28,007	30,445
Program Revenues										
Governmental Activities:										
Charges for Services:										
Administrative Services	\$239	\$156	\$154	\$235	\$266	\$252	\$395	\$521	\$549	\$399
Community Development	1,954	1,341	1,186	1,461	1,154	1,375	2,133	2,151	3,137	2,759
Public Works	3,307	3,209	3,266	3,391	3,499	3,592	3,951	4,245	4,764	5,206
Law Enforcement	2,328	2,426	2,718	3,038	3,232	3,506	3,638	4,068	4,426	4,887
Recreation	47	42	74	54	69	73	98	126	166	189
Operating Grants and Contributions	1,225	1,116	1,630	1,371	1,503	1,714	1,356	1,309	1,619	2,090
Capital Grants and Contributions	8,671	5,940	8,433	3,360	2,625	2,715	5,040	10,324	10,562	8,430
Total Government Activities	17,771	14,230	17,461	12,910	12,348	13,227	16,611	22,744	25,223	23,960
Program Revenues	17,771	14,230	17,461	12,910	12,348	13,227	16,611	22,744	25,223	23,960
Total Primary Government	17,771	14,230	17,461	12,910	12,348	13,227	16,611	22,744	25,223	23,960
Program Revenues	17,771	14,230	17,461	12,910	12,348	13,227	16,611	22,744	25,223	23,960
Net (Expense)/Revenue										
Governmental Activities	(\$8,124)	(\$9,749)	(\$7,352)	(\$8,079)	(\$9,892)	(\$10,247)	(\$7,887)	(\$2,728)	(\$2,784)	(\$6,485)
Total Primary Government Net Expense	(\$8,124)	(\$9,749)	(\$7,352)	(\$8,079)	(\$9,892)	(\$10,247)	(\$7,887)	(\$2,728)	(\$2,784)	(\$6,485)
General Revenues and Other										
Changes in Net Position										
Governmental Activities:										
Taxes:										
Property Taxes	\$7,370	\$7,050	\$5,561 (d)	\$4,359	\$4,499	\$5,331	\$5,814	\$6,233	\$6,918	\$7,435
Sales Taxes	1,343	1,413	1,590	1,618	1,521	1,506	1,753	1,774	1,826	2,041
Transient Occupancy Tax	128	118	165	196	195	210	210	267	276	270
Nonregulatory Franchise and Business	726	1,062	1,136	1,222	1,341	1,418	1,584	1,686	1,877	1,934
Intergovernmental, unrestricted:										
Motor Vehicle In-Lieu	109	159	18	18	16	16	16	18	22	20
Other								186		2
Interest Earnings and Use of Property	995	883	653	371	436	519	557	563	881	1,645
Other	1,171	1,477	873	1,058	871	1,056	1,890	1,340	1,665	1,440
Extraordinary / Special Item			(2,820) (d)			362 (f)	6,327 (g)	14,642 (g)		
Total Government Activities	11,842	12,162	7,176	8,842	8,879	10,404	18,151	26,709	13,465	14,787
Total Primary Government	11,842	12,162	7,176	8,842	8,879	10,404	18,151	26,709	13,465	14,787
Change in Net Position										
Governmental Activities	\$3,718	\$2,413	(\$176)	\$763	(\$1,013)	\$157	\$10,264	\$23,981	\$10,681	\$8,302
Total Primary Government	3,718	2,413	(176)	763	(1,013)	157	10,264	23,981	10,681	8,302

NOTES:

- (a) The City established Public Works in fiscal year 2008. Some of the activities in this department were previously reported in Community Development and Recreation.
- (b) Capital assets previously constructed by or dedicated to Community Development were reassigned to Public Works in fiscal year 2010. As a result, depreciation expense associated with those capital assets is now reflected in Public Works.
- (c) The City conveyed a completed fire station project totaling \$3.3 million to the East Contra Costa County Fire Protection District which was recorded as an expenditure in the Statement of Activities.
- (d) The Redevelopment Agency was dissolved effective January 31, 2012 and its non-housing assets and liabilities were assumed by a Successor Agency.
- (e) The City implemented the provisions of GASB Statement 63 in fiscal year 2013, which replaced the term "net assets" with the term "net position."
- (f) Pursuant to a settlement agreement with the Department of Finance, the City transferred assets to the Successor Agency and the Successor Agency transferred assets to the City.
- (g) Pursuant to the Long Range Property Management Plan, the Successor Agency transferred assets to the City.

CITY OF OAKLEY
Fund Balances of Governmental Funds (000's)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)



	Fiscal Year Ended June 30,									
	2010	2011 (a)	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$1,593									
Unreserved	5,353									
Nonspendable		\$2,847	\$2,843	\$3,301	\$3,654	\$4,375	\$7,000	\$4,741	\$4,704	\$4,793
Restricted		559	559	559	560	559	559	559	202	429
Assigned		155	100	991	331	170	943	626	4,257	3,919
Unassigned		4,347	5,255	6,151	7,837	7,938	9,068	8,769	7,172	7,796
Total General Fund	<u>\$6,946</u>	<u>\$7,908</u>	<u>\$8,757</u>	<u>\$11,002</u>	<u>\$12,382</u>	<u>\$13,042</u>	<u>\$17,570</u>	<u>\$14,695</u>	<u>\$16,335</u>	<u>\$16,937</u> (c)
All Other Governmental Funds										
Reserved	\$11,565									
Unreserved, reported in:										
Special revenue funds	7,526									
Capital project funds	31,761									
Nonspendable		\$497								
Restricted		42,404	\$19,210	\$19,898	\$18,233	\$17,525	\$17,593	\$24,517	\$31,783	\$24,004
Assigned		1,344	884	698	668	829	622	4,434	3,132	3,543
Unassigned		(1,339)	(1,320)	(1,645)	(1,467)	(1,374)	(1,401)	(1,046)	(1,039)	(993)
Total all other governmental funds	<u>\$50,852</u>	<u>\$42,906</u>	<u>\$18,774</u> (b)	<u>\$18,951</u>	<u>\$17,434</u>	<u>\$16,980</u>	<u>\$16,814</u>	<u>\$27,905</u>	<u>\$33,876</u>	<u>\$26,554</u> (c)

NOTES:

- (a) The City implemented the provisions of GASB Statement 54 in fiscal year 2011, and years prior to 2011 have not been restated to conform with the new presentation.
- (b) The Redevelopment Agency was dissolved effective January 31, 2012 and its assets and liabilities were assumed by a Successor Agency on February 1, 2012, which is reported as a Fiduciary Fund. As a result, governmental fund balances are lower beginning in 2012.
- (c) The change in total fund balance for the General Fund and other governmental funds is explained in Management's Discussion and Analysis.

CITY OF OAKLEY
Changes in Fund Balance of Governmental Funds (000's)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

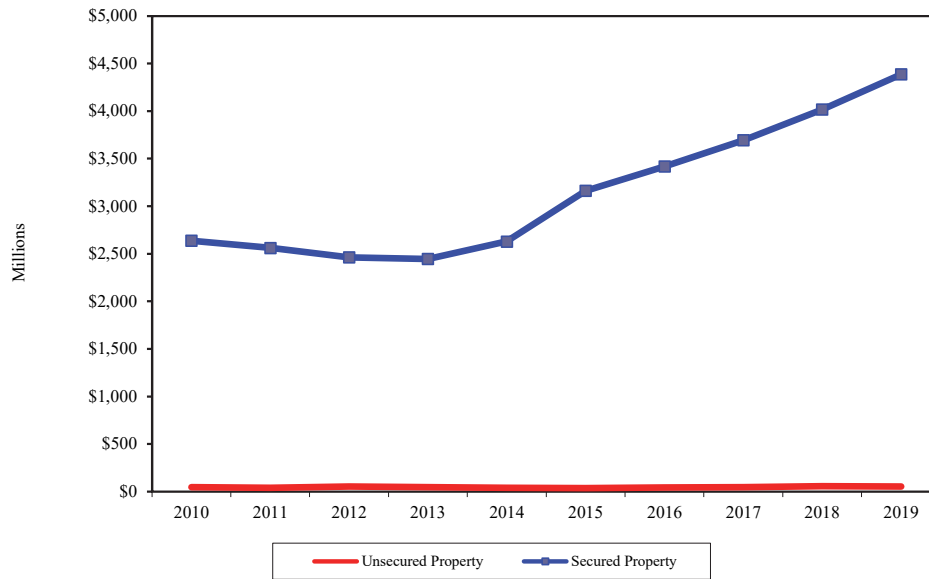
Fiscal Year Ended June 30,

	2010	2011	2012 (a)	2013	2014	2015	2016	2017	2018	2019
Revenues										
Taxes	\$9,017	\$9,526	\$8,344	\$7,729	\$7,446	\$8,331	\$9,213	\$10,179	\$11,499	\$12,484
Licenses, permits and fees	1,392	950	990	1,178	1,345	1,285	2,024	2,348	2,562	1,772
Fines and forfeitures	177	149	136	181	159	135	138	133	133	129
Use of money and property	673	578	418	121	231	319	563	366	640	1,359
Intergovernmental revenues	4,210	2,538	2,164	3,306	2,471	2,651	3,030	3,015	3,757	5,092
Charges for services	10,323	7,378	8,293	8,648	8,941	9,259	11,578	14,635	16,131	12,490
Other	1,171	1,384	932	1,123	971	1,116	1,867	1,320	4,835	2,578
Total Revenues	26,963	22,503	21,277	22,286	21,564	23,096	28,413	31,996	39,557	35,904
Expenditures										
Current:										
Legislative	462	483	452	481	433	449	482	614	612	730
Administrative services	785	783	766	918	1,110	1,287	1,335	1,709	1,419	1,586
Community development	2,338	1,788	1,677	1,771	1,787	1,821	2,274	2,113	3,081	3,959
Public works	3,877	3,682	3,641	4,015	4,608	4,661	5,651	5,921	6,053	6,373
Redevelopment and economic development	489	455	276							
Housing programs				9	8	5	85	3	3	3
Law enforcement	6,955	7,002	7,437	7,186	7,458	7,975	8,098	8,038	9,202	9,779
Recreation	329	264	353	414	471	522	566	575	607	750
Pass through to County and other agencies	615	579	642							
SERAF payment	1,516	312								
Estimated reduction in value of property held for resale	274					40				
Capital outlay	7,123	10,644	5,946	4,502	5,253	5,293	7,969	6,397	10,279	18,747
Debt service:										
Principal repayment	720	742	465	240	255	265	275	6,725	275	280
Interest and fiscal charges	2,043	2,011	1,159	329	318	306	299	621	417	417
Total Expenditures	27,526	28,745	22,814	19,865	21,701	22,624	27,034	32,716	31,948	42,624
Excess (deficiency) of revenues over (under) expenditures	(563)	(6,242)	(1,537)	2,421	(137)	472	1,379	(720)	7,609	(6,720)
Other Financing Sources (Uses)										
Transfers in	2,110	3,214	2,100	925	1,067	2,227	2,311	6,091	3,747	2,891
Transfers (out)	(2,110)	(3,952)	(2,100)	(925)	(1,067)	(2,227)	(2,311)	(6,091)	(3,747)	(2,891)
Proceeds (loss) from sale of property			(14)			10	79	50		
Tax allocation bonds issued										
Lease revenue bonds issued								10,025		
Bond issuance premium								157		
Total other financing sources (uses)		(738)	(14)			10	79	10,232		
Special item						(274)	2,904	(1,294)		
Extraordinary item			(21,734)							
Net Change in fund balances	(\$563)	(\$6,980)	(\$23,285)	\$2,421	(\$137)	\$208	\$4,362	\$8,218	\$7,609	(\$6,720)
Debt service as a percentage of noncapital expenditures	13.8%	12.7%	13.0%	4.0%	3.3%	3.3%	3.0%	28.2%	3.2%	2.9%

NOTES:

(a) The Redevelopment Agency was dissolved effective January 31, 2012 and its assets and liabilities were assumed by a Successor Agency on February 1, 2012, therefore, activities in various areas were lower in the current year, including property taxes, community development and debt service.

CITY OF OAKLEY
ASSESSED AND ESTIMATED ACTUAL
VALUE OF TAXABLE PROPERTY (MILLIONS)
LAST TEN FISCAL YEARS



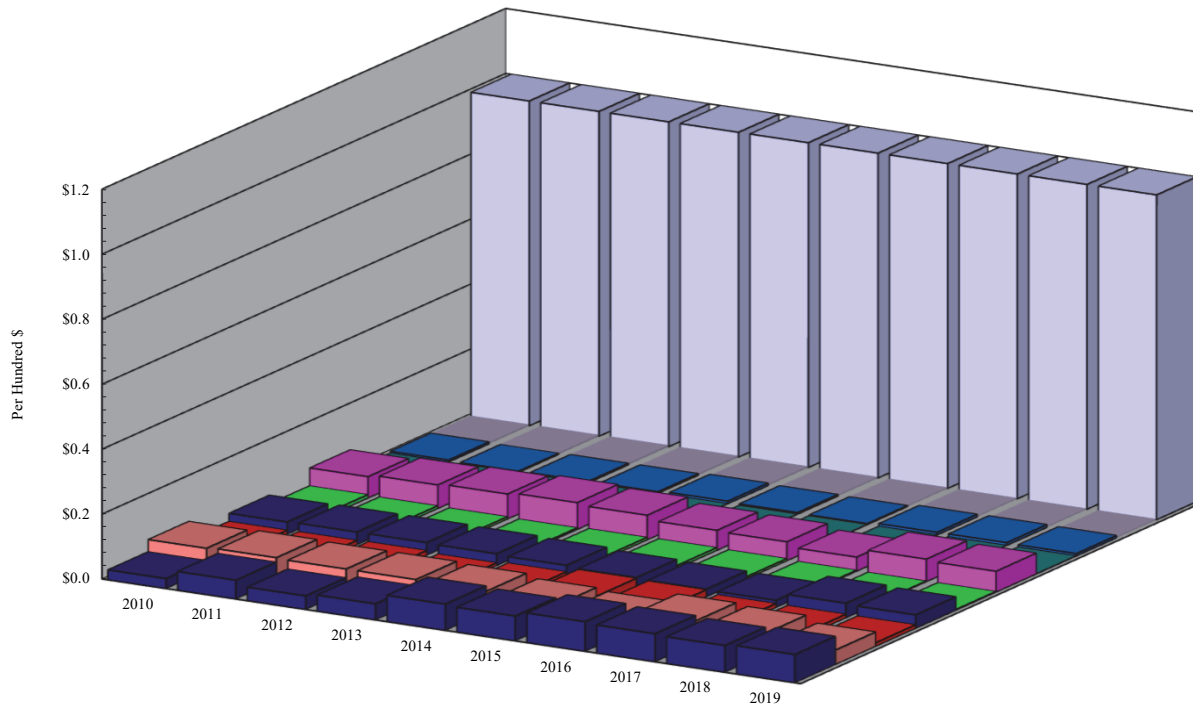
Fiscal Year	Real Property				Total Real Secured Property	Unsecured Property	Total Assessed (a)	Estimated Full Market (a)	Total Direct Tax Rate (b)
	Residential Property	Commercial Property	Industrial Property	Other					
2010	\$2,240	\$139	\$33	\$177	\$2,589	\$47	\$2,636	\$2,636	1%
2011	2,213	110	16	182	2,521	40	2,561	2,561	1%
2012	2,132	107	11	159	2,409	53	2,462	2,462	1%
2013	2,125	102	11	162	2,400	47	2,447	2,447	1%
2014	2,350	103	11	124	2,588	41	2,629	2,629	1%
2015	2,869	112	11	131	3,123	38	3,161	3,161	1%
2016	3,105	112	11	147	3,375	42	3,417	3,417	1%
2017	3,314	130	11	190	3,645	48	3,693	3,693	1%
2018	3,639	142	11	166	3,958	58	4,016	4,016	1%
2019	3,997	148	45	143	4,333	53	4,386	4,386	1%

Source: Contra Costa County Auditor Controller Office Certificate of Assessed Valuations

Notes:

- (a) The State Constitution requires property to be assessed at one hundred percent of the most recent purchase price, plus the value of any new construction, plus an increment of no more than two percent annually. These values are considered to be full market values.
- (b) 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 Oakley includes 44 tax rate areas.

**CITY OF OAKLEY
PROPERTY TAX RATES
ALL OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**



■ Antioch Unified School District	■ Brentwood Elementary School District	■ Contra Costa Community College
■ Liberty Union School District	■ East Bay Regional Park District	■ Oakley Union School District
■ Las Positas Community College	■ BART	■ Contra Costa Water Land Levy
■ Basic County Wide Levy		

Fiscal Year	Basic County Wide Levy	East Bay Regional Park District	Oakley Union School District	Liberty Union School District	Brentwood Elementary School District	Contra Costa Community College	BART	Contra Costa Water Land Levy	Chabot Las Positas Community College	Antioch Unified School District	Total
2010	\$1.0000	\$0.0108	\$0.0659	\$0.0376	\$0.0682	\$0.0126	\$0.0057	\$0.0048	\$0.0000	\$0.0306	\$1.2362
2011	1.0000	0.0084	0.0725	0.0390	0.0715	0.0133	0.0031	0.0049	0.0000	0.0578	1.2705
2012	1.0000	0.0071	0.0767	0.0386	0.0688	0.0144	0.0041	0.0051	0.0000	0.0417	1.2565
2013	1.0000	0.0051	0.0823	0.0364	0.0685	0.0087	0.0043	0.0045	0.0000	0.0495	1.2593
2014	1.0000	0.0078	0.0757	0.0328	0.0639	0.0133	0.0075	0.0042	0.0000	0.0809	1.2861
2015	1.0000	0.0085	0.0614	0.0273	0.0522	0.0252	0.0045	0.0037	0.0000	0.0764	1.2592
2016	1.0000	0.0067	0.0583	0.0237	0.0447	0.0220	0.0026	0.0035	0.0000	0.0912	1.2527
2017	1.0000	0.0032	0.0433	0.0217	0.0698	0.0120	0.0080	0.0032	0.0000	0.0864	1.2476
2018	1.0000	0.0021	0.0693	0.0450	0.0635	0.0114	0.0084	0.0030	0.0000	0.0824	1.2851
2019	1.0000	0.0021	0.0641	0.0414	0.0445	0.0110	0.0070	0.0028	0.0000	0.0870	1.2599

Source: Contra Costa County Auditor-Controller

CITY OF OAKLEY
Principal Property Tax Payers
Current Year and Nine Years Ago (000's)

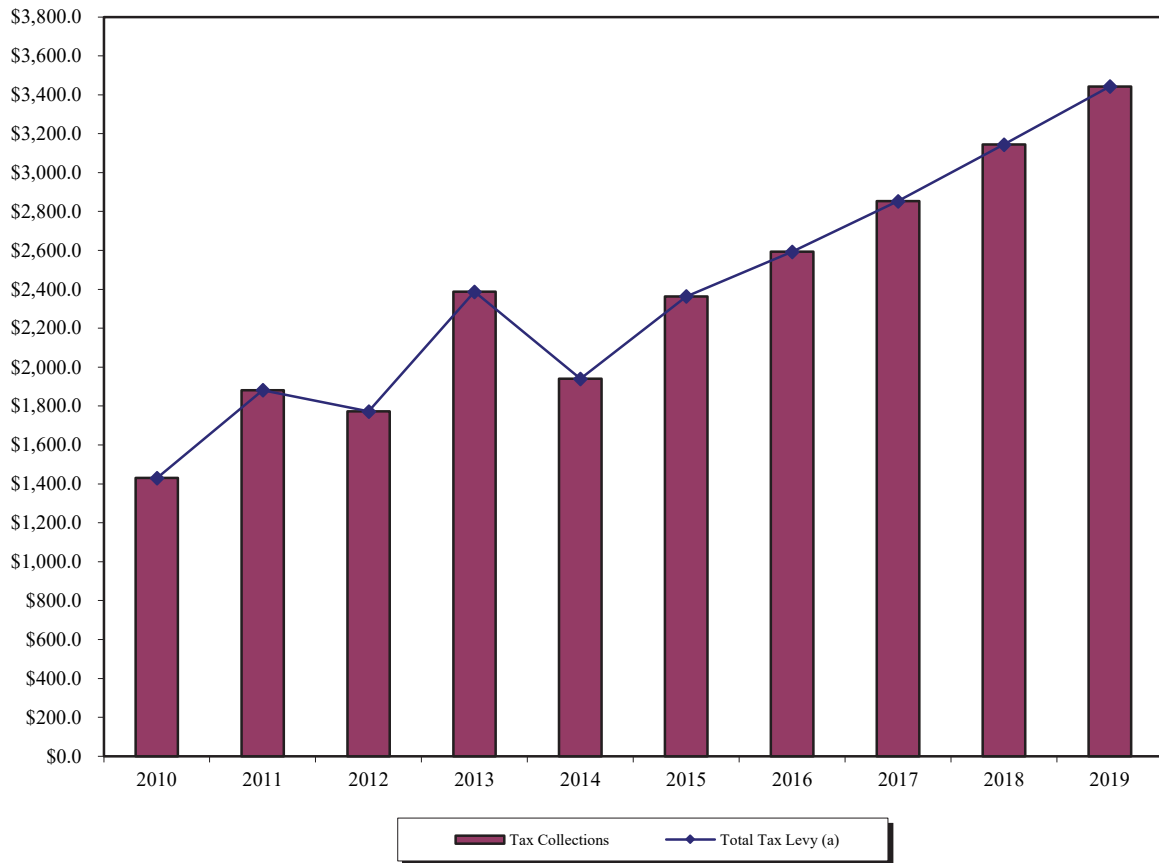
Taxpayer	2018-19			2009-10		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Oakley Cypress Associates	\$27,718,108	1	0.63%			
Cypress Square S&R Associates	19,501,611	2	0.44%	\$17,231,006	3	0.65%
Oakley Self Storage LP	16,011,746	3	0.37%			
Neroly Sports Club Investors	13,424,867	4	0.31%	23,459,246	1	0.89%
CC County Communities LLC	10,931,385	5	0.25%			
HPH Properties LP	10,702,886	6	0.24%	8,767,364	7	0.33%
Forecast Land Investment LLC	10,207,211	7	0.23%	9,844,478	6	0.37%
Albert D Seeno Construction	10,137,048	8	0.23%	12,886,444	5	0.5%
Shurgard Storage Centers Inc	9,325,349	9	0.21%	8,255,141	9	0.31%
Lucky NO CAL Investor LLC	8,846,594	10	0.20%	8,508,921	8	0.32%
Shea Homes LP				22,938,756	2	0.87%
New Urban Comm LLC				13,313,800	4	0.51%
KT-KB Oakley LLC				8,118,241	10	0.19%
Subtotal	<u>\$136,806,805</u>		<u>3.12%</u>	<u>\$133,323,397</u>		<u>5.06%</u>

Total Net Assessed Valuation (000's):

Fiscal Year 2018-2019	\$4,386,000,000
Fiscal Year 2009-2010	\$2,636,000,000

Source: HdL Companies (Contra Costa County Assessor 2018/2019 and 2009/2010 Combined Tax Rolls)

CITY OF OAKLEY
PROPERTY TAX LEVIES AND COLLECTIONS (THOUSANDS)
LAST TEN FISCAL YEARS



Fiscal Year	Total Tax Levy (a)	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
2010	\$1,430 (b)	\$1,430	100.0%	(a)	\$1,430	100.0%
2011	1,882	1,882	100.0%	(a)	1,882	100.0%
2012	1,773	1,773	100.0%	(a)	1,773	100.0%
2013	2,388 (b)	2,388	100.0%	(a)	2,388	100.0%
2014	1,941	1,941	100.0%	(a)	1,941	100.0%
2015	2,364	2,364	100.0%	(a)	2,364	100.0%
2016	2,593	2,593	100.0%	(a)	2,593	100.0%
2017	2,853	2,853	100.0%	(a)	2,853	100.0%
2018	3,145	3,145	100.0%	(a)	3,145	100.0%
2019	3,443	3,443	100.0%	(a)	3,443	100.0%

Source: City of Oakley Records

NOTES: Amounts reported above include only the 1% basic property taxes allocated to the City. They do not include special taxes, assessments, or property taxes received in lieu of vehicle license fees.

(a) The County apportions taxes under the alternative method of apportionment authorized under Revenue & Taxation Code sections 4701 et seq, under which the County provides the City with 100% of its tax levy. The County retains any penalty and delinquency charges collected.

(b) \$443 thousand of the decline in the 2010 tax levy was caused by the State's borrowing of property tax revenue under the provisions of Proposition 1A; and the increase in 2013 included the repayment of the loan.

CITY OF OAKLEY
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities (in thousands)					Percentage of Personal Income (a)	Per Capita (a)
	Tax Allocation Bonds	Jurisdictional Transfer Agreement Pass - Throughs	Certificates of Participation	Lease Revenue Bonds	Total		
2010	\$32,490	\$297	\$7,900	\$0	\$40,687	4.36%	1,179
2011	32,265	0	7,680	0	39,945	5.01%	1,121
2012	0 (b)	0	7,450	0	7,450	0.82%	204
2013	0	0	7,210	0	7,210	0.76%	194
2014	0	0	6,955	0	6,955	0.72%	183
2015	0	0	6,690	0	6,690	0.66%	175
2016	0	0	6,415	0	6,415	0.61%	160
2017	0	0	0	9,715	9,715	0.90%	236
2018	0	0	0	9,440	9,440	0.86%	226
2019	0	0	0	9,160	9,160	0.76%	219

Notes : Debt amounts exclude any premiums, discounts, or other amortization amounts.

Sources: City of Oakley

(a) See the Demographic Statistics schedule for personal income and population data.

(b) Upon the dissolution of the Redevelopment Agency effective January 31, 2012, a Successor Agency assumed the liabilities of the former Redevelopment Agency, including the Tax Allocation Bonds.

CITY OF OAKLEY
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
JUNE 30, 2019

2018-19 Assessed Valuation, Excluding the Redevelopment Agency \$3,942,850,019

	Net Debt Outstanding	Percentage Applicable To City of Oakley	Amount Applicable To City of Oakley
OVERLAPPING TAX AND ASSESSMENT DEBT:			
Contra Costa County General	\$122,585,000	2.138%	\$2,621,037
CCC Lease Revenue Bonds	402,052,748	2.138%	8,596,444
Bay Area Rapid Transit District Bonds	219,953,951	2.138%	4,702,919
East Bay Regional Park District Bonds	77,218,361	2.138%	1,651,035
Liberty Union High School District 1994, 2001 and 2016 Bonds	122,766,854	19.872%	24,396,037
Brentwood Union School District Bonds	83,494,704	0.101%	84,416
Oakley Union School District Bonds	53,630,000	88.570%	47,499,958
Antioch Unified School District School Facilities Improvement District No. 1	112,360,329	5.417%	6,086,768
Contra Costa Community College District Bonds	<u>525,715,000</u>	2.146%	<u>11,279,592</u>
TOTAL GROSS OVERLAPPING TAX AND ASSESSMENT DEBT	<u>\$1,719,776,947</u>		<u>\$106,918,206</u>
DIRECT DEBT:			
City of Oakley Lease Revenue Bonds	<u>\$9,160,000</u>	100.000%	<u>\$9,160,000</u>
TOTAL DIRECT AND OVERLAPPING DEBT			<u>\$116,078,206 (1)</u>

(1) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

RATIOS TO 2018-19 ASSESSED VALUATION:	
Direct Debt	0.23%
Overlapping Debt	2.71%
Total Debt	2.94%

Source: HdL Coren & Cone

NOTE: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. The percentage of overlapping debt applicable is estimated by using taxable assessed values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

CITY OF OAKLEY
COMPUTATION OF LEGAL BONDED DEBT MARGIN
JUNE 30, 2019

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	\$4,386,000,000
---	-----------------

BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)	\$164,475,000
---	---------------

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

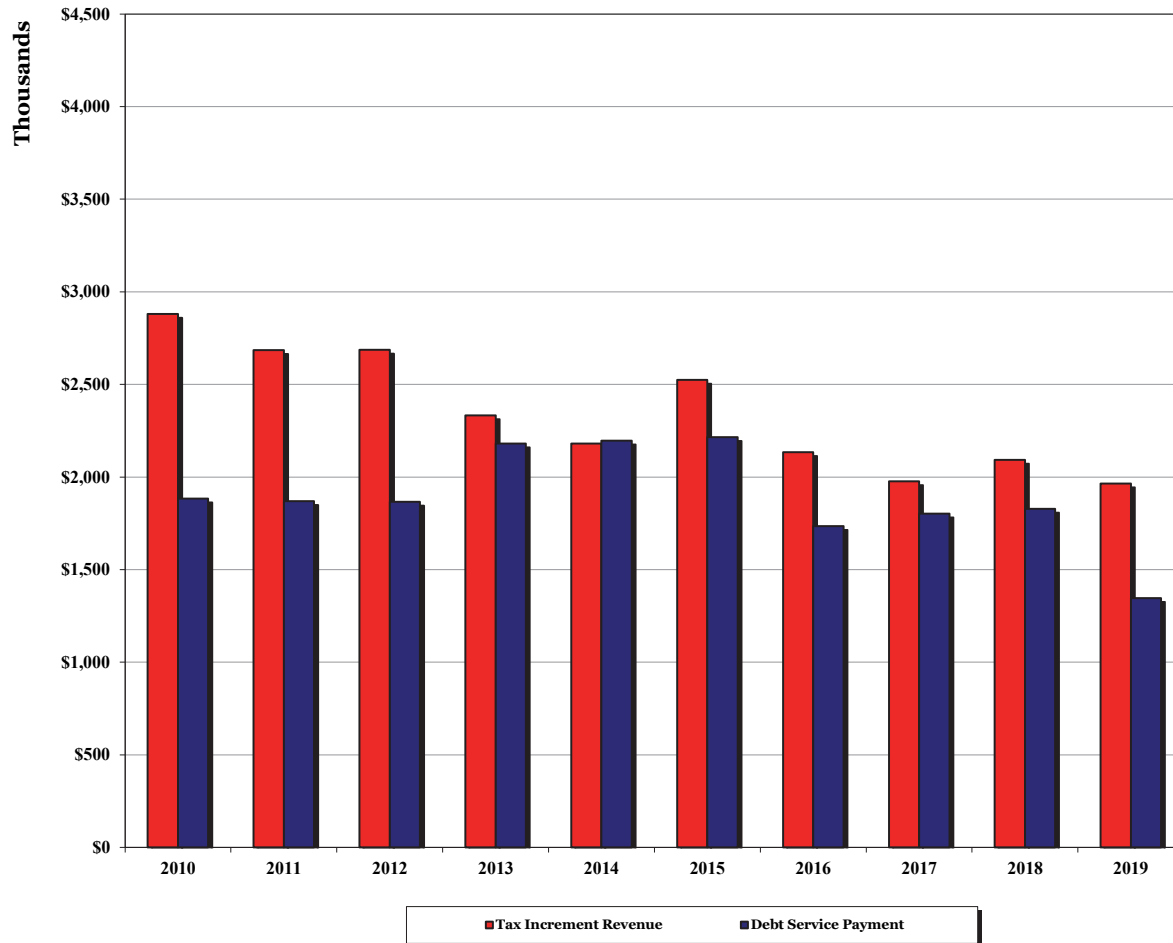
LEGAL BONDED DEBT MARGIN	\$164,475,000
--------------------------	---------------

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
2010	\$97,087,500	\$0	\$97,087,500	0.00%
2011	96,075,000	0	96,075,000	0.00%
2012	92,325,000	0	92,325,000	0.00%
2013	91,762,500	0	91,762,500	0.00%
2014	98,587,500	0	98,587,500	0.00%
2015	118,537,500	0	118,537,500	0.00%
2016	128,137,500	0	128,137,500	0.00%
2017	138,487,500	0	138,487,500	0.00%
2018	150,600,000	0	150,600,000	0.00%
2019	164,475,000	0	164,475,000	0.00%

NOTES:

- (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.

CITY OF OAKLEY
BONDED DEBT PLEDGED REVENUE COVERAGE
FORMER REDEVELOPMENT AGENCY TAX ALLOCATION BONDS
LAST TEN FISCAL YEARS



Fiscal Year	Tax Increment Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2010	\$2,880,794	\$210,000	\$1,673,080	\$1,883,080	1.53
2011	2,685,494	225,000	1,644,221	1,869,221	1.44
2012	2,686,625 (a) (b)	235,000 (a)	1,631,824 (a)	1,866,824	1.44
2013	2,332,827 (b)	560,000 (c)	1,619,876 (c)	2,179,876	1.07
2014	2,180,805 (b)	610,000 (c)	1,585,609 (c)	2,195,609	0.99
2015	2,525,004 (b)	660,000 (c)	1,555,802 (c)	2,215,802	1.14
2016	2,133,349 (b)	425,000 (c)	1,310,054 (c)	1,735,054	1.23
2017	1,976,225 (b)	465,000 (c)	1,337,150 (c)	1,802,150	1.10
2018	2,093,153 (b)	510,000 (c)	1,317,650 (c)	1,827,650	1.15
2019	1,963,996 (b)	245,000 (c) (d)	1,101,416 (c) (d)	1,346,416	1.46

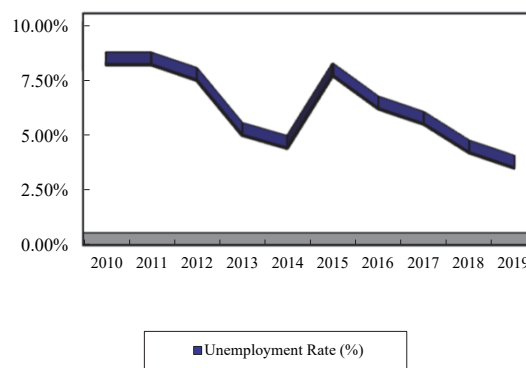
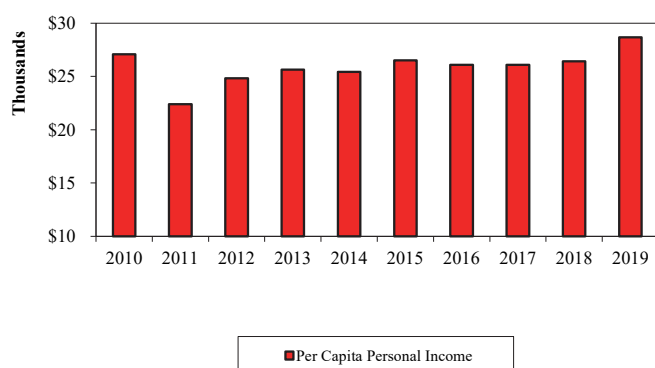
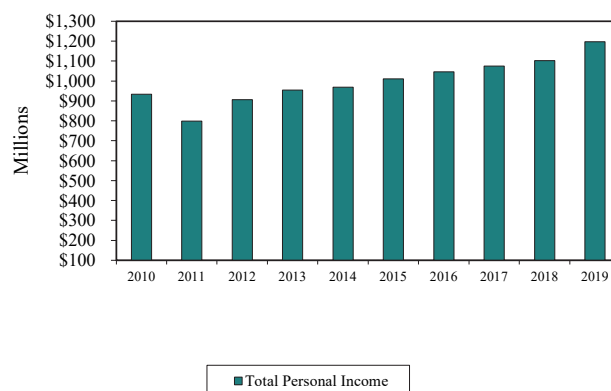
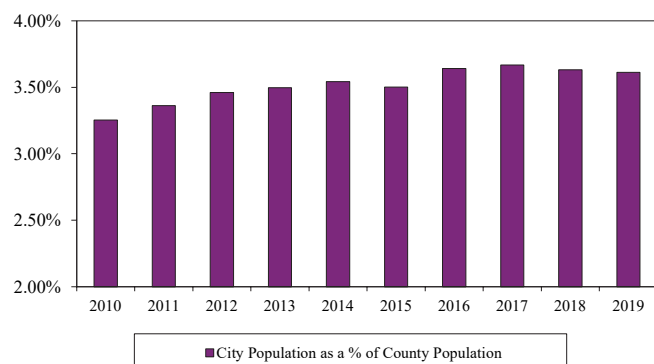
- (a) The Redevelopment Agency was dissolved effective January 31, 2012, and its liabilities were assumed by a Successor Agency. Amounts reported here include tax revenue and debt service of both the former Redevelopment Agency and the Successor Agency.
- (b) Beginning in fiscal year 2012, tax increment reported in this table is the amount calculated by the County Auditor-Controller. Under the provisions of the laws dissolving the Redevelopment Agency, the Successor Agency only receives the funds necessary to fulfill its approved obligations.
- (c) Debt service is paid by the Successor Agency.
- (d) The Successor Agency refunded the 2008 Subordinate Tax Allocation Bonds in fiscal year 2019 with the issuance of the 2018 Tax Allocation Refunding Bonds.

Source: City of Oakley Annual Financial Statements

CITY OF OAKLEY

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS



Fiscal Year	City Population	Total Personal Income	Per Capita Personal Income	Unemployment Rate (%) (a)	Contra Costa County Population	City Population % of County
2010	34,500	\$933,926,000	\$27,070	8.2%	1,060,435	3.25%
2011	35,646	798,043,000	22,388	8.2%	1,060,435	3.36%
2012	36,532	906,688,000	24,819	7.5%	1,056,064	3.46%
2013	37,252	954,583,000	25,625	5.0%	1,065,117	3.50%
2014	38,075	968,323,000	25,432	4.4%	1,074,702	3.54%
2015	38,124	1,010,134,000	26,496	7.7%	1,088,764	3.50%
2016	40,141	1,046,700,000	26,075	6.2%	1,102,684	3.64%
2017	41,199	1,074,714,000	26,085	5.5%	1,123,429	3.67%
2018	41,742	1,102,345,000	26,408	4.2%	1,149,363	3.63%
2019	41,759	1,197,857,000	28,684	3.5%	1,155,879	3.61%

(a) Data reported is for the prior calendar year.

Sources: HdL Coren & Cone

U.S. Department of Commerce, California State Department of Finance, Employment Development Department

CITY OF OAKLEY
Principal Employers
Current Year and Nine Years Ago

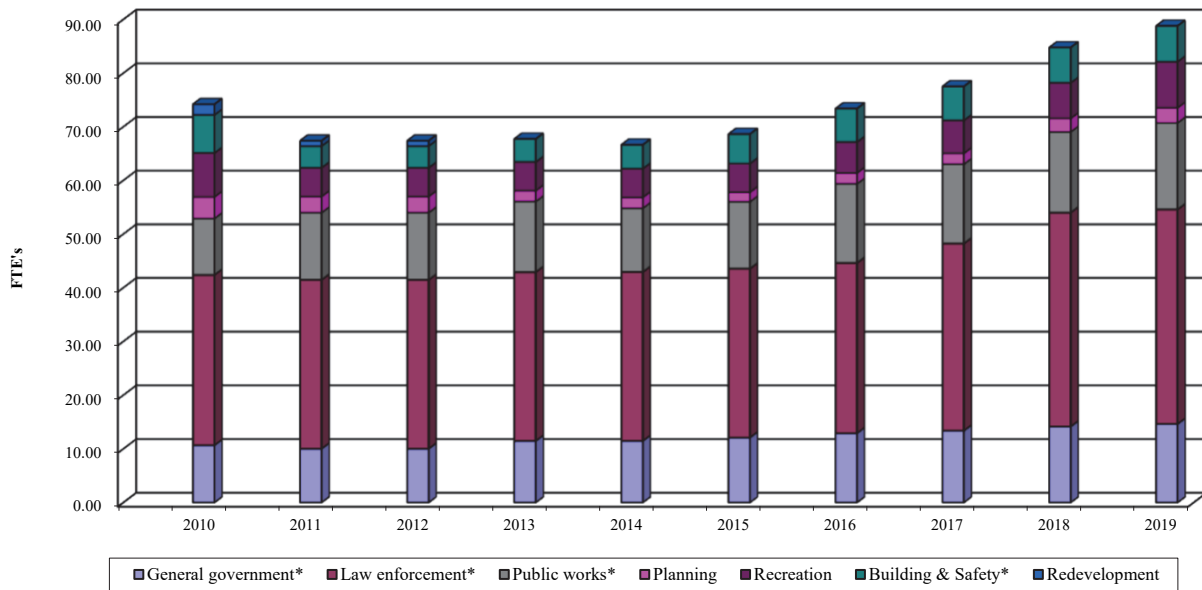
Employer	2018-19			2009-10		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Oakley Union Elementary School District	597	1	27.0%			
Lucky's	55	2	2.5%	59	1	3.3%
Diamond Hills Sports Club and Spa	55	2	2.5%	55	2	3.1%
McDonalds	50	3	2.3%			
Raley's	45	4	2.0%	49	3	2.8%
Delta Black Bear Diner	44	5	2.0%			
Round Table Development Co.	43	6	1.9%	35	5	2.0%
Foundation Constructors	32	7	1.4%	32	8	1.8%
Rain for Rent	30	8	1.4%	34	6	1.9%
Continente Nut LLC	29	9	1.3%	25	10	1.4%
Ironhouse Sanitary	27	10	1.2%			
B & M Tear Off				35	4	2.0%
Tim's Carpet Care				34	7	1.9%
Value Plumbing				27	9	1.5%
Subtotal	<u>1,007</u>		<u>45.5%</u>	<u>385</u>		<u>21.7%</u>
Total City Day Population (A)	<u>2,213</u>			<u>1,777</u>		

Source: City of Oakley Finance Department - Business Licenses

Notes:

- (A) Total City Day Population is the number of employees reported on business license applications by businesses located in Oakley.

CITY OF OAKLEY
Budgeted Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years



Adopted for Fiscal Year Ended June 30,										
Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government*	10.65	10.00	10.00	11.45	11.46	12.08	12.89	13.36	14.13	14.61
Community development:										
Public works*	10.50	12.50	12.50	13.13	11.88	12.46	14.74	14.78	15.03	16.13
Planning	4.00	3.00	3.00	2.00	2.00	1.75	2.00	2.00	2.50	2.80
Building & Safety*	7.10	4.05	4.05	4.30	4.45	5.50	6.25	6.33	6.60	6.68
Redevelopment	2.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Law enforcement*	31.75	31.48	31.48	31.48	31.48	31.48	31.73	34.88	39.88	39.98
Recreation	8.20	5.37	5.37	5.37	5.37	5.37	5.78	6.16	6.64	8.60
Total	74.20	67.40	67.40	67.73	66.64	68.64	73.39	77.51	84.78	88.80

Notes:

Amounts reported are Full Time Equivalent (FTEs).
n/a means not available.

*** The City Contracts for the following services:**

City Attorney and IT services are contracted with an outside firm and included in the General Government total.
Police Services were contracted with the County Sheriff through April 30, 2016 and include contracting for a specific number of officers.
Building Inspection and Engineering Services were contracted with an outside firm until October 2013.

Source: City of Oakley Operating Budgets

CITY OF OAKLEY
Operating Indicators by Function/Program
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Function/Program										
Law enforcement:										
Police (a) (b):										
Violent crimes	49	80	79	85	54	46	52	54	51	59
Property crimes	483	531	526	477	468	429	615	491	511	465
Public Works:										
Street resurfacing (miles)	10.00	8.00	5.40	0.72	1.54	8.62	0.25	0.42	8.50	1.40
Leisure Services:										
Recreation:										
Recreation activities participants	9,700	11,500	13,300	16,486	22,663	29,630	32,386	36,430	35,417 (c)	33,996

Source: City of Oakley

Notes:

- (a) 2009 - 2017 data is prior calendar year's; 2018 is for fiscal year end.
- (b) Data from FBI Uniformed Crime Reports (UCR)
- (c) No indoor facility rentals with construction of Recreation Center

CITY OF OAKLEY
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Function/Program										
Law enforcement:										
Police stations	1	1	1	1	1	1	1	1	1	1
Police patrol vehicles	27	27	26	29	25	26	28	29	28	23
Public works:										
Miles of streets	116.50	119.50	127.70	129.12	131.00	131.00	133.00	136.00	136.00	139.00
Street lights	2,047	2,347	2,794	3,032	3,050	3,050	3,104	3,200	3,200	3,285
Traffic Signals	17	17	32	33	33	33	34	35	36	37
Recreation:										
Community services:										
City parks	29	29	29	29	30	31	32	33	34	36
City parks acreage	90.0	90.0	96.0	98.0	101.5	102.5	108.0	113.0	116.0	119.0
Community centers	1	2	2	2	2	2	1	1	0 (a)	1
Baseball/softball diamonds	8	8	8	8	8	8	8	9	9	10
Soccer/football fields	7	7	7	7	7	7	8	9	9	9
Skate features	3	3	3	3	3	3	3	3	3	3
BMX dirt track	1	1	1	1	1	0	0	0	0	0

Source: City of Oakley

Notes:

(a) Oakley Recreation Building closed for construction of Recreation Center.

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OTHER AUDIT REPORT

**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 Council
City of Oakley, 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 Oakley, California, as of and for the year ended June 30, 2019, and have issued our report thereon dated December 2, 2019.

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) to determine 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.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control we consider to be significant deficiencies as listed on the Schedule Significant Deficiencies included as part of our separately issued Memorandum on Internal Control dated December 2, 2019, which is an integral part of our audit and should be read in conjunction with this report.

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 determination of financial statement amounts. 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*.

City's Response to Findings

The City's response to the findings identified in our audit is described in our separately issued Memorandum on Internal Control dated December 2, 2019, which is an integral part of our audit and should be read in conjunction with this report. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.



Pleasant Hill, California
December 2, 2019

CITY OF OAKLEY
MEMORANDUM ON INTERNAL CONTROL
FOR THE YEAR ENDED
JUNE 30, 2019

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CITY OF OAKLEY
MEMORANDUM ON INTERNAL CONTROL

For the Year Ended June 30, 2019

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Schedule of Other Matters.....	5
Status of Prior Year Significant Deficiencies	15
Status of Prior Year Other Matters.....	17

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MEMORANDUM ON INTERNAL CONTROL

To the City Council of
the City of Oakley

In planning and performing our audit of the basic financial statements of the City of Oakley, California, as of and for the year ended June 30, 2019, 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 our 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist and that were not identified. 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. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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. We consider the deficiencies in internal control included on the Schedule of Significant Deficiencies to be significant deficiencies.

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.

Management's written responses included in this report have not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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.

A handwritten signature in black ink that reads 'Maze & Associates' in a cursive, flowing script.

Pleasant Hill, California
December 2, 2019

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CITY OF OAKLEY
MEMORANDUM ON INTERNAL CONTROL
SCHEDULE OF SIGNIFICANT DEFICIENCIES

2019-01 Recording Developer Dedicated Infrastructure

Capital assets contributed or dedicated to the City by third parties should be recorded at the estimated acquisition value at the date of contribution or dedication during the fiscal year in which the property is turned over to the City.

During the year-end audit, we noted that the City had recorded capital asset additions related to a developer dedication of land in the amount of \$1.2 million. We inquired about whether there were any other developer dedications of infrastructure during the fiscal year and City staff discovered that two developer dedications of infrastructure accepted in December 2018 and June 2019 had not been recorded in the general ledger. City staff then determined that the estimated acquisition value of this additional dedicated infrastructure was \$3.6 million.

When developer dedicated assets are not recorded in the general ledger, the City's capital asset balances are understated.

We understand City staff did not perform a review of developer dedicated assets accepted by the City Council during the fiscal year.

The City should develop procedures to track agreements that involve the future dedication/contribution of assets to be recorded as capital contributions in the general ledger when the assets are accepted by City Council. In addition, City staff should review developer dedicated infrastructure accepted by City Council over the last few fiscal years to ensure all dedications have been recorded in the general ledger.

Management's Response:

Staff will implement a procedure to review and record all developer dedicated infrastructure at the end of each fiscal year.

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CITY OF OAKLEY
MEMORANDUM ON INTERNAL CONTROL

SCHEDULE OF OTHER MATTERS

2019-02 Cash Receipts Calculations and Documentation

The rates charged in the City's billing system should be consistent with the City's Fee Schedules approved by Council and manual calculations for customer fees due should be reviewed and approved for accuracy. In addition, complete supporting documentation should be retained for all receipts and for billings to customers.

We selected twenty-five receipts and recalculated the fees using the City's Fee Schedules. Two receipts included incorrect charges or fees to customers that were not supported as follows:

- Fees of \$207.95 for a sports field rental, but we recalculated fees of \$215.60, a difference of \$7.70. It appears City staff calculated the fee based on 3 hours, rather than the 4 hours specified by the payee, which also affected a late fee calculation included in the charges.
- A payment from a tenant for rent and common area maintenance (CAM) fees of \$2,996.16. We were able to recalculate the rent fee of \$1,896.16, but City staff could not provide documentation supporting how the CAM fees of \$1,100.00 were calculated.
- Five building permits included a charge for microfilm copies ranging from \$1 to \$10, but there was no documentation of how many copies had been made. The City's Resolution #05-01 indicates the fee is \$1 per page.

City staff should implement procedures to ensure that customer bills are accurately calculated. City staff must determine the cause of the billing error noted above to determine whether it was an individual error in the process, or if it is a more pervasive problem. Once the source of the error is identified, the total amount of excess (or under) charges should be quantified to determine whether amounts are due from or due to the customers. In addition, City staff should determine the basis for the monthly CAM charges and formally document the methodology and obtain appropriate approvals, including from the lessee. Finally, building permit files should indicate how many microfilm copies are provided to the customer as supporting documentation for the fees charged.

Management's Response:

Over the next three months, staff will work on completing a procedure to ensure proper documentation is provided with all receipts as well as implement a procedure to ensure anything manually calculated is being checked for accuracy. Staff will also review the monthly CAM charges and formally adopt the fee or document the methodology in calculating the fee to provide consistency in the future.

CITY OF OAKLEY
MEMORANDUM ON INTERNAL CONTROL

SCHEDULE OF OTHER MATTERS

2019-03 Deposit All Checks Upon Receipt

All cash collections should be deposited in the bank, regardless of the form or purpose of the payment.

We inquired about the handling of customer security deposits for rentals of City property and noted that customer checks were retained in a lockbox until the time that the security deposit is to be returned to the customer. The checks are not deposited in the bank. When the event takes place and the security deposit is to be returned to the customer, City staff ask if the customer would like the check returned or destroyed.

We understand this manual process was developed due to the low volume of transactions and the cumbersome process of the City's prior cashiering system to receipt the checks and then issue refunds to the customers after the event occurred.

Retaining undeposited checks on-site for potentially extended periods of time, depending on the time of the deposit and the date of the event/return of the security deposit, increases the risk of theft.

Although we understand that with the implementation of the new cashiering system during the fiscal year, all checks related to customer deposits are now deposited in the bank and not retained, City staff should ensure that all collections throughout the City are deposited upon receipt and that undeposited checks (or cash) are not retained within individual departments at any time.

Management's Response:

Staff will discuss with all departments to ensure that all deposits are being made timely.

2019-04 Retention of Journal Entry Supporting Documentation

Supporting documentation should be retained for all journal entries and the documentation should clearly support all components of the associated journal entry.

We selected 40 journal entries for testing of supporting documentation and proper recording in the general ledger and noted the following:

- City staff could not locate the original supporting documentation for one of the journal entries and had to recreate the supporting documentation.
- The supporting documentation for one of the journal entries tested to reclassify activity in the general ledger did include documentation to connect the amount in the support (\$7,000) to the actual amount in the journal entry (\$6,819).

We understand that City staff misplaced the supporting documentation for the first journal entry, and that departmental staff initiating the reclassifying journal entry had verbally requested the amount of the reclassification which was not documented in the support.

When supporting documentation for journal entries cannot be located or does not clearly substantiate the dollar amounts in the journal entry, this increases the risk of errors and other misstatements going undetected.

CITY OF OAKLEY
MEMORANDUM ON INTERNAL CONTROL

SCHEDULE OF OTHER MATTERS

2019-04 Retention of Journal Entry Supporting Documentation (Continued)

The City should attempt to locate the original supporting documentation for the journal entry noted and should develop procedures to ensure that supporting documentation for journal entries is complete.

Management's Response:

Staff agrees and will ensure that all journal entries will have full supporting documentation attached.

2019-05 Restrictively Endorsing Checks Immediately Upon Receipt

All checks should be restrictively endorsed with a City-specific stamp immediately upon receipt.

During our review of the controls over the cash receipt process at the City's main cashier located in the Building Department, we noted that checks are not restrictively endorsed immediately upon receipt. Instead, the City's procedure is to endorse all checks at the end of each day.

By delaying the process to the end of the day, this increases the chances of checks being cashed or deposited by other parties.

All checks should be restrictively endorsed with a City-specific stamp immediately upon receipt.

Management's Response:

The endorsement of each check as it is received has already been implemented.

2019-06 Timely Journal Entry Postings

Journal entries should be prepared and reviewed in a timely manner for the period in which the activity occurred, in order to keep accounts up to date with the current information.

During our testing of internal controls over journal entry process, we noted that 4 of the 40 journal entries tested were posted two to three months after the periods the entries were intended to adjust, and one of the 40 journal entries was posted seven months after the period it was intended to adjust.

Posting entries several months after the activity occurred results in the general ledger balances being out of date, interim reports may not include current data and increases the potential for undetected errors to occur and not be corrected in a timely manner.

We understand the staff responsible for preparing and posting journal entries was involved in the closing of the prior year books and preparing for the issuance of the fiscal year 2018 financial statements, which delayed the posting of activity during fiscal year 2019. And, due to the small number of Finance staff, the staff person is the only person who prepares and post journal entries.

CITY OF OAKLEY
MEMORANDUM ON INTERNAL CONTROL

SCHEDULE OF OTHER MATTERS

2019-06 Timely Journal Entry Postings (Continued)

The City should develop procedures to ensure all journal entries are posted in a timely manner to ensure that the financial records are current during each reporting period in the fiscal year and reduce the chance of undetected errors.

Management's Response:

Staff agrees and will look at available resources to ensure timely postings in the future.

2019-07 Recording Accounts Receivable when Reimbursement Requests are Filed or Customer Billings are Issued

Accounts receivable should be recorded in the general ledger at the time a reimbursement request is filed or customer billings are issued.

We understand when grant reimbursement requests or customer billings are issued during the fiscal year, the City does not record a receivable. The City only records accounts receivable at year end if the City has not received the grant reimbursement or customer payment.

If receivables are not recorded at the time the grant reimbursement is filed or the customer billing is issued, it understates the City's assets and revenue and increases the risk of errors and other misstatements going undetected.

City staff should implement procedures to ensure that accounts receivable are recorded in the general ledger at the time a reimbursement request is filed or a customer billing is issued.

Management's Response:

Staff will work on a procedure to record accounts receivable as they are processed to ensure that all City records are accurate.

CITY OF OAKLEY
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 YEAR 2019/20:

GASB 84 – Fiduciary Activities

The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less.

This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

A fiduciary component unit, when reported in the fiduciary fund financial statements of a primary government, should combine its information with its component units that are fiduciary component units and aggregate that combined information with the primary government's fiduciary funds.

This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets.

CITY OF OAKLEY
MEMORANDUM ON INTERNAL CONTROL

SCHEDULE OF OTHER MATTERS

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 requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

CITY OF OAKLEY
MEMORANDUM ON INTERNAL CONTROL

SCHEDULE OF OTHER MATTERS

EFFECTIVE FISCAL YEAR 2020/21:

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.

GASB 89 – Accounting for Interest Cost Incurred before the End of a Construction Period

The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

CITY OF OAKLEY
MEMORANDUM ON INTERNAL CONTROL

SCHEDULE OF OTHER MATTERS

EFFECTIVE FISCAL YEAR 2021/22:

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.

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.

CITY OF OAKLEY
MEMORANDUM ON INTERNAL CONTROL

SCHEDULE OF OTHER MATTERS

GASB 91 – Conduit Debt Obligations (Continued)

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.

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CITY OF OAKLEY
MEMORANDUM ON INTERNAL CONTROL

**STATUS OF PRIOR YEAR
SIGNIFICANT DEFICIENCIES**

2018-01 Grants Management and Single Audit Reporting

Grant programs should be administered to ensure that reporting and grant drawdowns are filed timely and in accordance with the requirements of OMB Uniform Administrative Requirements Subpart D Section 200.302(b) (1), the City should accurately report all Federal awards expended in the Schedule of Expenditures of Federal Awards (SEFA) each fiscal year. When grants administration is decentralized with individual department personnel responsible for managing each grant, there should still be a centralized reporting system for ensuring timely and accurate grant accounting information is provided to the Finance Department.

During fiscal year 2017, the Main Street Realignment Project incurred expenditures in excess of \$4 million, a portion of which is to be federally funded (\$1.439 million). Public Works Department staff had not filed for reimbursement of federal grant funds during fiscal year 2017. Finance staff understood that the drawdown would be completed after fiscal year end and accrued a grant receivable in the amount of \$1.4 million and reported the expenditures of \$1.439 million on the SEFA.

When Public Works staff filed the grant drawdown in October 2017, we noted that the portion of the drawdown for fiscal year 2017 expenditures was much less than what had been accrued as a receivable in the General Capital Projects Fund as of June 30, 2017. After we inquired about why certain project costs were not included in the grant drawdown, Finance staff found that only construction costs were eligible for the federal funding and not all project costs were eligible. As a result, only \$749,461 should have been recorded as a receivable at June 30, 2017 and reported on the SEFA.

Not only was the receivable in the fund overstated as of June 30, 2017, the City had incurred audit costs for a Single Audit that were later found to be unnecessary (a single audit is required only when federal expenditures exceed \$750 thousand). Although the receivable had been overstated in the prior year, there was no effect on fund balance at that date, because the receivable had been offset with unavailable revenue.

Incorrect reporting of grant activity to the Finance Department not only misstates the SEFA, it also implies that the City is not in compliance with the reporting requirements of the OMB Uniform Administrative Requirements. As a result, future federal funding could be adversely affected. In addition, failure to file timely grant drawdowns could adversely affect the City's cash flow.

The City must develop training, procedures and policies to centralize the reporting of grant activity to ensure that all data is readily available when year-end grant activity reporting is necessary. The training, procedures and policies should facilitate the preparation of the SEFA so that annual federally funded expenditures for all grant programs are accurately included on the SEFA. In addition, City staff, including those in departments other than Finance that manage grants, must familiarize themselves with the guidelines for determining federal awards expended contained in the Uniform Guidance and ensure that information is accurately reported to the Finance Department. Finally, the City must also develop procedures to ensure grant reimbursements are filed throughout the fiscal year as project costs are incurred.

Current Status:

Implemented – Finance staff reviews grant reimbursement requests prior to submission to the grantor.

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CITY OF OAKLEY
MEMORANDUM ON INTERNAL CONTROL

STATUS OF PRIOR YEAR
OTHER MATTERS

2018-02 Consider Adopting a Master Fee Schedule and Update Fees on City Website

The rates charged in the City's billing system should be consistent with the City's adopted fee schedules approved by Council or third-party agencies. And, those fees should be accurately reflected on the City's website.

We selected twenty-five receipts and recalculated the fees using the City's fee schedules included on its website and initially noted potential calculation issues in four of the receipts tested. After City staff provided additional supporting documentation, we found that the building permit fees and other associated surcharges tested were correctly calculated based on the current fee schedules, but the City has quite a number of different fee schedules and not all of them appear to be posted on the City's website or the fee reflected in the website had not been updated.

Update for June 30, 2019 Audit: We selected ten building permit receipts and recalculated the fees using the City's fee schedules as noted above and, again, although City staff was able to provide additional supporting documentation, the City has quite a number of different fee schedules and not all of them appear to be posted on the City's website or the fee reflected in the website had not been updated

The City should consider developing a consolidated Master Fee Schedule that incorporates all of the various fees across all departments on an annual basis. This consolidated fee schedule could minimize the likelihood of fee miscalculations when fee schedules are not centrally located. At a minimum, the City should ensure that the fees reflected on the City's website are updated whenever there is a change in the fee charged.

Current Status:

Partially Implemented - A Master Fee Schedule has been adopted by Council and is available at the City's website. Staff is still working on updating all fees in the financial software.

2018-03 Timely Account Reconciliations and Associated Journal Entry Posting

Transactions should be recorded in the period they occur, and the associated journal entries should be prepared, reviewed, and posted in a timely manner so that accounts remain up to date with current information. Entries should generally be reviewed and posted to the general ledger within 45 days of the date the transaction being recorded.

We selected forty journal entries for testing of review/approval and timely preparation and noted one journal entry recorded on 4/27/2018 was to record the write off of a \$10 thousand deposit related to the prior year Black Bear Diner lease in the Successor Agency Private-Purpose Trust Fund. The Successor Agency sold the property to Black Bear Diner in December 2016, therefore the journal entry should have been recorded at the time of the sale in fiscal year 2017.

We understand that City staff did not identify that the deposit payable was still recorded in the general ledger until April 2018.

**CITY OF OAKLEY
MEMORANDUM ON INTERNAL CONTROL**

**STATUS OF PRIOR YEAR
OTHER MATTERS**

2018-03 Timely Account Reconciliations and Associated Journal Entry Posting (Continued)

If account balances are not analyzed throughout the fiscal year and again at the fiscal year end to ensure that all detail is current, there is an increased risk that general ledger account balances, interim and year-end reports may be misstated.

The City must develop procedures to analyze balance sheet account details to ensure that all items are current and supported. In the future, when a property sale occurs, City staff should ensure that all balances in the general ledger associated with the property are removed timely.

Current Status:
Implemented.

CITY OF OAKLEY
REQUIRED COMMUNICATIONS
FOR THE YEAR ENDED
JUNE 30, 2019

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CITY OF OAKLEY
REQUIRED COMMUNICATIONS
For the Year Ended June 30, 2019

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REQUIRED COMMUNICATIONS

To the City Council of
the City of Oakley, California

We have audited the financial statements of the City of Oakley for the year ended June 30, 2019. Professional standards require that we communicate to you the following information related to our audit under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance.

Significant Audit Findings

Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by 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:

GASB 88 – *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*

The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established.

This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses.

For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt.

The pronouncement became effective and resulted in revisions to the debt-related disclosures in Note 8 to the financial statements.

The following pronouncement became effective, but did not have a material effect on the financial statements:

GASB 83 – Certain Asset Retirement Obligations

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 Fair Value of Investments: As of June 30, 2019, the City held approximately \$48.5 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, 2019. These fair values are not required to be adjusted for changes in general market conditions occurring subsequent to June 30, 2019.

Estimated 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 7 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.

Estimated Compensated Absences: Accrued compensated absences 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. 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 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 Claims Liabilities: Management's estimate of the claims liabilities payable is disclosed in Note 14 to the financial statements and is based on actuarial studies determined by the City's joint powers authority insurance provider, 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 December 2, 2019.

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 Information Accompanying the Financial Statements

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 which accompany the financial statements, but are 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 which accompany the financial statements, but are not required supplementary information. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

This information is intended solely for the information and use of the City Council and management and is not intended to be and should not be used by anyone other than these specified parties.



Pleasant Hill, California
December 2, 2019

**INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED UPON PROCEDURES FOR
COMPLIANCE WITH THE PROPOSITION 111
2018-2019 APPROPRIATIONS LIMIT INCREMENT**

To the City Council of the
City of Oakley, California

We have performed the procedures below, which were agreed to by the City of Oakley, on the Appropriations Limit Worksheet (Worksheet) for the year ended June 30, 2019. The City's management is responsible for the Worksheet. These procedures, which were suggested by the League of California Cities and presented in their Article XIII B Appropriations Limitation Uniform Guidelines, were performed solely to assist you in meeting the requirements of Section 1.5 of Article XIII B of the California Constitution. The sufficiency of these procedures is solely the responsibility of the City. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures you requested us to perform and our findings were as follows:

- A. We obtained the Worksheet and determined that the 2018-2019 Appropriations Limit of \$11,260,799 and annual adjustment factors were adopted by Resolution of the City Council. We also determined that the population and inflation options were selected by a recorded vote of the City Council.
- B. We recomputed the 2018-2019 Appropriations Limit by multiplying the 2017-2018 Prior Year Appropriations Limit on the Worksheet by the annual adjustment factors.
- C. For the Worksheet, we agreed the Per Capita Income, City Population and County Population Factors to California State Department of Finance Worksheets.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Worksheet. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management and the City Council and is not intended to be and should not be used by anyone other than those specified parties; however, this restriction is not intended to limit the distribution of this report, which is a matter of public record.

A handwritten signature in black ink that reads 'Maze & Associates' in a cursive, flowing script.

Pleasant Hill, California
July 10, 2019

Accountancy Corporation
3478 Buskirk Avenue, Suite 215
Pleasant Hill, CA 94523

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STAFF REPORT

DATE: December 10, 2019

TO: Bryan Montgomery, City Manager Approved and Forwarded to the City Council

FROM: Kevin Rohani, P.E. Public Works Director/City Engineer

SUBJECT: Acceptance of work associated with Laurel Road and Rose Avenue Intersection Improvement and Signalization Project – Capital Improvement Project Number 191

Background and Analysis

Laurel Road is a major arterial street in Oakley and a key component of the City's transportation network. The project widened Laurel Road to (4) lanes at the intersection with Rose Avenue and installed a new traffic signal which replaced the existing 4-way stop signs.

Laurel Road between Cloverbrook Avenue and Rose Avenue was a narrow two lane road leading up to an un-signalized intersection at Rose Avenue. This part of Laurel Road along with the intersection could not accommodate the traffic demands of the community. The roadway had not been widened or improved due to the lack of right of way coupled by the need to relocate the PG&E overhead lines along with the Western Area Power Administration (WAPA) overhead power lines. Nonetheless, the City was able to finally acquire the necessary right of way for the project to accommodate the roadway and intersection widening and relocate PG&E and WAPA power poles.

The scope of CIP 191 was to complete the roadway widening and median improvements west of the Laurel Road and Rose Avenue intersection. In addition, the south side of Laurel Road was widened from Rose Avenue to Cloverbrook Avenue which included a new signalized intersection, curb and gutter, sidewalks, a bike lane, a median island, landscaping, and street lights. Dedicated left-turn lanes were constructed at the intersection of Laurel Road and Rose Avenue, which will help in the traffic flow through the intersection. The underground utility construction included the installation of waterline laterals and storm drain improvements. L.E.D. street lights were installed on the south side of the road which has vastly improved the visibility along this stretch of Laurel Road. In addition, new paving, striping, and signage was installed. This project was a much needed improvement to this corridor and will benefit the community by providing a safer intersection and roadway while improving traffic flows along Laurel Road. The construction of this roadway widening project was successfully completed on time and under budget.

The developer of the new Aspen Place Subdivision project, in accordance with their project conditions of approval and reimbursement agreement, will reimburse the City \$502,004 for the costs associated with the widening on the south side of Laurel Road which includes the landscaping and irrigation.

Fiscal Impact

The authorized budget for the construction of this project was \$2,307,492.50. This project was completed on time and under the authorized budget for a total of \$2,282,511.21. This amount included all of the work related to the construction of Laurel Road from Cloverbrook Avenue to Rose Avenue in order to complete the project.

Pursuant to the contract documents, 5% of the accrued costs were withheld from the amount paid to the contractor. These funds are called “retention”, and are held until the end of the project to ensure that the contractor completes the project in a timely manner. Approval of this item will authorize the release of the retention payment to the contractor. The retention was already budgeted as part of the contract and change order approvals, so there is no additional fiscal impact associated with this action.

Staff Recommendation

Staff recommends that the City Council Adopt the Resolution accepting CIP Project No. 191 – Laurel Road and Rose Avenue Intersection Improvement and Signalization Project as constructed by R&R Pacific Construction, to be complete, and to direct the City Clerk to file a Notice of Completion for the project with the County Recorder

Attachments

1. Resolution
2. Notice of Completion

RESOLUTION NO. __-19

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OAKLEY ACCEPTING THE WORK AS COMPLETE WITH R&R PACIFIC CONSTRUCTION, FOR CIP 191 - LAUREL ROAD AND ROSE AVENUE INTERSECTION IMPROVEMENT AND SIGNALIZATION PROJECT

WHEREAS, BKF Engineers, Inc. prepared the plans, specifications, and estimates for the Laurel Road and Rose Avenue Intersection Improvement and Signalization Project; and

WHEREAS, on February 26, 2019 by adopting Resolution No. 26-19, the City Council awarded a construction contract to R&R Pacific Construction, for the construction of the Laurel Road and Rose Avenue Intersection Improvement and Signalization Project - CIP No. 191; and

WHEREAS, R&R Pacific Construction, has satisfied the contractual requirements necessary for the acceptance of the Laurel Road and Rose Avenue Intersection Improvement and Signalization Project - CIP No. 191 to be deemed complete.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Oakley that the Laurel Road and Rose Avenue Intersection Improvement and Signalization Project - CIP No. 191 is hereby accepted as complete.

BE IT FURTHER RESOLVED AND ORDERED, that the City Clerk is hereby directed to file a Notice of Completion for the Laurel Road and Rose Avenue Intersection Improvement and Signalization Project - CIP No. 191 with the County Recorder.

PASSED AND ADOPTED by the City Council of the City of Oakley at a meeting held on the 10th of December, 2019 by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

APPROVED:

,Mayor

ATTEST:

Libby Vreonis, City Clerk

Date

PURSUANT TO GOVERNMENT
CODE §6103 NO FEE IS REQUIRED
FOR THE RECORDATION OF THIS
DOCUMENT

WHEN RECORDED MAIL TO:

City Clerk
City Of Oakley
3231 Main Street
Oakley, Ca 94561

RECORDING REQUESTED BY:

City Of Oakley
3231 Main Street
Oakley, CA 94561

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

NOTICE OF COMPLETION

CIP 191 – Laurel Road and Rose Avenue Intersection Improvement and Signalization Project

NOTICE IS HEREBY GIVEN THAT:

The CITY OF OAKLEY, a political subdivision of the State of California, did, on February 26, 2019 enter into an agreement with R&R Pacific Construction, for the construction of Capital Improvement Program Project Number 191 – Laurel Road and Rose Avenue Intersection Improvement and Signalization Project.

The Owner's nature of interest or estate in the property described below is in fee.

The work described in the contract documents was to furnish all material, labor, and equipment necessary to complete CIP No. 191 – Laurel Road and Rose Avenue Intersection Improvement and Signalization Project.

On December 10, 2019 said contract, as a whole was completed and the work was accepted by the City Council of the City of Oakley.

VERIFICATION

I have read the foregoing NOTICE OF COMPLETION and know the contents thereof; the same is true of my knowledge. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration was executed this 10th day of December 2019 at Oakley, California.

Date: _____

By: _____
Libby Vreonis, City Clerk
City of Oakley, California

STAFF REPORT

DATE: December 10, 2019

TO: Bryan Montgomery, City Manager *Approved and Forwarded to the City Council*

FROM: Kevin Rohani, P.E., Public Works Director/City Engineer

SUBJECT: **Award of a contract to West Coast Arborists, Inc. for Citywide Tree Pruning Services for Fiscal Year 2019/20**

Background and Analysis

The City of Oakley utilizes a wide range of consultants and contractors across all departments to augment City staff as needed to accommodate the workload activities. One of the areas that this approach is used, is in various public works maintenance operations (i.e. Landscaping, Street Sweeping, Tree Services, Traffic Signals, etc.) to ensure that the community receives high quality and timely maintenance services.

The City of Oakley boasts an urban forest with approximately 12,000 trees of various species and sizes. The Public Works Department oversees the maintenance of our urban forest. The City of Oakley published a request for proposals in 2009 and as a result, selected West Coast Arborists, Inc. to provide on-call tree services (i.e. tree removals, tree planting, arborist services, and emergency tree removal response) for the City of Oakley. West Coast Arborists, Inc. continues to be the City's On-Call tree service company.

West Coast Arborists, Inc. is one of the main tree service corporations operating in California and Arizona providing tree services exclusively to government organizations and municipalities.

The one aspect of tree maintenance services which has not been implemented in the City of Oakley, is a professional block tree pruning program, which is a standard for all municipal maintenance operations. This report takes the first steps in addressing this problem.

Regular pruning is good for the health of a tree. It is especially important to prune away infected branches. Infections can travel to healthy parts of the tree and may eventually endanger the life of the tree. Dead branches should also be pruned as they are susceptible to insects and infections. Getting rid of them through pruning and sterilizing the cuts of infections will help to keep the infestations and infections from spreading to the rest of the tree.

In addition to fighting infections, pruning also keeps trees healthier. Cutting away the dead branches allows the tree to more efficiently nourish the remaining branches. Furthermore, when trees become dense, thinning the branches helps to decrease the weight and increase the amount of light and air that can get through to the tree. The pruning helps both older and younger trees to grow and flourish in a structured way.

A final reason that trees should be pruned is safety. When weak, dead, or dying branches are left on the tree, there is always a heightened risk that they will be broken off unexpectedly. It may be during a wind storm, or just in normal conditions. The loss of these branches can have dramatic consequences; from damage to a car, home, building, or even personal injury.

Staff evaluated the budget available for implementation of a citywide block tree pruning program and determined that with a \$100,000 annual budget allocation, we can implement this program. This program would cover all public trees in the City every 10 years; which is critical in health, vitality, and safety of the urban forest in the City of Oakley. Staff subsequently held meetings with West Coast Arborists, Inc. and finalized a proposal by them in the amount of \$99,940 to perform the pruning of 1,052 trees in Oakley. This work would initially cover trees along Main Street, Empire Avenue, and Laurel Road.

Fiscal Impact

Funding for the above referenced tree block pruning service is included in the City of Oakley Lighting and Landscaping District (LLD) budget allocations. There are no impacts to the City's General Fund for this service contract.

Staff Recommendation

Staff recommends that the City Council adopt the Resolution approving the agreement with West Coast Arborists, Inc. for Citywide Tree Pruning for FY 2019/20 in the amount of \$99,940 and to authorize the City Manager to execute this agreement.

Attachments

- 1) Resolution
- 2) Proposal from West Coast Arborists, Inc.

RESOLUTION NO. ____-19

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OAKLEY APPROVING AN AWARD OF CONTRACT WITH WEST COAST ARBORISTS, INC. FOR CITYWIDE TREE BLOCK PRUNING FOR FISCAL YEAR 2019/20 AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT

WHEREAS, the City of Oakley Public Works Department is responsible for the overall maintenance and operation of all of the City's public infrastructure, including parks and landscaping; and

WHEREAS, the City of Oakley does not have the in-house tree pruning equipment and crew, and instead utilizes the services of professional tree trimming companies for such work; and

WHEREAS, West Coast Arborists, Inc. is one of the premiere tree service companies in California, providing such services exclusively to government organizations and municipalities and are the best suited to provide the City of Oakley this service; and

NOW, THEREFORE, BE IT RESOLVED AND ORDERED, by the City Council of the City of Oakley that the tree pruning agreement with West Coast Arborists, Inc. for Citywide Tree Pruning for an amount not to exceed \$ 99,940 for Fiscal Year 2019/20 is hereby approved, and the City Manager is authorized to execute said agreement.

PASSED AND ADOPTED by the City Council of the City of Oakley at a meeting held on the 10th of December, 2019 by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

APPROVED:

, Mayor

ATTEST:

Libby Vreonis, City Clerk

Date



WEST COAST ARBORISTS, INC.
 3625 E. Stevenson Avenue • Stockton, CA 95205
 209.547.0297 Phone • 209.547.0385 Fax • WCAINC.COM

**PROPOSAL
#57984**

PROPOSAL FOR TREE MAINTENANCE SERVICES

CUSTOMER INFORMATION

Main Contact

JESSE DELA CRUZ
 CITY OF OAKLEY
 3231 MAIN STREET
 OAKLEY, CA 94561
 (925) 625-7015 • DELACRUZ@CI.OAKLEY.CA.US

Billing Contact

JESSE DELA CRUZ
 CITY OF OAKLEY
 3231 MAIN STREET
 OAKLEY, CA 94561
 (925) 625-7015 • DELACRUZ@CI.OAKLEY.CA.US

Inventory Needed

Link Funds to Job #

Purchase Order #

DIR Project ID #

Yes

JOB LOCATION

Various locations- city wide.

SCOPE OF WORK

Grid pruning

QTY	DESCRIPTION	U/M	UNIT PRICE	TOTAL
1052	Grid prune	Each	\$95.00	\$99,940.00

GRAND TOTAL: \$99,940.00

COMMENTS

Grid pruning being defined as: Tree pruning per pre-designated districts, grids or prune routes on a set cycle to include all trees regardless of size. Pruning will include structural pruning and crown raising, and slight crown cleaning in accordance with the standards set forth by the International Society of Arboriculture Pruning Standards (Best Management Practices) and the ANSI A300 Standards. No more than 25% of the foliage is to be removed at a given time.

All work will be completed in accordance with ANSI A300 standards. Price reflects payment of prevailing wage rates under the wage determination: Tree Maintenance Laborer, and report of certified payroll to the Department of Industrial Relations as applicable in accordance with state labor laws.

CA Contractors License 366764

Federal Tax ID: 95-3250682

CA DIR Registration 1000000956

CAL HAUPT

ESTIMATED BY

[Signature]
 ACCEPTED BY

AREA MANAGER

TITLE

Parks Superintendent
 TITLE

11/15/19

DATE

11/18/19
 DATE

STAFF REPORT

DATE: December 10, 2019

TO: Bryan Montgomery, City Manager Approved and Forwarded to the City Council

FROM: Kevin Rohani, P.E., Public Works Director/City Engineer

SUBJECT: Award of a contract to SOLitude Lake Management for Lake, Aeration Fountain, and Pump Station Maintenance Services at Cypress Grove, Emerson Ranch, and Delaney Park Subdivisions

Background and Analysis

The City of Oakley utilizes a wide range of consultants and contractors across all departments to augment City staff as needed to accommodate the workload activities. One of the areas that this approach is used, is in various public works maintenance operations (i.e. Landscaping, Street Sweeping, Traffic Signals, Street Lights, etc.) to ensure the community receives high quality and timely maintenance services.

The construction of the Cypress Grove, Emerson Ranch, and Delaney Park Subdivisions has added 3 new lakes, aeration fountains, pump stations, and their associated infrastructure to the City's ownership and maintenance responsibilities. The City staff does not have the unique expertise and certifications for the maintenance of these facilities, and as result have researched outside resources for this specialty maintenance service. The results of staff research on this task identified the firm of SOLitude Lake Management as the best suited to provide the City this service. Over the past few years there has been a consolidation of firms who provide lake maintenance services in the Bay Area and SOLitude Lake Management has emerged as the most professional and experienced firm in this business that provides lake maintenance services to public and private organizations.

SOLitude Lake Management is the nationwide environmental firm with aquatic maintenance professionals specializing in customized lake management, including water quality testing, algae and aquatic weed control, maintenance and operation of fountains and aeration systems, and pump station maintenance services.

Staff is recommending that an agreement with SOLitude Lake Management be approved by the City Council. The attached detailed maintenance cost structure of \$20,400 annually per subdivision, gives the City the flexibility to add the various lake maintenance services as they come into public use in the coming months.

Fiscal Impact

Funding for the above referenced maintenance service is included in the City of Oakley Storm Drain Community Facility District (CFD) budget allocations, and there are no impacts to the City's General Fund for this maintenance service contract.

Staff Recommendation

Staff recommends that the City Council adopt the Resolution approving the agreement with SOLitude Lake Management for Lake, Aeration Fountain, and Pump Station Maintenance Services at Cypress Grove, Emerson Ranch, and Delaney Park Subdivisions from January 1, 2020 to June 30, 2022 and to authorize the City Manager to execute this contract.

Attachments

- 1) Resolution
- 2) Proposal from SOLitude Lake Management – Cypress Grove
- 3) Proposal from SOLitude Lake Management – Delaney Park
- 4) Proposal from SOLitude Lake Management – Emerson Ranch

RESOLUTION NO. ____-19

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OAKLEY APPROVING AN AWARD OF CONTRACT WITH SOLITUDE LAKE MANAGEMENT FOR LAKE, AERATION FOUNTAIN, AND PUMP STATION MAINTENANCE SERVICES AT CYPRESS GROVE, EMERSON RANCH, AND DELANEY PARK SUBDIVISIONS AND AUTHORIZING THE CITY MANAGER TO EXECUTE SAID AGREEMENT

WHEREAS, the City of Oakley Public Works Department is responsible for the overall maintenance and operation of all City's Parks and Facilities; and

WHEREAS, the City of Oakley does not have the unique expertise and certifications for the maintenance of these lakes and its associated infrastructure and as a result have researched outside resources for this specialty maintenance service; and

WHEREAS, SOLitude Lake Management is a nationwide environmental firm with aquatic maintenance professionals and are the best suited to provide the City this service; and

NOW, THEREFORE, BE IT RESOLVED AND ORDERED, by the City Council of the City of Oakley that the Maintenance Services agreement with SOLitude Lake Management for Lake, Aeration Fountain, and Pump Station Maintenance Services at Cypress Grove, Emerson Ranch, and Delaney Park Subdivisions for an amount not to exceed \$ 20,400 annually per subdivision and pro-rated for the remainder of Fiscal Year 2019/20 and to continue until June 30, 2022 is hereby approved, and the City Manager is authorized to execute said agreement.

PASSED AND ADOPTED by the City Council of the City of Oakley at a meeting held on the 10th of December, 2019 by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

APPROVED:

, Mayor

ATTEST:

Libby Vreonis, City Clerk

Date

Proposal for Pond & Pump Station Management and Maintenance Services at Cypress

PROPERTY NAME: Cypress Park Pond, City of Oakley

CONTRACT TERM: 1 Year

SUBMITTED TO: Jesse Dela Cruz, City of Oakley

SUBMITTED BY: John Peters

SPECIFICATIONS: Pond Maintenance

Monitoring:

1. A SOLitude Biologist will visit the site and inspect the pond(s) on a one time per month.
2. Observations and data collected during the inspections will be used to inform and guide all activities required to fulfill the requirements of this contract as specified in the description of services below.

On-going weekly Lake Management & Maintenance Services:

Solitude Lake Management proposes to provide on-going lake maintenance services at Cypress Grove now that the lake is filled, and until such time that the management of the lake is turned over to the city.

Maintenance services shall be provided as follows:

1. Solitude shall perform a minimum of one (1) site visit per week utilizing a minimum of a two (2) man crew. Solitude's service crews include a Senior Maintenance Division Technician and a licensed Water Quality Specialist or Maintenance Technician.
2. Solitude shall provide a microbial bacteria program to reduce nutrient levels to reduce algal blooms and unchecked plant growth or water quality degradation. The cost of the microbial bacteria Pellets, as well as Treatments to Enhance Water Quality.
3. Solitude shall perform weekly water quality analysis, including pH, alkalinity, temperature, monitoring, visual observation, and documentation of the site conditions.
4. Inspect Clean and adjust all Equipment. Check Storm Water Pumps, Filters, Pressure Gauges and Electrical of all System.
5. Check Aeration Compressor Pressure and check Aeration Diffusers for proper Function.
6. Monitor and Adjust Autofill System for Lake.
7. Complete visual inspection of the lake system with written documentation.
8. Removal and disposal of all floating and submerged perimeter debris & trash each visit.
9. In the event of turbidity, odor, or algal blooms caused by a nutrient spike, Solitude Lake Management will apply necessary products or maintenance efforts to regain control of the

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system and maintain water quality standards. The material cost of chemicals shall be outside of this proposal.

10. Inspect and monitor (8) water quality planters' areas and annually prune growth.

11. Be on Call for any Alarms on Pump System. Emergency Call Outs will be billed on a time and Material Basis.

Visual Inspections:

1. Contractor will perform a visual inspection of the pond(s) during each visit to the site. The inspections shall include the following:
 - Water levels
 - Water clarity or quality
 - Turbidity
 - Beneficial Aquatic Vegetation
 - Nuisance, Invasive, or Exotic Aquatic Vegetation
 - Algae
 - Physical components such as above ground pipes, inlet and outlet structures, trash racks, emergency spillways, and dams
 - Erosion
 - Issues with shoreline and bank stabilization measures such as rip rap stone, bulkheads, retaining walls, etc.
 - Forebays and inflowing or outflowing swales, ditches, and stream channels
 - Vegetated buffers
 - Sedimentation
 - Nuisance animal activity
 - Fish habitat
 - Mosquito breeding conditions and habitat
 - Trash and debris
2. Any issues or deficiencies that are observed during this visual monitoring will be documented by our staff in the field notes of the service order completed at the time the issue was first observed, and reported to the client in writing as part of that month's service report.
3. Customer will be notified immediately if there are any deficiencies observed that appear in the judgment of our staff to be posing an immediate risk or otherwise jeopardizing the integrity of the pond(s) structures.
4. The scope of these services is limited to what can be reasonably observed at the surface of the water and above the ground around the water that makes up the physical structure of the pond(s). These routine inspection services are not intended to replace any requirement or need for a more comprehensive engineered inspection, or any other type of inspection that would require expertise or equipment to survey the condition of the physical components of the pond(s) underground, underwater, or inside any of the associated structures.



Pond Aquatic Weed Control:

1. Pond(s) will be inspected on a two (4) times per month basis during the months of March through November, and on a one (1) time per month basis during the months of December through February.
2. Any growth of undesirable aquatic weeds and vegetation found in the pond(s) with each inspection shall be treated and controlled through the application of aquatic herbicides and aquatic surfactants as required to control the specific varieties of aquatic weeds and vegetation found in the pond(s) at the time of application.
3. Invasive and unwanted submersed and floating vegetation will be treated and controlled preventatively and curatively each spring and early summer through the use of systemic herbicides at the rate appropriate for control of the target species. Application rates will be designed to allow for selective control of unwanted species while allowing for desirable species of submersed and emergent wetland plants to prosper.

Shoreline Aquatic Weed Control:

1. Shoreline areas will be inspected on a two (4) times per month basis during the months of March through November, and on a one (1) time per month basis during the months of December through February.
2. Any growth of cattails, phragmites, or other unwanted shoreline vegetation found within the pond areas shall be treated and controlled through the application of aquatic herbicides and aquatic surfactants as required for control of the plants present at time of application.
3. Any growth of unwanted plants or weeds growing in areas where stone has been installed for bank stabilization and erosion control shall be treated and controlled through the application of aquatic herbicides and aquatic surfactants as required to control the unwanted growth present at the time of application.

Buffer Management:

1. Buffer vegetation will be selectively treated as required to limit any growth of unwanted vegetation and to maintain the beneficial aquatic and upland vegetation found within the buffer areas along the edge of the pond. This service is provided in order to maintain the pond buffers in a natural, yet desirable appearance. Buffer vegetation height and density will be encouraged to help prevent nuisance goose and other wildlife from utilizing the pond, as well as providing the necessary erosion control and reduction of nutrients necessary for the overall health and sustainability of the pond.

Water Quality Monitoring:

1. Pond water samples will be taken and tested one (1) per year for the following parameters:

Temperature	Dissolved Oxygen
pH	Alkalinity



Hardness
Phosphates
Turbidity

Conductivity
Total Phosphorus

2. The results of the tests along with recommendations and analysis of the results will be provided to the client in a written report following each testing period.
3. Any data collected that needs immediate action to resolve an issue will be brought to the client's attention at once.

Pond Biological Augmentation:

1. Pond(s) will be inoculated with a combination of Beneficial Aerobic Bacteria, Enzymes, ARKEA, and other microbial or natural nutrient binding and limiting products as required for the proper maintenance of the pond(s) once the sustained water temperature reaches approximately 55 degrees.
2. Pond(s) will receive maintenance rate applications of Beneficial Aerobic Bacteria, Enzymes, ARKEA, and other microbial products throughout the contract period, or until such time as the sustained water temperature drops below 50 degrees.
3. Application of Beneficial Aerobic Bacteria, Enzymes, ARKEA, and other microbial products are made for the purpose of metabolizing excess nutrients in the water and digesting organic matter and bottom sludge, thus removing the primary cause of algae and preventing future algae growth.
4. Reduction in the amount of organic matter and bottom sludge in the pond will also help to extend the overall life of the pond and reduce the amount of maintenance dredging required to maintain the functionality of the pond.

Pond Water Quality Enhancement:

1. Oxygenating products will be applied to the pond(s) in the early spring to mitigate the biological oxygen demand on the pond, promote aerobic respiration in the benthic layer at the bottom of the pond, and improve biological activities in the organic muck at the bottom of the pond.
2. Applications of oxygenating products are designed to enhance the performance of the naturally occurring aerobic bacteria in the pond as well as provide a favorable environment and improved performance of the biological augmentation performed as part of this contract. These applications also help to accelerate the degradation of the undesirable buildup of organic muck at the bottom of the pond(s), thus helping to prevent algae, foul odors, and other similar water quality problems.

Turbidity / Nutrient Remediation:

1. Flocculants will be applied to the pond(s) for the purpose of settling suspended solids, thus limiting turbidity and improving water clarity.

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Trash Removal:

1. Trash and light debris will be removed from the pond(s) with each service and disposed off site. Any large item or debris that is not easily and reasonably removable by one person during the routine visit will be removed with the client's approval for an additional fee. Routine trash and debris removal services are for the pond areas only, and do not include any trash or debris removal from the surrounding terrestrial (dry land) areas.

Mosquito Control Services:

1. Monitoring of the pond for mosquito larvae by surveillance dipping will occur on a two (2) times per month basis during the months of April through November.
2. Biological larvicides will be applied as needed when mosquito larvae are identified in the samples.
3. Contractor will coordinate with the state and local municipalities to facilitate inclusion of the client's pond(s) in any available supplemental mosquito control program for the stocking of mosquito fish or other measures for which the ponds might be qualified.

Submersed Air Diffuser Aeration System Maintenance:

1. Contractor will service all of the Diffused Aeration Systems twelve (12) times per year on a once per month basis as follows:
Compressor will be tested to ensure proper operation.
Cabinet Cooling Exhaust Fan will be checked to ensure proper operation.
Compressor Carbon Vanes and Seals will be changed annually or as needed.
Compressor Air Filter / Muffler Assembly will be checked, cleaned, and replaced as needed.
Diffuser air stones and/or membranes will be cleaned and replaced as needed.
2. All necessary repairs (parts & labor) covered by warranty will be performed at no additional charge to the client.
3. All replacement parts required for proper maintenance of the aeration systems will be billed as an additional charge.
4. Any significant problems / malfunctions that are discovered during the maintenance service which are no longer under warranty, which are not part of routine maintenance, and that will require additional labor and/or parts, will be written up and submitted to the client for his / her approval prior to proceeding with the work.
5. All aerator work will be performed by factory certified service and repair technicians.

Service Reporting:

1. Client will be provided with a monthly service report detailing all of the work performed as part of this contract.

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General:

1. Contractor is a licensed pesticide applicator in the state in which service is to be provided.
2. Individual Applicators are Certified Pesticide Applicators in Aquatics, Public Health, Forestry, Right of Way, and Turf/Ornamental as required in the state in which service is to be provided.
3. Contractor is a SePRO Preferred Applicator and dedicated Steward of Water. Each individual applicator has been trained and educated in the water quality testing and analysis required for site specific water quality management prescriptions and utilizes an integrated approach that encompasses all aspects of ecologically balanced management. Each applicator has received extensive training in the proper selection, use, and application of all aquatic herbicides, algaecides, adjuvants, and water quality enhancement products necessary to properly treat our clients' lakes and ponds as part of an overall integrated pest management program.
4. Contractor guarantees that all products used for treatment are EPA registered and labeled as appropriate and safe for use in lakes, ponds, and other aquatic sites, and are being applied in a manner consistent with their labeling.
5. All pesticide applications made directly to the water or along the shoreline for the control of algae, aquatic weeds, or other aquatic pests as specified in this contract will meet or exceed all of the contractor's legal regulatory requirements as set forth by the EPA and related state agencies for NPDES and FIFRA. Contractor will perform treatments that are consistent with NPDES compliance standards as applicable in and determined by the specific state in which treatments are made. All staff will be fully trained to perform all applications in compliance with all federal, state, and local law.
6. Contractor will furnish personnel, equipment, boats, materials, and other items required to provide the foregoing at his expense.
7. Contractor will maintain general liability and workman's compensation insurance.
8. Client understands and acknowledges that there are irrigation restrictions associated with many of the products used to treat their ponds. The client is responsible for notifying the contractor in advance of the contract signing and the start of the contract treatment if they utilize any of the water in their ponds for irrigation purposes. The client accepts full responsibility for any issues that may arise from the irrigation of turf, ornamentals, trees, crops, or any other plants as a result of treated water being used by the client for irrigation without the consent or knowledge of the contractor.
9. Although there is rarely direct fish toxicity with the products used for treatment when applied at the labeled rate, any time there is an extreme infestation of algae and aquatic weeds, there is a risk of dissolved oxygen drops as a result of large masses of algae and aquatic weeds dying and decomposing simultaneously. This risk is most severe in times of extremely hot weather and warm water temperatures, as these are the conditions during which dissolved oxygen levels are naturally at

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their lowest levels. Often ponds will experience natural fish kills under these conditions even if no treatment is performed. Every effort, to include the method and timing of application, the choice of products, and the skill and training of the applicators is made to avoid such problems. This risk is especially mitigated by the use of systemic herbicides wherever possible, which results in a very slow steady control of the target weed species. However, the client understands and accepts that there is always a slight risk of the occurrence of adverse conditions outside the control of the contractor that will result in the death of some fish and other aquatic life. The client also understands and accepts that similar risks would remain if the algae or submersed invasive vegetation present in the pond goes uncontrolled, as it will over time interfere with the health and wellbeing of the existing fish population. The client agrees to hold the contractor harmless for any issues with fish or other aquatic life which occur as described above or are otherwise outside the direct control of the contractor, unless there is willful negligence on the part of the contractor.

10. Contractor shall be reimbursed by the client for any non-routine expenses, administrative fees, compliance fees, or any other similar expense that are incurred as a result of requirements placed on the contractor by the client that are not covered specifically by the written specifications of this contract.
11. The term of this agreement is for a period of twelve (12) months, with payment to be made in twelve (12) equal monthly payments due by the last day of each month. As a courtesy, the client will be invoiced on the first day of each month, reminding them that a contract payment is due by the end of that same month. The client is obligated to pay each monthly contract payment per the terms of this contract, without any obligation on the part of the contractor to invoice or send any other sort of reminder or notice. The Annual Contract Price is based on the total value of services to be provided over a period of twelve (12) months. For the convenience of the client, we offer Monthly Contract Pricing that is simply an even twelve (12) month amortization of the Annual Contract Price. Due to the seasonality of these services, and the disproportionate amount of time and materials dedicated to providing these services during some times of the year as compared to others, based on the season, weather patterns, and other natural factors, the amount billed and paid to date is not necessarily equivalent to the amount of work performed to date.
12. Contract will automatically renew annually at the end of the contract period for subsequent one (1) year terms, with a three percent (3%) escalation in the Annual Contract Price and Additional Enhancements each year, under the same terms, specifications, and conditions as set forth by this contract, unless either party gives written notice of cancellation thirty (30) days prior to the termination date of this contract, or subsequent renewal contracts.
13. The client agrees to pay penalties and interest in the amount of 2% per month for all past due invoices and related account balances in excess of 30 days past due from the due date as specified by the contract and as stated on the relevant invoice presented to the client.

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14. The client covenants and agrees to pay reasonable attorney's fees and all other related costs and expenses of SÖLitude Lake Management® for collection of past due invoices and account balances and for any other actions required to remedy a material breach of this contract.

CONTRACT PRICE: \$ 20,400.00 Annual
 \$ 1,700.00 Monthly for twelve (12) months

APPROVED: _____

SÖLitude Lake Management®

(Authorized Client Signature)

City of Oakley

(Print Name and Title)

(Date)



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Proposal for Pond & Pump Station Management and Maintenance Services at Delaney Park

PROPERTY NAME: Delaney Park Pond, City of Oakley

CONTRACT TERM: 1 Year

SUBMITTED TO: Jesse Dela Cruz, City of Oakley

SUBMITTED BY: John Peters

SPECIFICATIONS: Pond Maintenance

Monitoring:

1. A SOLitude Biologist will visit the site and inspect the pond(s) on a one time per month.
2. Observations and data collected during the inspections will be used to inform and guide all activities required to fulfill the requirements of this contract as specified in the description of services below.

On-going weekly Lake Management & Maintenance Services:

Solitude Lake Management proposes to provide on-going lake maintenance services at Cypress Grove now that the lake is filled, and until such time that the management of the lake is turned over to the city.

Maintenance services shall be provided as follows:

1. Solitude shall perform a minimum of one (1) site visit per week utilizing a minimum of a two (2) man crew. Solitude's service crews include a Senior Maintenance Division Technician and a licensed Water Quality Specialist or Maintenance Technician.
2. Solitude shall provide a microbial bacteria program to reduce nutrient levels to reduce algal blooms and unchecked plant growth or water quality degradation. The cost of the microbial bacteria Pellets, as well as Treatments to Enhance Water Quality.
3. Solitude shall perform weekly water quality analysis, including pH, alkalinity, temperature, monitoring, visual observation, and documentation of the site conditions.
4. Inspect Clean and adjust all Equipment. Check Storm Water Pumps, Filters, Pressure Gauges and Electrical of all System.
5. Check Aeration Compressor Pressure and check Aeration Diffusers for proper Function.
6. Service 1 Floating Fountain (Specs. Below)
7. Monitor and Adjust Autofill System for Lake.
8. Complete visual inspection of the lake system with written documentation.
9. Removal and disposal of all floating and submerged perimeter debris & trash each visit.
10. In the event of turbidity, odor, or algal blooms caused by a nutrient spike, Solitude Lake Management will apply necessary products or maintenance efforts to regain control of the

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system and maintain water quality standards. The material cost of chemicals shall be outside of this proposal.

11. Inspect and monitor (8) water quality planters' areas and annually prune growth.
12. Be on Call for any Alarms on Pump System. Emergency Call Outs will be billed on a time and Material Basis.

Visual Inspections:

1. Contractor will perform a visual inspection of the pond(s) during each visit to the site. The inspections shall include the following:
 - Water levels
 - Water clarity or quality
 - Turbidity
 - Beneficial Aquatic Vegetation
 - Nuisance, Invasive, or Exotic Aquatic Vegetation
 - Algae
 - Physical components such as above ground pipes, inlet and outlet structures, trash racks, emergency spillways, and dams
 - Erosion
 - Issues with shoreline and bank stabilization measures such as rip rap stone, bulkheads, retaining walls, etc.
 - Forebays and inflowing or outflowing swales, ditches, and stream channels
 - Vegetated buffers
 - Sedimentation
 - Nuisance animal activity
 - Fish habitat
 - Mosquito breeding conditions and habitat
 - Trash and debris
2. Any issues or deficiencies that are observed during this visual monitoring will be documented by our staff in the field notes of the service order completed at the time the issue was first observed, and reported to the client in writing as part of that month's service report.
3. Customer will be notified immediately if there are any deficiencies observed that appear in the judgment of our staff to be posing an immediate risk or otherwise jeopardizing the integrity of the pond(s) structures.
4. The scope of these services is limited to what can be reasonably observed at the surface of the water and above the ground around the water that makes up the physical structure of the pond(s). These routine inspection services are not intended to replace any requirement or need for a more comprehensive engineered inspection, or any other type of inspection that would require expertise or equipment to survey the condition of the physical components of the pond(s) underground, underwater, or inside any of the associated structures.



Pond Aquatic Weed Control:

1. Pond(s) will be inspected on a two (4) times per month basis during the months of March through November, and on a one (1) time per month basis during the months of December through February.
2. Any growth of undesirable aquatic weeds and vegetation found in the pond(s) with each inspection shall be treated and controlled through the application of aquatic herbicides and aquatic surfactants as required to control the specific varieties of aquatic weeds and vegetation found in the pond(s) at the time of application.
3. Invasive and unwanted submersed and floating vegetation will be treated and controlled preventatively and curatively each spring and early summer through the use of systemic herbicides at the rate appropriate for control of the target species. Application rates will be designed to allow for selective control of unwanted species while allowing for desirable species of submersed and emergent wetland plants to prosper.

Shoreline Aquatic Weed Control:

1. Shoreline areas will be inspected on a two (4) times per month basis during the months of March through November, and on a one (1) time per month basis during the months of December through February.
2. Any growth of cattails, phragmites, or other unwanted shoreline vegetation found within the pond areas shall be treated and controlled through the application of aquatic herbicides and aquatic surfactants as required for control of the plants present at time of application.
3. Any growth of unwanted plants or weeds growing in areas where stone has been installed for bank stabilization and erosion control shall be treated and controlled through the application of aquatic herbicides and aquatic surfactants as required to control the unwanted growth present at the time of application.

Buffer Management:

1. Buffer vegetation will be selectively treated as required to limit any growth of unwanted vegetation and to maintain the beneficial aquatic and upland vegetation found within the buffer areas along the edge of the pond. This service is provided in order to maintain the pond buffers in a natural, yet desirable appearance. Buffer vegetation height and density will be encouraged to help prevent nuisance goose and other wildlife from utilizing the pond, as well as providing the necessary erosion control and reduction of nutrients necessary for the overall health and sustainability of the pond.

Water Quality Monitoring:

1. Pond water samples will be taken and tested one (1) per year for the following parameters:

Temperature	Dissolved Oxygen
pH	Alkalinity



Hardness
Phosphates
Turbidity

Conductivity
Total Phosphorus

2. The results of the tests along with recommendations and analysis of the results will be provided to the client in a written report following each testing period.
3. Any data collected that needs immediate action to resolve an issue will be brought to the client's attention at once.

Pond Biological Augmentation:

1. Pond(s) will be inoculated with a combination of Beneficial Aerobic Bacteria, Enzymes, ARKEA, and other microbial or natural nutrient binding and limiting products as required for the proper maintenance of the pond(s) once the sustained water temperature reaches approximately 55 degrees.
2. Pond(s) will receive maintenance rate applications of Beneficial Aerobic Bacteria, Enzymes, ARKEA, and other microbial products throughout the contract period, or until such time as the sustained water temperature drops below 50 degrees.
3. Application of Beneficial Aerobic Bacteria, Enzymes, ARKEA, and other microbial products are made for the purpose of metabolizing excess nutrients in the water and digesting organic matter and bottom sludge, thus removing the primary cause of algae and preventing future algae growth.
4. Reduction in the amount of organic matter and bottom sludge in the pond will also help to extend the overall life of the pond and reduce the amount of maintenance dredging required to maintain the functionality of the pond.

Pond Water Quality Enhancement:

1. Oxygenating products will be applied to the pond(s) in the early spring to mitigate the biological oxygen demand on the pond, promote aerobic respiration in the benthic layer at the bottom of the pond, and improve biological activities in the organic muck at the bottom of the pond.
2. Applications of oxygenating products are designed to enhance the performance of the naturally occurring aerobic bacteria in the pond as well as provide a favorable environment and improved performance of the biological augmentation performed as part of this contract. These applications also help to accelerate the degradation of the undesirable buildup of organic muck at the bottom of the pond(s), thus helping to prevent algae, foul odors, and other similar water quality problems.

Turbidity / Nutrient Remediation:

1. Flocculants will be applied to the pond(s) for the purpose of settling suspended solids, thus limiting turbidity and improving water clarity.



Trash Removal:

1. Trash and light debris will be removed from the pond(s) with each service and disposed off site. Any large item or debris that is not easily and reasonably removable by one person during the routine visit will be removed with the client's approval for an additional fee. Routine trash and debris removal services are for the pond areas only, and do not include any trash or debris removal from the surrounding terrestrial (dry land) areas.

Mosquito Control Services:

1. Monitoring of the pond for mosquito larvae by surveillance dipping will occur on a two (2) times per month basis during the months of April through November.
2. Biological larvicides will be applied as needed when mosquito larvae are identified in the samples.
3. Contractor will coordinate with the state and local municipalities to facilitate inclusion of the client's pond(s) in any available supplemental mosquito control program for the stocking of mosquito fish or other measures for which the ponds might be qualified.

Submersed Air Diffuser Aeration System Maintenance:

1. Contractor will service all of the Diffused Aeration Systems twelve (12) times per year on a once per month basis as follows:
Compressor will be tested to ensure proper operation.
Cabinet Cooling Exhaust Fan will be checked to ensure proper operation.
Compressor Carbon Vanes and Seals will be changed annually or as needed.
Compressor Air Filter / Muffler Assembly will be checked, cleaned, and replaced as needed.
Diffuser air stones and/or membranes will be cleaned and replaced as needed.
2. All necessary repairs (parts & labor) covered by warranty will be performed at no additional charge to the client.
3. All replacement parts required for proper maintenance of the aeration systems will be billed as an additional charge.
4. Any significant problems / malfunctions that are discovered during the maintenance service which are no longer under warranty, which are not part of routine maintenance, and that will require additional labor and/or parts, will be written up and submitted to the client for his / her approval prior to proceeding with the work.
5. All aerator work will be performed by factory certified service and repair technicians.



Fountain Maintenance Service: 1 Fountain

1. Contractor will service each of the fountains twelve (12) times per year on a once per month basis as follows:
 - Perform Amp test on the motor to verify appropriate amp load.
 - Check incoming and outgoing Voltage.
 - Test Motor GFCI Protection Breaker.
 - Test Contactor (starter).
 - Test motor overload protection to make sure it is set and functioning properly.
 - Check fuses.
 - Make sure all wires, breakers, and other electronic parts are securely attached
 - Check timer and set as needed.
 - Test Lighting GFCI breaker in the control panel to make sure it is operating properly.
 - Check lighting timer and set as needed.
2. If the fountain or lights are not visibly operating properly, or malfunctioning in any way as determined by the diagnostic checks specified above, the contractor will further perform the following:
 - Perform ohm test to cable to test for any shorts or resistance in the power cable between the control panel and the motor.
 - Inspect motor shaft to make sure it is not bent and that it is turning smoothly and quietly.
 - Inspect propeller or impeller (depending on what type unit) and diffuser plate (if present) to make sure they are tightly attached and not bent or damaged in any way.
 - Clean fountain's debris screen nozzle, shaft, and pump chamber ensure proper water flow.
 - Clean all lighting lens covers.
 - Check each light and replace lamps that have burnt out.
 - Replace any seals on light housing which are leaking.
3. All replacement parts required for proper maintenance of the fountains and the additional labor required to replace these parts as needed will be billed as an additional charge.
4. All lights, seals, other replacement parts, and labor required for light replacements will be billed as an additional charge.
5. All necessary repairs (parts & labor) covered by warranty will be performed at no additional charge to the client.
6. Any significant problems or malfunctions that are discovered during the maintenance service that are not able to be repaired during that service, which are no longer under warranty, and that will require significant additional labor and/or parts, will be written up and submitted to the client for his / her approval prior to proceeding with the work.



Service Reporting:

1. Client will be provided with a monthly service report detailing all of the work performed as part of this contract.

General:

1. Contractor is a licensed pesticide applicator in the state in which service is to be provided.
2. Individual Applicators are Certified Pesticide Applicators in Aquatics, Public Health, Forestry, Right of Way, and Turf/Ornamental as required in the state in which service is to be provided.
3. Contractor is a SePRO Preferred Applicator and dedicated Steward of Water. Each individual applicator has been trained and educated in the water quality testing and analysis required for site specific water quality management prescriptions and utilizes an integrated approach that encompasses all aspects of ecologically balanced management. Each applicator has received extensive training in the proper selection, use, and application of all aquatic herbicides, algaecides, adjuvants, and water quality enhancement products necessary to properly treat our clients' lakes and ponds as part of an overall integrated pest management program.
4. Contractor guarantees that all products used for treatment are EPA registered and labeled as appropriate and safe for use in lakes, ponds, and other aquatic sites, and are being applied in a manner consistent with their labeling.
5. All pesticide applications made directly to the water or along the shoreline for the control of algae, aquatic weeds, or other aquatic pests as specified in this contract will meet or exceed all of the contractor's legal regulatory requirements as set forth by the EPA and related state agencies for NPDES and FIFRA. Contractor will perform treatments that are consistent with NPDES compliance standards as applicable in and determined by the specific state in which treatments are made. All staff will be fully trained to perform all applications in compliance with all federal, state, and local law.
6. Contractor will furnish personnel, equipment, boats, materials, and other items required to provide the foregoing at his expense.
7. Contractor will maintain general liability and workman's compensation insurance.
8. Client understands and acknowledges that there are irrigation restrictions associated with many of the products used to treat their ponds. The client is responsible for notifying the contractor in advance of the contract signing and the start of the contract treatment if they utilize any of the water in their ponds for irrigation purposes. The client accepts full responsibility for any issues that may arise from the irrigation of turf, ornamentals, trees, crops, or any other plants as a result of treated water being used by the client for irrigation without the consent or knowledge of the contractor.
9. Although there is rarely direct fish toxicity with the products used for treatment when applied at the labeled rate, any time there is an extreme infestation of algae and aquatic weeds, there is a risk of dissolved oxygen drops as a result of large

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masses of algae and aquatic weeds dying and decomposing simultaneously. This risk is most severe in times of extremely hot weather and warm water temperatures, as these are the conditions during which dissolved oxygen levels are naturally at their lowest levels. Often ponds will experience natural fish kills under these conditions even if no treatment is performed. Every effort, to include the method and timing of application, the choice of products, and the skill and training of the applicators is made to avoid such problems. This risk is especially mitigated by the use of systemic herbicides wherever possible, which results in a very slow steady control of the target weed species. However, the client understands and accepts that there is always a slight risk of the occurrence of adverse conditions outside the control of the contractor that will result in the death of some fish and other aquatic life. The client also understands and accepts that similar risks would remain if the algae or submersed invasive vegetation present in the pond goes uncontrolled, as it will over time interfere with the health and wellbeing of the existing fish population. The client agrees to hold the contractor harmless for any issues with fish or other aquatic life which occur as described above or are otherwise outside the direct control of the contractor, unless there is willful negligence on the part of the contractor.

10. Contractor shall be reimbursed by the client for any non-routine expenses, administrative fees, compliance fees, or any other similar expense that are incurred as a result of requirements placed on the contractor by the client that are not covered specifically by the written specifications of this contract.
11. The term of this agreement is for a period of twelve (12) months, with payment to be made in twelve (12) equal monthly payments due by the last day of each month. As a courtesy, the client will be invoiced on the first day of each month, reminding them that a contract payment is due by the end of that same month. The client is obligated to pay each monthly contract payment per the terms of this contract, without any obligation on the part of the contractor to invoice or send any other sort of reminder or notice. The Annual Contract Price is based on the total value of services to be provided over a period of twelve (12) months. For the convenience of the client, we offer Monthly Contract Pricing that is simply an even twelve (12) month amortization of the Annual Contract Price. Due to the seasonality of these services, and the disproportionate amount of time and materials dedicated to providing these services during some times of the year as compared to others, based on the season, weather patterns, and other natural factors, the amount billed and paid to date is not necessarily equivalent to the amount of work performed to date.
12. Contract will automatically renew annually at the end of the contract period for subsequent one (1) year terms, with a three percent (3%) escalation in the Annual Contract Price and Additional Enhancements each year, under the same terms, specifications, and conditions as set forth by this contract, unless either party gives written notice of cancellation thirty (30) days prior to the termination date of this contract, or subsequent renewal contracts.

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13. The client agrees to pay penalties and interest in the amount of 2% per month for all past due invoices and related account balances in excess of 30 days past due from the due date as specified by the contract and as stated on the relevant invoice presented to the client.
14. The client covenants and agrees to pay reasonable attorney's fees and all other related costs and expenses of SÖLitude Lake Management® for collection of past due invoices and account balances and for any other actions required to remedy a material breach of this contract.

CONTRACT PRICE: \$ 20,400.00 Annual
 \$ 1,700.00 Monthly for twelve (12) months

APPROVED: _____

SÖLitude Lake Management®

(Authorized Client Signature)

City of Oakley

(Print Name and Title)

(Date)



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Proposal for Pond & Pump Station Management and Maintenance Services at Emerson Ranch

PROPERTY NAME: Emerson Ranch Pond, City of Oakley

CONTRACT TERM: 1 Year

SUBMITTED TO: Jesse Dela Cruz, City of Oakley

SUBMITTED BY: John Peters

SPECIFICATIONS: Pond Maintenance

Monitoring:

1. A SOLitude Biologist will visit the site and inspect the pond(s) on a one time per month.
2. Observations and data collected during the inspections will be used to inform and guide all activities required to fulfill the requirements of this contract as specified in the description of services below.

On-going weekly Lake Management & Maintenance Services:

Solitude Lake Management proposes to provide on-going lake maintenance services at Cypress Grove now that the lake is filled, and until such time that the management of the lake is turned over to the city.

Maintenance services shall be provided as follows:

1. Solitude shall perform a minimum of one (1) site visit per week utilizing a minimum of a two (2) man crew. Solitude's service crews include a Senior Maintenance Division Technician and a licensed Water Quality Specialist or Maintenance Technician.
2. Solitude shall provide a microbial bacteria program to reduce nutrient levels to reduce algal blooms and unchecked plant growth or water quality degradation. The cost of the microbial bacteria Pellets, as well as Treatments to Enhance Water Quality.
3. Solitude shall perform weekly water quality analysis, including pH, alkalinity, temperature, monitoring, visual observation, and documentation of the site conditions.
4. Inspect Clean and adjust all Equipment. Check Storm Water Pumps, Filters, Pressure Gauges and Electrical of all System.
5. Check Aeration Compressor Pressure and check Aeration Diffusers for proper Function.
6. Service 3 Floating Fountains (Specs. Below)
7. Monitor and Adjust Autofill System for Lake.
8. Complete visual inspection of the lake system with written documentation.
9. Removal and disposal of all floating and submerged perimeter debris & trash each visit.
10. In the event of turbidity, odor, or algal blooms caused by a nutrient spike, Solitude Lake Management will apply necessary products or maintenance efforts to regain control of the

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system and maintain water quality standards. The material cost of chemicals shall be outside of this proposal.

11. Inspect and monitor (8) water quality planters' areas and annually prune growth.
12. Be on Call for any Alarms on Pump System. Emergency Call Outs will be billed on a time and Material Basis.

Visual Inspections:

1. Contractor will perform a visual inspection of the pond(s) during each visit to the site. The inspections shall include the following:
 - Water levels
 - Water clarity or quality
 - Turbidity
 - Beneficial Aquatic Vegetation
 - Nuisance, Invasive, or Exotic Aquatic Vegetation
 - Algae
 - Physical components such as above ground pipes, inlet and outlet structures, trash racks, emergency spillways, and dams
 - Erosion
 - Issues with shoreline and bank stabilization measures such as rip rap stone, bulkheads, retaining walls, etc.
 - Forebays and inflowing or outflowing swales, ditches, and stream channels
 - Vegetated buffers
 - Sedimentation
 - Nuisance animal activity
 - Fish habitat
 - Mosquito breeding conditions and habitat
 - Trash and debris
2. Any issues or deficiencies that are observed during this visual monitoring will be documented by our staff in the field notes of the service order completed at the time the issue was first observed, and reported to the client in writing as part of that month's service report.
3. Customer will be notified immediately if there are any deficiencies observed that appear in the judgment of our staff to be posing an immediate risk or otherwise jeopardizing the integrity of the pond(s) structures.
4. The scope of these services is limited to what can be reasonably observed at the surface of the water and above the ground around the water that makes up the physical structure of the pond(s). These routine inspection services are not intended to replace any requirement or need for a more comprehensive engineered inspection, or any other type of inspection that would require expertise or equipment to survey the condition of the physical components of the pond(s) underground, underwater, or inside any of the associated structures.

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Pond Aquatic Weed Control:

1. Pond(s) will be inspected on a two (4) times per month basis during the months of March through November, and on a one (1) time per month basis during the months of December through February.
2. Any growth of undesirable aquatic weeds and vegetation found in the pond(s) with each inspection shall be treated and controlled through the application of aquatic herbicides and aquatic surfactants as required to control the specific varieties of aquatic weeds and vegetation found in the pond(s) at the time of application.
3. Invasive and unwanted submersed and floating vegetation will be treated and controlled preventatively and curatively each spring and early summer through the use of systemic herbicides at the rate appropriate for control of the target species. Application rates will be designed to allow for selective control of unwanted species while allowing for desirable species of submersed and emergent wetland plants to prosper.

Shoreline Aquatic Weed Control:

1. Shoreline areas will be inspected on a two (4) times per month basis during the months of March through November, and on a one (1) time per month basis during the months of December through February.
2. Any growth of cattails, phragmites, or other unwanted shoreline vegetation found within the pond areas shall be treated and controlled through the application of aquatic herbicides and aquatic surfactants as required for control of the plants present at time of application.
3. Any growth of unwanted plants or weeds growing in areas where stone has been installed for bank stabilization and erosion control shall be treated and controlled through the application of aquatic herbicides and aquatic surfactants as required to control the unwanted growth present at the time of application.

Buffer Management:

1. Buffer vegetation will be selectively treated as required to limit any growth of unwanted vegetation and to maintain the beneficial aquatic and upland vegetation found within the buffer areas along the edge of the pond. This service is provided in order to maintain the pond buffers in a natural, yet desirable appearance. Buffer vegetation height and density will be encouraged to help prevent nuisance goose and other wildlife from utilizing the pond, as well as providing the necessary erosion control and reduction of nutrients necessary for the overall health and sustainability of the pond.

Water Quality Monitoring:

1. Pond water samples will be taken and tested one (1) per year for the following parameters:

Temperature	Dissolved Oxygen
pH	Alkalinity



Hardness
Phosphates
Turbidity

Conductivity
Total Phosphorus

2. The results of the tests along with recommendations and analysis of the results will be provided to the client in a written report following each testing period.
3. Any data collected that needs immediate action to resolve an issue will be brought to the client's attention at once.

Pond Biological Augmentation:

1. Pond(s) will be inoculated with a combination of Beneficial Aerobic Bacteria, Enzymes, ARKEA, and other microbial or natural nutrient binding and limiting products as required for the proper maintenance of the pond(s) once the sustained water temperature reaches approximately 55 degrees.
2. Pond(s) will receive maintenance rate applications of Beneficial Aerobic Bacteria, Enzymes, ARKEA, and other microbial products throughout the contract period, or until such time as the sustained water temperature drops below 50 degrees.
3. Application of Beneficial Aerobic Bacteria, Enzymes, ARKEA, and other microbial products are made for the purpose of metabolizing excess nutrients in the water and digesting organic matter and bottom sludge, thus removing the primary cause of algae and preventing future algae growth.
4. Reduction in the amount of organic matter and bottom sludge in the pond will also help to extend the overall life of the pond and reduce the amount of maintenance dredging required to maintain the functionality of the pond.

Pond Water Quality Enhancement:

1. Oxygenating products will be applied to the pond(s) in the early spring to mitigate the biological oxygen demand on the pond, promote aerobic respiration in the benthic layer at the bottom of the pond, and improve biological activities in the organic muck at the bottom of the pond.
2. Applications of oxygenating products are designed to enhance the performance of the naturally occurring aerobic bacteria in the pond as well as provide a favorable environment and improved performance of the biological augmentation performed as part of this contract. These applications also help to accelerate the degradation of the undesirable buildup of organic muck at the bottom of the pond(s), thus helping to prevent algae, foul odors, and other similar water quality problems.

Turbidity / Nutrient Remediation:

1. Flocculants will be applied to the pond(s) for the purpose of settling suspended solids, thus limiting turbidity and improving water clarity.



Trash Removal:

1. Trash and light debris will be removed from the pond(s) with each service and disposed off site. Any large item or debris that is not easily and reasonably removable by one person during the routine visit will be removed with the client's approval for an additional fee. Routine trash and debris removal services are for the pond areas only, and do not include any trash or debris removal from the surrounding terrestrial (dry land) areas.

Mosquito Control Services:

1. Monitoring of the pond for mosquito larvae by surveillance dipping will occur on a two (2) times per month basis during the months of April through November.
2. Biological larvicides will be applied as needed when mosquito larvae are identified in the samples.
3. Contractor will coordinate with the state and local municipalities to facilitate inclusion of the client's pond(s) in any available supplemental mosquito control program for the stocking of mosquito fish or other measures for which the ponds might be qualified.

Submersed Air Diffuser Aeration System Maintenance:

1. Contractor will service all of the Diffused Aeration Systems twelve (12) times per year on a once per month basis as follows:
Compressor will be tested to ensure proper operation.
Cabinet Cooling Exhaust Fan will be checked to ensure proper operation.
Compressor Carbon Vanes and Seals will be changed annually or as needed.
Compressor Air Filter / Muffler Assembly will be checked, cleaned, and replaced as needed.
Diffuser air stones and/or membranes will be cleaned and replaced as needed.
2. All necessary repairs (parts & labor) covered by warranty will be performed at no additional charge to the client.
3. All replacement parts required for proper maintenance of the aeration systems will be billed as an additional charge.
4. Any significant problems / malfunctions that are discovered during the maintenance service which are no longer under warranty, which are not part of routine maintenance, and that will require additional labor and/or parts, will be written up and submitted to the client for his / her approval prior to proceeding with the work.
5. All aerator work will be performed by factory certified service and repair technicians.



Fountain Maintenance Service: 3 Fountains

1. Contractor will service each of the fountains twelve (12) times per year on a once per month basis as follows:
 - Perform Amp test on the motor to verify appropriate amp load.
 - Check incoming and outgoing Voltage.
 - Test Motor GFCI Protection Breaker.
 - Test Contactor (starter).
 - Test motor overload protection to make sure it is set and functioning properly.
 - Check fuses.
 - Make sure all wires, breakers, and other electronic parts are securely attached
 - Check timer and set as needed.
 - Test Lighting GFCI breaker in the control panel to make sure it is operating properly.
 - Check lighting timer and set as needed.
2. If the fountain or lights are not visibly operating properly, or malfunctioning in any way as determined by the diagnostic checks specified above, the contractor will further perform the following:
 - Perform ohm test to cable to test for any shorts or resistance in the power cable between the control panel and the motor.
 - Inspect motor shaft to make sure it is not bent and that it is turning smoothly and quietly.
 - Inspect propeller or impeller (depending on what type unit) and diffuser plate (if present) to make sure they are tightly attached and not bent or damaged in any way.
 - Clean fountain's debris screen nozzle, shaft, and pump chamber ensure proper water flow.
 - Clean all lighting lens covers.
 - Check each light and replace lamps that have burnt out.
 - Replace any seals on light housing which are leaking.
3. All replacement parts required for proper maintenance of the fountains and the additional labor required to replace these parts as needed will be billed as an additional charge.
4. All lights, seals, other replacement parts, and labor required for light replacements will be billed as an additional charge.
5. All necessary repairs (parts & labor) covered by warranty will be performed at no additional charge to the client.
6. Any significant problems or malfunctions that are discovered during the maintenance service that are not able to be repaired during that service, which are no longer under warranty, and that will require significant additional labor and/or parts, will be written up and submitted to the client for his / her approval prior to proceeding with the work.



Service Reporting:

1. Client will be provided with a monthly service report detailing all of the work performed as part of this contract.

General:

1. Contractor is a licensed pesticide applicator in the state in which service is to be provided.
2. Individual Applicators are Certified Pesticide Applicators in Aquatics, Public Health, Forestry, Right of Way, and Turf/Ornamental as required in the state in which service is to be provided.
3. Contractor is a SePRO Preferred Applicator and dedicated Steward of Water. Each individual applicator has been trained and educated in the water quality testing and analysis required for site specific water quality management prescriptions and utilizes an integrated approach that encompasses all aspects of ecologically balanced management. Each applicator has received extensive training in the proper selection, use, and application of all aquatic herbicides, algaecides, adjuvants, and water quality enhancement products necessary to properly treat our clients' lakes and ponds as part of an overall integrated pest management program.
4. Contractor guarantees that all products used for treatment are EPA registered and labeled as appropriate and safe for use in lakes, ponds, and other aquatic sites, and are being applied in a manner consistent with their labeling.
5. All pesticide applications made directly to the water or along the shoreline for the control of algae, aquatic weeds, or other aquatic pests as specified in this contract will meet or exceed all of the contractor's legal regulatory requirements as set forth by the EPA and related state agencies for NPDES and FIFRA. Contractor will perform treatments that are consistent with NPDES compliance standards as applicable in and determined by the specific state in which treatments are made. All staff will be fully trained to perform all applications in compliance with all federal, state, and local law.
6. Contractor will furnish personnel, equipment, boats, materials, and other items required to provide the foregoing at his expense.
7. Contractor will maintain general liability and workman's compensation insurance.
8. Client understands and acknowledges that there are irrigation restrictions associated with many of the products used to treat their ponds. The client is responsible for notifying the contractor in advance of the contract signing and the start of the contract treatment if they utilize any of the water in their ponds for irrigation purposes. The client accepts full responsibility for any issues that may arise from the irrigation of turf, ornamentals, trees, crops, or any other plants as a result of treated water being used by the client for irrigation without the consent or knowledge of the contractor.
9. Although there is rarely direct fish toxicity with the products used for treatment when applied at the labeled rate, any time there is an extreme infestation of algae and aquatic weeds, there is a risk of dissolved oxygen drops as a result of large

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masses of algae and aquatic weeds dying and decomposing simultaneously. This risk is most severe in times of extremely hot weather and warm water temperatures, as these are the conditions during which dissolved oxygen levels are naturally at their lowest levels. Often ponds will experience natural fish kills under these conditions even if no treatment is performed. Every effort, to include the method and timing of application, the choice of products, and the skill and training of the applicators is made to avoid such problems. This risk is especially mitigated by the use of systemic herbicides wherever possible, which results in a very slow steady control of the target weed species. However, the client understands and accepts that there is always a slight risk of the occurrence of adverse conditions outside the control of the contractor that will result in the death of some fish and other aquatic life. The client also understands and accepts that similar risks would remain if the algae or submersed invasive vegetation present in the pond goes uncontrolled, as it will over time interfere with the health and wellbeing of the existing fish population. The client agrees to hold the contractor harmless for any issues with fish or other aquatic life which occur as described above or are otherwise outside the direct control of the contractor, unless there is willful negligence on the part of the contractor.

10. Contractor shall be reimbursed by the client for any non-routine expenses, administrative fees, compliance fees, or any other similar expense that are incurred as a result of requirements placed on the contractor by the client that are not covered specifically by the written specifications of this contract.
11. The term of this agreement is for a period of twelve (12) months, with payment to be made in twelve (12) equal monthly payments due by the last day of each month. As a courtesy, the client will be invoiced on the first day of each month, reminding them that a contract payment is due by the end of that same month. The client is obligated to pay each monthly contract payment per the terms of this contract, without any obligation on the part of the contractor to invoice or send any other sort of reminder or notice. The Annual Contract Price is based on the total value of services to be provided over a period of twelve (12) months. For the convenience of the client, we offer Monthly Contract Pricing that is simply an even twelve (12) month amortization of the Annual Contract Price. Due to the seasonality of these services, and the disproportionate amount of time and materials dedicated to providing these services during some times of the year as compared to others, based on the season, weather patterns, and other natural factors, the amount billed and paid to date is not necessarily equivalent to the amount of work performed to date.
12. Contract will automatically renew annually at the end of the contract period for subsequent one (1) year terms, with a three percent (3%) escalation in the Annual Contract Price and Additional Enhancements each year, under the same terms, specifications, and conditions as set forth by this contract, unless either party gives written notice of cancellation thirty (30) days prior to the termination date of this contract, or subsequent renewal contracts.

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13. The client agrees to pay penalties and interest in the amount of 2% per month for all past due invoices and related account balances in excess of 30 days past due from the due date as specified by the contract and as stated on the relevant invoice presented to the client.
14. The client covenants and agrees to pay reasonable attorney's fees and all other related costs and expenses of SÖLitude Lake Management® for collection of past due invoices and account balances and for any other actions required to remedy a material breach of this contract.

CONTRACT PRICE: \$ 20,400.00 Annual
 \$ 1,700.00 Monthly for twelve (12) months

APPROVED: _____

SÖLitude Lake Management®

(Authorized Client Signature)

City of Oakley

(Print Name and Title)

(Date)



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STAFF REPORT

Date: December 10, 2019

Approved and Forwarded to the City Council

To: Bryan H. Montgomery, City Manager

From: Kevin Rohani, P.E. Public Works Director/City Engineer

SUBJECT: Acceptance of work associated with Capital Improvement Project Number 233 – Fiscal Year 2019/20 Curb, Gutter and Sidewalk Repair and Replacement Project

Background and Analysis

The City's adopted FY 2019/20 Capital Improvement Program (CIP) Budget designates funding for various infrastructure repair and replacement projects. This is consistent with the City's goals to improve the quality of the City's public infrastructure and to enhance the quality of life for Oakley residents.

CIP Project Number 233 included the replacement of damaged and uplifted curb, gutter and sidewalk citywide that had been identified as a trip and fall hazard. The trip and fall hazard concern is due to the overgrowth of tree roots that have gotten under the curb and sidewalk; and in some cases even under the street pavement.

The City Council had approved a 50-50 concrete cost share program to help property owners with cases of uplifted sidewalks. This program has made the replacement of damaged curb and sidewalk as simplified as possible for property owners; as the City is responsible for the design and management of the construction of the project. At the end of the project, the property owners pay half the actual cost of the construction for the damaged concrete along their property, instead of being responsible for the whole cost of the design and construction.

The residents who participated in the program received a great value and the project helped in reducing the exposure to liability for the City and property owners, as a result of trip and fall incidents.

Fiscal Impact

The contract with Cowboy Concrete Pumping was successfully completed on time in the amount of \$89,858.70 which is under the authorized CIP budget of \$100,000.

Pursuant to the contract documents, 5% of the accrued costs were withheld from the amount paid to the contractor. These funds are called “retention”, and are held until the end of the project to ensure that the contractor completes the project in a timely manner. Approval of this item will authorize the release of the retention payment to the contractor. The retention was already budgeted as part of the contract and change order approvals, so there is no additional fiscal impact associated with this action.

Recommendation

Staff recommends that the City Council Adopt the Resolution accepting CIP Project No. 233 – FY 2019/20 Curb, Gutter and Sidewalk Repair and Replacement Project as constructed by Cowboy Concrete Pumping to be complete, and to direct the City Clerk to file a Notice of Completion for the project with the County Recorder.

Attachments

- 1) Resolution
- 2) Notice of Completion

RESOLUTION NO. __-19

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OAKLEY ACCEPTING AS COMPLETE THE WORK PERFORMED BY COWBOY CONCRETE PUMPING FOR THE CONSTRUCTION OF CAPITAL IMPROVEMENT PROJECT NUMBER 233 – FISCAL YEAR 2019/20 CURB, GUTTER AND SIDEWALK REPAIR AND REPLACEMENT PROJECT

WHEREAS, City staff, prepared plans, special provisions, and cost estimates related to CIP Project No. 233 – FY 2019/20 Curb, Gutter, Sidewalk Repair and Replacement Project; and

WHEREAS, on September 10, 2019, by adopting Resolution No. 100-19, the City Council awarded a construction contract to Cowboy Concrete Pumping for the construction of CIP No. 233 – FY 2019/20 Curb, Gutter and Sidewalk Repair and Replacement Project; and

WHEREAS, Cowboy Concrete Pumping has satisfied the contractual requirements necessary for the acceptance of CIP No. 233 to be deemed complete.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED, by the City Council of the City of Oakley that CIP Project No. 233 – FY 2019/20 Curb, Gutter and Sidewalk Repair and Replacement Project is hereby accepted as complete.

BE IT FURTHER RESOLVED AND ORDERED, that the City Clerk is hereby directed to file a Notice of Completion for CIP No. 233 with the County Recorder.

PASSED AND ADOPTED by the City Council of the City of Oakley at a meeting held on the 10th of December, 2019 by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

APPROVED:

, Mayor

ATTEST:

Libby Vreonis, City Clerk

Date

PURSUANT TO GOVERNMENT
CODE §6103 NO FEE IS REQUIRED
FOR THE RECORDATION OF THIS
DOCUMENT

WHEN RECORDED MAIL TO:

City Clerk
City Of Oakley
3231 Main Street
Oakley, Ca 94561

RECORDING REQUESTED BY:

City Of Oakley
3231 Main Street
Oakley, Ca 94561

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

NOTICE OF COMPLETION

FY 2019/20 Curb, Gutter, & Sidewalk Repair & Replacement Project – CIP 233

NOTICE IS HEREBY GIVEN THAT:

The CITY OF OAKLEY, a political subdivision of the State of California, did, on September 10, 2019 enter into an agreement with Cowboy Concrete Pumping, for the construction of Capital Improvement Program Project Number 233 – FY 2019/20 Curb, Gutter, & Sidewalk Repair & Replacement Project located on various streets location within the City of Oakley.

The Owner's nature of interest or estate in the property described below is in fee.

The work described in the contract documents was to furnish all material, labor, and equipment necessary to complete FY 2019/20 Curb, Gutter, & Sidewalk Repair & Replacement Project – CIP 233

On December 10, 2019 said contract, as a whole was completed and the work was accepted by the City Council of the City of Oakley.

VERIFICATION

I have read the foregoing NOTICE OF COMPLETION and know the contents thereof; the same is true of my knowledge. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration was executed this 10th day of December 2019 at Oakley, California.

Date: _____

By: _____
Libby Vreonis, City Clerk
City of Oakley, California

STAFF REPORT

DATE: December 10, 2019

TO: Bryan Montgomery, City Manager Approved and Forwarded to the City Council

FROM: Kevin Rohani, P.E., Public Works Director/City Engineer

SUBJECT: Award of a contract to Prime Mechanical Service for Heating, Ventilation, and Air Conditioning (HVAC) Preventative Maintenance and Repair Services for City of Oakley Facilities

Background and Analysis

The City of Oakley utilizes a wide range of consultants and contractors across all departments to augment City staff as needed to accommodate the workload activities. One of the areas that this approach is used is in various public works maintenance operations (i.e. Landscaping, Street Sweeping, Traffic Signal, Street Light, etc.) to ensure all the City's public infrastructure and facilities are operating and maintained to high quality standards for the enjoyment of the community.

The City of Oakley owns and is responsible for maintenance for the following facilities:

- Civic Center Complex
- Recreation Center
- Public Works Operations Building
- Entrepreneur Center
- Mr. Pickles Restaurant Building
- Buon Appetito Restaurant Building

One of the key elements of facility maintenance is proper operation and maintenance of the HVAC system which is an important element of creating a comfortable work environment for the staff and visitors to these facilities. This HVAC maintenance task is specialty work performed by licensed contractors who have certifications and expertise for this type of work.

Staff prepared a comprehensive and detailed scope of work for the HVAC maintenance service and Request For Proposal (RFP) and solicited proposals and qualification statements from HVAC maintenance contractors. The comprehensive scope of work included Quarterly maintenance of the HVAC systems to ensure City facilities have the proper healthy environmental climate for the staff and visitors.

This RFP was advertised publically. Staff held a pre-proposal meeting with interested contractors to visit and inspect all City facilities as part of the process to respond to the RFP. On November 14, 2019 by 5 PM, the submittal deadline, the City received three (3) proposals from: Air Systems Service & Construction, Inc., Fairview Heating and Air-conditioning Inc., and Prime Mechanical Service. Staff reviewed the proposals that was received and determined all proposals were prepared in accordance to the RFP instructions and were qualified to bid on the project. The Quarterly maintenance cost proposed by the contractors for all the above referenced City facilities are as follows:

▪ Air Systems Service & Construction, Inc.	\$3,356.25
▪ Prime Mechanical Service	\$3,410.00
▪ Fairview Heating and Air-conditioning Inc.	\$5,746.00

Upon evaluations of all proposals, staff determined Prime Mechanical Service will be best suited to be the City's maintenance contractor to provide this service. Prime Mechanical Service is based in Livermore and provides HVAC maintenance service to agencies throughout Contra Costa, Alameda, and Santa Clara Counties. Staff has checked several references for Prime Mechanical Service and received very consistent and positive feedback on the performance of this firm and their approach towards performing HVAC maintenance service. Due to the close proximity to Oakley, Prime Mechanical Service can provide very timely maintenance service to City facilities for all regular and emergency call-out services.

The cost proposal from Prime Mechanical Service was very competitive, only \$53.75/quarter more than Air Systems Service & Construction, Inc. cost proposal who are based from Sacramento. The hourly service costs from Prime Mechanical Service for the emergency call-outs and services are 10% less than the other bidders.

Fiscal Impact

Funding for the HVAC maintenance service is included in the City of Oakley Facility Maintenance budget.

Staff Recommendation

Staff recommends that the City Council adopt the Resolution approving the agreement with Prime Mechanical Service for HVAC Repair and Maintenance service for City of Oakley Facilities from January 1, 2020 to June 30, 2022 and authorize the City Manager to execute this contract.

Attachments

- 1) Resolution
- 2) Proposal from Prime Mechanical Service

RESOLUTION NO. ____-19

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OAKLEY APPROVING AN AWARD OF CONTRACT WITH PRIME MECHANICAL SERVICE FOR HEATING, VENTILATION, AND AIR CONDITIONING (HVAC) PREVENTATIVE MAINTENANCE AND REPAIR SERVICES FOR CITY OF OAKLEY FACILITIES AND AUTHORIZING THE CITY MANAGER TO EXECUTE SAID AGREEMENT

WHEREAS, the City of Oakley Public Works Department is responsible for the overall maintenance and operation of all of the City's Infrastructure and Facilities; and

WHEREAS, the City of Oakley staff does not have the unique expertise and certifications for the maintenance of HVAC systems at City facilities and as a result prepared a Request For Proposal (RFP) and solicited proposals and qualification statements from HVAC maintenance contractors for this specialty maintenance service; and

WHEREAS, Prime Mechanical Service was determined to be the best qualified firm with a very competitive cost proposal and best suited to provide the City HVAC maintenance services; and

NOW, THEREFORE, BE IT RESOLVED AND ORDERED, by the City Council of the City of Oakley that the HVAC Maintenance Services agreement with Prime Mechanical Service for an amount not to exceed \$3,410 Quarterly from January 1, 2020 and continued until June 30, 2022 is hereby approved, and the City Manager is authorized to execute said agreement.

PASSED AND ADOPTED by the City Council of the City of Oakley at a meeting held on the 10th of December, 2019 by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

APPROVED:

, Mayor

ATTEST:

Libby Vreonis, City Clerk

Date



*LICENSE # 819114
296 WRIGHT BROTHERS AVE
LIVERMORE, CA 94551
BUS: (877) 635-4328
FAX: (925) 292-5528*

HVACR | 24-hr Service • Construction • Architectural Sheet Metal & Metal Roofing • Engineering • Design

**RFP FOR
CITY OF OAKLEY
HVAC PREVENTATIVE MAINTENANCE AND REPAIR
SERVICES**

DUE 11/14/19 @ 5PM



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SECTION 1 COVER LETTER

Prime Mechanical is very pleased to present to your attention the proposal for City of Oakley, Project for HVAC PREVENTATIVE MAINTENANCE and REPAIR SERVICES.

In order to achieve the City's goals stated in the RFP scope of services, we will be responsive and work with the City of Oakley's facilities team in accordance with documents referenced to provide / perform routine maintenance, non-maintenance, and emergency services to the city inventory of buildings.

Prime Mechanical's team are electronically dispatched and all vehicles are GPS tracked to provide the best response times in the industry. There are no wasted minutes when it comes to equipment downtime as we take your problems very seriously! We want to be problem-solvers and help service your campus in any way that we can, within and following the RFP guidelines.

Upon any service request, we will manage our time thoughtfully and make the most of your budgetary needs including value engineering when required. Our business was established in 1988 and we have a good reputation in the local industry. Prime Mechanical prides themselves on jobs done correctly and efficiently with 29 years of commercial/industrial HVACR (heating, ventilation, air conditioning, refrigeration) experience. We provide quality control with our service field foreman and owner spot checking work and surveying customers satisfaction.

The Proposed costs, work tasks and products shall remain in effect for a period of 180 days from the time of submission.

Should our proposal be accepted, Prime Mechanical agrees to enter into an agreement under the terms and conditions as prescribed in Specifications A-B, *JE* acknowledged.

Signature: *John Eshelman*

Date: 11/14/19

Authorized Signer / Bidder: John Eshelman, President

Contact Information: John Eshelman, 9451 Blessing Drive, Pleasanton, CA 94588

296 Wright Brothers Ave
 Livermore, CA 94551

877-635-4328
 fax 925-292-5528

Direct : 877-635-4328 x17 Cell: 925-963-1734 Fax: 925-292-5528
John@primemechanicalservice.com

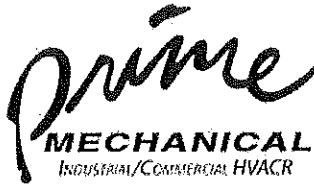
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Lic# 819114

page 2 of 2

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fax 925-292-5528

November 14, 2019



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SECTION 2 SERVICES WORK PLAN / EXPERIENCE & QUALIFICATIONS

Service Work Plan/ Objective:

We are excited to work with City of Oakley to perform routine maintenance, non-maintenance, and emergency services to the campus inventory of buildings. All work will be done by qualified technicians only and per City of Oakley's specifications.

Services will have a 24 hour, seven days per week, emergency service, including holidays, with a maximum 2 hour response time. This includes troubleshooting and repair on individual mechanical systems or equipment. Once we receive a work authorization from the maintenance department, we will begin our dispatch process.

A service request can be placed the following ways:

1. Phone 877-635-4328. Service dispatch.
2. Email Phil@primemechanicalservice.com, John@primemechanicalservice.com

Hourly labor rates are reflected in this proposal, Bidder's Form Proposal.

Qualifications/Experience of Prime Mechanical:

Prime Mechanical was originally founded in 1988 by my father, Bill Eshelman. His vision and level of expertise goes back to the early 1970's. He served in the UA Local 393 (Steam and Pipe Fitters) of the South Bay Area for over 40 years including teaching at the local training center in San Jose, earning his teaching credential in 1986. He started Prime Mechanical as just a small, start-up business and helped build it into the success it is today. I worked with him up until his death in 2013 and have continued his vision as the new President of Prime Mechanical. On a personal note, I attended a 5-year HVAC Sheet metal service apprenticeship graduating in 2001 and have been working in the HVACR trade for over 25 years myself.

296 Wright Brothers Ave
 Livermore, CA 94551

877-635-4328
 fax 925-292-5528

All of our technicians are union trained and go through the same rigorous 5-year apprenticeship while working full time during the day in our industry. Prime Mechanical is signatory to the UA Plumbers Union and Local 104 Sheet Metal Workers Unions. We have over 25 fulltime service technicians working in East Bay Area that can service commercial boilers, refrigeration equipment, HVAC package units, AC split systems, sheet metal ducting, and also engineer new systems if necessary. We also have a fully automated sheet metal fabrication facility located at our main office in Livermore, CA. In accordance with the contract we shall maintain a valid registration # with Department of Industrial Relations and shall only dispatch qualified Trade Contractor's representative, who represents Prime Mechanical on all maintenance and repair activities. We can manufacture anything related to the sheet metal industry whether it be ducting, flashings, or roofing. We would be more than happy to give a tour of our facility if necessary.

We submit that our bid is compliant with Civil Rights Act of 1964, Executive Order 11246, the California Fair Employment Practices Act, and any other applicable Federal and State laws and regulations relating to equal opportunity employment.

We offer a 4 hour response time on all service calls, 24 hours a day, 7 day per week.



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SECTION 3 CONTRACTORS APPROACH

HVAC Systems (Heating, Ventilating and Air Conditioning) not only control the comfort of the work environment, they affect the productivity of your business. Job performance, safety, the manufacturing process and even customer satisfaction are all influenced by the caliber of your HVAC Systems installation. That's why Prime Mechanical has become an industry-leading provider of HVAC Systems and Services. From offices to data centers and high tech environmental chambers, Prime Mechanical understands how to create and efficiently maintain the ideal environment for your workspace.

We also firmly believe that even HVAC systems for data centers and laboratories with large exhaust systems can be constructed to operate efficiently. Gone are the days of the doubtful customer and the apathetic contractor; you can bet that we will be suggesting efficient HVAC Systems and construction methods to compliment energy efficiency in any and all installations. We keep abreast of the latest HVAC Systems technology and methods considered the most energy efficient for spaces like data centers so you can worry less about curbing energy costs and more about running your business. We understand that IT and facilities have to work hand in hand to build the most efficient HVAC Systems for data centers. When you say Hot Aisle / Cold Aisle to us, we are right there with you.

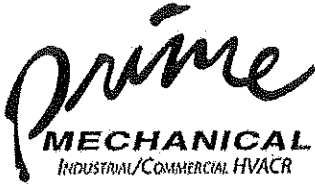
Prime Mechanical offers a full range of services designed to increase energy efficiency, maintain comfort, reduce downtime and extend the life of your HVAC Systems. With over 25 years in business and hundreds of years of combined experience, you can be sure that you are receiving the highest level of responsive service and cost efficiency. To further streamline the process of keeping your systems in prime working order, Prime Mechanical offers a maintenance program tailored to your company's specific needs. Under this agreement, you can expect your equipment to operate at maximum efficiency with a team of skilled diagnosticians and service mechanics at your service 24 hours a day, seven days a week.

Preventative Maintenance – Complex systems can create complex, expensive problems and considerable downtime.

The best way to keep minor system predicaments from turning into major expenses is with preventive maintenance. Our experience ranges from turnkey design/build projects, to HVAC service, to the installation of exotic process piping. That means we have a working knowledge of virtually any type of facility system problem you are likely to encounter. Prime Mechanical uses that knowledge and experience to customize comprehensive Maintenance and Repair Programs for each individual client.

Furthermore, each program is backed by a team of experts on call 24 hours a day ready to service all systems, including HVAC, refrigeration, process and control systems.

Parts Procurement – All of the parts we purchase are from factory authorized distribution centers. Whether it be Trane, Carrier, York, or any other brand – Prime Mechanical can service, repair, and warranty all brands of equipment. Our office staff will make sure to keep the Contract Administrator at San Jose State University updated and communication will be key in making sure when parts will be available and what options to take. Pricing on parts are available on tradeservice.com.



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SECTION 4 PERSONNEL/MANAGERIAL CAPACITY

Conduct of Personell: Prime Mechanical will at all times maintain discipline among our personnel employed at or having business at City of Oakley's facilities, including during meal and break periods. Any time a new employee of Prime Mechanical is assigned to the Housing Authority buildings, they shall have a background check and Union Certified Journeyman or in the certified apprenticeship.

Representatives Experience: Upon award of this contract, Prime Mechanical shall appoint a minimum of two members of the company to serve as qualified Trade Contractor's Representatives, one to serve as an authorized alternate to fill in for the primary representatives through the term of the agreement. Please see personnel list below:

Qualified Contractor's Representatives: John Eshelman, 925-963-1734, John@primemechanicalservice.com; Articles of Incorporation attached as evidence of certification.

General/Service Manager: Phil DeLand, 925-518-9258, Phil@primemechanicalservice.com; Resume attached.

Service Foreman (Representative #1): Ed Yanez, 408-607-2670, Eddie@primemechanicalservice.com; Resume attached

Prime Mechanical Service Technician (Alternate): Shane Davis, 408-661-1124, Shane@primemechanicalservice.com; Resume attached.



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SECTION 5 REFERENCES

BIDDER REFERENCES AND EXPERIENCE: See References below that reflect three present customers from the San Francisco Bay Area within a 75-mile radius of the City of Oakley that have systems similar in complexity an size.

1. Name of Firm: City of Alameda
 Address: 2263 Santa Clara Street, Alameda, CA 94501
 Contact Person: Ricardo DeLaTorre
 Phone: 510-919-9348
 Dates of Service: 1-1-13 to present
 Description of Service: HVAC, Boiler, Controls, service & repairs and installation work for entire City.

2. Name of Firm: City of San Jose
 Address: 200 East Santa Clara Street, San Jose, CA 95113
 Contact Person: Paul Benoit, HVAC Supervisor
 Phone: 408-207-3720
 Dates of Service: 1-1-13 to present
 Description of Service: HVAC, Boiler, Refrigeration, service & repair and installation work for City Hall and entire City.

3. Name of Firm: Housing Authority of Alameda
 Address: 22941 Atherton Street, Hayward, CA 94541
 Contact Person: George Smith,
 Phone: 510-727-8510
 Dates of Service: 1-1-13 to present
 Description of Service: HVAC and Boiler Service/repairs for entire HACA.

ATTACHMENT B
Proposer's Information Form

PROPOSER (please print): Prime Mechanical Service, Inc

Address: 296 Wright Brothers Avenue
Livermore, CA 94551

1st Contact person (Name): John Eshelman

Title: President Office Tel: 877-635-4328 x 18

Direct/Cell: 925-963-1734 Fax: 925-292-5528

Email: John@primemechanicalservice.com

2nd Contact person (Name): Phil DeLand

Title: Service Mgr Office Tel: 877-635-4328 x 11

Direct/Cell: 925-518-9258 Fax: 925-292-5528

Email: Phil@primemechanicalservice.com

Proposer, if selected, intends to carry on the business as (check one):

☐ Individual ☐ Joint Venture ☐ Partnership ☒ Corporation

Year incorporated? 2008 In what state? California

When authorized to do business in California?): 2003

☐ Other (explain): _____

ADDENDA

To assure that all Proposers have received each addendum, check the appropriate box (es) below. Failure to acknowledge receipt of an addendum/addenda may be considered an irregularity in the Proposal:

Addendum number(s) received:

☒ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ 6 filter list

☒ JE No Addendum/Addenda Were Received (check and initial)

PROPOSER'S SIGNATURE

No proposal shall be accepted which has not been signed in ink in the appropriate space below:

By signing below, the submission of a proposal shall be deemed a representation and certification by the Proposer that they have investigated all aspects of the RFP, that they are aware of the applicable facts pertaining to the RFP process, its procedures and requirements, and they have read and understand the RFP. No request for modification of the proposal shall be considered after its submission on the grounds that the Proposer was not fully informed as to any fact or condition.

**(1) If Proposer is an *INDIVIDUAL*,
sign here:**

Proposer's Signature

Proposer's name and title (type or print)

Date: _____

**(2) If Proposer is a *PARTNERSHIP* or
JOINT VENTURE, at least (2) Partners
or each of the Joint Venturers
shall sign here:**

Partnership or Joint Venture Name
(type or print)

Signature

Name of Member of the Partnership or Joint
Venture (type or print)

Date: _____

Signature

Name of Member of the Partnership or Joint
Venture Name (type or print)

Date: _____

(3) If Proposer is a **CORPORATION**,
the duly authorized officer(s) shall
sign as follows:

The undersigned certify that they are respectively:

PRESIDENT (Title)

and CFO (Title)
of the corporation named below; that they are
designated to sign the Proposal Cost Form by
resolution (attach a certified copy, with corporate
seal, if applicable, notarized as to its authenticity
(City or Secretary's certificate of authorization) for
and on behalf of the below named CORPORATION,
and that they are authorized to execute same for
and on behalf of said CORPORATION.

PRIME MECHANICAL SERVICE
Corporation Name (type or print)

John Estelman
Signature

JOHN ESTELMAN
Name of Member of the Corporation (type or print)

Date: 11/14/19

John Estelman
Signature

JOHN ESTELMAN
Name of Member of the Corporation (type or print)

Date: 11/14/19

**ATTACHMENT D
BID PRICE SHEET**

For all services described below, unless excluded by the City in the description of services below, the City shall consider unit prices below to include all labor, equipment, transportation, fees of any kind, overhead, insurance, fuel, materials, surcharges, disposal fees, and any other costs associated with and necessary for the Bidder to perform such service. No qualifications, exemptions, or alterations of services described below will be allowed. Failure to comply will result in disqualification of the bid.

A. Preventive Maintenance

Building	Quarterly Cost \$
Civic Center – 3231 Main Street	\$640.00
Recreation Center - 1250 O'Hara Avenue	\$1250.00
Public Works Operations Building - 310 4 th Street	\$280.00
Entrepreneur Center – 3330 Main Street	\$480.00
Restaurant – 3070 Main Street	\$480.00
Restaurant – 3080 Main Street	\$280.00
GRAND TOTAL	\$3,410.00

B. Labor Rates for Extra Work, as Required

Labor costs must reflect prevailing wages.

Labor Category	Straight Time (\$ per hour)	Overtime (\$ per hour)
SERVICE CALL	\$115/HR	\$172.50/HR

C. Equipment and Vehicle Charges for Extra Work Only, as Required

Equipment Category	\$ per hour
TRUCK	\$50/call

D. Call Out Minimums

Description	Mark-up
PARTS MARK-UP	20%

E. Company Information

1. Company Name PRIME MECHANICAL SERVICE

2. Address from which service will be provided:

296 WRIGHT BROTHERS AVE.
LIVERMORE, CA 94551

3. Location of Shop and Storage Facility:

SAME AS ABOVE

4. Number of years providing the specified service: 30 yrs.

5. Business Organization (Check One):

Individual Proprietorship ☐

Partnership ☐

Corporation ☒

Other _____

If incorporated, provide the following information:

Date of incorporation: 2008 State of incorporation: CA

Names and titles of all officers and directors:

JOHN ESHELMAN, PRESIDENT & CEO

If an individual or partnership, provide the following information:

Formation date of company: _____

Name and address of all partners, indicating whether they are general or limited partners:

6. List the names, titles, and qualifications of the key personnel who will perform work under this contract as well as their roles in relation to the contract. Identify the primary technician to be designated for the City. Include their certifications, experience, and training.

PHIL DELAND - SERVICE MANAGER
SHANE DAVIS - JOURNEYMAN HVAC TECH
ED YANCEZ - FOREMAN HVAC SERV.

7. Indicate whether proposer has ever failed to complete any contract awarded to it. If so, note when, where, and why. Attach additional sheets, if necessary.

N/A

8. Indicate whether proposer has been or is the subject of a bankruptcy or insolvency proceeding or subject to assignment for the benefit of creditors.

N/A

9. List subcontractors, if any, who will perform work under this contract. Attach additional sheets, if necessary.

Company SANCHEZ ELECTRIC

Location DISCOVERY BAY

Describe work to be contracted ANY C-10 WORK needed

Company HATTON CRANE

Location HAYWARD

Describe work to be contracted: CRANE / RIGGING

Company _____

Location _____

Describe work to be contracted: _____

10. List three organizations for whom proposer performed similar services of a similar scope in the last three years.

Organization CITY OF SAN JOSE

Location SAN JOSE, CA

Contact Person PAUL BENOIT Phone 408-207-3720

Describe work performed by proposer HVAC SERVICE FOR ENTIRE CITY & FACILITIES

Date work performed 1/1/13 - PRESENT

Organization CITY OF ALAMEDA

Location ALAMEDA, CA

Contact Person RICARDO DELATORRE Phone 510-919-9348

Describe work performed by proposer HVAC SERVICE FOR
ALL CITY FACILITIES

Date work performed 1/1/13 - Present

Organization CITY OF LIVERMORE

Location LIVERMORE, CA

Contact Person JASON CAULKIN Phone 925-337-6987

Describe work performed by proposer HVAC / BOILER SERVICE
FOR CITY-WIDE FACILITIES

Date work performed 1/1/19 - PRESENT

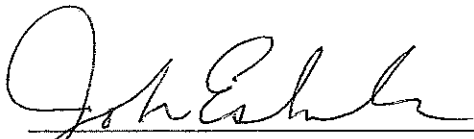
ADDENDA

Proposer acknowledges receipt of the following Addenda:

Number _____ Date _____

Number _____ Date _____

Number _____ Date _____

SIGNATUREPresident

Signature

Title

JOHN ESTELMAN11/17/19

Name (printed or typed)

Date

925-963-1734925-292-5528

Telephone

Fax

26-3765526

Tax ID Number

STAFF REPORT

DATE: Tuesday, December 10, 2019

TO: Bryan Montgomery, City Manager *Approved and Forwarded to the City Council*

FROM: Kevin Rohani, P.E., Public Works Director/City Engineer

SUBJECT: Annexation No. 20 (The Village at Main – Subdivision 9503) to the City of Oakley Community Facilities District No. 2015-2 (Parks, Street Light, Landscape and Stormwater Services)

Background and Analysis

On March 26, 2019, the City Council adopted a Resolution approving The Village at Main (Subdivision 9503) project's Vesting Tentative Map and Design Review (DR 06-18). The project is located at 1731 Main Street (currently APNs 037-100-013, 037-100-019, 037-100-023, 037-100-048, and 037-100-049) and will consist of 154 single-family residential lots at build-out. The Village at Main (Subdivision 9503) project will have an HOA for the maintenance of private streets, the neighborhood park and open space areas, bio-retention area, and CC&R enforcement.

The Conditions of Approval for The Village at Main (Subdivision 9503) project require the developer to mitigate their project's financial impact on the City's park, street lighting, landscape and stormwater service budgets. On January 12, 2016, the Oakley City Council formed City of Oakley Community Facilities District No. 2015-2 (Parks, Street Light, Landscape and Stormwater Services) ("CFD No. 2015-2"). CFD No. 2015-2 authorizes the annual levy of a special tax on parcels located within CFD No. 2015-2 to mitigate their financial impact to the City's park, street lighting, landscape and stormwater service budgets. The developer for The Village at Main (Subdivision 9503) project has requested that the City assist them with annexing the project (currently APNs 037-100-013, 037-100-019, 037-100-023, 037-100-048, and 037-100-049) into CFD No. 2015-2 to satisfy their conditions of approval.

Prior to tonight's City Council meeting, the property owner(s) executed the attached Unanimous Approval Form. This form constitutes unanimous approval and a unanimous vote by the property owner(s) in favor of annexing their property to CFD No. 2015-2 including the subsequent annual levy of special taxes to mitigate their project's financial impact on the City's park, street lighting, landscape and stormwater service budgets.

Fiscal Impact

There will be no financial impact to the City's General Fund. The applicants have funded all costs associated with the annexation of their project to CFD No. 2015-2. The FY 2019-20 special tax rates per Single-Family parcel are as follows:

FY 2019-20 Maximum Special Tax Rates per Single-Family Parcel	
Special Tax Component	Maximum Annual Special Tax Rates
Regional Park Maintenance Tax	\$141.21
Community Parks Maintenance Tax	\$311.84
Street Lighting Maintenance Tax	\$61.57
Neighborhood Parks & Landscape Maintenance Tax	\$88.10
Stormwater/Water Quality Maintenance Tax	\$4.23
Total	\$606.95

Annexation No. 20 (The Village at Main - Subdivision 9503) is expected to consist of 154 single-family residential lots at build-out. Therefore, successful annexation into CFD No. 2015-2 could provide up to \$93,470 (FY 2019-20 dollars) in revenue annually when the property is developed. The taxes can be collected on the property tax rolls commencing in FY 2020-21.

Staff Recommendation

The conditions of approval for The Village at Main (Subdivision 9503) project located at 1731 Main Street requires the developer to mitigate their project's financial impact on the City's parks, streetlight, landscape, and stormwater service budget. Staff recommends that the City Council:

1. Adopt a Resolution Approving the Annexation (Annexation No. 20) of Property Located in the Future Annexation Area of the City of Oakley Community Facilities District No. 2015-2 (Parks, Street Light, Landscape and Stormwater Services)

Attachments

1. Unanimous Approval of Annexation to a Community Facilities District and Related Matters - City of Oakley Community Facilities District No. 2015-2 (Parks, Street Light, Landscape and Stormwater Services);
 - a. Exhibit A: Description of Services;
 - b. Exhibit B: Cost Estimate; and
 - c. Exhibit C: Supplement to the Rate and Method of Apportionment of Special Tax – Tax Zone No. 20;
2. Resolution Approving the Annexation (Annexation No. 20) of Property Located in the Future Annexation Area of the City of Oakley Community Facilities District No. 2015-2 (Parks, Street Light, Landscape and Stormwater Services);

3. Boundary Map – Annexation Map No. 20 to City of Oakley Community Facilities District No. 2015-2 (Parks, Street Light, Landscape and Stormwater Services); and
4. Amendment No. 20 to Notice of Special Tax Lien - City of Oakley Community Facilities District No. 2015-2 (Parks, Street Light, Landscape and Stormwater Services).

**UNANIMOUS APPROVAL
of Annexation to a Community Facilities District
and Related Matters**

**CITY OF OAKLEY
Community Facilities District No. 2015-2
(Parks, Street Light, Landscape and Stormwater Services)**

Annexation No. 20 – Tax Zone No. 20

December 10, 2019

To the Honorable City Council,
City of Oakley
3231 Main Street
Oakley, CA 94561

Members of the City Council:

This constitutes the Unanimous Approval (the "Unanimous Approval") of the record owner(s) (the "Property Owner") of the fee title to the real property identified below (the "Property") contemplated by Section 53339.3 et seq. of the Mello-Roos Community Facilities Act of 1982, as amended (the "Act") to annexation of the Property to the "City of Oakley Community Facilities District No. 2015-2 (Parks, Street Light, Landscape and Stormwater Services)" (the "CFD"), and it states as follows:

1. Property Owner. This Unanimous Approval is submitted by the Property Owner as the record owner(s) of fee title to the Property. The Property Owner has supplied to the City current evidence of its ownership of fee title to the Property.

2. Approval of Annexation. This Unanimous Approval constitutes the unanimous approval and unanimous vote by the Property Owner in favor of the annexation of the Property to the CFD. The CFD was formed to finance the municipal services (the "Services") described in Exhibit A hereto and made a part hereof.

3. Approval of Special Tax and the Services. This Unanimous Approval constitutes the unanimous approval and unanimous vote by the Property Owner in favor of the levy of special taxes (the "Special Taxes") on the Property to finance the Services. The Special Taxes will be levied according to the "Supplement to the Rate and Method of Apportionment of Special Tax – Tax Zone No. 20" attached hereto as

Exhibit C and made a part hereof (the "Rate and Method"). The cost estimate for the Services is attached hereto as Exhibit B.

4. Waivers and Vote. The Property Owner hereby confirms that this Unanimous Approval constitutes its approval and unanimous vote as described herein and as contemplated by Section 53339.3 et seq. of the Act and Article XIII A of the California Constitution. The Property Owner hereby waives all other rights with respect to the annexation of the Property, the levy of the Special Taxes on the Property and the other matters covered in this Unanimous Approval.

5. Recordation of Amendment to Notice of Special Tax Lien. The Notice of Special Tax Lien for the CFD was recorded in the Office of the County Recorder of the County of Contra Costa, State of California on January 19, 2016, as Document No. 20160009045. The Property Owner hereby authorizes and directs the City Clerk to execute and cause to be recorded in the office of the County Recorder of the County of Contra Costa an amendment to the Notice of Special Tax Lien for the CFD as required by Section 3117.5 of the California Streets and Highways Code. The amendment to the Notice of Special Tax Lien shall include the Rate and Method as an exhibit thereto.

6. Authority Warranted. The Property Owner warrants to the City that the presentation of this Unanimous Approval, any votes, consents or waivers contained herein, and other actions mandated by the City for the annexation of the Property to the CFD shall not constitute or be construed as events of default or delinquencies under any existing or proposed financing documents entered into or to be entered into by the Property Owner for the Property, including any "due-on-encumbrance" clauses under any existing security instruments secured by the Property.

7. Due Diligence and Disclosures. The Property Owner agrees to cooperate with the City and its attorneys and consultants and to provide all information and disclosures required by the City about the Special Taxes to purchasers of the Property or any part of it.

8. Agreements. The Property Owner further agrees to execute such additional or supplemental agreements as may be required by the City to provide for any of the actions and conditions described in this Unanimous Approval, including any cash deposit required to pay for the City's costs in annexing the Property to the CFD.

9. The Property. The Property is identified as follows:

Assessor's Parcel Nos.: 037-100-013, 037-100-019, 037-100-023, 037-100-048, and
037-100-049

Acres: 21.30 acres

By executing this Unanimous Approval, the Property Owner agrees to all of the above.

Annexation No. 20 - Tax Zone No. 20

Property Owner

By: _____

Name: _____

Title: _____

Notice Address: _____

EXHIBIT A

CITY OF OAKLEY Community Facilities District No. 2015-2 (Parks, Street Light, Landscape and Stormwater Services)

DESCRIPTION OF SERVICES

The captioned Community Facilities District will finance, in whole or in part, the following services ("services" shall have the meaning given that term in the Mello-Roos Community Facilities Act of 1982), including all related administrative costs, expenses and related reserves for replacement of vehicles, equipment and facilities:

Regional Parks

Maintenance, including servicing, repair, replacement and removal of regional parks (includes park amenities such as buildings, sports fields, sports courts, playground equipment, play courts, play structures, picnic tables, lighting, drinking fountains, barbeques, etc.), both (i) in the CFD and (ii) outside the CFD but within the boundaries of the City if the City has concluded that such maintenance would benefit the CFD. Maintenance also includes cleaning and removal of graffiti, and associated electric, water and other utility costs.

Community Parks

Maintenance, including servicing, repair, replacement and removal of community parks (includes park amenities such as buildings, sports fields, sports courts, playground equipment, play courts, play structures, picnic tables, lighting, drinking fountains, barbeques, etc.), both (i) in the CFD and (ii) outside the CFD but within the boundaries of the City if the City has concluded that such maintenance would benefit the CFD. Maintenance also includes cleaning and removal of graffiti, and associated electric, water and other utility costs.

Street Lighting

Maintenance, including servicing, repair, replacement and removal of street lights (includes poles, fixtures, bulbs, conduits, equipment, including guys, anchors, posts, pedestals and metering devices, etc.), both (i) in the CFD and (ii) outside the CFD but within the boundaries of the City if the City has concluded that such maintenance would benefit the CFD. Maintenance also includes cleaning and removal of graffiti, and associated electric and other utility costs.

Neighborhood Parks & Landscaping

Maintenance, including servicing, repair, replacement and removal of neighborhood parks (includes park amenities such as playground equipment, play courts, play structures, picnic tables, lighting, drinking fountains, barbeques, etc.), both (i) in the CFD and (ii) outside the CFD but within the boundaries of the City if the City has concluded that such maintenance would benefit the CFD. Maintenance also includes cleaning and removal of graffiti, and associated electric, water and other utility costs.

Maintenance, including servicing, repair, replacement and removal of parkways, landscape setbacks, landscaped roadway medians, open space, environmental preserves (including performance and management of environmental mitigation monitoring and annual reporting), publicly-owned masonry walls, fences, monuments and features, trails, bike paths, etc., both (i) in the CFD and (ii) outside the CFD but within the boundaries of the City if the City has concluded that such maintenance would benefit the CFD. Maintenance also includes cleaning and removal of graffiti, and associated electric, water and other utility costs.

Stormwater

Maintenance, including servicing, repair, replacement and removal of bio-retention facilities and drainage facilities (includes field inspections, record keeping, cost of permits and regulatory fees, environmental mitigation monitoring, annual reporting, vegetation management, removal of silt, sediment, trash and debris from the drainage areas, bio-retention basins and City catch basins, etc.), both (i) in the CFD and (ii) outside the CFD but within the boundaries of the City if the City has concluded that such maintenance would benefit the CFD. Maintenance also includes cleaning and removal of graffiti, and associated electric, water and other utility costs.

In addition, the following costs will also be financed by the special taxes levied within the CFD and be allocated to each improvement described above based upon their pro-rata share of needed administrative costs, operating reserves and capital reserves, and actual or estimated delinquencies.

1. Administrative Expenses including the costs incurred to determine, levy and collect the special taxes, including compensation of City employees for administrative work performed in relation to the CFD, the fees of consultants and legal counsel, the costs of collecting installments of the special taxes upon the general tax rolls, preparation of required reports, and any other costs incurred in the administration of the CFD by the City;
2. Any amounts needed for operating reserves and capital reserves; and
3. Any amounts needed to cure actual or estimated delinquencies in special taxes for the current or previous fiscal years.

EXHIBIT B

CITY OF OAKLEY
Community Facilities District No. 2015-2
(Parks, Street Light, Landscape and Stormwater Services)

Cost Estimate
(FY 2019-20 Dollars)

Special Tax Component	FY 2019-20 Special Tax Requirement
Regional Park Maintenance Tax	\$21,746
Community Parks Maintenance Tax	\$48,023
Street Lighting Maintenance Tax	\$9,482
Neighborhood Parks & Landscape Maintenance Tax	\$13,567
Stormwater/Water Quality Maintenance Tax	<u>\$651</u>
Total	\$93,470

EXHIBIT C

CITY OF OAKLEY Community Facilities District No. 2015-2 (Parks, Street Light, Landscape and Stormwater Services)

SUPPLEMENT TO THE RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX – TAX ZONE NO. 20

Special Taxes in the City of Oakley Community Facilities District No. 2015-2 (Parks, Street Light, Landscape and Stormwater Services) (the “CFD” or “CFD No. 2015-2”) shall be levied and collected according to the tax liability determined by the Administrator through the application of the appropriate amount or rate for Taxable Property, as described below. All the property in CFD No. 2015-2, unless exempted by law or by the provisions of Section E herein, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to CFD No. 2015-2, unless a separate Rate and Method of Apportionment of Special Tax is adopted for such annexation area.

Property annexed to City of Oakley Community Facilities District No. 2015-2 (Parks, Street Light, Landscape and Stormwater Services) pursuant to Annexation No. 20 will be annexed to Tax Zone No. 20 per the Supplement to the Rate and Method of Apportionment of Special Tax shown below.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

“**Accessory Unit**” means a second residential unit of reduced size (e.g., granny cottage, etc.) that shares a Parcel with a Residential Unit.

“**Acre**” or “**Acreage**” means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Map or other recorded County parcel map.

“**Act**” means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 (commencing with Section 53311), Division 2, of Title 5 of the Government Code of the State of California.

“**Administrative Expenses**” means the following actual or reasonably estimated costs directly related to the administration of CFD No. 2015-2: the costs of computing the Special Tax and preparing the annual Special Tax collection schedules (whether by the City or any designee thereof or both); the costs of collecting the Special Taxes; the costs to the City, CFD No. 2015-2, or any designee thereof of

complying with disclosure requirements associated with the Act; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries, protests, or appeals regarding the Special Taxes; and the City's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 2015-2 for any other administrative purposes of CFD No. 2015-2, including attorney's fees, costs associated with annexations to CFD No. 2015-2, and other costs related to commencing and pursuing to completion any foreclosure of delinquent Special Taxes.

"Administrator" means an official of the City, or any designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Tax.

"Assessor's Parcel" or **"Parcel"** means a lot or parcel shown on an Assessor's Parcel Map with an assigned Assessor's Parcel Number.

"Assessor's Parcel Map" means an official map of the County Assessor designating parcels by Assessor's Parcel Number.

"Assessor's Parcel Number" or **"APN"** means a unique number assigned to an Assessor's Parcel by the County Assessor for purposes of identifying a property.

"Authorized Services" means the public services authorized to be funded by CFD No. 2015-2 as set forth in the documents adopted by the Council when CFD No. 2015-2 was formed.

"Building Permit" means a building permit issued by the City and having a building structure improvement valuation over \$50,000. Building Permits for the construction of ancillary structures such as fences, swimming pools, retaining walls, etc. are excluded.

"CFD" or "CFD No. 2015-2" means the City of Oakley Community Facilities District No. 2015-2 (Parks, Street Light, Landscape and Stormwater Services).

"City" means the City of Oakley.

"City Landscape Maintenance Standards" means the then applicable landscape maintenance standards or then applicable level of service for then applicable landscape maintenance contracts executed by the City that are in effect and relate to similar landscaping improvements.

"City Manager" means the City Manager of the City of Oakley.

“Commercial Unit” means an individual building structure for commercial uses as defined per the County Assessor (e.g., grocery stores, shopping centers, motel, hotel, service stations, and offices).

“Condominium Parcel” means a Parcel designated by the County Assessor as having a condominium, townhome, cluster home and co-op land use.

“Council” means the City Council of the City of Oakley, acting as the legislative body for CFD No. 2015-2.

“County” means the County of Contra Costa.

“County Assessor” means the Contra Costa County Assessor.

“County Land Use Code” means the land use code assigned to an Assessor’s Parcel as indicated in the records of the County Assessor.

“Developed Property” means, in any Fiscal Year, all Parcels of Taxable Property for which a Building Permit was issued by the City for construction of a residential structure or a non-residential structure on or prior to June 30 of the preceding Fiscal Year. In the absence of a Building Permit, any Parcel of Taxable Property shall be classified as “Developed Property” if it has been occupied by a user as determined by the Administrator on or prior to June 30 of the preceding Fiscal Year.

“Final Map” or “Parcel Map” means a final map approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410, *et seq.*) that creates individual lots on which a Building Permit can be issued for construction of Residential Units without further subdivision of the lots.

“Fiscal Year” means the period starting on July 1 and ending on the following June 30.

“Industrial” means an individual building structure for industrial uses as defined per the County Assessor (e.g., research and development, mini-warehouse, etc.).

“Institutional” means an individual building structure for institutional uses as defined per the County Assessor (e.g., churches, hospitals, assisted living, schools, etc.).

“Land Use Classification” means the current or intended use of a Taxable Parcel as determined by the Taxable Parcel’s County Land Use Code.

“Maximum Special Tax” means, for each Special Tax Component, the maximum Special Tax, determined in accordance with Section C herein, which can be levied in any Fiscal Year.

“Mixed Use Parcel” means a Parcel designated by the County Assessor as having a multiple land uses such as residential land uses and commercial land uses, or multi-family land uses and commercial land uses.

“Multi-Family Parcel” means a Parcel designated by the County Assessor as having a multi-family residential land uses which includes duplexes, triplexes, fourplexes and apartments.

“Non-Residential Parcel” means for each Fiscal Year, all Assessor Parcels designated by the County Assessor with a County Land Use Code of Commercial, Industrial, or Institutional. If it is determined by the Administrator that the County Assessor has assigned an incorrect County Land Use Code or the assigned County Land Use Code does not correctly describe the intended or current use of the Taxable Parcel, the Administrator may assign a Land Use Classification to the Taxable Parcel described in Section C below.

“Non-Residential Parcel – In Compliance” this definition only applies for the purpose of calculating the annual neighborhood parks and landscaping maintenance tax component and means for each Fiscal Year, an Assessor Parcel designated by the County Assessor with a County Land Use Code of Commercial, Industrial, or Institutional for which the Property Owner of the Commercial, Industrial, or Institutional Parcel has notified the City in writing by the preceding February 1st that it will maintain its parcel’s frontage landscaping during the immediate following fiscal year and the City Manager or his/her designee has determined that the Property Owner has maintained its Parcel’s frontage landscaping in previous Fiscal Years to City Landscape Maintenance Standards. In addition, in order for any Commercial, Industrial, or Institutional Parcel within a Tax Zone of CFD No. 2015-2 to be defined as a Non-Residential Parcel – In Compliance, all Non-Residential Parcels within the Tax Zone must also be defined as Non-Residential Parcel – In Compliance.

“Non-Residential Parcel – Out of Compliance” this definition only applies for the purpose of calculating the annual neighborhood parks and landscaping maintenance tax component and means for each Fiscal Year, an Assessor Parcel designated by the County Assessor with a County Land Use Code of Commercial, Industrial, or Institutional for which the Property Owner of the Non-Residential Parcel has not notified the City in writing by the preceding February 1st that it will maintain its parcel’s frontage landscaping during the immediate following fiscal year or the City Manager or his/her designee has determined that the Property Owner has not maintained its Parcel’s frontage landscaping in previous Fiscal Years to City Landscape Maintenance Standards. In addition, if any Non-Residential Parcel within a Tax Zone of CFD No. 2015-2 is defined as a Non-Residential Parcel – Out of Compliance, then all Non-Residential Parcels within the Tax Zone must also be defined as Non-Residential Parcel – Out of Compliance.

“Property Owner” means the Property Owner of record per current County Assessor records unless more current information is available such as recorded deed of sale, etc.

“Proportionately” means, for Developed Property, that the ratio of the actual annual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all Assessor’s Parcels of Developed Property. For Undeveloped Property, “Proportionately” means that the ratio of the actual annual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all Assessor’s Parcels of Undeveloped Property.

“Public Property” means, for each Fiscal Year: (i) any property within the boundaries of CFD No. 2015-2 that is owned by or irrevocably offered for dedication to the federal government, the State of California, the City or any other public agency; provided, however, that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act (as such section may be amended or replaced) shall be taxed and classified in accordance with its use; or (ii) any property within the boundaries of CFD No. 2015-2 that is encumbered by an unmanned utility easement making impractical its utilization for other than the purpose set forth in the easement.

“Residential Unit” means an individual building structure for residential or multi-family residential uses as defined per the County Assessor. An Accessory Unit that shares a Parcel with a Residential Unit shall not be considered a separate Residential Unit for purposes of this RMA.

“RMA” means this Rate and Method of Apportionment of Special Tax.

“Single-Family Parcel” means a Parcel designated by the County Assessor as having a single-family residential land use. If it is determined by the Administrator that the County Assessor has assigned an incorrect County Land Use Code or the assigned County Land Use Code does not correctly describe the intended or current use of the Taxable Parcel, the Administrator may assign a Land Use Classification to the Taxable Parcel described in Section C below.

“Special Tax” means any tax levied within CFD No. 2015-2 to pay the Special Tax Requirement, and includes each Special Tax Component.

“Special Tax Component” means one of the following components of the Special Tax: Community Park Maintenance Tax, Street Lighting Maintenance Tax, Neighborhood Parks and Landscape Maintenance Tax, or Stormwater Maintenance Tax.

“Special Tax Requirement” means, for each Special Tax Component, the amount of revenue needed in any Fiscal Year to pay for the following: (i) Authorized

Services related to the Special Tax Component; (ii) Administrative Expenses attributable to the Special Tax Component; and (iii) amounts needed to cover any delinquencies in the payment of the Special Tax Component which occurred in the previous Fiscal Year or, based on delinquency rates in prior years, may be expected to occur in the Fiscal Year in which the Special Tax will be collected.

“Taxable Property” or “Taxable Parcels” means all Assessors’ Parcels within the boundaries of CFD No. 2015-2 that are not exempt from the Special Tax pursuant to law or Section E herein.

“Tax Zone” means a mutually exclusive geographic area within which the Special Tax may be levied pursuant to this RMA. All the property within CFD No. 2015-2 at the time of CFD Formation is within Tax Zone 1. Additional Tax Zones may be created when property is annexed to CFD No. 2015-2, and a separate Maximum Special Tax shall be identified for property within the new Tax Zone at the time of such annexation. The Assessor’s Parcels included within a new Tax Zone established when such Parcels are annexed to CFD No. 2015-2 shall be identified by Assessor’s Parcel Number in the Unanimous Approval Form that is signed by the owner(s) of the Parcels at the time of annexation.

“Unanimous Approval Form” means that form executed by the record owner of fee title to a Parcel or Parcels annexed into CFD No. 2015-2 that constitutes the property owner’s approval and unanimous vote in favor of annexing into CFD No. 2015-2, the levy of the Special Tax against his/her Parcel or Parcels pursuant to this RMA.

“Undeveloped Property” means, in any Fiscal Year, all Parcels of Taxable Property in CFD No. 2015-2 that are not classified as Developed Property.

B. DATA FOR ANNUAL TAX LEVY

Each Fiscal Year, the Administrator shall identify the current Assessor’s Parcel Numbers for all Parcels of Taxable Property within CFD No. 2015-2. The Administrator shall also determine: (i) whether each Assessor’s Parcel of Taxable Property is Developed Property or Undeveloped Property, and (ii) the Special Tax Requirement for each Special Tax Component for the then-current Fiscal Year. Each Special Tax Component shall be levied only to pay for the related Special Tax Requirement.

In any Fiscal Year, if it is determined that (i) a Final Map or Parcel Map for a portion of property in CFD No. 2015-2 was recorded after the last date upon which the County Assessor will incorporate the newly-created Parcels into the then current tax roll, (ii) because of the date the Final Map or Parcel Map was recorded, the County Assessor does not yet recognize the new Parcels that will be created by the Final Map or Parcel Map, and (iii) one or more of the newly-created Parcels would meet the definition of Developed Property, the Administrator shall calculate the Special

Tax for the property affected by recordation of the Final Map or Parcel Map by determining the Special Tax that applies separately to each new Parcel that will be created by that Final Map or Parcel Map, then applying the sum of the individual Special Taxes to the Parcel that was subdivided by recordation of the Final Map or Parcel Map.

C. **MAXIMUM SPECIAL TAXES**

1. Developed Property - The Fiscal Year 2019-20 Maximum Special Tax for each Special Tax Component for all Parcels of Developed Property shall be as shown in Table 1 below:

Table 1: Developed Property			
Special Tax Component	Land Use Classification	FY 2019-20 Maximum Tax	
Regional Park Maintenance Tax	Single-Family Parcel	\$141.21	per Parcel
Regional Park Maintenance Tax	Condominium Parcel	\$105.91	per Parcel
Regional Park Maintenance Tax	Multi-Family Parcel	\$70.60	per Unit
Regional Park Maintenance Tax	Non-Residential Parcel	\$423.63	per Acre
Community Parks Maintenance Tax	Single-Family Parcel	\$311.84	per Parcel
Community Parks Maintenance Tax	Condominium Parcel	\$233.87	per Parcel
Community Parks Maintenance Tax	Multi-Family Parcel	\$155.92	per Unit
Community Parks Maintenance Tax	Non-Residential Parcel	\$935.51	per Acre
Street Lighting Maintenance Tax	Single-Family Parcel	\$61.57	per Parcel
Street Lighting Maintenance Tax	Condominium Parcel	\$46.18	per Parcel
Street Lighting Maintenance Tax	Multi-Family Parcel	\$30.79	per Unit
Street Lighting Maintenance Tax	Non-Residential Parcel	\$184.70	per Acre
Neighborhood Parks & Landscaping Maintenance Tax	Single-Family Parcel	\$88.10	per Parcel
Neighborhood Parks & Landscaping Maintenance Tax	Condominium Parcel	\$66.08	per Parcel
Neighborhood Parks & Landscaping Maintenance Tax	Multi-Family Parcel	\$44.05	per Unit
Neighborhood Parks & Landscaping Maintenance Tax	Non-Residential In Compliance Parcel	\$0.00	per Acre
Neighborhood Parks & Landscaping Maintenance Tax	Non-Residential Out of Compliance Parcel	\$1,131.45	per Acre
Stormwater/Water Quality Maintenance Tax	Single-Family Parcel	\$4.23	per Parcel
Stormwater/Water Quality Maintenance Tax	Condominium Parcel	\$3.17	per Parcel
Stormwater/Water Quality Maintenance Tax	Multi-Family Parcel	\$2.12	per Unit
Stormwater/Water Quality Maintenance Tax	Non-Residential Parcel	\$54.22	per Acre

Mixed Use Parcels will have their Maximum Tax calculated each Fiscal Year based upon their combined uses on the Parcel. For example, if a one-acre parcel has commercial on the ground floor and 50 condominiums on the second floor the property owner will be charged the Non-Residential Parcel rate for one acre and the Condominium Parcel Rate for the 50 condominiums.

2. Undeveloped Property - The Fiscal Year 2019-20 Maximum Special Tax for each Special Tax Component for all Parcels of Undeveloped Property shall be as shown in Table 2 below:

Table 2: Undeveloped Property		
Special Tax Component	Land Use Classification	FY 2019-20 Maximum Tax
Regional Park Maintenance Tax	Single-Family Parcel	\$423.63 per Acre
Regional Park Maintenance Tax	Condominium Parcel	\$317.72 per Acre
Regional Park Maintenance Tax	Multi-Family Parcel	\$211.81 per Acre
Regional Park Maintenance Tax	Non-Residential Parcel	\$211.81 per Acre
Community Parks Maintenance Tax	Single-Family Parcel	\$935.51 per Acre
Community Parks Maintenance Tax	Condominium Parcel	\$701.63 per Acre
Community Parks Maintenance Tax	Multi-Family Parcel	\$467.76 per Acre
Community Parks Maintenance Tax	Non-Residential Parcel	\$467.76 per Acre
Street Lighting Maintenance Tax	Single-Family Parcel	\$184.70 per Acre
Street Lighting Maintenance Tax	Condominium Parcel	\$138.52 per Acre
Street Lighting Maintenance Tax	Multi-Family Parcel	\$92.36 per Acre
Street Lighting Maintenance Tax	Non-Residential Parcel	\$92.36 per Acre
Neighborhood Parks & Landscaping Maintenance Tax	Single-Family Parcel	\$1,131.45 per Acre
Neighborhood Parks & Landscaping Maintenance Tax	Condominium Parcel	\$1,131.45 per Acre
Neighborhood Parks & Landscaping Maintenance Tax	Multi-Family Parcel	\$1,131.45 per Acre
Neighborhood Parks & Landscaping Maintenance Tax	Non-Residential In Compliance Parcel	\$0.00 per Acre
Neighborhood Parks & Landscaping Maintenance Tax	Non-Residential Out of Compliance Parcel	\$1,131.45 per Acre
Stormwater/Water Quality Maintenance Tax	Single-Family Parcel	\$54.22 per Acre
Stormwater/Water Quality Maintenance Tax	Condominium Parcel	\$54.22 per Acre
Stormwater/Water Quality Maintenance Tax	Multi-Family Parcel	\$54.22 per Acre
Stormwater/Water Quality Maintenance Tax	Non-Residential Parcel	\$54.22 per Acre

3. Escalation of Maximum Special Tax

On July 1, 2020, and each July 1 thereafter, the Maximum Special Tax for each Special Tax Component for the current Fiscal Year for Developed Property and Undeveloped Property shall be increased from the Maximum Special Tax for the respective Special Tax Component for the previous Fiscal Year by Consumer Price Index – All Urban Consumers (San Francisco-Oakland-San Jose, CA) (from February) with a minimum annual increase of three (3.00%) percent and a maximum annual increase of five (5.00%) percent for any given year.

D. METHOD OF LEVY AND COLLECTION OF SPECIAL TAXES

Each Fiscal Year, the Administrator shall determine the Special Tax Requirement for each Special Tax Component for that Fiscal Year and levy each Special Tax Component on all Parcels of Taxable Property as follows:

- Step 1:** Each Special Tax Component shall be levied Proportionately on each Parcel of Developed Property up to 100% of the Maximum Special Tax for each Parcel of Developed Property for such Fiscal Year until the amount levied is equal to the Special Tax Requirement for such Special Tax Component;
- Step 2:** If additional revenue is needed after Step 1, each Special Tax Component shall be levied Proportionately on each Parcel of Undeveloped Property up to 100% of the Maximum Special Tax for each Parcel of Undeveloped Property for such Fiscal Year until the amount levied, when combined with the amount of the Special Tax Component levied pursuant to Step 1, is equal to the Special Tax Requirement for such Special Tax Component.

The Special Tax for CFD No. 2015-2 shall be collected at the same time and in the same manner as ordinary ad valorem property taxes provided, however, that the City may (under the authority of Government Code Section 53340) collect Special Taxes at a different time or in a different manner if necessary to meet the financial obligations of CFD No. 2015-2, and the Special Tax shall be subject to foreclosure if delinquent regardless of the manner in which it was collected.

E. EXEMPTIONS

No Special Tax shall be levied on Parcels of Public Property or any privately-owned Parcels that are non-developable, such as common areas, wetlands, and open space, parks, etc. except as otherwise provided in this RMA and in the Act.

F. INTERPRETATION OF SPECIAL TAX FORMULA

The City reserves the right to make minor administrative and technical changes to this document that does not materially affect the rate and method of apportioning Special Taxes. In addition, the interpretation and application of any section of this document shall be left to the City's discretion. Interpretations may be made by the City through a resolution of the Council for purposes of clarifying any vagueness or ambiguity in this RMA.

G. TERM OF THE SPECIAL TAX

The Special Tax shall be levied in perpetuity as necessary to pay the Special Tax Requirement.

H. REPEAL OF THE SPECIAL TAX

CFD No. 2015-2 was established to levy the Special Tax to finance the Authorized Services as a condition of the entitlement to develop the Developed Property in CFD No. 2015-2. If the levy of the Special Tax is repealed by initiative or any other action participated in by the owners of Parcels in CFD No. 2015-2, the City shall cease to levy the Special Tax and shall cease to be obligated to provide the Authorized Services for which the Special Tax was levied.

I. SEVERABILITY

The invalidity or unenforceability of any provisions of this Rate and Method of Apportionment of Special Tax shall not affect the validity or enforceability of any other provision of this Rate and Method of Apportionment of Special Tax, which shall remain in full force and effect.

RESOLUTION NO. _____

**RESOLUTION APPROVING THE ANNEXATION (ANNEXATION NO. 20) OF
PROPERTY LOCATED IN THE FUTURE ANNEXATION AREA OF**

**CITY OF OAKLEY
Community Facilities District No. 2015-2
(Parks, Street Light, Landscape and Stormwater Services)**

RESOLVED by the City Council (the "Council") of the City of Oakley (the "City"), County of Contra Costa, State of California, that:

WHEREAS, this Council has adopted a resolution entitled "Resolution of Formation of Community Facilities District" (the "Resolution of Formation"), ordering the formation of the (i) the "City of Oakley Community Facilities District No. 2015-2 (Parks, Street Light, Landscape and Stormwater Services)" (the "CFD") and (ii) the "City of Oakley Community Facilities District No. 2015-2 (Parks, Street Light, Landscape and Stormwater Services) (Future Annexation Area)," authorizing the levy of a special tax on property within the CFD, and preliminarily establishing an appropriations limit for the CFD, all pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act").

WHEREAS, under the Resolution of Formation and a resolution calling special election heretofore adopted by this Council, the propositions of the levy of the special tax and the establishment of the appropriations limit were submitted to the qualified electors of the CFD as required by the Act.

WHEREAS, on January 12, 2016, a special election was held among the landowner voters within the CFD, wherein such propositions were approved by the two-thirds vote required by the Act, as confirmed by resolution of this Council.

WHEREAS, on January 19, 2016, a notice of special tax lien (the "Notice of Special Tax Lien") was recorded with the Contra Costa County Recorder's office, thereby giving notice that the lien to secure payment of the Special Tax was imposed on the land in the CFD.

WHEREAS, the owners (the "Property Owners") of Assessor's Parcel Numbers 037-100-013, 037-100-019, 037-100-023, 037-100-048, and 037-100-049 located within the Future Annexation Area (the "Property") has agreed to mitigate certain impacts of the proposed development of the Property by paying for certain services financed by the CFD.

WHEREAS, pursuant to the Act, the Property Owners have executed a Unanimous Approval constituting a unanimous approval and unanimous vote by the Property Owners in favor of the annexation of the Property to the CFD and the levy of the Special Tax.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED, as follows:

1. Recitals. The foregoing recitals are all true and correct.

2. Approval of Annexation. The City Council hereby determines that Assessor's Parcel Numbers 037-100-013, 037-100-019, 037-100-023, 037-100-048, and 037-100-049 is annexed into Tax Zone No. 20 of the CFD.

3. Amendment to Notice of Special Tax Lien. The City Council hereby directs the Clerk of the City Council to record an Amendment to Notice of Special Tax Lien, evidencing that Assessor's Parcel Numbers 037-100-013, 037-100-019, 037-100-023, 037-100-048, and 037-100-049 is added to the CFD.

4. Boundaries Described. The revised boundaries of the CFD including Assessor's Parcel Numbers 037-100-013, 037-100-019, 037-100-023, 037-100-048, and 037-100-049 are described in an amended boundary map, which this City Council hereby directs the City Clerk to record with the Contra Costa County Recorder's office.

5. General Authority; Ratification of Previous Actions. The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate the transactions described herein or to otherwise effectuate the purposes of this resolution. Any actions previously taken by such officers that are consistent with the purposes of this resolution are hereby ratified and confirmed.

6. Effective Date. This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED by the City Council of the City of Oakley at a meeting held on the December 10, 2019 by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

APPROVED:

, Mayor

ATTEST:

Libby Vreonis, City Clerk

Date

ANNEXATION MAP No. 20 TO
CITY OF OAKLEY COMMUNITY FACILITIES DISTRICT No. 2015-2
(PARKS, STREET LIGHTS, LANDSCAPE MAINTENANCE AND STORMWATER)

CITY OF OAKLEY
CONTRA COSTA COUNTY, STATE OF CALIFORNIA

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF OAKLEY THIS
____ DAY OF _____, 2019.

LIBBY VREONIS, CITY CLERK
CITY OF OAKLEY
CONTRA COSTA COUNTY
STATE OF CALIFORNIA

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING ANNEXATION
No. 20 TO CITY OF OAKLEY COMMUNITY FACILITIES DISTRICT No. 2015-2
(PARKS, STREET LIGHTS, LANDSCAPE MAINTENANCE AND STORMWATER),
CITY OF OAKLEY, CONTRA COSTA COUNTY, STATE OF CALIFORNIA,
WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF OAKLEY, AT A
REGULAR MEETING THEREOF, HELD ON THE ____ DAY OF
_____, 2019, BY ITS RESOLUTION No. _____.

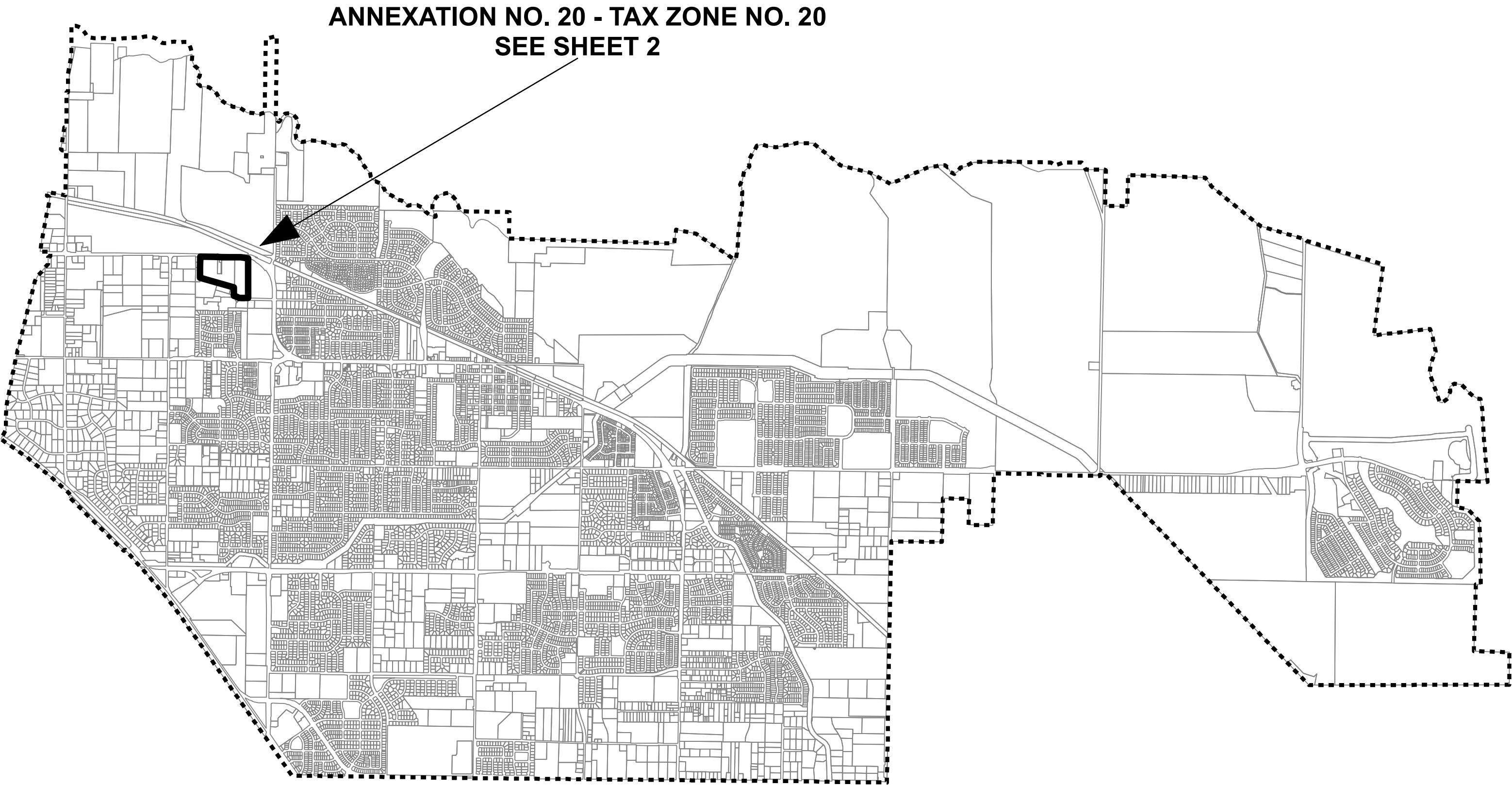
LIBBY VREONIS, CITY CLERK
CITY OF OAKLEY
CONTRA COSTA COUNTY
STATE OF CALIFORNIA

FILED THIS ____ DAY OF _____, 2019, AT THE HOUR
OF ____M IN BOOK ____ OF MAPS OF ASSESSMENT
AND COMMUNITY FACILITIES DISTRICTS AT PAGE _____, DOCUMENT
No. _____ IN THE OFFICE OF THE COUNTY RECORDER
IN CONTRA COSTA COUNTY, STATE OF CALIFORNIA.


COUNTY RECORDER
CONTRA COSTA COUNTY
STATE OF CALIFORNIA

NOTE: THIS ANNEXATION MAP ANNEXES TERRITORY TO CITY OF OAKLEY
COMMUNITY FACILITIES DISTRICT No. 2015-2 (PARKS, STREET
LIGHTS, LANDSCAPE MAINTENANCE AND STORMWATER), CITY OF
OAKLEY, CONTRA COSTA COUNTY, STATE OF CALIFORNIA,
FILED IN THE OFFICE OF THE COUNTY RECORDER OF CONTRA
COSTA COUNTY, STATE OF CALIFORNIA, ON THE 9TH DAY OF
NOVEMBER, 2015 IN BOOK 85 OF MAPS OF ASSESSMENT AND
COMMUNITY FACILITIES DISTRICT AT PAGE 20.


ASSESSOR PARCELS WITHIN BOUNDARY: FOR PARTICULARS
OF LINES AND DIMENSIONS OF PARCELS, REFERENCE IS
MADE TO THE ASSESSOR PARCEL MAPS OF CONTRA COSTA
COUNTY FOR ASSESSOR PARCEL NUMBERS 037-100-013,
037-100-019, 037-100-023, 037-100-048, AND 037-100-049.




Legend



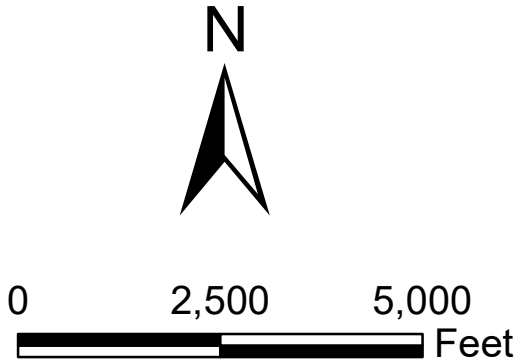
CFD No. 2015-2 Annexation Area No. 20



City of Oakley Boundary



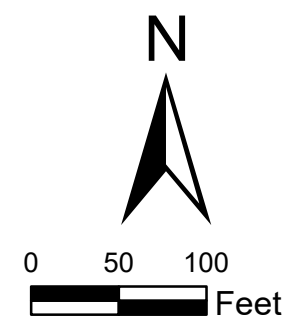
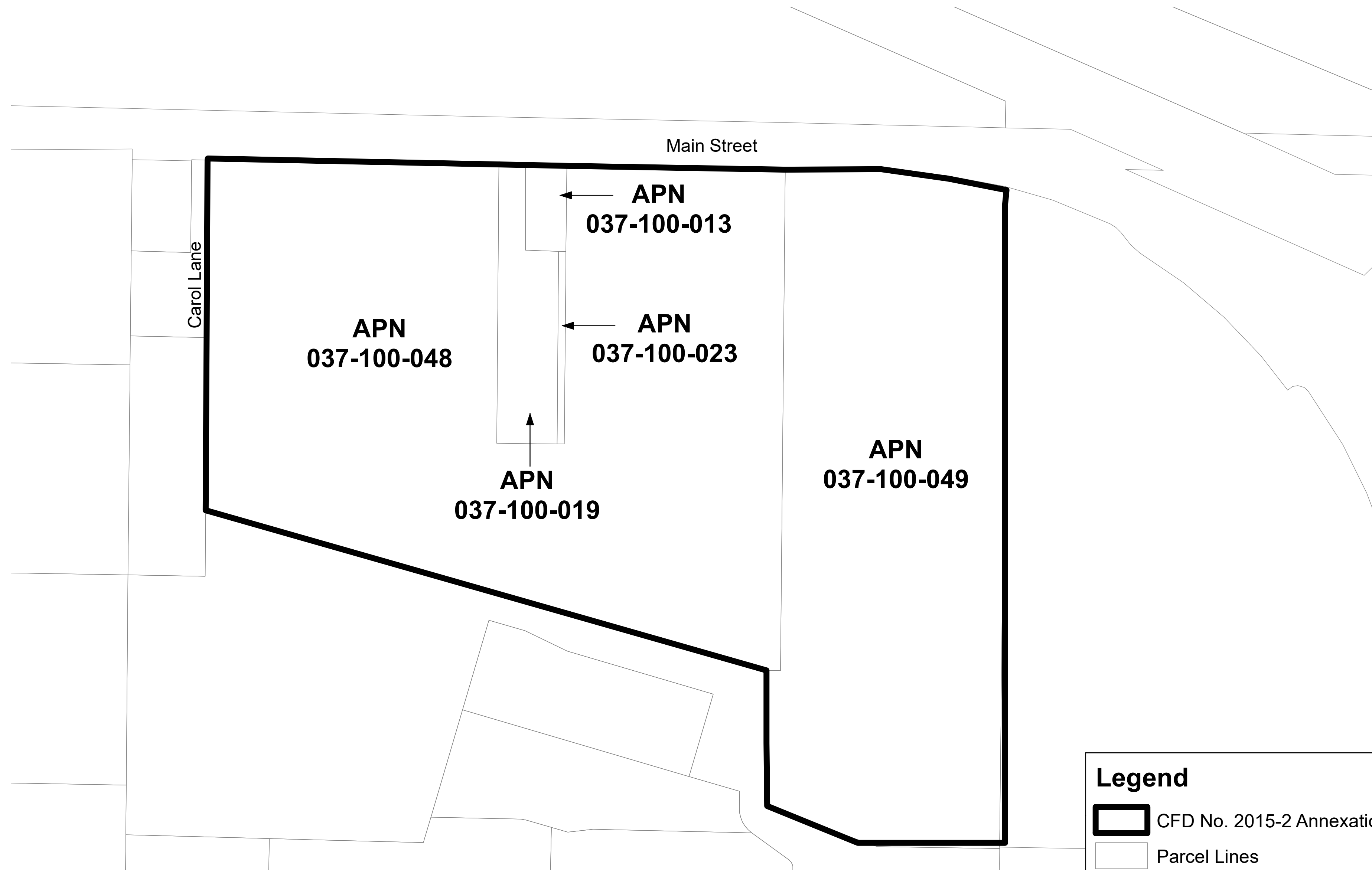
Parcel Lines



ANNEXATION MAP No. 20 TO
CITY OF OAKLEY COMMUNITY FACILITIES DISTRICT No. 2015-2
(PARKS, STREET LIGHTS, LANDSCAPE MAINTENANCE AND STORMWATER)

CITY OF OAKLEY
CONTRA COSTA COUNTY, STATE OF CALIFORNIA

Annexation No. 20- Tax Zone No. 20



**RECORDING REQUESTED BY AND
AFTER RECORDATION RETURN TO:**

City Clerk
City of Oakley
City Hall
3231 Main Street
Oakley, California 94561

**AMENDMENT NO. 20 TO
NOTICE OF SPECIAL TAX LIEN**

**CITY OF OAKLEY
Community Facilities District No. 2015-2
(Parks, Street Light, Landscape and Stormwater Services)**

Annexation No. 20 - Tax Zone No. 20

Pursuant to the requirements of Section 3117.5 of the Streets and Highways Code of California and the Mello-Roos Community Facilities Act of 1982, as amended, section 53311, et seq., of the California Government Code (the "Act"), the undersigned City Clerk of the City of Oakley (the "City"), County of Contra Costa, State of California, hereby gives notice that a lien to secure payment of a special tax, which the City is authorized to levy, is hereby imposed on the property described herein. The special tax secured by this lien is authorized to be levied for the purpose of paying for certain municipal services set forth in that certain Notice of Special Tax Lien heretofore recorded in the Office of the County Recorder of the County of Contra Costa, State of California on January 19, 2016, as Document No. 20160009045, to which reference is hereby made and the provisions of which are hereby incorporated by this reference.

This Amendment No. 20 to Notice of Special Tax Lien amends the Notice of Special Tax Lien to add to the territory of the City of Oakley Community Facilities District No. 2015-2 (Parks, Street Light, Landscape and Stormwater Services) (the "CFD"). The territory included in the existing CFD is set forth in the map of the CFD heretofore recorded as Document No. 15-234174 in the Office of the County Recorder of the County of Contra Costa, State of California on November 9, 2015, in Book 85 at Page 20 of Maps of Assessment and Community Facilities Districts, to which reference is hereby made. The territory to be added is set forth in that certain "Annexation Map No. 20 to Community Facilities District No. 2015-2 (Parks, Street Light, Landscape and Stormwater Services), County of Contra Costa, State of California," heretofore recorded at _____ on _____, 2019, in Book _____ at Page _____ of Maps of Assessment and Community Facilities Districts in the office of the County Recorder of the County of Contra Costa, State of California.

The rate, method of apportionment, and manner of collection of the authorized special tax, as supplemented with respect to the annexation of the territory described herein to the CFD, is set forth in Exhibit B hereto and hereby made a part hereof. The lien of the special tax is a continuing lien which shall secure the annual levy of the special tax and which shall continue in force and effect until the special tax obligation is permanently satisfied and canceled in accordance with law or until the special tax ceases to be levied and a notice of cessation of special tax is recorded in accordance with Government Code Section 53330.5.

Notice is further given that upon the recording of this notice in the office of the county recorder, the obligation to pay the special tax levy shall become a lien upon all nonexempt real property with in the territory to be added to the CFD in accordance with Section 3115.5 of the Streets and Highways Code.

The assessor's tax parcel(s) numbers of all parcels or any portion thereof which are included in this Amendment No. 20 to Notice of Special Tax Lien, together with the name(s) of the owner(s) thereof, as they appear on the latest secured assessment roll as of the date of recording hereof or as are otherwise known to the City are as set forth in Exhibit A hereto and hereby made a part hereof.

For further information concerning the current and estimated future tax liability of owners or purchasers of real property subject to this special tax lien, interested persons should contact the Finance Director of the City of Oakley, City Hall, 3231 Main Street, Oakley, California 94561, telephone number (925) 625-7000.

Dated: As of _____, 2019

By: _____
Libby Vreonis, City Clerk,
City of Oakley

EXHIBIT A

**CITY OF OAKLEY
Community Facilities District No. 2015-2
(Parks, Street Light, Landscape and Stormwater Services)**

Annexation No. 20 – Tax Zone No. 20

**ASSESSOR'S PARCEL NUMBERS AND OWNERS OF LAND WITHIN
ANNEXATION NO. 20 – TAX ZONE NO. 20**

Assessor's Parcel No.	Name of Property Owner
037-100-013 037-100-019 037-100-023 037-100-048 037-100-049	MERITAGE HOMES OF CALIFORNIA INC.

EXHIBIT B

CITY OF OAKLEY Community Facilities District No. 2015-2 (Parks, Street Light, Landscape and Stormwater Services)

SUPPLEMENT TO THE RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX – TAX ZONE NO. 20

Special Taxes in the City of Oakley Community Facilities District No. 2015-2 (Parks, Street Light, Landscape and Stormwater Services) (the “CFD” or “CFD No. 2015-2”) shall be levied and collected according to the tax liability determined by the Administrator through the application of the appropriate amount or rate for Taxable Property, as described below. All the property in CFD No. 2015-2, unless exempted by law or by the provisions of Section E herein, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to CFD No. 2015-2, unless a separate Rate and Method of Apportionment of Special Tax is adopted for such annexation area.

Property annexed to City of Oakley Community Facilities District No. 2015-2 (Parks, Street Light, Landscape and Stormwater Services) pursuant to Annexation No. 20 will be annexed to Tax Zone No. 20 per the Supplement to the Rate and Method of Apportionment of Special Tax shown below.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

“**Accessory Unit**” means a second residential unit of reduced size (e.g., granny cottage, etc.) that shares a Parcel with a Residential Unit.

“**Acre**” or “**Acreage**” means the land area of an Assessor’s Parcel as shown on an Assessor’s Parcel Map, or if the land area is not shown on an Assessor’s Parcel Map, the land area shown on the applicable Final Map or other recorded County parcel map.

“**Act**” means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 (commencing with Section 53311), Division 2, of Title 5 of the Government Code of the State of California.

“**Administrative Expenses**” means the following actual or reasonably estimated costs directly related to the administration of CFD No. 2015-2: the costs of computing the Special Tax and preparing the annual Special Tax collection schedules (whether by the City or any designee thereof or both); the costs of collecting

the Special Taxes; the costs to the City, CFD No. 2015-2, or any designee thereof of complying with disclosure requirements associated with the Act; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries, protests, or appeals regarding the Special Taxes; and the City's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 2015-2 for any other administrative purposes of CFD No. 2015-2, including attorney's fees, costs associated with annexations to CFD No. 2015-2, and other costs related to commencing and pursuing to completion any foreclosure of delinquent Special Taxes.

"Administrator" means an official of the City, or any designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Tax.

"Assessor's Parcel" or **"Parcel"** means a lot or parcel shown on an Assessor's Parcel Map with an assigned Assessor's Parcel Number.

"Assessor's Parcel Map" means an official map of the County Assessor designating parcels by Assessor's Parcel Number.

"Assessor's Parcel Number" or **"APN"** means a unique number assigned to an Assessor's Parcel by the County Assessor for purposes of identifying a property.

"Authorized Services" means the public services authorized to be funded by CFD No. 2015-2 as set forth in the documents adopted by the Council when CFD No. 2015-2 was formed.

"Building Permit" means a building permit issued by the City and having a building structure improvement valuation over \$50,000. Building Permits for the construction of ancillary structures such as fences, swimming pools, retaining walls, etc. are excluded.

"CFD" or "CFD No. 2015-2" means the City of Oakley Community Facilities District No. 2015-2 (Parks, Street Light, Landscape and Stormwater Services).

"City" means the City of Oakley.

"City Landscape Maintenance Standards" means the then applicable landscape maintenance standards or then applicable level of service for then applicable landscape maintenance contracts executed by the City that are in effect and relate to similar landscaping improvements.

"City Manager" means the City Manager of the City of Oakley.

“Commercial Unit” means an individual building structure for commercial uses as defined per the County Assessor (e.g., grocery stores, shopping centers, motel, hotel, service stations, and offices).

“Condominium Parcel” means a Parcel designated by the County Assessor as having a condominium, townhome, cluster home and co-op land use.

“Council” means the City Council of the City of Oakley, acting as the legislative body for CFD No. 2015-2.

“County” means the County of Contra Costa.

“County Assessor” means the Contra Costa County Assessor.

“County Land Use Code” means the land use code assigned to an Assessor’s Parcel as indicated in the records of the County Assessor.

“Developed Property” means, in any Fiscal Year, all Parcels of Taxable Property for which a Building Permit was issued by the City for construction of a residential structure or a non-residential structure on or prior to June 30 of the preceding Fiscal Year. In the absence of a Building Permit, any Parcel of Taxable Property shall be classified as “Developed Property” if it has been occupied by a user as determined by the Administrator on or prior to June 30 of the preceding Fiscal Year.

“Final Map” or “Parcel Map” means a final map approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410, *et seq.*) that creates individual lots on which a Building Permit can be issued for construction of Residential Units without further subdivision of the lots.

“Fiscal Year” means the period starting on July 1 and ending on the following June 30.

“Industrial” means an individual building structure for industrial uses as defined per the County Assessor (e.g., research and development, mini-warehouse, etc.).

“Institutional” means an individual building structure for institutional uses as defined per the County Assessor (e.g., churches, hospitals, assisted living, schools, etc.).

“Land Use Classification” means the current or intended use of a Taxable Parcel as determined by the Taxable Parcel’s County Land Use Code.

“Maximum Special Tax” means, for each Special Tax Component, the maximum Special Tax, determined in accordance with Section C herein, which can be levied in any Fiscal Year.

“Mixed Use Parcel” means a Parcel designated by the County Assessor as having a multiple land uses such as residential land uses and commercial land uses, or multi-family land uses and commercial land uses.

“Multi-Family Parcel” means a Parcel designated by the County Assessor as having a multi-family residential land uses which includes duplexes, triplexes, fourplexes and apartments.

“Non-Residential Parcel” means for each Fiscal Year, all Assessor Parcels designated by the County Assessor with a County Land Use Code of Commercial, Industrial, or Institutional. If it is determined by the Administrator that the County Assessor has assigned an incorrect County Land Use Code or the assigned County Land Use Code does not correctly describe the intended or current use of the Taxable Parcel, the Administrator may assign a Land Use Classification to the Taxable Parcel described in Section C below.

“Non-Residential Parcel – In Compliance” this definition only applies for the purpose of calculating the annual neighborhood parks and landscaping maintenance tax component and means for each Fiscal Year, an Assessor Parcel designated by the County Assessor with a County Land Use Code of Commercial, Industrial, or Institutional for which the Property Owner of the Commercial, Industrial, or Institutional Parcel has notified the City in writing by the preceding February 1st that it will maintain its parcel’s frontage landscaping during the immediate following fiscal year and the City Manager or his/her designee has determined that the Property Owner has maintained its Parcel’s frontage landscaping in previous Fiscal Years to City Landscape Maintenance Standards. In addition, in order for any Commercial, Industrial, or Institutional Parcel within a Tax Zone of CFD No. 2015-2 to be defined as a Non-Residential Parcel – In Compliance, all Non-Residential Parcels within the Tax Zone must also be defined as Non-Residential Parcel – In Compliance.

“Non-Residential Parcel – Out of Compliance” this definition only applies for the purpose of calculating the annual neighborhood parks and landscaping maintenance tax component and means for each Fiscal Year, an Assessor Parcel designated by the County Assessor with a County Land Use Code of Commercial, Industrial, or Institutional for which the Property Owner of the Non-Residential Parcel has not notified the City in writing by the preceding February 1st that it will maintain its parcel’s frontage landscaping during the immediate following fiscal year or the City Manager or his/her designee has determined that the Property Owner has not maintained its Parcel’s frontage landscaping in previous Fiscal Years to City Landscape Maintenance Standards. In addition, if any Non-Residential Parcel within a Tax Zone of CFD No. 2015-2 is defined as a Non-Residential Parcel – Out of Compliance, then all Non-Residential Parcels within the Tax Zone must also be defined as Non-Residential Parcel – Out of Compliance.

“Property Owner” means the Property Owner of record per current County Assessor records unless more current information is available such as recorded deed of sale, etc.

“Proportionately” means, for Developed Property, that the ratio of the actual annual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all Assessor’s Parcels of Developed Property. For Undeveloped Property, “Proportionately” means that the ratio of the actual annual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all Assessor’s Parcels of Undeveloped Property.

“Public Property” means, for each Fiscal Year: (i) any property within the boundaries of CFD No. 2015-2 that is owned by or irrevocably offered for dedication to the federal government, the State of California, the City or any other public agency; provided, however, that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act (as such section may be amended or replaced) shall be taxed and classified in accordance with its use; or (ii) any property within the boundaries of CFD No. 2015-2 that is encumbered by an unmanned utility easement making impractical its utilization for other than the purpose set forth in the easement.

“Residential Unit” means an individual building structure for residential or multi-family residential uses as defined per the County Assessor. An Accessory Unit that shares a Parcel with a Residential Unit shall not be considered a separate Residential Unit for purposes of this RMA.

“RMA” means this Rate and Method of Apportionment of Special Tax.

“Single-Family Parcel” means a Parcel designated by the County Assessor as having a single-family residential land use. If it is determined by the Administrator that the County Assessor has assigned an incorrect County Land Use Code or the assigned County Land Use Code does not correctly describe the intended or current use of the Taxable Parcel, the Administrator may assign a Land Use Classification to the Taxable Parcel described in Section C below.

“Special Tax” means any tax levied within CFD No. 2015-2 to pay the Special Tax Requirement, and includes each Special Tax Component.

“Special Tax Component” means one of the following components of the Special Tax: Community Park Maintenance Tax, Street Lighting Maintenance Tax, Neighborhood Parks and Landscape Maintenance Tax, or Stormwater Maintenance Tax.

“Special Tax Requirement” means, for each Special Tax Component, the amount of revenue needed in any Fiscal Year to pay for the following: (i) Authorized

Services related to the Special Tax Component; (ii) Administrative Expenses attributable to the Special Tax Component; and (iii) amounts needed to cover any delinquencies in the payment of the Special Tax Component which occurred in the previous Fiscal Year or, based on delinquency rates in prior years, may be expected to occur in the Fiscal Year in which the Special Tax will be collected.

“Taxable Property” or “Taxable Parcels” means all Assessors’ Parcels within the boundaries of CFD No. 2015-2 that are not exempt from the Special Tax pursuant to law or Section E herein.

“Tax Zone” means a mutually exclusive geographic area within which the Special Tax may be levied pursuant to this RMA. All the property within CFD No. 2015-2 at the time of CFD Formation is within Tax Zone 1. Additional Tax Zones may be created when property is annexed to CFD No. 2015-2, and a separate Maximum Special Tax shall be identified for property within the new Tax Zone at the time of such annexation. The Assessor’s Parcels included within a new Tax Zone established when such Parcels are annexed to CFD No. 2015-2 shall be identified by Assessor’s Parcel Number in the Unanimous Approval Form that is signed by the owner(s) of the Parcels at the time of annexation.

“Unanimous Approval Form” means that form executed by the record owner of fee title to a Parcel or Parcels annexed into CFD No. 2015-2 that constitutes the property owner’s approval and unanimous vote in favor of annexing into CFD No. 2015-2, the levy of the Special Tax against his/her Parcel or Parcels pursuant to this RMA.

“Undeveloped Property” means, in any Fiscal Year, all Parcels of Taxable Property in CFD No. 2015-2 that are not classified as Developed Property.

B. DATA FOR ANNUAL TAX LEVY

Each Fiscal Year, the Administrator shall identify the current Assessor’s Parcel Numbers for all Parcels of Taxable Property within CFD No. 2015-2. The Administrator shall also determine: (i) whether each Assessor’s Parcel of Taxable Property is Developed Property or Undeveloped Property, and (ii) the Special Tax Requirement for each Special Tax Component for the then-current Fiscal Year. Each Special Tax Component shall be levied only to pay for the related Special Tax Requirement.

In any Fiscal Year, if it is determined that (i) a Final Map or Parcel Map for a portion of property in CFD No. 2015-2 was recorded after the last date upon which the County Assessor will incorporate the newly-created Parcels into the then current tax roll, (ii) because of the date the Final Map or Parcel Map was recorded, the County Assessor does not yet recognize the new Parcels that will be created by the Final Map or Parcel Map, and (iii) one or more of the newly-created Parcels would meet the definition of Developed Property, the Administrator shall calculate the Special

Tax for the property affected by recordation of the Final Map or Parcel Map by determining the Special Tax that applies separately to each new Parcel that will be created by that Final Map or Parcel Map, then applying the sum of the individual Special Taxes to the Parcel that was subdivided by recordation of the Final Map or Parcel Map.

C. **MAXIMUM SPECIAL TAXES**

1. **Developed Property** - The Fiscal Year 2019-20 Maximum Special Tax for each Special Tax Component for all Parcels of Developed Property shall be as shown in Table 1 below:

Table 1: Developed Property			
Special Tax Component	Land Use Classification	FY 2019-20 Maximum Tax	
Regional Park Maintenance Tax	Single-Family Parcel	\$141.21	per Parcel
Regional Park Maintenance Tax	Condominium Parcel	\$105.91	per Parcel
Regional Park Maintenance Tax	Multi-Family Parcel	\$70.60	per Unit
Regional Park Maintenance Tax	Non-Residential Parcel	\$423.63	per Acre
Community Parks Maintenance Tax	Single-Family Parcel	\$311.84	per Parcel
Community Parks Maintenance Tax	Condominium Parcel	\$233.87	per Parcel
Community Parks Maintenance Tax	Multi-Family Parcel	\$155.92	per Unit
Community Parks Maintenance Tax	Non-Residential Parcel	\$935.51	per Acre
Street Lighting Maintenance Tax	Single-Family Parcel	\$61.57	per Parcel
Street Lighting Maintenance Tax	Condominium Parcel	\$46.18	per Parcel
Street Lighting Maintenance Tax	Multi-Family Parcel	\$30.79	per Unit
Street Lighting Maintenance Tax	Non-Residential Parcel	\$184.70	per Acre
Neighborhood Parks & Landscaping Maintenance Tax	Single-Family Parcel	\$88.10	per Parcel
Neighborhood Parks & Landscaping Maintenance Tax	Condominium Parcel	\$66.08	per Parcel
Neighborhood Parks & Landscaping Maintenance Tax	Multi-Family Parcel	\$44.05	per Unit
Neighborhood Parks & Landscaping Maintenance Tax	Non-Residential In Compliance Parcel	\$0.00	per Acre
Neighborhood Parks & Landscaping Maintenance Tax	Non-Residential Out of Compliance Parcel	\$1,131.45	per Acre
Stormwater/Water Quality Maintenance Tax	Single-Family Parcel	\$4.23	per Parcel
Stormwater/Water Quality Maintenance Tax	Condominium Parcel	\$3.17	per Parcel
Stormwater/Water Quality Maintenance Tax	Multi-Family Parcel	\$2.12	per Unit
Stormwater/Water Quality Maintenance Tax	Non-Residential Parcel	\$54.22	per Acre

Mixed Use Parcels will have their Maximum Tax calculated each Fiscal Year based upon their combined uses on the Parcel. For example, if a one-acre parcel has commercial on the ground floor and 50 condominiums on the second floor the property owner will be charged the Non-Residential Parcel rate for one acre and the Condominium Parcel Rate for the 50 condominiums.

2. Undeveloped Property - The Fiscal Year 2019-20 Maximum Special Tax for each Special Tax Component for all Parcels of Undeveloped Property shall be as shown in Table 2 below:

Table 2: Undeveloped Property		
Special Tax Component	Land Use Classification	FY 2019-20 Maximum Tax
Regional Park Maintenance Tax	Single-Family Parcel	\$423.63 per Acre
Regional Park Maintenance Tax	Condominium Parcel	\$317.72 per Acre
Regional Park Maintenance Tax	Multi-Family Parcel	\$211.81 per Acre
Regional Park Maintenance Tax	Non-Residential Parcel	\$211.81 per Acre
Community Parks Maintenance Tax	Single-Family Parcel	\$935.51 per Acre
Community Parks Maintenance Tax	Condominium Parcel	\$701.63 per Acre
Community Parks Maintenance Tax	Multi-Family Parcel	\$467.76 per Acre
Community Parks Maintenance Tax	Non-Residential Parcel	\$467.76 per Acre
Street Lighting Maintenance Tax	Single-Family Parcel	\$184.70 per Acre
Street Lighting Maintenance Tax	Condominium Parcel	\$138.52 per Acre
Street Lighting Maintenance Tax	Multi-Family Parcel	\$92.36 per Acre
Street Lighting Maintenance Tax	Non-Residential Parcel	\$92.36 per Acre
Neighborhood Parks & Landscaping Maintenance Tax	Single-Family Parcel	\$1,131.45 per Acre
Neighborhood Parks & Landscaping Maintenance Tax	Condominium Parcel	\$1,131.45 per Acre
Neighborhood Parks & Landscaping Maintenance Tax	Multi-Family Parcel	\$1,131.45 per Acre
Neighborhood Parks & Landscaping Maintenance Tax	Non-Residential In Compliance Parcel	\$0.00 per Acre
Neighborhood Parks & Landscaping Maintenance Tax	Non-Residential Out of Compliance Parcel	\$1,131.45 per Acre
Stormwater/Water Quality Maintenance Tax	Single-Family Parcel	\$54.22 per Acre
Stormwater/Water Quality Maintenance Tax	Condominium Parcel	\$54.22 per Acre
Stormwater/Water Quality Maintenance Tax	Multi-Family Parcel	\$54.22 per Acre
Stormwater/Water Quality Maintenance Tax	Non-Residential Parcel	\$54.22 per Acre

3. Escalation of Maximum Special Tax

On July 1, 2020, and each July 1 thereafter, the Maximum Special Tax for each Special Tax Component for the current Fiscal Year for Developed Property and Undeveloped Property shall be increased from the Maximum Special Tax for the respective Special Tax Component for the previous Fiscal Year by Consumer Price Index – All Urban Consumers (San Francisco-Oakland-San Jose, CA) (from February) with a minimum annual increase of three (3.00%) percent and a maximum annual increase of five (5.00%) percent for any given year.

D. METHOD OF LEVY AND COLLECTION OF SPECIAL TAXES

Each Fiscal Year, the Administrator shall determine the Special Tax Requirement for each Special Tax Component for that Fiscal Year and levy each Special Tax Component on all Parcels of Taxable Property as follows:

Step 1: Each Special Tax Component shall be levied Proportionately on each Parcel of Developed Property up to 100% of the Maximum Special Tax for each Parcel of Developed Property for such Fiscal Year until the amount levied is equal to the Special Tax Requirement for such Special Tax Component;

Step 2: If additional revenue is needed after Step 1, each Special Tax Component shall be levied Proportionately on each Parcel of Undeveloped Property up to 100% of the Maximum Special Tax for each Parcel of Undeveloped Property for such Fiscal Year until the amount levied, when combined with the amount of the Special Tax Component levied pursuant to Step 1, is equal to the Special Tax Requirement for such Special Tax Component.

The Special Tax for CFD No. 2015-2 shall be collected at the same time and in the same manner as ordinary ad valorem property taxes provided, however, that the City may (under the authority of Government Code Section 53340) collect Special Taxes at a different time or in a different manner if necessary to meet the financial obligations of CFD No. 2015-2, and the Special Tax shall be subject to foreclosure if delinquent regardless of the manner in which it was collected.

E. EXEMPTIONS

No Special Tax shall be levied on Parcels of Public Property or any privately-owned Parcels that are non-developable, such as common areas, wetlands, and open space, parks, etc. except as otherwise provided in this RMA and in the Act.

F. INTERPRETATION OF SPECIAL TAX FORMULA

The City reserves the right to make minor administrative and technical changes to this document that does not materially affect the rate and method of apportioning Special Taxes. In addition, the interpretation and application of any section of this document shall be left to the City's discretion. Interpretations may be made by the City through a resolution of the Council for purposes of clarifying any vagueness or ambiguity in this RMA.

G. TERM OF THE SPECIAL TAX

The Special Tax shall be levied in perpetuity as necessary to pay the Special Tax Requirement.

H. REPEAL OF THE SPECIAL TAX

CFD No. 2015-2 was established to levy the Special Tax to finance the Authorized Services as a condition of the entitlement to develop the Developed Property in CFD No. 2015-2. If the levy of the Special Tax is repealed by initiative or any other action participated in by the owners of Parcels in CFD No. 2015-2, the City shall cease to levy the Special Tax and shall cease to be obligated to provide the Authorized Services for which the Special Tax was levied.

I. SEVERABILITY

The invalidity or unenforceability of any provisions of this Rate and Method of Apportionment of Special Tax shall not affect the validity or enforceability of any other provision of this Rate and Method of Apportionment of Special Tax, which shall remain in full force and effect.

STAFF REPORT

DATE: Tuesday, December 10, 2019

TO: Bryan Montgomery, City Manager *Approved and Forwarded to the City Council*

FROM: Kevin Rohani, P.E., Public Works Director/City Engineer

SUBJECT: Annexation No. 1 (The Village at Main - Subdivision 9503) to the City of Oakley Community Facilities District No. 2018-1 (Fire Protection Services)

Background and Analysis

On March 26, 2019, the City Council adopted a Resolution approving The Village at Main (Subdivision 9503) project's Vesting Tentative Map and Design Review (DR 06-18). The project is located at 1731 Main Street (currently APNs 037-100-013, 037-100-019, 037-100-023, 037-100-048, and 037-100-049) and will consist of 154 single-family residential lots at build-out. The Village at Main (Subdivision 9503) project will have an HOA for private streets, the park and open space areas, bio-retention area, and CC&R enforcement.

The Conditions of Approval for The Village at Main (Subdivision 9503) project require the developer to mitigate their development's financial impact on fire protection services, which are currently provided by the East Contra Costa Fire Protection District ("ECCFPD"). On October 23, 2018, the Oakley City Council formed City of Oakley Community Facilities District No. 2018-1 (Fire Protection Services) ("CFD No. 2018-1"). CFD No. 2018-1 authorizes the annual levy of a special tax on parcels located within CFD No. 2018-1 to mitigate their financial impact on the fire protection services budget. The developer for The Village at Main (Subdivision 9503) project has requested that the City assist them with annexing the project (currently APNs 037-100-013, 037-100-019, 037-100-023, 037-100-048, and 037-100-049) into CFD No. 2018-1 to satisfy their conditions of approval.

Prior to tonight's City Council meeting, the property owner executed the attached Unanimous Approval Form. This form constitutes unanimous approval and a unanimous vote by the property owner in favor of annexing their property to CFD No. 2018-1 including the subsequent annual levy of special taxes to mitigate their project's financial impact on the fire protection services budget.

Fiscal Impact

There will be no financial impact to the City's General Fund. The applicants have funded all costs associated with the annexation of their project to CFD No. 2018-1. The FY 2019-20 maximum special tax rates per Single-Family parcel is \$290.61.

Annexation No. 1(The Village at Main - Subdivision 9503) is expected to consist of 154 single-family residential lots at build-out. Therefore, successful annexation into CFD No. 2018-1 could provide up to \$44,754 (FY 2019-20 dollars) in revenue annually when the property is developed. The taxes can be collected on the property tax rolls commencing in FY 2020-21.

Staff Recommendation

The conditions of approval for The Village at Main (Subdivision 9503) project located at 1721 Main Street requires the property owner to mitigate their project's financial impact on the fire protection services budget. Staff recommends that the City Council:

1. Adopt a Resolution Approving the Annexation (Annexation No. 1) of Property Located in the Future Annexation Area of the City of Oakley Community Facilities District No. 2018-1 (Fire Protection Services)

Attachments

1. Unanimous Approval of Annexation to a Community Facilities District and Related Matters - City of Oakley Community Facilities District No. 2018-1 (Fire Protection Services);
 - a. Exhibit A: Description of Services;
 - b. Exhibit B: Cost Estimate; and
 - c. Exhibit C: Supplement to the Rate and Method of Apportionment of Special Tax – Tax Zone No. 1;
2. Resolution Approving the Annexation (Annexation No. 1) of Property Located in the Future Annexation Area of the City of Oakley Community Facilities District No. 2018-1 (Fire Protection Services);
3. Boundary Map – Annexation Map No. 1 to City of Oakley Community Facilities District No. 2018-1 (Fire Protection Services); and
4. Amendment No. 1 to Notice of Special Tax Lien - City of Oakley Community Facilities District No. 2018-1 (Fire Protection Services).

**UNANIMOUS APPROVAL
of Annexation to a Community Facilities District
and Related Matters**

**CITY OF OAKLEY
Community Facilities District No. 2018-1
(Fire Protection Services)**

Annexation No. 1 – Tax Zone No. 1

December 10, 2019

To the Honorable City Council,
City of Oakley
3231 Main Street
Oakley, CA 94561

Members of the City Council:

This constitutes the Unanimous Approval (the "Unanimous Approval") of the record owner(s) (the "Property Owner") of the fee title to the real property identified below (the "Property") contemplated by Section 53339.3 et seq. of the Mello-Roos Community Facilities Act of 1982, as amended (the "Act") to annexation of the Property to the "City of Oakley Community Facilities District No. 2018-1 (Fire Protection Services)" (the "CFD"), and it states as follows:

1. Property Owner. This Unanimous Approval is submitted by the Property Owner as the record owner(s) of fee title to the Property. The Property Owner has supplied to the City current evidence of its ownership of fee title to the Property.

2. Approval of Annexation. This Unanimous Approval constitutes the unanimous approval and unanimous vote by the Property Owner in favor of the annexation of the Property to the CFD. The CFD was formed to finance the municipal services (the "Services") described in Exhibit A hereto and made a part hereof.

3. Approval of Special Tax and the Services. This Unanimous Approval constitutes the unanimous approval and unanimous vote by the Property Owner in favor of the levy of special taxes (the "Special Taxes") on the Property to finance the Services. The Special Taxes will be levied according to the "Supplement to the Rate and Method of Apportionment of Special Tax – Tax Zone No. 1" attached hereto as Exhibit C and made a part hereof (the "Rate and Method"). The cost estimate for the Services is attached hereto as Exhibit B.

4. Waivers and Vote. The Property Owner hereby confirms that this Unanimous Approval constitutes its approval and unanimous vote as described herein and as contemplated by Section 53339.3 et seq. of the Act and Article XIII A of the California Constitution. The Property Owner hereby waives all other rights with respect to the annexation of the Property, the levy of the Special Taxes on the Property and the other matters covered in this Unanimous Approval.

5. Recordation of Amendment to Notice of Special Tax Lien. The Notice of Special Tax Lien for the CFD was recorded in the Office of the County Recorder of the County of Contra Costa, State of California on October 31, 2018, as Document No. 20180177468. The Property Owner hereby authorizes and directs the City Clerk to execute and cause to be recorded in the office of the County Recorder of the County of Contra Costa an amendment to the Notice of Special Tax Lien for the CFD as required by Section 3117.5 of the California Streets and Highways Code. The amendment to the Notice of Special Tax Lien shall include the Rate and Method as an exhibit thereto.

6. Authority Warranted. The Property Owner warrants to the City that the presentation of this Unanimous Approval, any votes, consents or waivers contained herein, and other actions mandated by the City for the annexation of the Property to the CFD shall not constitute or be construed as events of default or delinquencies under any existing or proposed financing documents entered into or to be entered into by the Property Owner for the Property, including any “due-on-encumbrance” clauses under any existing security instruments secured by the Property.

7. Due Diligence and Disclosures. The Property Owner agrees to cooperate with the City and its attorneys and consultants and to provide all information and disclosures required by the City about the Special Taxes to purchasers of the Property or any part of it.

8. Agreements. The Property Owner further agrees to execute such additional or supplemental agreements as may be required by the City to provide for any of the actions and conditions described in this Unanimous Approval, including any cash deposit required to pay for the City’s costs in annexing the Property to the CFD.

9. The Property. The Property is identified as follows:

Assessor’s Parcel Nos.: 037-100-013, 037-100-019, 037-100-023, 037-100-048, and
037-100-049

Acres: 21.30 acres

By executing this Unanimous Approval, the Property Owner agrees to all of the above.

Annexation No. 1 - Tax Zone No. 1

Property Owner

By: _____

Name: _____

Title: _____

Notice Address: _____

EXHIBIT A

CITY OF OAKLEY Community Facilities District No. 2018-1 (Fire Protection Services)

DESCRIPTION OF SERVICES

The City of Oakley (the "City") is establishing the captioned community facilities district (the "CFD") to finance, in whole or in part, the following services ("services" shall have the meaning given that term in the Mello-Roos Community Facilities Act of 1982):

Fire Protection Services

The proposed CFD special taxes shall provide and fund certain types of services including, but not limited to:

1. The annual operation, maintenance and servicing, including emergency medical services (EMS), fire suppression, rescue, hazardous conditions, and all other emergency and non-emergency calls for services;
2. Payment for the operation and maintenance of fire stations, equipment, vehicles, and other appurtenant facilities, etc.; and
3. Any other appurtenant services or expenses necessary to ensure the continued annual operation and maintenance of the services previously referenced.

Administrative Expenses and Reserve Collection

In addition, the following costs will be funded by the special taxes levied within the CFD: Administrative Expenses, operating reserves and capital reserves, and actual or estimated delinquencies.

1. Administrative Expenses including costs incurred to determine, levy and collect the special taxes, including compensation of City staff for administrative work performed in relation to the CFD and a proportionate amount of the City's general administrative overhead related thereto, the fees of consultants and legal counsel, the costs of collecting installments of the special taxes upon the property tax rolls, preparation of required reports, and any other costs incurred in the administration of the CFD by the City;
2. Any amounts needed to establish or replenish operating reserves and capital reserves; and
3. Any amounts needed to cure actual or estimated delinquencies in special taxes for the current or previous fiscal years.

EXHIBIT B

**CITY OF OAKLEY
Community Facilities District No. 2018-1
(Fire Protection Services)**

**Cost Estimate
(FY 2019-20 Dollars)**

Fire Protection Services	\$44,753.94
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EXHIBIT C

CITY OF OAKLEY Community Facilities District No. 2018-1 (Fire Protection Services)

SUPPLEMENT TO THE RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX – TAX ZONE NO. 1

Special Taxes in the City of Oakley Community Facilities District No. 2018-1 (Fire Protection Services) (the “CFD” or “CFD No. 2018-1”) shall be levied and collected according to the tax liability determined by the Administrator through the application of the appropriate amount or rate for Taxable Property, as described below. All the property in CFD No. 2018-1, unless exempted by law or by the provisions of Section E herein, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to CFD No. 2018-1, unless a separate Rate and Method of Apportionment of Special Tax is adopted for such annexation area.

Property annexed to City of Oakley Community Facilities District No. 2018-1 (Fire Protection Services) pursuant to Annexation No. 1 will be annexed to Tax Zone No. 1 per the Supplement to the Rate and Method of Apportionment of Special Tax shown below.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

“**Accessory Unit**” means a second Residential Unit of reduced size (e.g., granny cottage, etc.) that shares a Parcel with a Residential Unit. An Accessory Unit shall not be considered a separate Residential Unit for purposes of this RMA and will not be levied a Special Tax.

“**Acre**” or “**Acreage**” means the land area of an Assessor’s Parcel as shown on an Assessor’s Parcel Map, or if the land area is not shown on an Assessor’s Parcel Map, the land area shown on the applicable Final Map, Parcel Map or functionally equivalent map or instrument recorded in the Office of the County Recorder. In the absence of such map, the Administrator will make the final “Acre” or “Acreage” determination utilizing available spatial and Geographic Information Systems (GIS) data.

“**Act**” means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 (commencing with Section 53311), Division 2, of Title 5 of the Government Code of the State of California.

“Administrative Expenses” means the actual or reasonably estimated costs incurred by the City or their designee, acting for and on behalf of the CFD as the Administrator thereof, to compute, determine, levy and collect the Special Taxes, including salaries of City staff and a proportionate amount of the City’s general administrative overhead related thereto, and the fees of consultants and legal counsel providing services related to the administration of the CFD; the costs of collecting installments of the Special Taxes, including charges levied by the County, the costs related to the preparation of required reports; and any other costs required to administer the CFD as determined by the Administrator. Administrative expenses shall also include amounts estimated or advanced by the City, public agency, or the CFD for any other administrative purposes related to the CFD.

“Administrator” means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes according to this Rate and Method of Apportionment of Special Taxes.

“Assessor’s Parcel” or **“Parcel”** means a lot or parcel shown on an Assessor’s Parcel Map with an assigned Assessor’s Parcel Number.

“Assessor’s Parcel Map” means an official map of the County Assessor designating parcels by Assessor’s Parcel Number.

“Assessor’s Parcel Number” or **“APN”** means a unique number assigned to an Assessor’s Parcel by the County Assessor for purposes of identifying a property.

“Authorized Services” means the public services authorized to be funded by CFD No. 2018-1 as set forth in the documents adopted by the Council when CFD No. 2018-1 was formed.

“Building Permit” means a building permit having a building structure improvement valuation over \$50,000. Building Permits for the construction of ancillary structures such as fences, swimming pools, retaining walls, etc. are excluded.

“Capital Reserves” means any amounts that shall be collected, accumulated, and/or held for the CFD in each Fiscal Year to provide for asset replacement, long-term capital projects, or other large anticipated expenditures.

“CFD” or **“CFD No. 2018-1”** means the City of Oakley Community Facilities District No. 2018-1 (Fire Protection Services).

“City” means the City of Oakley.

“City Manager” means the City Manager of the City of Oakley.

“Council” means the City Council of the City of Oakley, acting as the legislative body for CFD No. 2018-1.

“County” means the County of Contra Costa.

“County Assessor” means the Contra Costa County Assessor.

“County Land Use Code” means the land use code assigned to an Assessor’s Parcel as indicated in the records of the County Assessor.

“Developed Property” means, in any Fiscal Year, all Parcels of Taxable Property for which a Building Permit was issued for a Single-Family Property on or prior to June 30 of the preceding Fiscal Year in which Special Taxes are to be levied. In the absence of a Building Permit, any Parcel of Taxable Property shall be classified as “Developed Property” if it has been occupied by a user as determined by the Administrator on or prior to June 30 of the preceding Fiscal Year.

“Final Map” or “Parcel Map” means a Final Map, Parcel Map, or portion thereof, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.), that creates lots that do not need to be further subdivided prior to issuance of a building permit for a residential or non-residential structure. The term “Final Map” or “Parcel Map” shall not include an Assessor’s Parcel Map or subdivision map or portion thereof, that does not create lots that are in their final configuration, including Assessor’s Parcels that are designated as remainder parcels.

“Fiscal Year” means the period starting on July 1 and ending on the following June 30.

“Land Use Classification” means the current or intended use of a Taxable Parcel as determined by the Taxable Parcel’s County Land Use Code.

“Maximum Special Tax” means the maximum Special Tax determined in accordance with Section C herein, which can be levied in any Fiscal Year.

“Operating Reserves” means any amounts that shall be collected, accumulated, and/or held for the CFD in each Fiscal Year to provide for necessary cash flow for the first six months of each Fiscal Year, working capital to cover operation, maintenance, and service cost overruns or any unexpected expenditures, funds to cover delinquencies in the payment of Special Taxes, and a reasonable buffer to prevent large variations in annual Special Tax levies.

“Property Owner” means the Property Owner of record per current County Assessor records unless more current information is available such as a recorded deed of sale, etc.

“Proportionately” means, for Developed Property, that the ratio of the actual annual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all Assessor’s Parcels of Developed Property within each respective Tax Zone.

“Public Property” means, for each Fiscal Year: (i) any property within the boundaries of CFD No. 2018-1 that is owned by or irrevocably offered for dedication to the federal government, the State of California, the City or any other public agency; provided, however, that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act (as such section may be amended or replaced) shall be taxed and classified in accordance with its use; or (ii) any property within the boundaries of CFD No. 2018-1 that is encumbered by an unmanned utility easement making impractical its utilization for other than the purpose set forth in the easement.

“RMA” means this Rate and Method of Apportionment of Special Tax.

“Residential Unit” means an individual building structure for a residential use as defined per the County Assessor.

“Single-Family Property” means a Parcel designated by the County Assessor’s Land Use Code as having a single-family residential land use and a Residential Unit, excluding residential condominium parcels. If it is determined by the Administrator that the County Assessor has assigned an incorrect County Land Use Code, or the assigned County Land Use Code does not correctly describe the intended or current use of the Taxable Parcel, the Administrator may assign the appropriate Land Use Classification to the Taxable Parcel described in Section C below.

“Special Tax” means the tax levied on Taxable Property within CFD No. 2018-1 to pay the annual Special Tax Requirement.

“Special Tax Requirement” means, the amount of revenue needed in any Fiscal Year to pay for the following: (i) Authorized Services; (ii) Administrative Expenses; (iii) any amounts needed to establish or replenish Operating Reserves and Capital Reserves; and (iv) amounts needed to cover any delinquencies in the payment of the Special Tax which occurred in the previous Fiscal Year or, based on delinquency rates in prior years, that may be expected to occur in the Fiscal Year in which the Special Tax will be collected.

“Taxable Property” or “Taxable Parcels” means all Assessors’ Parcels within the boundaries of CFD No. 2018-1 that are not exempt from the Special Tax pursuant to law or Section E herein.

“Tax Zone” means a mutually exclusive geographic area within which the Special Tax may be levied pursuant to this RMA. All property within CFD No. 2018-1 at the time of CFD Formation is within Tax Zone 1. Additional Tax Zones may be created when property is annexed to CFD No. 2018-1, and a separate Maximum Special Tax shall be identified for property within the new Tax Zone at the time of such annexation. The Assessor’s Parcels included within a new Tax Zone established when such Parcels are annexed to CFD No. 2018-1 shall be identified by Assessor’s Parcel Number in the Unanimous Approval Form that is signed by the owner(s) of the Parcels at the time of annexation.

“Unanimous Approval Form” means that form executed by the record owner of fee title to a Parcel or Parcels annexed into CFD No. 2018-1 that constitutes the Property Owner’s approval and unanimous vote in favor of annexing into CFD No. 2018-1, and the levy of the Special Tax against his/her Parcel or Parcels pursuant to this RMA.

“Undeveloped Property” means, in any Fiscal Year, all Parcels of Taxable Property in CFD No. 2018-1 that are not classified as Developed Property.

B. DATA FOR ANNUAL TAX LEVY

Each Fiscal Year, the Administrator shall: (i) identify the current Assessor’s Parcel Numbers for all Parcels of Taxable Property within CFD No. 2018-1, (ii) determine the Land Use Classification for each Taxable Parcel, (iii) determine whether each Assessor’s Parcel of Taxable Property is Developed Property or Undeveloped Property, and (iv) determine the Special Tax Requirement for the CFD.

In any Fiscal Year, if it is determined that a Final Map or Parcel Map for a portion of property in CFD No. 2018-1 was recorded after the last date upon which the County Assessor will incorporate the newly-created Parcels into the then current tax roll, and the County Assessor does not yet recognize the new Parcels that will be created by the Final Map or Parcel Map, and one or more of the newly-created Parcels would meet the definition of Developed Property, the Administrator shall calculate the Special Tax for the property affected by recordation of the Final Map or Parcel Map by determining the Special Tax that applies separately to each new Parcel that will be created by that Final Map or Parcel Map, then applying the sum of the individual Special Taxes to the Parcel that was subdivided by recordation of the Final Map or Parcel Map.

C. MAXIMUM SPECIAL TAXES

1. Developed Property - The Fiscal Year 2019-20 Maximum Special Tax for all Taxable Parcels of Developed Property within Tax Zone No. 1 with a Land Use Classification of a Single-Family Property, is below in Table No. 1

Table No. 1 - Developed Property	
Land Use Classification	Fiscal Year 2019/20 Maximum Special Tax
Single-Family Parcel	\$290.61 per Parcel

2. Escalation of Maximum Special Tax

On July 1, 2020, and each July 1 thereafter, the Maximum Special Tax for each Special Tax Component for the current Fiscal Year for Developed Property and Undeveloped Property shall be increased from the Maximum Special Tax for the respective Special Tax Component for the previous Fiscal Year by Consumer Price Index – All Urban Consumers (San Francisco-Oakland-San Jose, CA) (from February) with a minimum annual increase of three (3.00%) percent and a maximum annual increase of five (5.00%) percent for any given year

D. METHOD OF LEVY AND COLLECTION OF SPECIAL TAXES

Each Fiscal Year, the Administrator shall determine the Special Tax Requirement for that Fiscal Year and levy all Parcels of Taxable Property therein as follows:

Step 1: Each Parcel of Developed Property shall be levied Proportionately up to 100% of the Maximum Special Tax for such Fiscal Year until the amount levied is equal to the Special Tax Requirement;

The Special Tax for CFD No. 2018-1 shall be collected at the same time and in the same manner as ordinary ad valorem property taxes provided, however, that the City may (under the authority of Government Code Section 53340) collect Special Taxes at a different time or in a different manner if necessary to meet the financial obligations of CFD No. 2018-1.

E. EXEMPTIONS

No Special Tax shall be levied on Parcels of Public Property or any privately-owned Parcels that are non-developable, such as common areas, wetlands, and open space, parks, etc. except as otherwise provided in this RMA and in the Act.

F. INTERPRETATION OF SPECIAL TAX FORMULA

The City reserves the right to make minor administrative and technical changes to this document that does not materially affect the rate and method of apportioning Special Taxes. In addition, the interpretation and application of any section of this document shall be left to the City's discretion. Interpretations may be made by the City

through a resolution of the Council for purposes of clarifying any vagueness or ambiguity in this RMA.

G. TERM OF THE SPECIAL TAX

The Special Tax shall be levied in perpetuity if Authorized Services are being provided and is necessary to pay the Special Tax Requirement.

H. PREPAYMENT OF SPECIAL TAX

The Maximum Special Tax may not be prepaid and shall continue to be levied in accordance with Section D of this Rate and Method of Apportionment on an annual basis on all Taxable Property in CFD No. 2018-1 for the purpose of funding ongoing Authorized Services.

I. REVIEW/APPEALS OF THE SPECIAL TAX

The Administrator may establish such procedures, as it deems necessary to undertake the review of any such appeal. The Administrator shall interpret this Rate and Method of Apportionment and make determinations relative to the annual administration of the Special Tax and any property owner appeals, as herein specified.

Any property owner who believes that the amount of the Special Tax levied on their Assessor's Parcel is in error shall first consult with the Administrator regarding such error. If following such consultation, the Administrator determines that an error has occurred; the Administrator in consultation with the City Manager shall take any of the following actions to correct the error:

- Amend the Special Tax levy on the property owner's Property Tax Bill for the current Fiscal Year, or
- Have the CFD reimburse the property owner for the amount of overpayment for the current Fiscal Year if CFD funds are available, or
- Grant a credit against, eliminate or reduce the future Special Taxes on the property owner's Assessor's Parcel(s) for overpayment for the current Fiscal Year.

If following such consultation and action (if any by the Administrator), the property owner believes such error still exists, such person may file a written notice with the City Manager appealing the amount of the Special Tax levied on such Assessor's Parcel. If following such consultation and action (if any by the City Manager), the property owner believes such error still exists, such person may file a written notice with the City Council appealing the amount of the Special Tax levied on such Assessor's

Parcel. If the City Council determines an error exists; the Administrator shall take any actions as described above, in order to correct the error. The decision of the City Council shall be final and binding to all persons.

J. REPEAL OF THE SPECIAL TAX

If the levy of the Special Tax is repealed by initiative or any other action participated in by the property owners of Assessor's Parcels in CFD No. 2018-1, the City shall cease to levy the Special Tax and shall cease to be obligated to provide the Authorized Services for which the Special Tax was levied. The obligation to provide the Authorized Services previously funded by the repealed Special Tax shall become the joint obligations of the property owners of Assessor's Parcels within CFD No. 2018-1.

K. SEVERABILITY

The invalidity or unenforceability of any provisions of this Rate and Method of Apportionment of Special Tax shall not affect the validity or enforceability of any other provision of this Rate and Method of Apportionment of Special Tax, which shall remain in full force and effect.

RESOLUTION NO. _____

**RESOLUTION APPROVING THE ANNEXATION (ANNEXATION NO. 1) OF
PROPERTY LOCATED IN THE FUTURE ANNEXATION AREA OF**

**CITY OF OAKLEY
Community Facilities District No. 2018-1
(Fire Protection Services)**

RESOLVED by the City Council (the "Council") of the City of Oakley (the "City"), County of Contra Costa, State of California, that:

WHEREAS, this Council has adopted a resolution entitled "Resolution of Formation of Community Facilities District" (the "Resolution of Formation"), ordering the formation of the (i) the "City of Oakley Community Facilities District No. 2018-1 (Fire Protection Services)" (the "CFD") and (ii) the "City of Oakley Community Facilities District No. 2018-1 (Fire Protection Services) (Future Annexation Area)," authorizing the levy of a special tax on property within the CFD, and preliminarily establishing an appropriations limit for the CFD, all pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act").

WHEREAS, under the Resolution of Formation and a resolution calling special election heretofore adopted by this Council, the propositions of the levy of the special tax and the establishment of the appropriations limit were submitted to the qualified electors of the CFD as required by the Act.

WHEREAS, on October 23, 2018, a special election was held among the landowner voters within the CFD, wherein such propositions were approved by the two-thirds vote required by the Act, as confirmed by resolution of this Council.

WHEREAS, on October 31, 2018, a notice of special tax lien (the "Notice of Special Tax Lien") was recorded with the Contra Costa County Recorder's office, thereby giving notice that the lien to secure payment of the Special Tax was imposed on the land in the CFD.

WHEREAS, the owner (the "Property Owner") of Assessor's Parcel Numbers 037-100-013, 037-100-019, 037-100-023, 037-100-048, and 037-100-049 located within the Future Annexation Area (the "Property") has agreed to mitigate certain impacts of the proposed development of the Property by paying for certain services financed by the CFD.

WHEREAS, pursuant to the Act, the Property Owner has executed a Unanimous Approval constituting a unanimous approval and unanimous vote by the Property Owner in favor of the annexation of the Property to the CFD and the levy of the Special Tax.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED, as follows:

1. **Recitals.** The foregoing recitals are all true and correct.

2. Approval of Annexation. The City Council hereby determines that Assessor's Parcel Numbers 037-100-013, 037-100-019, 037-100-023, 037-100-048, and 037-100-049 is annexed into Tax Zone No. 1 of the CFD.

3. Amendment to Notice of Special Tax Lien. The City Council hereby directs the Clerk of the City Council to record an Amendment to Notice of Special Tax Lien, evidencing that Assessor's Parcel Numbers 037-100-013, 037-100-019, 037-100-023, 037-100-048, and 037-100-049 is added to the CFD.

4. Boundaries Described. The revised boundaries of the CFD including Assessor's Parcel Numbers 037-100-013, 037-100-019, 037-100-023, 037-100-048, and 037-100-049 are described in an amended boundary map, which this City Council hereby directs the City Clerk to record with the Contra Costa County Recorder's office.

5. General Authority; Ratification of Previous Actions. The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate the transactions described herein or to otherwise effectuate the purposes of this resolution. Any actions previously taken by such officers that are consistent with the purposes of this resolution are hereby ratified and confirmed.

6. Effective Date. This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED by the City Council of the City of Oakley at a meeting held on the December 10, 2019 by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

APPROVED:

, Mayor

ATTEST:

Libby Vreonis, City Clerk

Date

ANNEXATION MAP No. 1 TO
CITY OF OAKLEY COMMUNITY FACILITIES DISTRICT No. 2018-1
(FIRE PROTECTION SERVICES)

CITY OF OAKLEY
CONTRA COSTA COUNTY, STATE OF CALIFORNIA

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF OAKLEY THIS
_____ DAY OF _____, 2019.

LIBBY VREONIS, CITY CLERK
CITY OF OAKLEY
CONTRA COSTA COUNTY
STATE OF CALIFORNIA

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING ANNEXATION
No. 1 TO CITY OF OAKLEY COMMUNITY FACILITIES DISTRICT No. 2018-1
(FIRE PROTECTION SERVICES), CITY OF OAKLEY, CONTRA COSTA
COUNTY, STATE OF CALIFORNIA, WAS APPROVED BY THE
CITY COUNCIL OF THE CITY OF OAKLEY, AT A
REGULAR MEETING THEREOF, HELD ON THE _____ DAY OF
_____, 2019, BY ITS RESOLUTION No. _____.

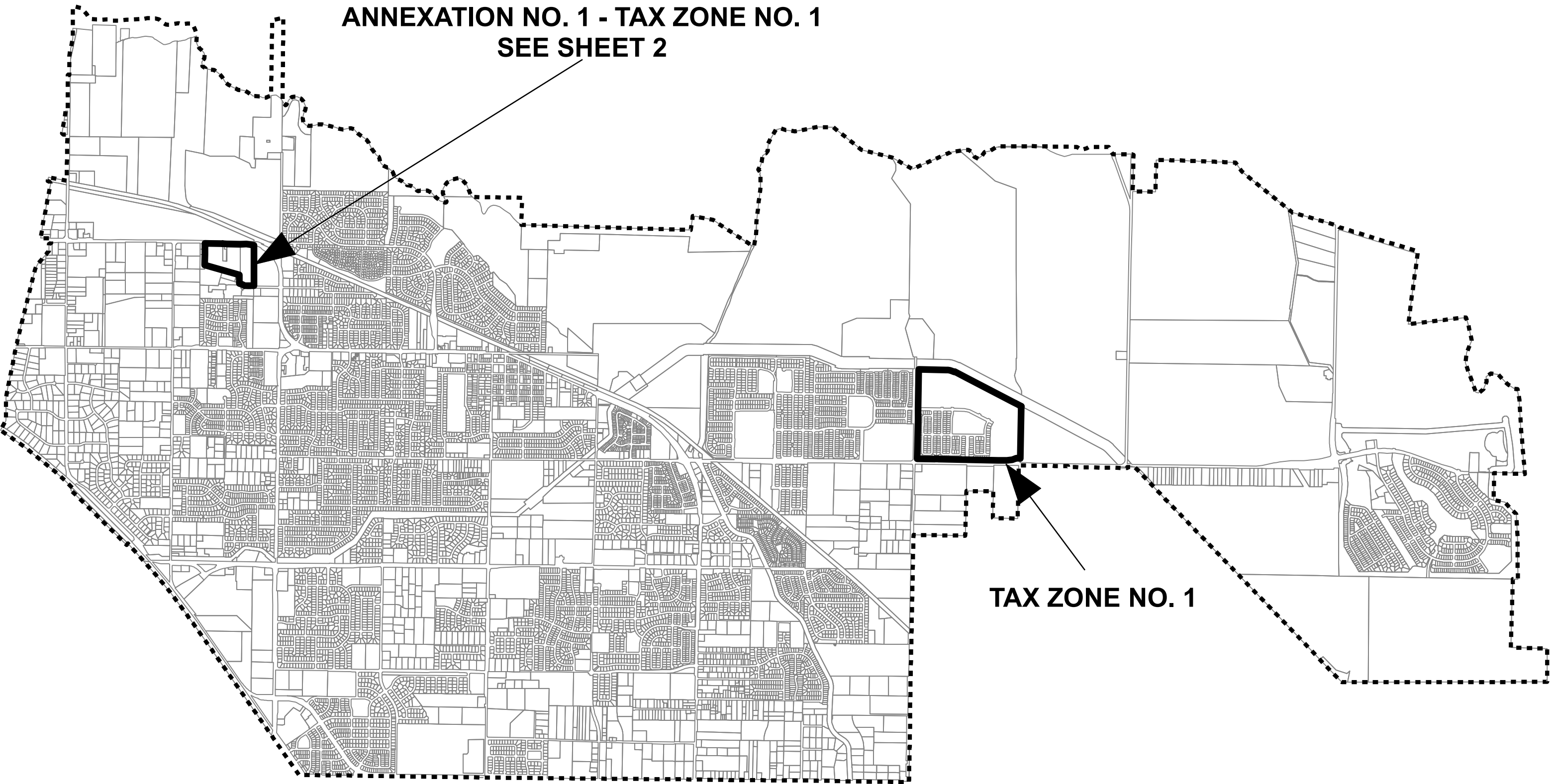
LIBBY VREONIS, CITY CLERK
CITY OF OAKLEY
CONTRA COSTA COUNTY
STATE OF CALIFORNIA

FILED THIS _____ DAY OF _____, 2019, AT THE HOUR
OF _____ M IN BOOK _____ OF MAPS OF ASSESSMENT
AND COMMUNITY FACILITIES DISTRICTS AT PAGE _____, DOCUMENT
No. _____ IN THE OFFICE OF THE COUNTY RECORDER
IN CONTRA COSTA COUNTY, STATE OF CALIFORNIA.

COUNTY RECORDER
CONTRA COSTA COUNTY
STATE OF CALIFORNIA

NOTE: THIS ANNEXATION MAP ANNEXES TERRITORY TO CITY OF OAKLEY
COMMUNITY FACILITIES DISTRICT No. 2018-1 (FIRE PROTECTION
SERVICES), CITY OF OAKLEY, CONTRA COSTA COUNTY, STATE
OF CALIFORNIA, FILED IN THE OFFICE OF THE COUNTY
RECORDER OF CONTRA COSTA COUNTY, STATE OF CALIFORNIA,
ON THE 25TH DAY OF SEPTEMBER, 2018 IN BOOK 87 OF MAPS
OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICT AT
PAGES 17-18.

ASSESSOR PARCELS WITHIN BOUNDARY: FOR PARTICULARS
OF LINES AND DIMENSIONS OF PARCELS, REFERENCE IS
MADE TO THE ASSESSOR PARCEL MAPS OF CONTRA COSTA
COUNTY FOR ASSESSOR PARCEL NUMBERS 037-100-013,
037-100-019, 037-100-023, 037-100-048, AND 037-100-049.

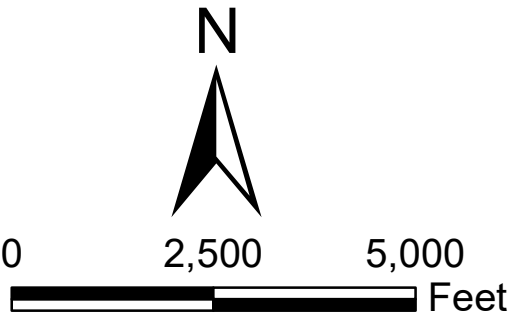


Legend

CFD No. 2018-1 Boundary

Oakley City Limits/CFD No. 2018-1 Future Annexation Area

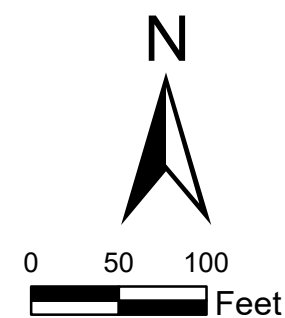
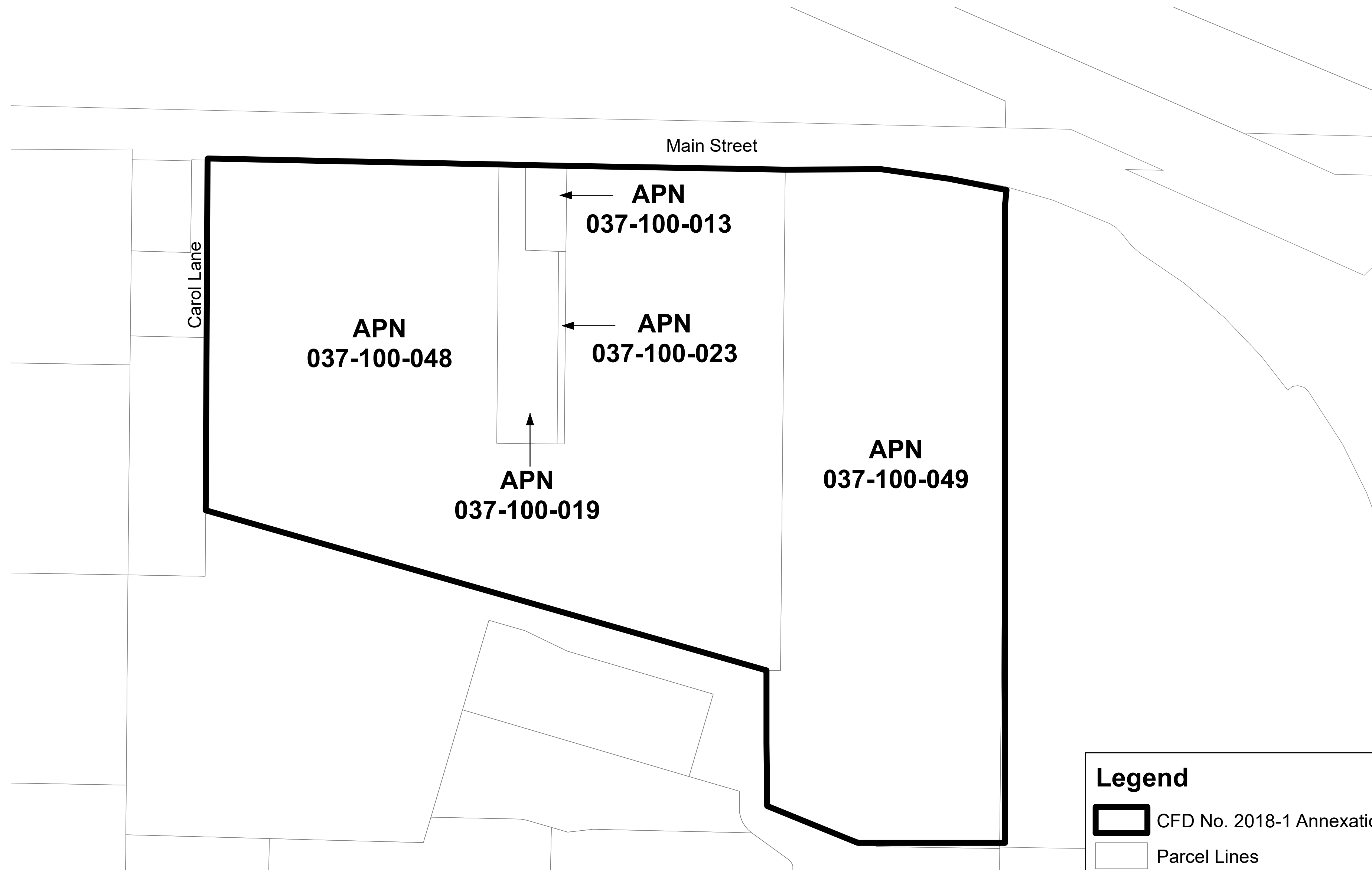
Parcel Lines





ANNEXATION MAP No. 1 TO
CITY OF OAKLEY COMMUNITY FACILITIES DISTRICT No. 2018-1
(Fire Protection Services)

CITY OF OAKLEY
CONTRA COSTA COUNTY, STATE OF CALIFORNIA

Annexation No. 1- Tax Zone No. 1



Legend

-  CFD No. 2018-1 Annexation Area No. 1
-  Parcel Lines

**RECORDING REQUESTED BY AND
AFTER RECORDATION RETURN TO:**

City Clerk
City of Oakley
City Hall
3231 Main Street
Oakley, California 94561

**AMENDMENT NO. 1 TO
NOTICE OF SPECIAL TAX LIEN**

**CITY OF OAKLEY
Community Facilities District No. 2018-1
(Fire Protection Services)**

Annexation No. 1 - Tax Zone No. 1

Pursuant to the requirements of Section 3117.5 of the Streets and Highways Code of California and the Mello-Roos Community Facilities Act of 1982, as amended, section 53311, et seq., of the California Government Code (the "Act"), the undersigned City Clerk of the City of Oakley (the "City"), County of Contra Costa, State of California, hereby gives notice that a lien to secure payment of a special tax, which the City is authorized to levy, is hereby imposed on the property described herein. The special tax secured by this lien is authorized to be levied for the purpose of paying for certain municipal services set forth in that certain Notice of Special Tax Lien heretofore recorded in the Office of the County Recorder of the County of Contra Costa, State of California on October 31, 2018, as Document No. 20180177468, to which reference is hereby made and the provisions of which are hereby incorporated by this reference.

This Amendment No. 1 to Notice of Special Tax Lien amends the Notice of Special Tax Lien to add to the territory of the City of Oakley Community Facilities District No. 2018-1 (Fire Protection Services) (the "CFD"). The territory included in the existing CFD is set forth in the map of the CFD heretofore recorded as Document No. 2018-0152310 in the Office of the County Recorder of the County of Contra Costa, State of California on September 25, 2018, in Book 87 at Page 17-18 of Maps of Assessment and Community Facilities Districts, to which reference is hereby made. The territory to be added is set forth in that certain "Annexation Map No. 1 to Community Facilities District No. 2018-1 (Fire Protection Services), County of Contra Costa, State of California," heretofore recorded at _____ on _____, 2019, in Book _____ at Page _____ of Maps of Assessment and Community Facilities Districts in the office of the County Recorder of the County of Contra Costa, State of California.

The rate, method of apportionment, and manner of collection of the authorized special tax, as supplemented with respect to the annexation of the territory described herein to the CFD, is set forth in Exhibit B hereto and hereby made a part hereof. The lien of the special tax is a continuing lien which shall secure the annual levy of the special tax and which shall continue in force and effect until the special tax obligation is permanently satisfied and canceled in accordance with law or until the special tax ceases to be levied and a notice of cessation of special tax is recorded in accordance with Government Code Section 53330.5.

Notice is further given that upon the recording of this notice in the office of the county recorder, the obligation to pay the special tax levy shall become a lien upon all nonexempt real property with in the territory to be added to the CFD in accordance with Section 3115.5 of the Streets and Highways Code.

The assessor's tax parcel(s) numbers of all parcels or any portion thereof which are included in this Amendment No. 1 to Notice of Special Tax Lien, together with the name(s) of the owner(s) thereof, as they appear on the latest secured assessment roll as of the date of recording hereof or as are otherwise known to the City are as set forth in Exhibit A hereto and hereby made a part hereof.

For further information concerning the current and estimated future tax liability of owners or purchasers of real property subject to this special tax lien, interested persons should contact the Finance Director of the City of Oakley, City Hall, 3231 Main Street, Oakley, California 94561, telephone number (925) 625-7000.

Dated: As of _____, 2019

By: _____
Libby Vreonis, City Clerk,
City of Oakley

EXHIBIT A

**CITY OF OAKLEY
Community Facilities District No. 2018-1
(Fire Protection Services)**

Annexation No. 1 – Tax Zone No. 1

**ASSESSOR'S PARCEL NUMBERS AND OWNERS OF LAND WITHIN
ANNEXATION NO. 1 – TAX ZONE NO. 1**

Assessor's Parcel No.	Name of Property Owner
037-100-013 037-100-019 037-100-023 037-100-048 037-100-049	MERITAGE HOMES OF CALIFORNIA INC.

EXHIBIT B

CITY OF OAKLEY Community Facilities District No. 2018-1 (Fire Protection Services)

SUPPLEMENT TO THE RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX – TAX ZONE NO. 1

Special Taxes in the City of Oakley Community Facilities District No. 2018-1 (Fire Protection Services) (the “CFD” or “CFD No. 2018-1”) shall be levied and collected according to the tax liability determined by the Administrator through the application of the appropriate amount or rate for Taxable Property, as described below. All the property in CFD No. 2018-1, unless exempted by law or by the provisions of Section E herein, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to CFD No. 2018-1, unless a separate Rate and Method of Apportionment of Special Tax is adopted for such annexation area.

Property annexed to City of Oakley Community Facilities District No. 2018-1 (Fire Protection Services) pursuant to Annexation No. 1 will be annexed to Tax Zone No. 1 per the Supplement to the Rate and Method of Apportionment of Special Tax shown below.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

“**Accessory Unit**” means a second Residential Unit of reduced size (e.g., granny cottage, etc.) that shares a Parcel with a Residential Unit. An Accessory Unit shall not be considered a separate Residential Unit for purposes of this RMA and will not be levied a Special Tax.

“**Acre**” or “**Acreage**” means the land area of an Assessor’s Parcel as shown on an Assessor’s Parcel Map, or if the land area is not shown on an Assessor’s Parcel Map, the land area shown on the applicable Final Map, Parcel Map or functionally equivalent map or instrument recorded in the Office of the County Recorder. In the absence of such map, the Administrator will make the final “Acre” or “Acreage” determination utilizing available spatial and Geographic Information Systems (GIS) data.

“**Act**” means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 (commencing with Section 53311), Division 2, of Title 5 of the Government Code of the State of California.

“Administrative Expenses” means the actual or reasonably estimated costs incurred by the City or their designee, acting for and on behalf of the CFD as the Administrator thereof, to compute, determine, levy and collect the Special Taxes, including salaries of City staff and a proportionate amount of the City’s general administrative overhead related thereto, and the fees of consultants and legal counsel providing services related to the administration of the CFD; the costs of collecting installments of the Special Taxes, including charges levied by the County, the costs related to the preparation of required reports; and any other costs required to administer the CFD as determined by the Administrator. Administrative expenses shall also include amounts estimated or advanced by the City, public agency, or the CFD for any other administrative purposes related to the CFD.

“Administrator” means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes according to this Rate and Method of Apportionment of Special Taxes.

“Assessor’s Parcel” or **“Parcel”** means a lot or parcel shown on an Assessor’s Parcel Map with an assigned Assessor’s Parcel Number.

“Assessor’s Parcel Map” means an official map of the County Assessor designating parcels by Assessor’s Parcel Number.

“Assessor’s Parcel Number” or **“APN”** means a unique number assigned to an Assessor’s Parcel by the County Assessor for purposes of identifying a property.

“Authorized Services” means the public services authorized to be funded by CFD No. 2018-1 as set forth in the documents adopted by the Council when CFD No. 2018-1 was formed.

“Building Permit” means a building permit having a building structure improvement valuation over \$50,000. Building Permits for the construction of ancillary structures such as fences, swimming pools, retaining walls, etc. are excluded.

“Capital Reserves” means any amounts that shall be collected, accumulated, and/or held for the CFD in each Fiscal Year to provide for asset replacement, long-term capital projects, or other large anticipated expenditures.

“CFD” or **“CFD No. 2018-1”** means the City of Oakley Community Facilities District No. 2018-1 (Fire Protection Services).

“City” means the City of Oakley.

“City Manager” means the City Manager of the City of Oakley.

“Council” means the City Council of the City of Oakley, acting as the legislative body for CFD No. 2018-1.

“County” means the County of Contra Costa.

“County Assessor” means the Contra Costa County Assessor.

“County Land Use Code” means the land use code assigned to an Assessor’s Parcel as indicated in the records of the County Assessor.

“Developed Property” means, in any Fiscal Year, all Parcels of Taxable Property for which a Building Permit was issued for a Single-Family Property on or prior to June 30 of the preceding Fiscal Year in which Special Taxes are to be levied. In the absence of a Building Permit, any Parcel of Taxable Property shall be classified as “Developed Property” if it has been occupied by a user as determined by the Administrator on or prior to June 30 of the preceding Fiscal Year.

“Final Map” or “Parcel Map” means a Final Map, Parcel Map, or portion thereof, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.), that creates lots that do not need to be further subdivided prior to issuance of a building permit for a residential or non-residential structure. The term “Final Map” or “Parcel Map” shall not include an Assessor’s Parcel Map or subdivision map or portion thereof, that does not create lots that are in their final configuration, including Assessor’s Parcels that are designated as remainder parcels.

“Fiscal Year” means the period starting on July 1 and ending on the following June 30.

“Land Use Classification” means the current or intended use of a Taxable Parcel as determined by the Taxable Parcel’s County Land Use Code.

“Maximum Special Tax” means the maximum Special Tax determined in accordance with Section C herein, which can be levied in any Fiscal Year.

“Operating Reserves” means any amounts that shall be collected, accumulated, and/or held for the CFD in each Fiscal Year to provide for necessary cash flow for the first six months of each Fiscal Year, working capital to cover operation, maintenance, and service cost overruns or any unexpected expenditures, funds to cover delinquencies in the payment of Special Taxes, and a reasonable buffer to prevent large variations in annual Special Tax levies.

“Property Owner” means the Property Owner of record per current County Assessor records unless more current information is available such as a recorded deed of sale, etc.

“Proportionately” means, for Developed Property, that the ratio of the actual annual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all Assessor’s Parcels of Developed Property within each respective Tax Zone.

“Public Property” means, for each Fiscal Year: (i) any property within the boundaries of CFD No. 2018-1 that is owned by or irrevocably offered for dedication to the federal government, the State of California, the City or any other public agency; provided, however, that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act (as such section may be amended or replaced) shall be taxed and classified in accordance with its use; or (ii) any property within the boundaries of CFD No. 2018-1 that is encumbered by an unmanned utility easement making impractical its utilization for other than the purpose set forth in the easement.

“RMA” means this Rate and Method of Apportionment of Special Tax.

“Residential Unit” means an individual building structure for a residential use as defined per the County Assessor.

“Single-Family Property” means a Parcel designated by the County Assessor’s Land Use Code as having a single-family residential land use and a Residential Unit, excluding residential condominium parcels. If it is determined by the Administrator that the County Assessor has assigned an incorrect County Land Use Code, or the assigned County Land Use Code does not correctly describe the intended or current use of the Taxable Parcel, the Administrator may assign the appropriate Land Use Classification to the Taxable Parcel described in Section C below.

“Special Tax” means the tax levied on Taxable Property within CFD No. 2018-1 to pay the annual Special Tax Requirement.

“Special Tax Requirement” means, the amount of revenue needed in any Fiscal Year to pay for the following: (i) Authorized Services; (ii) Administrative Expenses; (iii) any amounts needed to establish or replenish Operating Reserves and Capital Reserves; and (iv) amounts needed to cover any delinquencies in the payment of the Special Tax which occurred in the previous Fiscal Year or, based on delinquency rates in prior years, that may be expected to occur in the Fiscal Year in which the Special Tax will be collected.

“Taxable Property” or “Taxable Parcels” means all Assessors’ Parcels within the boundaries of CFD No. 2018-1 that are not exempt from the Special Tax pursuant to law or Section E herein.

“Tax Zone” means a mutually exclusive geographic area within which the Special Tax may be levied pursuant to this RMA. All property within CFD No. 2018-1 at the time of CFD Formation is within Tax Zone 1. Additional Tax Zones may be created when property is annexed to CFD No. 2018-1, and a separate Maximum Special Tax shall be identified for property within the new Tax Zone at the time of such annexation. The Assessor’s Parcels included within a new Tax Zone established when such Parcels are annexed to CFD No. 2018-1 shall be identified by Assessor’s Parcel Number in the Unanimous Approval Form that is signed by the owner(s) of the Parcels at the time of annexation.

“Unanimous Approval Form” means that form executed by the record owner of fee title to a Parcel or Parcels annexed into CFD No. 2018-1 that constitutes the Property Owner’s approval and unanimous vote in favor of annexing into CFD No. 2018-1, and the levy of the Special Tax against his/her Parcel or Parcels pursuant to this RMA.

“Undeveloped Property” means, in any Fiscal Year, all Parcels of Taxable Property in CFD No. 2018-1 that are not classified as Developed Property.

B. DATA FOR ANNUAL TAX LEVY

Each Fiscal Year, the Administrator shall: (i) identify the current Assessor’s Parcel Numbers for all Parcels of Taxable Property within CFD No. 2018-1, (ii) determine the Land Use Classification for each Taxable Parcel, (iii) determine whether each Assessor’s Parcel of Taxable Property is Developed Property or Undeveloped Property, and (iv) determine the Special Tax Requirement for the CFD.

In any Fiscal Year, if it is determined that a Final Map or Parcel Map for a portion of property in CFD No. 2018-1 was recorded after the last date upon which the County Assessor will incorporate the newly-created Parcels into the then current tax roll, and the County Assessor does not yet recognize the new Parcels that will be created by the Final Map or Parcel Map, and one or more of the newly-created Parcels would meet the definition of Developed Property, the Administrator shall calculate the Special Tax for the property affected by recordation of the Final Map or Parcel Map by determining the Special Tax that applies separately to each new Parcel that will be created by that Final Map or Parcel Map, then applying the sum of the individual Special Taxes to the Parcel that was subdivided by recordation of the Final Map or Parcel Map.

C. MAXIMUM SPECIAL TAXES

1. Developed Property - The Fiscal Year 2019-20 Maximum Special Tax for all Taxable Parcels of Developed Property within Tax Zone No. 1 with a Land Use Classification of a Single-Family Property, is below in Table No. 1

Table No. 1 - Developed Property	
Land Use Classification	Fiscal Year 2019/20 Maximum Special Tax
Single-Family Parcel	\$290.61 per Parcel

2. Escalation of Maximum Special Tax

On July 1, 2020, and each July 1 thereafter, the Maximum Special Tax for each Special Tax Component for the current Fiscal Year for Developed Property and Undeveloped Property shall be increased from the Maximum Special Tax for the respective Special Tax Component for the previous Fiscal Year by Consumer Price Index – All Urban Consumers (San Francisco-Oakland-San Jose, CA) (from February) with a minimum annual increase of three (3.00%) percent and a maximum annual increase of five (5.00%) percent for any given year

D. METHOD OF LEVY AND COLLECTION OF SPECIAL TAXES

Each Fiscal Year, the Administrator shall determine the Special Tax Requirement for that Fiscal Year and levy all Parcels of Taxable Property therein as follows:

Step 1: Each Parcel of Developed Property shall be levied Proportionately up to 100% of the Maximum Special Tax for such Fiscal Year until the amount levied is equal to the Special Tax Requirement;

The Special Tax for CFD No. 2018-1 shall be collected at the same time and in the same manner as ordinary ad valorem property taxes provided, however, that the City may (under the authority of Government Code Section 53340) collect Special Taxes at a different time or in a different manner if necessary to meet the financial obligations of CFD No. 2018-1.

E. EXEMPTIONS

No Special Tax shall be levied on Parcels of Public Property or any privately-owned Parcels that are non-developable, such as common areas, wetlands, and open space, parks, etc. except as otherwise provided in this RMA and in the Act.

F. INTERPRETATION OF SPECIAL TAX FORMULA

The City reserves the right to make minor administrative and technical changes to this document that does not materially affect the rate and method of apportioning Special Taxes. In addition, the interpretation and application of any section of this document shall be left to the City's discretion. Interpretations may be made by the City

through a resolution of the Council for purposes of clarifying any vagueness or ambiguity in this RMA.

G. TERM OF THE SPECIAL TAX

The Special Tax shall be levied in perpetuity if Authorized Services are being provided and is necessary to pay the Special Tax Requirement.

H. PREPAYMENT OF SPECIAL TAX

The Maximum Special Tax may not be prepaid and shall continue to be levied in accordance with Section D of this Rate and Method of Apportionment on an annual basis on all Taxable Property in CFD No. 2018-1 for the purpose of funding ongoing Authorized Services.

I. REVIEW/APPEALS OF THE SPECIAL TAX

The Administrator may establish such procedures, as it deems necessary to undertake the review of any such appeal. The Administrator shall interpret this Rate and Method of Apportionment and make determinations relative to the annual administration of the Special Tax and any property owner appeals, as herein specified.

Any property owner who believes that the amount of the Special Tax levied on their Assessor's Parcel is in error shall first consult with the Administrator regarding such error. If following such consultation, the Administrator determines that an error has occurred; the Administrator in consultation with the City Manager shall take any of the following actions to correct the error:

- Amend the Special Tax levy on the property owner's Property Tax Bill for the current Fiscal Year, or
- Have the CFD reimburse the property owner for the amount of overpayment for the current Fiscal Year if CFD funds are available, or
- Grant a credit against, eliminate or reduce the future Special Taxes on the property owner's Assessor's Parcel(s) for overpayment for the current Fiscal Year.

If following such consultation and action (if any by the Administrator), the property owner believes such error still exists, such person may file a written notice with the City Manager appealing the amount of the Special Tax levied on such Assessor's Parcel. If following such consultation and action (if any by the City Manager), the property owner believes such error still exists, such person may file a written notice with the City Council appealing the amount of the Special Tax levied on such Assessor's

Parcel. If the City Council determines an error exists; the Administrator shall take any actions as described above, in order to correct the error. The decision of the City Council shall be final and binding to all persons.

J. REPEAL OF THE SPECIAL TAX

If the levy of the Special Tax is repealed by initiative or any other action participated in by the property owners of Assessor's Parcels in CFD No. 2018-1, the City shall cease to levy the Special Tax and shall cease to be obligated to provide the Authorized Services for which the Special Tax was levied. The obligation to provide the Authorized Services previously funded by the repealed Special Tax shall become the joint obligations of the property owners of Assessor's Parcels within CFD No. 2018-1.

K. SEVERABILITY

The invalidity or unenforceability of any provisions of this Rate and Method of Apportionment of Special Tax shall not affect the validity or enforceability of any other provision of this Rate and Method of Apportionment of Special Tax, which shall remain in full force and effect.

STAFF REPORT

DATE: Tuesday, December 10, 2019

TO: Bryan Montgomery, City Manager *Approved and Forwarded to the City Council*

FROM: Kevin Rohani, P.E., Public Works Director/City Engineer

SUBJECT: Creating Zone 172 within the Oakley Special Police Tax Area consisting of The Village at Main (Subdivision 9503) project located at 1731 Main Street (APNs 037-100-013, 037-100-019, 037-100-023, 037-100-048, and 037-100-049)

Background and Analysis

On March 26, 2019, the City Council adopted a Resolution approving The Village at Main (Subdivision 9503) project's Vesting Tentative Map and Design Review (DR 06-18). The project is located at 1731 Main Street (currently APNs 037-100-013, 037-100-019, 037-100-023, 037-100-048, and 037-100-049) and will consist of 154 single-family residential lots at build-out. The Village at Main (Subdivision 9503) project will have an HOA for private streets, the park and open space areas, bio-retention area, and CC&R enforcement.

The Conditions of Approval for The Village at Main (Subdivision 9503) project require the developer to mitigate the financial impact that their development project has on the City's police services budget. The City of Oakley previously formed the Oakley Special Police Tax Area District that authorizes the levy of an annual special tax on parcels to mitigate their financial impact to the City's police services budget. The developer for The Village at Main (Subdivision 9503) project has requested that the City assist with annexing APNs 037-100-013, 037-100-019, 037-100-023, 037-100-048, and 037-100-049 into the Oakley Special Police Tax Area to satisfy their conditions of approval.

Beginning May 2016, the City established its own police department and no longer contracts with the Sheriff's office to provide public safety. In order to ensure that revenue grows at a rate sufficient to cover the cost of providing police services, City Council approved Resolution No. 113-16 on July 12, 2016 that allows for an adjustment in the annual tax per parcel by the increase in the Consumer Price Index for all Urban Consumers for the San Francisco-Oakland-Bay Area to become effective July 1, 2016. Adoption of the attached resolution and introduction of the attached ordinance will set an election date for January 10, 2020, which shall be

conducted by the City Clerk via a mail ballot election. The vote will then be ratified at the January 14, 2020 regular City Council meeting, and the ordinance will take effect at that time assuming a favorable vote.

Fiscal Impact

There will be no financial impact to the City's General Fund. The applicants have funded all costs associated with the annexation of Zone 172 to the Oakley Special Police Tax Area. The FY 2019-20 special tax rate for single-family residential parcels is \$1,116.70/parcel. Therefore, successful creation of the Zone is expected to provide up to \$171,971.80 (in FY 2019-20 dollars) in revenue annually. The taxes can be collected on the property tax rolls commencing in FY 2020-21.

Staff Recommendation

The conditions of approval for The Village at Main (Subdivision 9503) project located at 1721 Main Street requires the developer to mitigate their financial impact on the police services budget. Adoption of this Resolution and Ordinance will set an election to be held on January 10, 2020. The election will then be ratified at the January 14, 2020 regular City Council meeting. Staff recommends that the City Council:

1. Adopt the Resolution Creating Zone 172 within the Oakley Special Police Tax Area consisting of The Village at Main (Subdivision 9503) project located at 1731 Main Street (APNs 037-100-013, 037-100-019, 037-100-023, 037-100-048, and 037-100-049).; and
2. Introduce the Ordinance establishing a special tax for police protection.

Attachments

- 1) Resolution Creating Oakley Special Police Tax Zone 172
 - 1) Exhibit A - Diagram
- 2) Ordinance Establishing a Special Tax
 - 1) Exhibit A – Diagram
 - 2) Exhibit B – Schedule for Police Service Tax

CITY OF OAKLEY

RESOLUTION NO. ____-19

A RESOLUTION CREATING OAKLEY SPECIAL POLICE TAX AREA ZONE 172 WITHIN THE OAKLEY SPECIAL POLICE TAX AREA FOR THE VILLAGE AT MAIN (SUBDIVISION 9503) PROJECT LOCATED AT 1731 MAIN STREET (APNS 037-100-013, 037-100-019, 037-100-023, 037-100-048, AND 037-100-049) TO ESTABLISH A SPECIAL TAX FOR POLICE PROTECTION SERVICES

WHEREAS, it is the intention of the City Council to create Oakley Special Police Tax Area Zone 172 (Zone 172) within the Oakley Special Police Tax Area and authorize an election; and

WHEREAS, it is the intention of the City Council to adopt an ordinance establishing a special tax for police services within Zone 172; and

WHEREAS, the City recognizes the need for increased police protection services within Zone 172 and the difficulty of funding the current or increased level of police services with revenues now available; and

WHEREAS, it is the intention of the City Council to direct the City Clerk to conduct the election required by Government Code Section 53978, to be conducted by mail ballot pursuant to Elections Code Section 4108 and to be held on the earliest date permitted by law; and

WHEREAS, On March 26, 2019, the City Council adopted a Resolution approving The Village at Main (Subdivision 9503) project's Vesting Tentative Map and Design Review (DR 06-18) that will consist of 154 single-family residential lots at build-out and is located at 1731 Main Street (currently APNs 037-100-013, 037-100-019, 037-100-023, 037-100-048, and 037-100-049). The Conditions of Approval for The Village at Main (Subdivision 9503) project require the developer to mitigate the financial impact that their development project has on the City's police services budget. The City of Oakley previously formed the Oakley Special Police Tax Area District that authorizes the levy of an annual special tax on parcels to mitigate their financial impact to the City's police services budget. The developer for The Village at Main (Subdivision 9503) project has requested that the City assist with annexing APNs 037-100-013, 037-100-019, 037-100-023, 037-100-048, and 037-100-049 into the Oakley Special Police Tax Area to satisfy their conditions of approval. The initial annual special tax rate for single-family residential parcels is \$1,116.70/parcel (FY 2019-20 rates) per the rate schedule that was adopted by the City Council on July 12, 2016, by Resolution No. 113-16; and

WHEREAS, this Resolution is adopted pursuant to Government Code section 53978; and

WHEREAS, under Government Code section 53978 and for the purposes of this Resolution, a "voter" entitled to vote on the creation of Zone 172 is a person who owns real

property within Zone 172 at the time Ordinance No. ___ is adopted, as shown on the last equalized assessment roll prepared by the Contra Costa County Assessor's Office.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Oakley hereby finds and determines as follows:

1. All of the City of Oakley shall be considered as the Oakley Special Police Tax Area.
2. That portion of the City of Oakley shown on the plats titled Exhibit "A" is established as Zone 172 of the Oakley Special Police Tax Area.
3. That Ordinance No. ___ introduced this date is to be presented for approval of the voters of Zone 172 by a mail ballot election, to be held on January 10, 2020. The ballot proposition shall read as follows:

"Shall Ordinance No. ___ of the City Council of the City of Oakley be approved so as to authorize a special tax on property located in Zone 172 of the Oakley Special Police Tax Area to maintain the present level of police protection service and provide additional funding for increased police protection service? The initial annual special tax rate for County use code 11 (Single Family Residence) is \$1,116.70 per parcel and \$558.35 per vacant parcel per the current FY 2019-20 rate schedule"

4. The City Clerk is directed to take all steps necessary to conduct the election required by this order. Said election shall be conducted by mailed ballot pursuant to Elections Code Section 4000 and shall be held on a date other than the same date as a statewide direct primary election on statewide general election as specified above.
5. Zone 172 of the Oakley Special Police Tax Area shall not be created, and the tax authorized in Ordinance No. ___ shall not be imposed if the Ordinance is not approved by two-thirds of the voters participating in the election called in Ordinance No. ___.

PASSED AND ADOPTED by the City Council of the City of Oakley at a meeting held on December 10, 2019 by the following vote:

AYES:
NOES:
ABSENT:
ABSTENTIONS:

APPROVED:

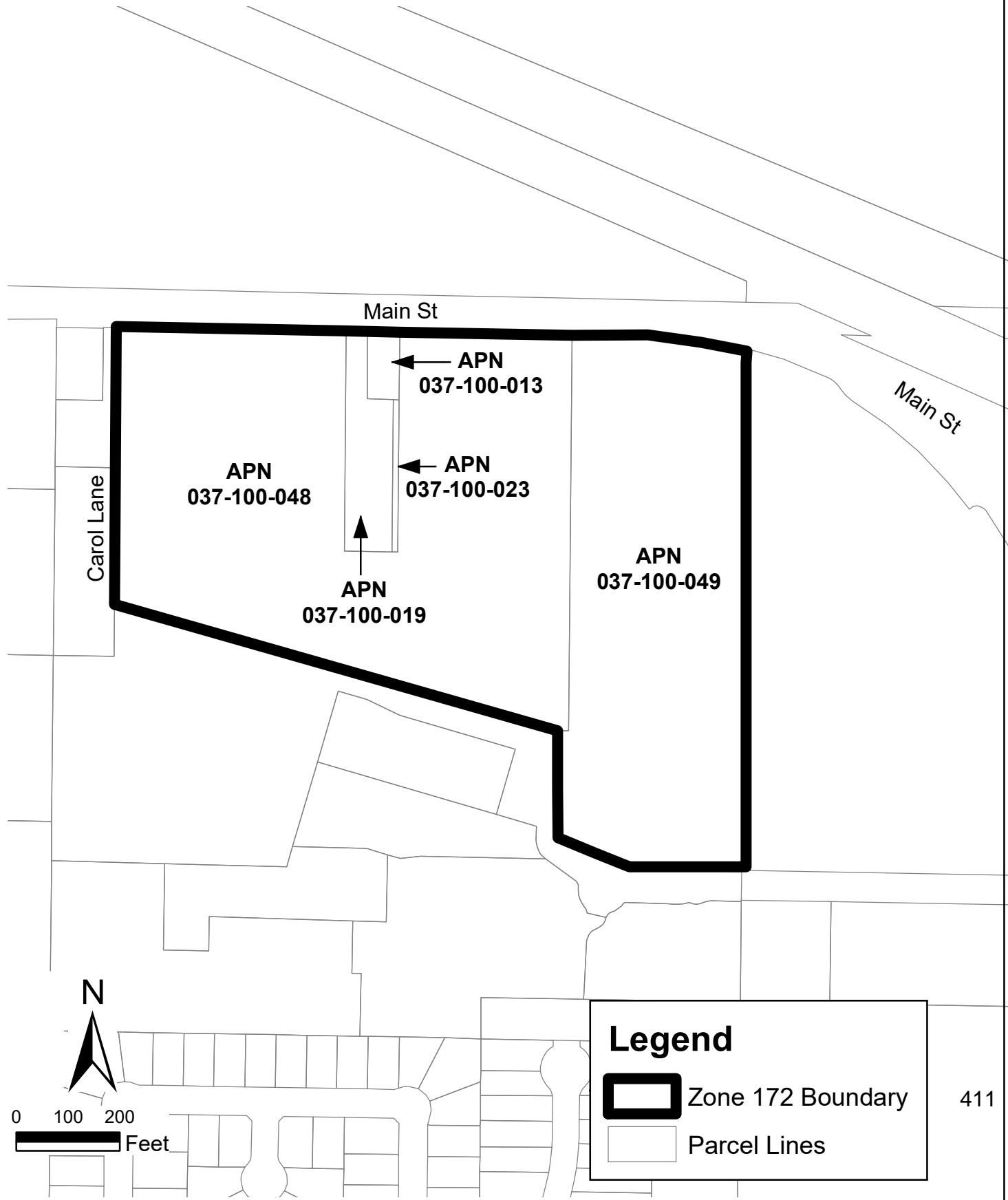
ATTEST:

,Mayor

Libby Vreonis, City Clerk

Date

EXHIBIT A - BOUNDARY MAP
CITY OF OAKLEY SPECIAL POLICE TAX AREA ZONE 172
CITY OF OAKLEY
COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA



CITY OF OAKLEY

ORDINANCE NO. __-20

**AN ORDINANCE OF THE CITY OF OAKLEY ESTABLISHING
OAKLEY SPECIAL POLICE TAX AREA ZONE 172 WITHIN THE
OAKLEY SPECIAL POLICE TAX AREA FOR A SPECIAL TAX FOR
POLICE PROTECTION SERVICES FOR THE VILLAGE AT MAIN
(SUBDIVISION 9503) PROJECT LOCATED AT 1731 MAIN STREET
(APNS 037-100-013, 037-100-019, 037-100-023,
037-100-048, AND 037-100-049)**

The Voters of the City of Oakley do ordain as follows:

Section 1. Purpose, Intent and Authority.

It is the purpose and intent of this Ordinance to authorize the levy of a special tax on Assessor Parcel Numbers 037-100-013, 037-100-019, 037-100-023, 037-100-048, and 037-100-049 of real property on the secured property tax roll of Contra Costa County that is within Oakley Special Police Tax Area Zone 172 of the Oakley Special Police Tax Area in order to provide funding for police protection to serve the property and persons within said Zone.

This Tax is a special tax within the meaning of Section 4 of the Article XIII A of the California Constitution. Because the burden of this tax falls upon property, this tax also is a property tax, but this tax is not determined according to nor in any manner based upon the value of property; this tax is levied on a parcel and use of property basis. Insofar as not inconsistent with this Ordinance or with legislation authorizing special taxes and insofar as applicable to a property tax that is not based on value, such provisions of the California Revenue and Taxation Code and of Article XIII of the California Constitution as relate to ad valorem property taxes are intended to apply to the collection and administration of this tax (Section 4 of this Ordinance), as authorized by law.

The revenues raised by this tax are to be used solely for the purposes of obtaining, furnishing, operating, and maintaining police protection equipment or apparatus, for paying the salaries and benefits of police protection personnel, and for such other police protection service expenses as are deemed necessary for the benefit of the residents of Zone 172.

This Ordinance is enacted pursuant to the authority of Government Code Section 53978.

Section 2. Definitions.

The following definitions shall apply throughout this Ordinance.

A. "Constant first year dollars" shall mean an actual dollar amount which, in years subsequent to the first fiscal year the tax is levied, shall have the same purchasing price as the base amount in first fiscal year dollars as measured by the actual cost of services for the City of Oakley's cost of obtaining police services. The base amount shall be the amount of tax per parcel as specified in Section 3.A herein. The adjustments from actual to constant dollars shall be made by use of the actual cost of services, as specified in Section 3.B herein.

B. "Fiscal year" means the period of July 1 through the following June 30.

C. "Oakley Special Police Tax Area" includes all properties within the jurisdictional limits of the City of Oakley.

D. Oakley Special Police Tax Area Zone 172 (hereinafter called "Zone") means that portion of the incorporated area of the City of Oakley located within the boundaries as shown on the map Exhibit A hereto.

E. "Parcel" means the land and any improvements thereon, designated by an assessor's parcel map and parcel number and carried on the secured property tax roll of Contra Costa County. For the purposes of this Ordinance, parcel does not include any land or improvements outside the boundaries of Zone 172, nor any land or improvements owned by any governmental entity.

F. Pursuant to Government Code §53978, "voter" means a person owning real property within the Zone at the time this Ordinance was adopted, as shown on the last equalized assessment roll prepared by the Contra Costa County Assessor's Office.

Section 3. Amount and Level of Taxes.

The tax per year on each parcel in the Zone shall not exceed the amount applicable to the parcel, as specified below.

A. For First Fiscal Year:

The tax per year for the first fiscal year (July 1, 2019 through June 30, 2020) shall be the amount of Tax Per Parcel for a Property Use Code Category as set forth on Exhibit B hereto. If any new development, including new residential units, is completed prior to the tax being effective for the first fiscal year, the owner of the Parcel, as shown on the latest assessment roll, shall pay the tax for the remainder of such fiscal year on a pro-rated basis to the City, no later than receipt of Certificate of Occupancy or final building permit inspection.

B. For Subsequent Fiscal Year:

The tax rates shown in Exhibit B shall be automatically adjusted on July 1 of each year, beginning on July 1, 2020 by the increase in the Consumer Price Index for all Urban Consumers for the San Francisco-Oakland Bay Area and applying that rate to the prior year amounts for each property use code category. However, the City Council reserves the right to itself the opportunity to adjust the rate in the following year if the CPI adjustment is insufficient to reimburse the City for the costs of providing levels of police services as approved by the City Council.

In no event shall the tax per parcel for any fiscal year be less than the amount established for the previous fiscal year.

C. The taxes levied on each parcel pursuant to this Article shall be a charge upon the parcel and shall be due and collectible as set forth in Section 4, below.

Section 4. Collection and Administration.

A. Taxes as Liens Against the Property.

The amount of taxes for each parcel each year shall constitute a lien on such property, in accordance with Revenue and Taxation Code Section 2187, and shall have the same effect as an ad valorem real property tax lien until fully paid.

B. Collection.

The taxes on each parcel shall be billed on the secured roll tax bills for ad valorem property taxes and are to be collected in the same manner in which the County of Contra Costa collects secured roll ad valorem property taxes. Insofar as feasible and insofar as not inconsistent with this Ordinance, the times and procedure regarding exceptions, due dates, installment payments, corrections, cancellations, refunds, late payments, penalties, liens, and collections for secured roll ad valorem property taxes shall be applicable to the collection of this tax. Notwithstanding anything to the contrary in the foregoing, as to this tax:

- i) The secured roll tax bills shall be the only notices required for this tax, and
- ii) The homeowners and veterans exemptions shall not be applicable because such exemptions are determined by dollar amount of value.

C. Costs of Administration by County.

The reasonable costs incurred by the County officers collecting and administering this tax shall be deducted from the collected taxes.

Section 5. Severability Clause.

If any article, section, subsection, sentence, phrase or clause of this Ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portion of this Ordinance. The voters of the Zone hereby declare that they would have adopted the remainder of this Ordinance, including each article, section, subsection, sentenced phrase or clause, irrespective of the invalidity of any other article, section, subsection, sentence, phrase or clause.

Section 6. Effective Date and Posting.

This Ordinance shall take effect immediately upon its confirmation by two-thirds of the voters voting within the Zone in an election to be held on January 10, 2020 so that taxes shall first be collected hereunder for the tax year beginning July 1, 2020. If not confirmed by two-thirds of the voters participating in the election, this Ordinance and the tax approved herein shall not become effective.

The foregoing ordinance was adopted with the reading waived at a regular meeting of the Oakley City Council on January 14, 2020 by the following vote:

PASSED, APPROVED AND ADOPTED this 14th day of January, 2020 by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

APPROVED:

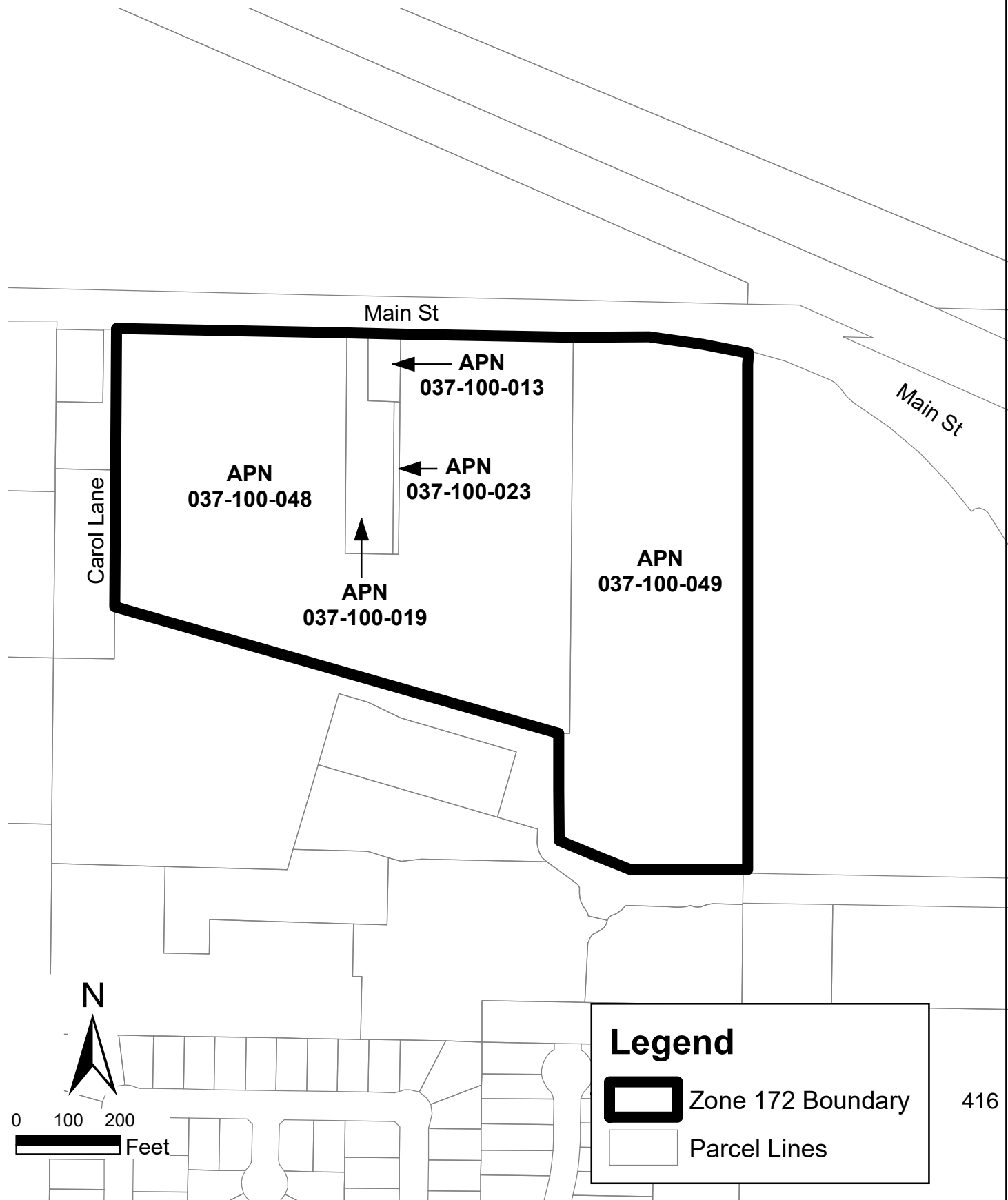
, Mayor

ATTEST:

Libby Vreonis, City Clerk

Date

EXHIBIT A - BOUNDARY MAP
CITY OF OAKLEY SPECIAL POLICE TAX AREA ZONE 172
CITY OF OAKLEY
COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA



**CITY OF OAKLEY SCHEDULE FOR POLICE SERVICE TAX
FOR FISCAL YEAR 2019/2020**

PROPERTY USE CODE CATEGORY	DESCRIPTION	FY18/19 TAX PER PARCEL	FY19/20 TAX PER PARCEL
11	Single Family Residence – 1 res., 1 site	\$1,073.65	\$1,116.70
12	Single Family Residence – 1 res., 2 or more sites	\$1,073.65	\$1,116.70
13	Single Family Residence – 2 res., on 1 or more sites	\$1,717.84	\$1,786.72
14	Single Family Residence – other than single fam. Land	\$1,073.65	\$1,116.70
15	Misc. Improvements – 1 site	\$1,073.65	\$1,116.70
16	Misc. Improvements – 2 or more sites	\$1,073.65	\$1,116.70
17	Vacant – 1 site	\$536.83	\$558.35
18	Vacant – 2 or more sites	\$536.83	\$558.35
19	Single Family Residence – Det. W/common area	\$1,073.65	\$1,116.70
20	Vacant – Multiple	\$536.83	\$558.35
21	Duplex	\$1,717.84	\$1,786.72
22	Triplex	\$2,576.76	\$2,680.08
23	Fourplex	\$3,435.68	\$3,573.44
24	Combinations	\$1,073.65	\$1,116.70
25	Apartments (5 –12 Units)	\$4,294.60	\$4,466.80
26	Apartments (13 – 24 Units)	\$11,165.96	\$11,613.68
27	Apartments (25 – 59 Units)	\$21,473.00	\$22,334.00
28	Apartments (60+ units)	\$51,535.20	\$53,601.60
29	Attached PUDs: Cluster Homes, Condos, etc.	\$1,073.65	\$1,116.70
30	Vacant – Commercial	\$536.83	\$558.35
31	Commercial Stores – Not Supermarkets	\$2,147.30	\$2,233.40
32	Small Grocery Stores – (7-11, etc.)	\$3,220.95	\$3,350.10
33	Office Buildings	\$2,147.30	\$2,233.40
34	Medical, Dental	\$2,147.30	\$2,233.40
35	Service Stations, Car Wash	\$2,147.30	\$2,233.40
36	Garages	\$2,147.30	\$2,233.40
37	Community Facilities (Recreational, etc.)	\$4,294.60	\$4,466.80
38	Golf Courses	\$2,147.30	\$2,233.40
39	Bowling Alleys	\$1,073.65	\$1,116.70
40	Boat Harbors	\$2,684.13	\$2,791.75
41	Supermarkets – (not shopping centers)	\$3,220.95	\$3,350.10
42	Shopping Centers	\$4,294.60	\$4,466.80
43	Financial Buildings – (Ins., Title, Banks, S&L)	\$1,073.65	\$1,116.70
44	Motels, Hotels & Mobile Home Parks	\$5,368.25	\$5,583.50
45	Theaters	\$2,415.71	\$2,512.58
46	Drive-in Restaurants	\$1,610.48	\$1,675.05
47	Restaurants	\$1,610.48	\$1,675.05
48	Multiple & Commercial	\$1,610.48	\$1,675.05
49	New Car Agencies	\$1,610.48	\$1,675.05
50	Vacant Land (not part of Ind. Park or P. & D.)	\$402.62	\$418.76
51	Industrial Park	\$3,220.95	\$3,350.10
52	Research & Development	\$1,610.48	\$1,675.05
53	Light Industrial	\$1,610.48	\$1,675.05
54	Heavy Industrial	\$1,610.48	\$1,675.05
55	Mini Warehouses (public storage)	\$3,220.95	\$3,350.10
56	Misc. Improvements	\$3,220.95	\$3,350.10
61	Rural, Res., Improvement 1A-10A	\$805.24	\$837.53
62	Rural, w/or w/o structure 1A-10A	\$805.24	\$837.53
70	Convalescent Hospitals / Rest Homes	\$1,610.48	\$1,675.05
73	Hospitals	\$1,610.48	\$1,675.05
74	Cemeteries / Mortuaries	\$1,610.48	\$1,675.05
75	Fraternal & Service Organizations	\$1,610.48	\$1,675.05
76	Retirement Housing Complex	\$5,368.25	\$5,583.50
78	Parks & Playgrounds	\$3,220.95	\$3,350.10
85	Public & Private Parking	\$1,610.48	\$1,675.05
87	Common Area	\$1,610.48	\$1,675.05
88	Mobile Homes	\$805.24	\$837.53
89	Other (split parcels in different tax code areas)	\$805.24	\$837.53
99	Homeowner's Association Owned Common Areas	\$644.19	\$670.02

The tax rates shown in this schedule shall be automatically adjusted on July 1 of each year, beginning on July 1, 2016 by the increase in the Consumer Price Index for all Urban Consumers for the San Francisco-Oakland-Bay Area and applying that rate to the prior year amounts for each property use code category. However, the City Council reserves the right to itself the opportunity to adjust the rate in the following year if the CPI adjustment is insufficient to reimburse the City for the costs of providing levels of police services as approved by the City Council.

CALCULATION OF COST OF LIVING INCREASE

Percent increase from FY 2018-19 in the San Francisco-Oakland-Bay Area Consumer Price Index for all Urban Consumers.

4.01%

STAFF REPORT

DATE: December 10, 2019

TO: Bryan Montgomery, City Manager *Approved and Forwarded to the City Council*

FROM: Kevin Rohani, P.E., Public Works Director/City Engineer

SUBJECT: Acceptance of Park Improvements associated with Duarte Ranch Subdivision 9027, Parcel A for Duarte Ranch Park

Background and Analysis

Albert D. Seenoo Construction Co., a California Limited Partnership, hereinafter referred to as the Developer, is required to develop a public park within the Duarte Ranch Subdivision 9027 to meet the development's conditions of approval. On April 10, 2018, City Council approved a Subdivision Improvement Agreement with the Developer to construct Duarte Ranch Park, which outlined the conditions and responsibilities of the developer.

Duarte Ranch Park is Parcel A of the recorded final map for Duarte Ranch Unit 1 Subdivision 9027 recorded on August 31, 2017. Once the park improvements are accepted as complete, the attached Grant Deed will be executed to accept Parcel A as a public park. The park is 1.89 acres and located at the northwest corner of Diamond Peak Lane and Mosswood Drive as shown in the attached Vicinity Map.

Fiscal Impact

Upon acceptance of the park, the City will incur annual costs associated with the on-going maintenance of the parks. The maintenance costs for the park will be paid for by the Citywide Community Facilities District, and the necessary funds are available.

Staff Recommendation

The landscape and park improvements to Duarte Ranch Park are determined to be complete. They were inspected by staff and were determined to substantially conform to the approved plans and specifications. With these park improvements now complete, staff recommends that the park be formally accepted, and the City to begin maintenance on December 11, 2019. The Developer is responsible for a one year warranty period for all equipment, furnishings, trees, and hardscape at this park as outlined in the executed Subdivision Improvement Agreement related to design or material defects covered in the warranty period.

Attachments

- 1) Resolution
- 2) Vicinity Map
- 3) Grant Deed

RESOLUTION NO. __-19

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OAKLEY, CALIFORNIA, ACCEPTING THE SUBDIVISION IMPROVEMENTS FOR DUARTE RANCH PARK, ASSOCIATED WITH SUBDIVISION 9027 AND BEGINING THE LANDSCAPE MAINTENANCE BY THE CITY

WHEREAS, on August 8, 2017, the City Council approved the final map for Subdivision 9027 Duarte Ranch Unit 1, which designated Parcel A to be deeded to the City of Oakley by a separate instrument upon completion of improvements and to the public to be used exclusively for park purposes; and

WHEREAS, on April 10, 2018, City Council approved the Subdivision Improvement Agreement with Albert D. Seenoo Construction Co., for the development of Duarte Ranch Park within Subdivision 9027 Duarte Ranch Unit 1; and

WHEREAS, the required public park landscape improvements have been completed and constructed in substantial conformance with the approved Duarte Ranch Park improvement plans; and

NOW, THEREFORE, BE IT RESOLVED AND ORDERED, by the City Council of the City of Oakley as follows:

- a) Accept the Grant Deed for Parcel A once recorded for Duarte Ranch Park for park purposes; and
- b) The public park landscape improvements for Duarte Ranch Park are accepted and begin the landscape maintenance by the City; and
- c) The one-year warranty period required by the Subdivision Improvement Agreement has begun as of the date of adoption of this resolution and that the Developer shall repair any defective improvements such as: equipment, furnishings, trees, irrigation, and hardscape, as identified by City personnel.

PASSED AND ADOPTED by the City Council of the City of Oakley at a meeting held on the 10th of December, 2019 by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

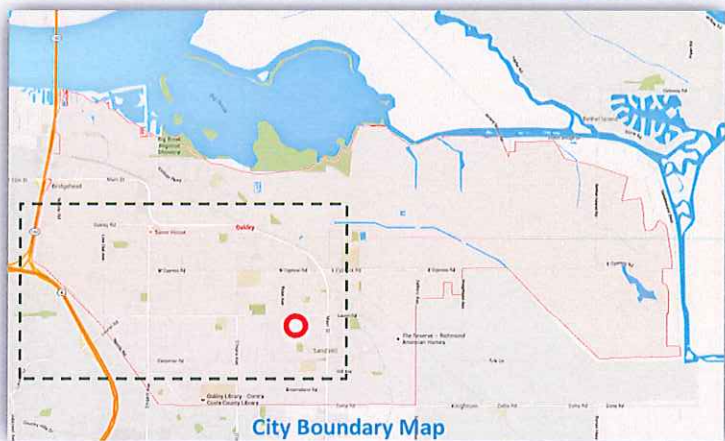
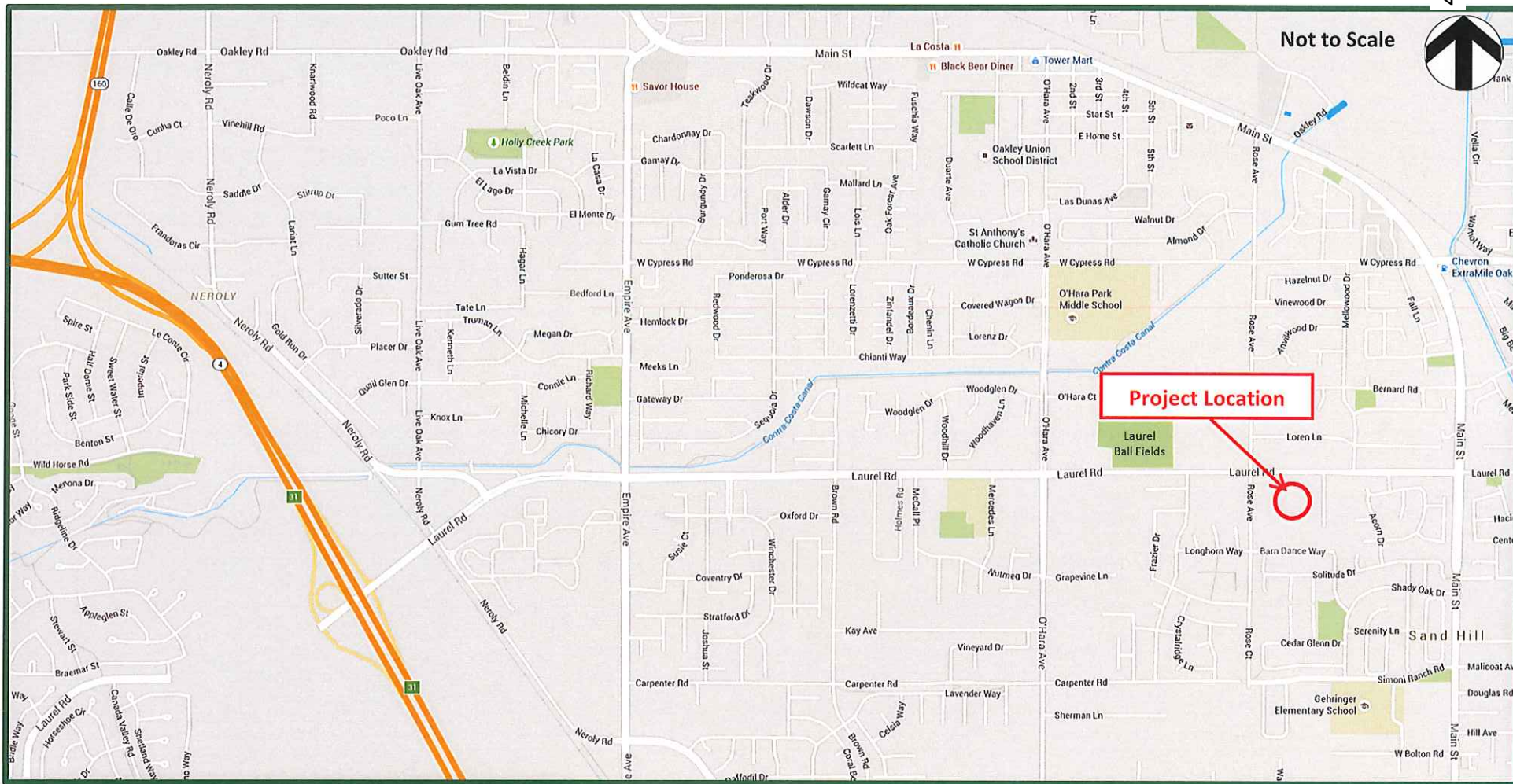
APPROVED:

ATTEST:

,Mayor

Libby Vreonis, City Clerk

Date



PROJECT LOCATION MAP

Duarte Ranch Park

OAKLEY

CALIFORNIA

PURSUANT TO GOVERNMENT CODE
§6103 NO FEE IS REQUIRED FOR THE
RECORDATION OF THIS DOCUMENT

WHEN RECORDED MAIL TO:

City Clerk
City Of Oakley
3231 Main Street
Oakley, CA 94561

RECORDING REQUESTED BY:

Albert D. Seenno Construction Co.

A.P.N. 034-640-055

SPACE ABOVE THIS LINE RESERVED FOR
RECORDER'S USE

GRANT DEED

For valuable consideration, the receipt of which is hereby acknowledged, the undersigned, being the present title owner of record of the herein described parcel of land, does hereby dedicate to the **CITY OF OAKLEY**, a political subdivision of the State of California (hereinafter CITY), and its successors or assigns, the real property situated in the CITY, described as:

Parcel "A" as shown on the Final Subdivision Map for Duarte Ranch Unit 1 recorded on August 31, 2017 in Book 533 of Maps at Page 29, Contra Costa County Official Records.

The above described parcel is granted exclusively for use as a public park and the maintenance thereof.

The provision hereof shall inure to the benefit of and be binding upon heirs, successors, assigns, and personal representatives of the respective parties hereto.

IN WITNESS WHEREOF, this instrument has been executed this ____ day of _____, 2019.

Albert D. Seenno Construction Co.,
a California Limited Partnership
by Albert D. Seenno Construction Co., Inc.,
a California Corporation, General Partnership

By _____
Albert D. Seenno, Jr.
President

(see attached notary)

SUBDIVISION 9027

DUARTE RANCH UNIT 1
 BEING ALL OF PARCEL A OF THAT
 CERTAIN PARCEL MAP RECORDED IN
 BOOK 199 OF PARCEL MAPS AT PAGE 7,
 CONTRA COSTA COUNTY RECORDS.

CITY OF OAKLEY
 CONTRA COSTA COUNTY, CALIFORNIA
 ISAKSON & ASSOCIATES INC.
 CIVIL ENGINEERING & LAND SURVEYING
 2255 YONACIO VALLEY ROAD SUITE "C"
 WALNUT CREEK, CALIFORNIA
 JULY, 2017 SCALE: 1"=40'



BASIS OF BEARINGS

THE BASIS OF BEARINGS FOR THIS MAP IS THE LINE BETWEEN
 FOUND MONUMENTS ON THE CENTERLINE OF LAUREL ROAD.
 SHOWN HEREIN THE BEARING BEING N89°24'47"W PER PARCEL
 MAP 199 OF PARCEL MAPS AT PAGE 7, CONTRA COSTA COUNTY
 RECORDS. THE BEARING OF THE LINE BETWEEN THE
 COORDINATE SYSTEM ZONE (UTM 18Q) HILARY DISTANCES AS
 SHOWN BY 0.99993237 TO OBTAIN GRID DISTANCES.

LEGEND

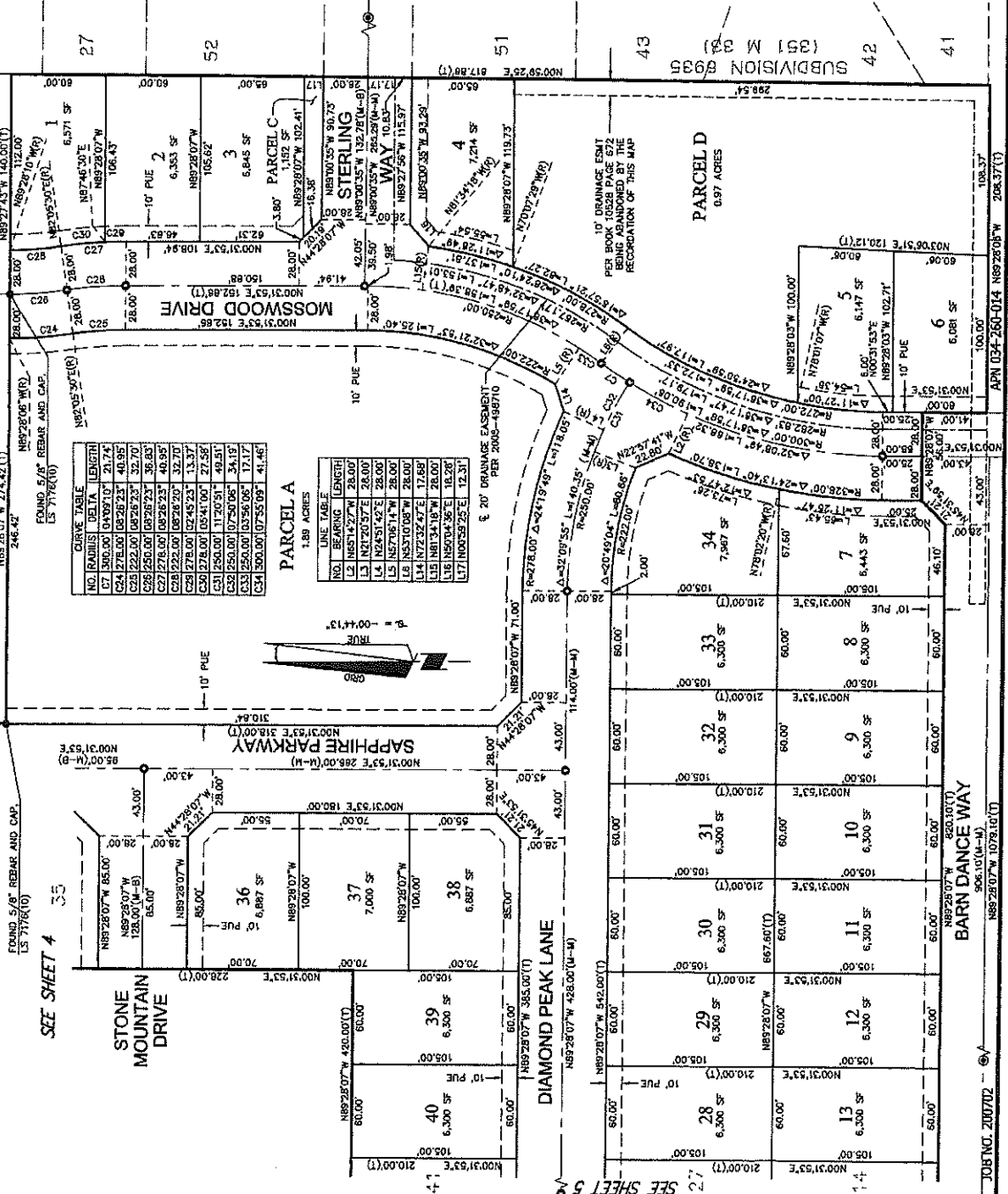
- SUBDIVISION BOUNDARY LINE
- RIGHT-OF-WAY LINE
- EXISTING RIGHT-OF-WAY LINE
- LOT LINE
- CENTERLINE
- MONUMENT LINE
- RELINQUISHMENT OF ABUTTERS RIGHTS
- FOUND STANDARD CITY MONUMENT, AS NOTED
- SET STANDARD CITY MONUMENT, P.L.C.E. 21764
- FOUND IRON PIPE OR REBAR, AS NOTED
- SET 1/2" REBAR WITH PLASTIC CAP, P.L.C.E. 21764
- MONUMENT TO BOUNDARY
- MONUMENT TO MONUMENT
- ADJACENT
- TOTAL
- RECORD DATA
- P.U.E.
- S.S.E.
- S.D.E.
- STORM DRAIN EASEMENT

FOUND STANDARD CITY MONUMENT, AS NOTED
 SET STANDARD CITY MONUMENT, P.L.C.E. 21764
 FOUND IRON PIPE OR REBAR, AS NOTED
 SET 1/2" REBAR WITH PLASTIC CAP, P.L.C.E. 21764
 MONUMENT TO BOUNDARY
 MONUMENT TO MONUMENT
 ADJACENT
 TOTAL
 RECORD DATA
 P.U.E.
 S.S.E.
 S.D.E.
 STORM DRAIN EASEMENT

REFERENCES:

- NO. SET
- NO. PARCEL MAP
- NO. RECORD OF SURVEY
- NO. SUBDIVISION 4889
- NO. SUBDIVISION 6835
- NO. SUBDIVISION 7869
- NO. SUBDIVISION 8711
- NO. PARCEL MAP
- NO. LLA 05-08
- NO. PARCEL MAP
- NO. SUBDIVISION 7667

BOOKPAGE
 116 PM 24
 7 PM 20
 93 LLA 22
 215 M 12
 351 M 33
 278 M 43
 41 M 23
 61 PM 33
 2006-132772
 199 PM 7
 354 M 24

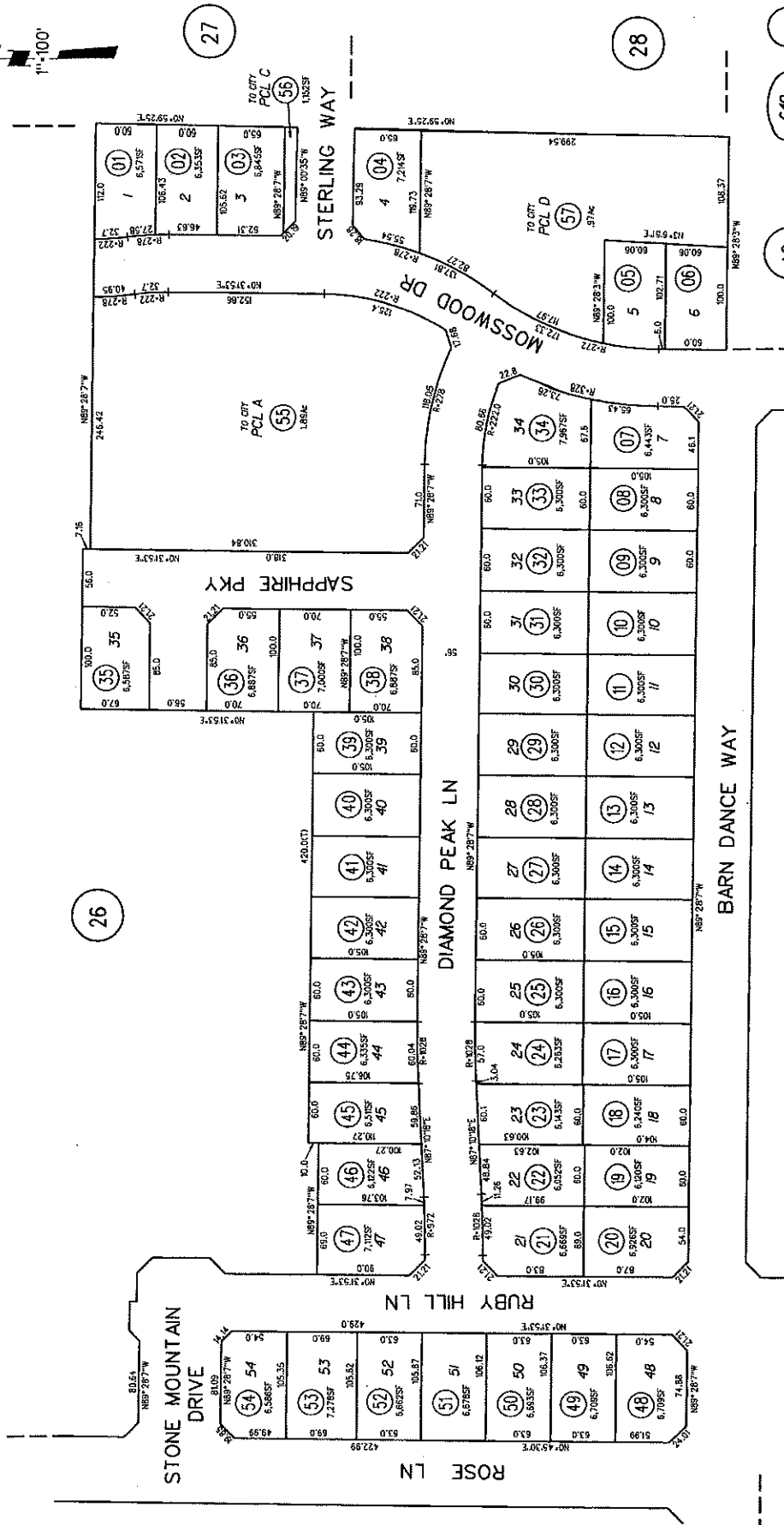
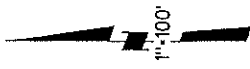


CURVE TABLE

NO.	RADIUS	DELTA	LENGTH
C1	390.00'	94°09'10"	21.74'
C2	270.00'	08°38'23"	40.85'
C3	222.00'	08°25'23"	32.70'
C4	250.00'	08°28'23"	36.63'
C5	270.00'	08°28'23"	40.85'
C6	222.00'	08°25'23"	32.70'
C7	270.00'	08°28'23"	40.85'
C8	222.00'	08°25'23"	32.70'
C9	250.00'	08°28'23"	36.63'
C10	270.00'	08°28'23"	40.85'
C11	222.00'	08°25'23"	32.70'
C12	250.00'	08°28'23"	36.63'
C13	270.00'	08°28'23"	40.85'
C14	222.00'	08°25'23"	32.70'

LINE TABLE

NO.	BEARING	LENGTH
L1	N89°14'27"W	28.00'
L2	N89°14'27"W	28.00'
L3	N89°14'27"W	28.00'
L4	N89°14'27"W	28.00'
L5	N89°14'27"W	28.00'
L6	N89°14'27"W	28.00'
L7	N89°14'27"W	28.00'
L8	N89°14'27"W	28.00'
L9	N89°14'27"W	28.00'
L10	N89°14'27"W	28.00'
L11	N89°14'27"W	28.00'
L12	N89°14'27"W	28.00'
L13	N89°14'27"W	28.00'
L14	N89°14'27"W	28.00'
L15	N89°14'27"W	28.00'
L16	N89°14'27"W	28.00'
L17	N89°14'27"W	28.00'
L18	N89°14'27"W	28.00'
L19	N89°14'27"W	28.00'
L20	N89°14'27"W	28.00'



NOTE: THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY AND NO LIABILITY IS ASSUMED FOR THE ACCURACY OF THE INFORMATION DELINEATED HEREON. ASSESSOR'S PARCELS MAY NOT COMPLY WITH LOCAL LOT SPLIT OR BUILDING SITE ORDINANCES.



Agenda Date: _____

Agenda Item: _____

STAFF REPORT

Date: December 10, 2019
To: City Council
From: Derek Cole, City Attorney
Bryan Montgomery, City Manager
Subject: **Consideration of a Resolution designating as Surplus 27 acres of City-owned Property located at 1180 E. Cypress Road in Oakley (APN 032-081-025), and approving a Cooperative Agreement with WestGate Services, Inc. for the Entitlement and Preparation for Sale of this Property.**

Summary and Background

A Memorandum of Understanding (MOU) between the City and the Emerson, Gilbert and Burroughs families was executed on September 23, 2002 and one of its provisions was the conveyance of 27 acres of the Burroughs Property (hereinafter “the Property”) to the City. After various terms and conditions were met, this conveyance took place in 2018 and the City now owns the Property.

The 2002 MOU contemplates residential development taking place on the 27-acre Property now owned by the City and on the property retained by the Burroughs family (approximately 18 acres – see attachment #1). In fact, during the 2005-06 timeframe, developers controlling the Emerson, Gilbert and Burroughs property were working with City staff on an overall framework to develop the properties, including the 27-acres that were to be deeded to the City. (The discussion then was to use the sales proceeds to help build the 55-acre community park). This cooperative framework went away during the recession and the Emerson and Gilbert properties have now developed separately. The Burroughs family has now recently entered into a purchase and sales agreement with a developer and would like to have the City’s 27-acres once again included in a planning and entitlement framework. (Attachment #1 also shows a conceptual layout of residential lots on both properties).

As you can imagine, there are significant economies of scale to plan, entitle and develop both the Burroughs’ 18 acres and the City’s 27 acres together. The planning and entitlement work would include geotechnical analyses, biological consultants, civil engineering, preliminary architectural and other related consultancy. It is also believed that the sales proceeds on the sale of the jointly-planned parcels to be much higher than if planned, entitled and sold separately.

Staff has met with the Burroughs family and WestGate Services, the developer selected by the Burroughs family to plan, entitle and purchase the property. Staff believes WestGate Services (<http://westgateventures.net/>) is a worthy partner and can help us maximize the value of the property (creating more financial resources to put toward the 55-acre community park).

The attached Cooperative Agreement sets forth the terms and conditions of the proposed arrangement with WestGate. The key provisions include:

- WestGate overseeing the various consultants and professionals needed to plan, entitle and sell the property.
- Unless a particular consultant is only needed for the Burroughs Property, or the City's property, all costs of consultants will be shared equally. (Price proposals/bids will be jointly reviewed by WestGate and the City and be mutually agreed upon).
- Communication and coordination between WestGate and the City will focus on the main goal of maximizing value of the properties.
- WestGate will process all entitlement documents with the City to include, any General Plan Amendment, Tentative Map, Design Review, etc.
- WestGate will assist with the marketing and sale of the City property to a merchant homebuilder and will receive 2.5% of the sales price as commission.
- WestGate would also receive upon sale of the property a \$30,000 a fee for coordinating the work of the consultants and entitlement process.
- The City would not charge for City staff time for this development; however, costs to the City by outside parties providing services needed to process the development application would be billed to the development.

Fiscal Impact

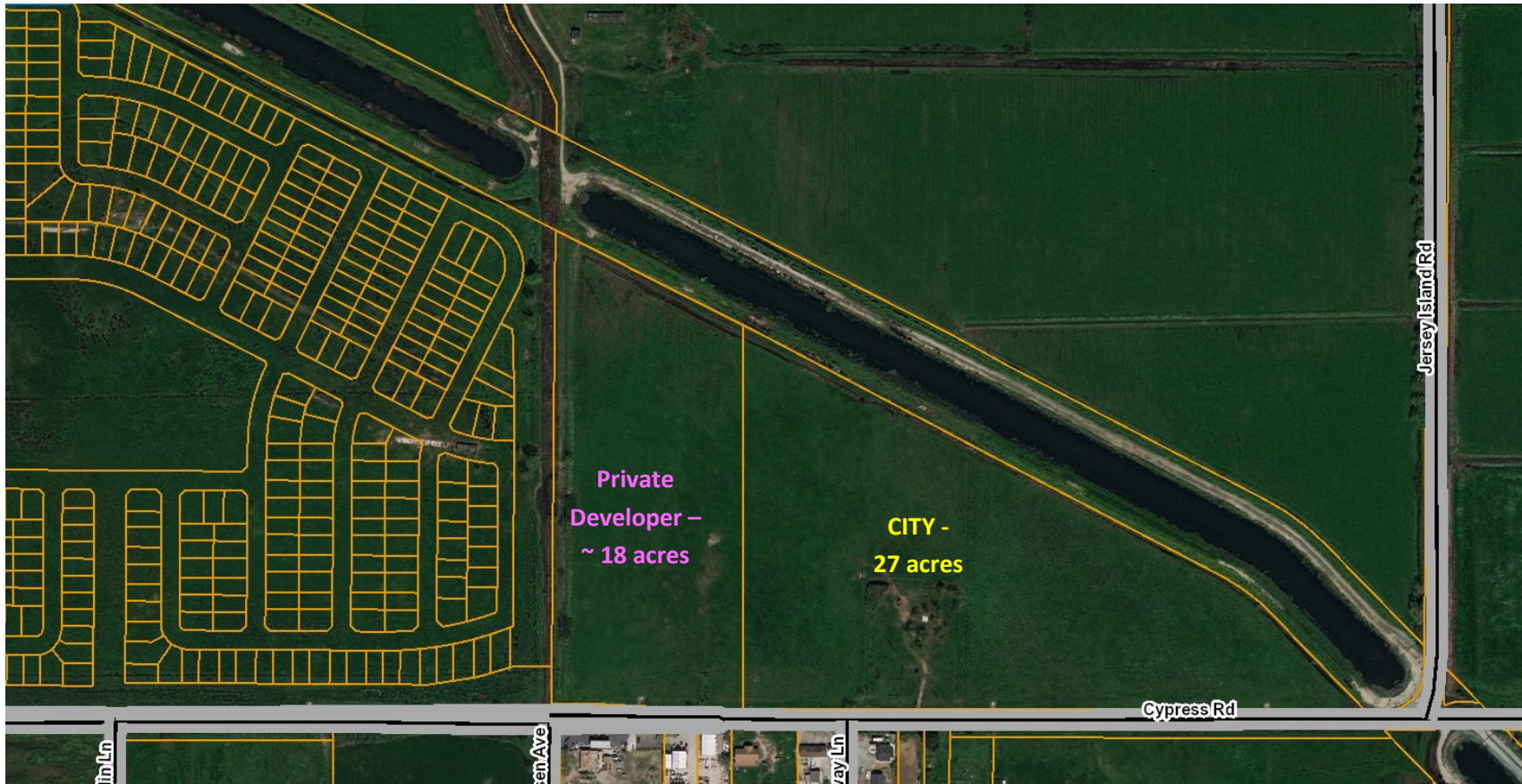
The City's share of the initial planning and entitlement work is estimated at approximately \$150,000. Fees to WestGate would be \$30,000 plus a 2.5% commission on the sales price of the City property.

Recommendation

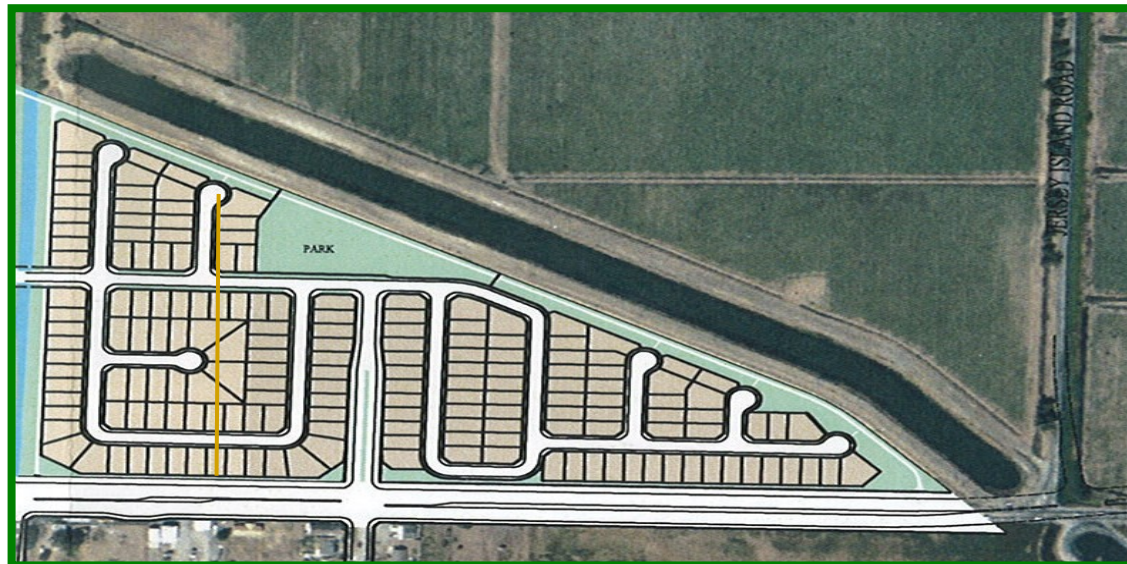
Adopt a resolution designating as surplus 27 acres of City-owned Property located at 1180 E. Cypress Road in Oakley, and approving a Cooperative Agreement with WestGate Services for the entitlement and preparation for sale of this property.

Attachments

1. Site view
2. Proposed Cooperative Agreement
3. Resolution



2006 Conceptual Layout
of Residential Lots



**COOPERATIVE AGREEMENT BETWEEN
THE CITY OF OAKLEY AND WESTGATE SERVICES, INC.
REGARDING THE DEVELOPMENT OF 27-ACRES OF CITY-OWNED PROPERTY AT
1180 E. CYPRESS ROAD IN OAKLEY (APN 032-081-025)**

This Cooperative Agreement ("Agreement") is made between the City of Oakley ("City") and WestGate Services, Inc., dba WestGate Ventures ("WestGate"). The City and WestGate are collectively referred to within as "Parties" and each is referred to within as a "Party".

WHEREAS, the City is the owner of a 27-acre parcel acquired from the Burroughs Family under a 2002 Memorandum of Understanding between the City and the Emerson, Gilbert, and Burroughs Families. This property is more particularly described in Exhibit A, which is incorporated by reference ("City Property").

WHEREAS, the Burroughs Family continues to own an approximately 18-acre property immediately to the west of the City Property. This property is more particularly described in Exhibit B, which is incorporated by reference ("Burroughs Property").

WHEREAS, in association with a contract with the Burroughs Family, WestGate is working to plan, entitle, and move the Burroughs Property toward development and to sell that property.

WHEREAS, the City and WestGate believe it would be to their mutual advantage to plan, coordinate, and simultaneously pursue the development of the adjacent City Property and Burroughs Property.

NOW THEREFORE, in consideration of mutual covenants contained herein, the parties to this Agreement mutually agree as follows:

1. Effective Date and Term

The effective date of this Agreement is December 11, 2019. Unless earlier terminated as provided in Section 4 of this Agreement, the term of this Agreement shall run until all necessary land use entitlements are issued for the City Property and the City Property is sold. For purpose of this Agreement, the term "land use entitlements" means and includes any approval required by or amendment to the City General Plan, any applicable specific plan, and any zoning ordinance; the approval of any subdivision map; any design review approval; and the approval of any permits or authorizations required by any federal, state, or regional agency or body related to any potential or actual environmental impact of the proposed development.

2. Coordination of Development Activities

WestGate shall serve as the City's project manager for purposes of (i) preparing, processing, and applying for all land use entitlements for the City Property; and (ii) selling the City Property. In discharging these obligations, WestGate shall be responsible for preparing all applications, plans, and other supporting documentation, and for processing all applications before the City and all agencies with authority over any land use

entitlement. Westgate shall also be responsible for marketing and listing the City Property for sale and for selling the City Property.

WestGate shall recommend such consultants, firms, engineers, architects, attorneys, brokers, and professionals as it deems necessary and proper to carry out all tasks necessary to accomplish the objectives of this Agreement. WestGate shall seek competitive bids for these services and obtain the City's agreement to the selection of such firms, companies, or individuals as provided in Section 3.

The City shall cooperate with WestGate in providing all information, documents, records, and information necessary for WestGate's completion of the above tasks. The Parties recognize that time shall be of the essence throughout the term of this Agreement. To that end, City covenants to exercise diligence in and to timely respond to all reasonable requests of WestGate related to the performance of this Agreement. The City agrees to waive fees for City staff time on both the Burroughs and City properties that are standard and customary for any development application, as is contemplated herein.

The Parties expressly recognize that WestGate and any such firms, companies, or individuals it retains are independent of, and not joint venturers with or of the City. Notwithstanding the City's obligation to cooperate with and timely respond to WestGate's requests, the City shall retain all its discretionary, regulatory, municipal, and police powers concerning the City Property. Nothing in this Agreement shall require the City, the City Council, any City decision-making body, or any City official or employee to make any specific decision or to take any specific action concerning any request for any land use entitlement concerning the City Property.

3. Compensation

The City shall pay for one half of the expenses related to the consultants and other services contemplated herein and approved by the City and shall make that payment directly to each respective consultant. The City shall not be responsible for reimbursing any costs or expenses of WestGate related exclusively to the development of the Burroughs Property. The City shall, however, be fully responsible for any costs or expenses related exclusively to development of the City Property.

Before WestGate retains any consultant or broker under this Agreement, the City shall have the right to review and approve any bid or proposal of any company, firm, or individual WestGate proposes to retain, and the City shall not unreasonably withhold its approval.

For sale of the City Property, WestGate shall receive 2.5% of the sales price upon sale of the property. To the extent WestGate retains a broker to facilitate such sale, WestGate shall be exclusively responsible for paying the broker's commission from its share of the sale price.

WestGate shall also receive upon sale of the property a consultancy fee from the City of \$30,000.

4. Early Termination

Any Party may terminate this agreement by giving 30 days' written notice to the other Party. In the event of such early termination, the City shall be responsible for paying all WestGate's expenses and costs up through the effective date of termination per Section 3 of this Agreement.

5. Ownership of Records

The City shall be considered the owner of all applications, documents, maps, plans, and other records associated with the development of the City Property. Upon termination of this Agreement for any reason, WestGate shall cause all such records to be promptly delivered to the City.

6. Entire Agreement

This Agreement, including any exhibits attached hereto, constitutes the entire agreement and understanding between the parties regarding its subject matter and supersedes all prior or contemporaneous negotiations, representations, understandings, correspondence, documentation and agreements (written or oral).

7. Written Amendment

The Parties anticipate that that the work performed under this Agreement is likely to require future modifications based on the analysis to be performed by the professionals to be hired as provided herein. The Parties agree that this Agreement may only be changed by written amendment signed by the duly appointed representatives of all parties to this Agreement on the effective date of the amendment. Any oral representations or modifications concerning this Agreement shall be of no force or effect.

IN WITNESS WHEREOF, the parties have caused their duly authorized representatives to execute this Memorandum of Understanding.

WESTGATE SERVICES, INC.

CITY OF OAKLEY

Jon Revells
Principal

Bryan H. Montgomery
City Manager

Approved as to form:

Attest:

Derek P. Cole, City Attorney

Libby Vreonis, City Clerk

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OAKLEY AUTHORIZING
THE CITY MANAGER TO EXECUTE COOPERATIVE AGREEMENT WITH
WESTGATE SERVICES, INC. REGARDING THE DEVELOPMENT OF 27-ACRES OF
CITY-OWNED LAND LOCATED 1180 E. CYPRESS ROAD IN OAKLEY (APN 032-
081-025), AND DESIGNATING THIS PROPERTY AS SURPLUS.**

BE IT RESOLVED by the City Council of the City of Oakley that the City Manager is hereby authorized and directed to sign on behalf of the City a certain Cooperative Agreement with WestGate Services, Inc. regarding the City-owned property located at 1180 E. Cypress Road in Oakley.

BE IT FURTHER RESOLVED that the City Council formally designates this subject property as surplus.

The foregoing resolution was introduced at a regular meeting of the Oakley City held on the 10th day of December 2019, by Councilmember _____, who moved its adoption, which motion being duly seconded by Councilmember _____, was upon voice vote carried and the resolution adopted by the following vote:

AYES:

NOES:

ABSTENTION:

ABSENT:

APPROVED:

, Mayor

ATTEST:

Libby Vreonis, City Clerk

Date

STAFF REPORT

DATE: December 10, 2019

TO: Bryan Montgomery, City Manager

Approved and Forwarded to the City Council

FROM: Libby Vreonis, City Clerk

SUBJECT: Adopt a Resolution Approving the 2020 Committee Appointment List

Summary and Background

Each year after the Oakley City Council reorganizes, the City Council reviews the City Council Committee Appointment List for the upcoming year to decide which local and regional committees each Councilmember shall serve. Traditionally, the Mayor and Vice Mayor are appointed to represent the City of Oakley on ABAG, the Contra Costa County Mayors' Conference, East County Mayors and Managers Meeting and the League of California Cities, unless the City Council should approve otherwise. Attached is the proposed list for 2020.

Fiscal Impact

None.

Recommendation

Staff recommends that the City Council adopt a resolution approving the 2020 City Council Committee Appointment List, including any revisions.

Attachments

1. Proposed City Council Committee Appointment List-2020
2. Resolution Approving the 2020 City Council Committee Appointment List

2019 Committee Appointments Sorted by Council Member

Alaura, Claire	Ad Hoc Ag Conservation Committee, <i>Alternate</i>
Alaura, Claire	Oakley Inter-Agency Committee (Public School Liaison)
Alaura, Claire	Diablo Water District (Liaison)
Alaura, Claire	1yr League of California Cities East Bay Division, <i>Voting</i>
Alaura, Claire	1yr ABAG, <i>Voting</i>
Higgins, Sue	Ad Hoc Parks & Recreation Planning Committee, <i>Alternate</i>
Higgins, Sue	MCE
Higgins, Sue	Oakley Inter-Agency Committee (Public School Liaison)
Higgins, Sue	Tri Delta Transit
Higgins, Sue	IronHouse Sanitary District (Liaison)
Higgins, Sue	You, Me, We = Oakley!
Higgins, Sue	1 yr ABAG, <i>Alternate</i>
Higgins, Sue	1 yr East County Mayors and Managers Meeting, <i>Alternate</i>
Higgins, Sue	1yr League of California Cities East Bay Division, <i>Alternate</i>
Krieg, Michael	Ad Hoc Downtown Planning Work Group
Krieg, Michael	Ad Hoc Parks & Recreation Planning Committee
Krieg, Michael	Mosquito Vector Control
Krieg, Michael	You, Me, We = Oakley!
Pope, Randy	Ad Hoc Ag Conservation Committee
Pope, Randy	Ad Hoc Parks & Recreation Planning Committee
Pope, Randy	Habitat Conservation Plan Executive Committee/HCP Conservancy
Pope, Randy	MCE, <i>Alternate</i>
Romick, Kevin	Ad Hoc Ag Conservation Committee
Romick, Kevin	Ad Hoc Downtown Planning Work Group
Romick, Kevin	TRANSPLAN (City Council Rep) /ECCRFFA/St. Route 4 Bypass Authority/EPAC
Romick, Kevin	Tri Delta Transit
Romick, Kevin	Reclamation District 2137
Romick, Kevin	1yr East County Mayors and Managers Meeting
Romick, Kevin	1yr East Bay Leadership Council (formerly Contra Costa Council)
Romick, Kevin	1yr Contra Costa County Mayors' Conference, <i>Voting</i>
???	TRANSPLAN (PC Rep)

RESOLUTION NO. _____-19

**RESOLUTION OF THE OAKLEY CITY COUNCIL APPROVING THE
2020 CITY COUNCIL COMMITTEE APPOINTMENT LIST**

BE IT RESOLVED by the City Council of the City of Oakley that the attached 2020 City Council Committee Appointment List is hereby approved.

The foregoing resolution was introduced at a regular meeting of the Oakley City Council held on the 10th day of December, 2019, by Councilmember _____, who moved its adoption, which motion being duly seconded by Councilmember _____, was upon voice vote carried and the resolution adopted by the following vote:

AYES:

NOES:

ABSTENTION:

ABSENT:

APPROVED:

xx, Mayor

ATTEST:

Libby Vreonis, City Clerk

Date