

## AGENDA

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

Tuesday, January 13, 2015  
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.

Agendas are posted at the Oakley City Hall, the "White House" at 204 Second Street and outside the Library at Freedom High School; agendas are also posted on the City's Internet Website [www.ci.oakley.ca.us](http://www.ci.oakley.ca.us).

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 (or) City Council Acting as the Successor Agency to the Oakley Redevelopment Agency (or) 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 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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If you have a physically challenging condition and require special accommodations, please call the City Clerk's office at (925) 625-7013.

**(Please keep cell phones/pagers turned off during the meeting.)**

## 1.0 SPECIAL ORDER OF THE DAY

- 1.1 Administration of Oath of Office to Newly Appointed Councilmember, Vanessa Perry (Libby Vreonis, City Clerk)

## 2.0 PRESENTATIONS TO COUNCILMEMBER BURGIS

- 2.1 City Council and Staff Presentations to Councilmember Burgis (Vice Mayor Hardcastle)
- 2.2 Certificate of Recognition for Councilmember Burgis (Melissa Margain, Office of Supervisor Mary Nejedly Piepho)
- 2.3 Certificate of Recognition for Councilmember Burgis (Jennifer Barton, Office of Assemblymember Jim Frazier)
- 2.4 Certificate of Recognition for Councilmember Burgis (Colleen Isenberg, Office of Congressman Jerry McNerney)
- 2.5 Comments by Outgoing Councilmember Burgis

## 3.0 OPENING MATTERS

- 3.1 Call to Order and Roll Call of the Oakley City Council, Oakley City Council Acting as the Successor Agency to the Oakley Redevelopment Agency and Public Financing Authority
- 3.2 Pledge of Allegiance to the Flag
- 3.3 Proclamation Honoring Eagle Scout George C. Loosli
- 3.4 Proclamation Honoring Eagle Scout Andrew J. Oort
- 3.5 City Council Acknowledgment of Citizen Leadership Academy Graduates

## 4.0 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/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/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/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.

## **5.0 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/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/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.

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

- 5.1 Approve the Minutes of the Regular Joint Oakley City Council/Oakley City Council Acting as the Successor Agency to the Oakley Redevelopment Agency/Public Financing Authority Meeting of December 9, 2014 (Libby Vreonis, City Clerk)**

### ***Oakley City Council***

- 5.2 Waive the Second Reading and Adopt the Ordinance Establishing a Special Tax for Police Protection Subject to Voter Confirmation (Kevin Rohani, Public Works Director/City Engineer)**
- 5.3 Waive the First Reading and Introduce an Ordinance Dealing with Leaf Blowers and Other Noises (William Galstan, Special Council)**
- 5.4 Adopt a Resolution to Name the Park Area Located at 215 2<sup>nd</sup> Street as "Dewey Park" (Kevin Rohani, Public Works Director/City Engineer)**
- 5.5 Approval of the City of Oakley's Contra Costa Transportation Authority (CCTA) Growth Management Program Compliance Checklist for Allocation of Fiscal Year 2013/2014 and 2014/2015 Local Street Maintenance and Improvement Funds (Kevin Rohani, Public Works Director/City Engineer)**
- 5.6 Adopt a Resolution Accepting the Comprehensive Annual Financial Report (CAFR), Management Letter, and Report on Agreed Upon Procedures for Fiscal Year 2013-2014 (Paul Abelson, Finance Director)**
- 5.7 Adopt a Resolution Naming Parcel A of Subdivision 8955, Phase II "Catamaran Park" (Kevin Rohani, Public Works Director/City Engineer)**

## 6.0 PUBLIC HEARINGS

### *Oakley City Council*

- 6.1 Approve the formation of City of Oakley Community Facilities District 2015-1 (Emerson Ranch Maintenance) ("CFD"), hold a Public Hearing and Special Landowner Election, Declare the Results of the Election and Introduce an Ordinance to Levy a Special Tax for the CFD (Kevin Rohani, Public Works Director/City Engineer)**

## 7.0 REGULAR CALENDAR

### *Oakley City Council*

- 7.1 Resolution Consenting to the Assignment of the Lease Agreement between the City and Republic of Cake, LLC to Byrnes Enterprise, LLC, doing business as Mr. Pickles Sandwich Shop, for the Property Located at 3080 Main Street in Oakley (Bryan Montgomery, City Manager)**
- 7.2 Adopt a Resolution Approving City Council Appointments to Commissions, Boards and Committees (Libby Vreonis, City Clerk)**

## 8.0 REPORTS

### **8.1 CITY MANAGER**

**(a) City Manager**

**(b) Economic Development Program Update (Dwayne Dalman, Economic Development Manager)**

### **8.2 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 Comments**

**(b) Requests for Future Agendas**

## 9.0 WORK SESSIONS-None

## 10.0 CLOSED SESSIONS-None

## 11.0 ADJOURN

***Proclamation***  
***Honoring George Loosli***  
***Eagle Scout Recipient***

**WHEREAS**, the City of Oakley, a place for families in the heart of the Delta, takes pride in its sense of community and citizen involvement; and

**WHEREAS**, the vision of the Boy Scouts of America is to prepare every eligible youth in America to become responsible, participating citizens and leaders, who are guided by the Scout Oath and Law; and

**WHEREAS**, the Boy Scouts of America encourage Eagle Scout candidates to complete worthy projects to improve their neighborhoods, their community and the region; and

**WHEREAS**, this is the highest award a scout can receive; few boys move up through the ranks of scouting and only about 2% make it all the way to Eagle; and

**WHEREAS**, George is a recent graduate of Freedom High School and currently attends college at Sacramento State; and

**WHEREAS**, for his Eagle Scout service project, George directed a large group of volunteers to create planter boxes and a paved area to supplement the garden for the students at Laurel Elementary School; and

**WHEREAS**, in addition to his 33 merit badges, George had 110 nights of camping and over 250 community service hours as a scout; and

**WHEREAS**, George is a genuine leader in the troop that the younger scouts and his peers look up to and respect.

**NOW, THEREFORE, BE IT RESOLVED** that I, Doug Hardcastle, Mayor of the City of Oakley, do hereby honor George Loosli of Boy Scout Troop 298 on his achievement of attaining the rank of Eagle Scout, the highest rank in Boy Scouts.

Dated: January 13, 2015

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Doug Hardcastle, Mayor

*Proclamation*  
*Honoring Andrew Oort*  
*Eagle Scout Recipient*

**WHEREAS**, the City of Oakley, a place for families in the heart of the Delta, takes pride in its sense of community and citizen involvement; and

**WHEREAS**, the vision of the Boy Scouts of America is to prepare every eligible youth in America to become responsible, participating citizens and leaders, who are guided by the Scout Oath and Law; and

**WHEREAS**, the Boy Scouts of America encourage Eagle Scout candidates to complete worthy projects to improve their neighborhoods, their community and the region; and

**WHEREAS**, Andrew Oort is a recent graduate of Heritage High School and currently attends Los Medanos Community College with a goal of obtaining an AA degree and his EMT license; and

**WHEREAS**, Andrew received the rank of Eagle Scout on September 25, 2014; and

**WHEREAS**, this is the highest award a scout can receive; few boys move up through the ranks of scouting and only about 2% make it all the way to Eagle; and

**WHEREAS**, for his community service project, Andrew directed volunteers for 166 hours to build boxes for Bristow Middle School to use as lost and found boxes for clothing; and

**WHEREAS**, in addition to his 24 merit badges, Andrew had 29 nights of camping and over 75 community service hours as a scout; and

**WHEREAS**, Andrew has been continually active in scouts since he was 7 and currently, is not only active in scouting and his community but is also going to college and holding down a job; and

**WHEREAS**, Andrew has grown into a well-respected young man that both scouts and adults look to as an example.

**NOW, THEREFORE, BE IT RESOLVED** that I, Doug Hardcastle, Mayor of the City of Oakley, do hereby honor Andrew Oort of Boy Scout Troop 298 on his achievement of attaining the rank of Eagle Scout, the highest rank in Boy Scouts.

Dated: January 13, 2015

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Doug Hardcastle, Mayor

Minutes of the Special City Council Meeting and Regular Joint meeting of the Oakley  
City Council/Oakley City Council Acting as the Successor Agency to the Oakley  
Redevelopment Agency/Public Financing Authority  
December 9, 2014

**Special Meeting**

1.0 OPENING MATTERS

**1.1 Call to Order and Roll Call**

Mayor Pope called the meeting to order at 6:01p.m. in the Oakley City Council Chambers located at 3231 Main Street in Oakley. Diane Burgis, Doug Hardcastle, Randy Pope, Carol Rios and Kevin Romick were present.

**1.2 Pledge of Allegiance to the Flag**

Mayor Pope led the Pledge of Allegiance to the Flag.

2.0 CONSENT

**2.1 Adopt a Resolution Accepting the Certificate of the County Clerk as to the Results of the Canvass of the November 4, 2014 Consolidated General Municipal Election in Oakley (Libby Vreonis, City Clerk)**

It was moved by Councilmember Romick and seconded by Councilmember Burgis to adopt the resolution. Motion was unanimous and so ordered.

3.0 PRESENTATIONS TO MAYOR POPE

**3.1 Presentations to Mayor Pope**

Each member of the City Council presented Mayor Pope a gift – an engraved gavel, a proclamation, his formal City Council picture and flowers for his wife in acknowledgement of his service as Mayor. In addition, he received a gift card to Ruth's Chris Steak House courtesy of personal donations of City staff.

**3.2 Certificate of Recognition for Mayor Pope**

Melissa Margain, representing Supervisor Mary Nejedly Piepho, presented a certificate of recognition to Mayor Pope.

**3.3 Certificate of Recognition for Mayor Pope**

Erica Rodriguez-Langley, representing Assemblymember Jim Frazier, presented a certificate of recognition to Mayor Pope.

*Item 3.4 was taken out of order and presented before Opening Matters of the Regular meeting*

**3.4 Certificate of Recognition for Mayor Pope**

Remy Goldsmith, representing Senator Mark DeSaulnier, presented a certificate of recognition to Mayor Pope.

**3.5 Certificate of Recognition for Mayor Pope**

Colleen Isenberg, representing Congressman Jerry McNerney, presented a certificate of recognition to Mayor Pope.

**3.6 Comments by Outgoing Mayor Pope**

Mayor Pope thanked the members of the City Council, the community and staff for their support and efforts on behalf of the City.

**4.0 PRESENTATIONS TO COUNCILMEMBER RIOS**

**4.1 City Council and Staff Presentations to Councilmember Rios (Mayor Pope)**

Each member of the City Council presented Councilmember Rios a parting gift - a proclamation, her formal City Council picture, a photobook signed by staff, a key to the City and a plant for her husband. In addition, she received an apron and a candle from City staff and a proclamation and gift from the Oakley Youth Advisory Council.

**4.2 Certificate of Recognition for Councilmember Rios**

Melissa Margain, representing Supervisor Mary Nejedly Piepho, presented a certificate of recognition to Councilmember Rios.

**4.3 Certificate of Recognition for Councilmember Rios (Office of Assemblymember Jim Frazier)**

Erica Rodriguez-Langley, representing Assemblymember Jim Frazier, presented a certificate of recognition to Councilmember Rios.

*Item 4.4 was taken out of order and presented before Opening Matters of the Regular meeting*

**4.4 Certificate of Recognition for Councilmember Rios (Office of Senator Mark DeSaulnier)**

Remy Goldsmith, representing Senator Mark DeSaulnier, presented a certificate of recognition to Councilmember Rios.

**4.5 Certificate of Recognition for Councilmember Rios (Office of Congressman Jerry McNerney)**

Colleen Isenberg, representing Congressman Jerry McNerney, presented a certificate of recognition to Councilmember Rios.

**4.6 Comments by Outgoing Councilmember, Carol Rios**

Councilmember Rios stated that her time on the City Council was a very special time. She thanked staff for their professionalism and support.



### Online Comment Forms

There were no online comment cards submitted.

### Comment cards

Former Councilmember Pat Anderson thanked Councilmember Rios for her dedication to the community and presented her with a photo and a gift.

## 5.0 SPECIAL ORDERS OF THE DAY

### **5.1 Administration of Oaths of Office to Newly Elected Councilmembers, Randy Pope and Sue Higgins**

City Clerk Libby Vreonis administered the Oaths of Office to Randy Pope and Sue Higgins.

### **5.2 Seating of New Councilmembers**

The City Council took their new seats at the dais.

## 6.0 REORGANIZATION OF THE OAKLEY CITY COUNCIL

### **6.1 Review of Oakley Municipal Code Section 2.1.005 Regarding Appointment of Mayor and Vice Mayor**

City Clerk Libby Vreonis gave an overview of section 2.1.005 of the Oakley Municipal Code and mentioned that if the City Council follows the guidelines Doug Hardcastle would be next in line for Mayor and Kevin Romick would be next in line for Vice Mayor.

### **6.2 Selection of Mayor and Vice Mayor (Mayor Pope)**

It was moved by Councilmember Burgis and seconded by Councilmember Pope to appoint Doug Hardcastle as Mayor for a one-year term and Kevin Romick as Vice Mayor for a one-year term. Motion was unanimous and so ordered.

### **6.3 Administration of Oaths of Office to Newly Appointed Mayor and Vice Mayor**

City Clerk Libby Vreonis administered the oaths of office to Doug Hardcastle and Kevin Romick.

### **6.4 Comments by Newly Appointed Mayor**

Mayor Hardcastle thanked City Councilmembers and citizens that voted for him. He stated that his greatest joy is his family; he mentioned that what the Council does is not something that can be done alone, it requires all of the Council and the help of staff. He also mentioned that he plans on showing up at the local shopping centers once a month on a Saturday to ask questions or have questions asked of him and if he doesn't have an answer he will go back to staff for answers and get back to people on a personal note. He mentioned that his goals as Mayor are infrastructure, keeping parks safe and clean, continue supporting the Fire District and police department, to keep Oakley on the list of the 50 safest cities, and development of the park site at the Emerson property. He stated that with everybody's help and support, Oakley can remain a great City.

## 7.0 PUBLIC COMMENTS

### Online comment Forms

No online comment forms were submitted for Public Comments.

### Public Comment Cards

No public comment cards were submitted for Public Comments.

## 8.0 ADJOURN TO RECEPTION

The meeting adjourned at 6:50p.m. to a brief reception.

### **Regular Meeting**

*Item 3.4 and 4.4 of the special meeting were taken out of order and presented before Opening Matters.*

## 1.0 OPENING MATTERS

### **1.1 Call to Order and Roll Call**

Mayor Hardcastle called the meeting to order at 7:11p.m in the Oakley City Council Chambers located at 3231 Main Street in Oakley. Diane Burgis, Doug Hardcastle, Sue Higgins, Randy Pope and Kevin Romick were present.

### **1.2 Pledge of Allegiance to the Flag**

Pledge of Allegiance to the Flag was recited during opening matters of the Special Meeting.

## 2.0 PUBLIC COMMENTS

### Online Comment Forms

No online comment forms were submitted for Public Comments.

### Public Comment Cards

No public comment cards were submitted for Public Comments.

## 3.0 CONSENT CALENDAR

***Oakley City Council/Oakley City Council Acting as the Successor Agency to the Oakley Redevelopment Agency***

**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 of November 18, 2014 (Libby Vreonis, City Clerk)**

**3.2 Adopt Resolutions Approving List of Regular Joint Oakley City Council/Oakley City Council Acting as the Successor Agency to the Oakley Redevelopment Agency Meeting Dates for 2015 (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 AND SPECIAL MEETING OF THE PUBLIC FINANCING AUTHORITY HELD TUESDAY, DECEMBER 9, 2014

***Oakley City Council***

- 3.3 Waive the Second Reading and Adopt an Ordinance to Amend Truck Routes in Oakley (Kevin Rohani, Public Works Director/City Engineer)**
- 3.4 Waive the Second Reading and Adopt an Ordinance Repealing Chapter 4 of Title 9 of the Oakley Municipal Code, Dealing with Inclusionary Housing in Redevelopment Area (William Galstan, Special Counsel)**
- 3.5 Adopt a Resolution Accepting the Development Impact Fee Five Year Report for the Period Ending June 30, 2014 and Making Required Findings as Required by Government Code Sections 66000 Et Seq. (Paul Abelson, Finance Director)**
- 3.6 Adopt a Resolution Approving an Award of Contract to Contract Sweeping Services, Inc. (CSS) for City Street Sweeping Maintenance Services (Kevin Rohani, Public Works Director/City Engineer)**
- 3.7 Adopt a Resolution Approving Submittal of Applications for all CalRecycle Grants for which the City is Eligible (Kevin Rohani, Public Works Director/City Engineer)**
- 3.8 Adopt a Resolution Accepting as Complete the Work Performed by DSS Company DBA Knife River Construction, Inc. for Capital Improvement Project Number 124-Laurel Road Widening Project (O'Hara Avenue to Rose Avenue) and Direct the City Clerk to File a Notice of Completion for the Project with the County Recorder (Kevin Rohani, Public Works Director/City Engineer)**
- 3.9 Adopt a Resolution Approving Contract Amendment Number 2 to the Agreement with LJ Consultants, Inc. for Construction Management and Inspection Services Related to Capital Improvement Project Number 124-Laurel Road Widening (O'Hara Avenue to Rose Avenue) (Kevin Rohani, Public Works Director/City Engineer)**
- 3.10 Adopt Resolutions Initiating Community Facilities District 2015-1 (Emerson Ranch Maintenance) (Kevin Rohani, Public Works Director/City Engineer)**
- 3.11 Adopt a Resolution Creating Special Police Tax Zone 153 within the Oakley Special Police Tax Area for Vesting Tentative Map 9032, and Adopt the Ordinance Establishing a Special Tax for Police Protection Subject to Voter Confirmation (Kevin Rohani, Public Works Director/City Engineer)**
- 3.12 Resolution Approving a Second Amendment to the Lease Agreement between the City and Republic of Cake, LLC, for the City-owned retail building located at 3080 Main Street (Bryan Montgomery, City Manager)**

## ***Public Financing Authority***

### **3.13 Annual Meeting of the Oakley Public Financing Authority**

It was moved by Vice Mayor Romick and seconded by Councilmember Burgis to approve the Consent Calendar. Motion was unanimous and so ordered.

#### 4.0 PUBLIC HEARINGS-None

#### 5.0 REGULAR CALENDAR

### ***Oakley City Council***

#### **5.1 Interviews and Selection of One Councilmember to Fill a Vacancy Seat on the Oakley City Council**

City Clerk Libby Vreonis presented the staff report and mentioned that there are eleven applicants and to make the process fair there will be a draw of numbers to determine the order the applicants will be called for the interviews. Ms. Vreonis also suggested that due to the large number of applicants the Council might like to consider doing a two-tiered interview process, allowing the applicants to speak to the Council for a period of 3-5 minutes and the Council can then choose its top candidates to be interviewed further.

Councilmembers ranked the applicants and a majority chose Vanessa Perry so Council decided no further interview of the applicants was necessary.

It was moved by Councilmember Burgis to nominate Vanessa Perry to fill the vacant seat and seconded by Councilmember Higgins. Motion was unanimous and so ordered.

#### Online Comment Forms

No online comment forms were submitted for Regular Calendar.

#### Public Comments

Paul Seger commented that it appears the process of filling a vacancy seat previously occurred ten months after an election had taken place; however, in this case, the vacancy is occurring just after an election and he is in favor of choosing the person with the third highest votes from the recent election.

Ric Onalfe did not speak, but submitted a comment card in support of choosing the person with the third highest votes from the recent election.

## 6.0 REPORTS

### **6.1 CITY MANAGER**

#### **(a) Update on Long-Term Delivery of Police Services**

Mr. Montgomery gave a status update on the police services study, he mentioned that the services that the City of Oakley receives from the County are outstanding, but very costly, and while the in-house model looks to be less expensive than the County contract, the analysis has not been finalized; the plan is to have the estimates in time to present to the City Council at the January 27, 2015 City Council meeting.

Mr. Montgomery thanked staff and the community for the outstanding Christmas tree lighting event and mentioned that the support of the Councilmembers and the community makes these events what they are. He also mentioned that Contra Costa County has set up a sand bag location on 2<sup>nd</sup> Street though the high demand will likely require the County to move to a larger site east of Oakley. He also reminded everyone that City Hall will be closed beginning at noon on December 18<sup>th</sup> and will reopen on January 5<sup>th</sup>.

### **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 Comments**

Councilmember Burgis thanked all of the applicants for going through the process of applying to fill the vacant City Council seat and encouraged them to keep coming to meetings and mentioned that there are lots of opportunities to get involved. She also mentioned how impressed she is with City events. She advised residents to keep an eye on storm drains and to let the City know of any issues. She also reported that this is her last official City Council meeting and welcomed Sue Higgins to the City Council.

Vice Mayor Romick mentioned to the applicants to stay involved and show up at City Council meetings. He mentioned that he brought his mother to some of the Oakley events, she was impressed with the community. He also thanked staff for a job well done on the Christmas tree lighting.

Councilmember Pope apologized for not making it to the Christmas tree lighting. He thanked the applicants for coming out and applying for the vacant City Council seat and encouraged them to stay involved. He reported there was a regular Fire Board meeting and an emergency special meeting and they are currently in negotiations with Firefighters which is difficult because it's not known if the fire assessment will pass. He attended the Habitat Conservancy Meeting which was the annual setting of choosing the Board President. He wished everyone a Merry Christmas and a Happy New Year.

Mayor Hardcastle congratulated Sue Higgins on being elected to the City Council and wished everyone a Merry Christmas. He also mentioned that he enjoyed the Christmas Tree lighting event.

Councilmember Higgins thanked everyone for the opportunity to be part of the City Council and mentioned that she's looking forward to working with everybody. She also mentioned that she will be out helping the Friends of Oakley on Sunday.

**(b) Requests for Future Agendas**

None

7.0 WORK SESSIONS-None

8.0 CLOSED SESSIONS-None

9.0 ADJOURN

There being no further business, the meeting was adjourned at 8:31p.m.

Respectfully Submitted,

Libby Vreonis, City Clerk

**CITY OF OAKLEY**

**ORDINANCE NO. \_\_-14**

**AN ORDINANCE OF THE CITY OF OAKLEY  
ESTABLISHING ZONE 153 FOR A SPECIAL TAX FOR  
POLICE PROTECTION FOR SUBDIVISION 9032**

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 tax on parcels of real property on the secured property tax roll of Contra Costa County that are within Zone 153 (Subdivisions 9032) 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 153.

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, measured currently using its contract with the Contra Costa County Sheriff's Department. 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. "Actual Cost of Services" means the estimated fully-loaded average cost for the positions of police officer, Sergeant and Lieutenant [or comparable positions while the City contracts for police services with Contra Costa County] as provided to the City by the Contra Costa County Sheriff's Department during or about March of each calendar year.

C. "Fiscal year" means the period of July 1 through the following June 30.

D. "Oakley Special Police Tax Area" includes all properties within the jurisdictional limits of the City of Oakley.

E. Oakley Special Police Tax Area Zone 153 (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.

F. "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 and boundaries of Zone 153 nor any land or improvements owned by any governmental entity.

G. 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 role 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, 2014 through June 30, 2015) 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:



In order to keep the tax on each parcel in constant first year dollars for each fiscal year subsequent to the first fiscal year, the tax per year shall be adjusted as set forth below to reflect any increase in the Actual Cost of Services beyond the first fiscal year the tax is levied.

In June or July of each year, City Council shall determine the amount of taxes to be levied upon the parcels in the Zone for the then current fiscal year as set forth below.

For each Property Use Category on Exhibit B, the tax per year on each parcel for each fiscal year subsequent to the first fiscal year shall be an amount determined as follows:

$$\begin{array}{l} \text{Tax Per Parcel} \\ \text{For then Current} \\ \text{Fiscal Year} \end{array} = \begin{array}{l} \text{Tax Per Parcel} \\ \text{For First} \\ \text{Fiscal Year} \end{array} \times \begin{array}{l} \text{(Actual Cost of Services} \\ \text{for immediately} \\ \text{Preceding Fiscal Year)} \\ \text{(Actual Cost of Services} \\ \text{for First Fiscal Year} \\ \text{of Levy)} \end{array}$$

Provided, however, that in no event shall the tax per parcel for any fiscal year be less than the amount established for the first 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 of 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 13, 2015 so that taxes shall first be collected hereunder for the tax year beginning July 1, 2015. 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 13, 2015 by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTENTIONS:

APPROVED:

\_\_\_\_\_  
Doug Hardcastle, Mayor

ATTEST:

\_\_\_\_\_  
Libby Vreonis, City Clerk

\_\_\_\_\_  
Date



## STAFF REPORT

**Date:** December 17, 2014  
**To:** Mayor and Members of City Council  
**From:** William R. Galstan, Special Counsel *William R. Galstan*  
**Cc:** Bryan Montgomery, City Manager; Troy Edgell, Code Enforcement Manager;  
Dan Gomez, Chief of Police; Kevin Rohani, Public Works Director/City Engineer  
**Subject:** Ordinance dealing with leaf blowers and other noises and  
blowing leaves into streets

### FOR CONSIDERATION AT THE CITY COUNCIL MEETING ON JANUARY 13, 2015

#### Summary and Recommendation

Introduce the ordinance by title only and introduce the ordinance amending the Oakley Municipal Code.

#### Fiscal Impact

None. Possible very modest revenue from fines paid by violators.

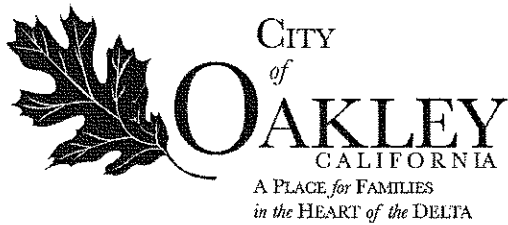
#### Background and Analysis

The desire for an ordinance amendment sometimes occurs because of unusual circumstances. This is one of those cases.

Oakley residents have complained that a neighbor—apparently motivated by a desire to harass or spite—operates a power lawn mower and leaf blower late into the evening hours, not for gardening purposes but as a way of annoying the neighborhood.

We currently have an ordinance, OMC Sec. 4.2.208(c), that prohibits the operation of lawn mowers and leaf blowers between 10:00 p.m. and 8:00 a.m. After looking at this ordinance, there appears to be no legitimate reason to be operating such equipment at night. Thus the proposed ordinance would ban such operation between sunset and sunrise. These time parameters were chosen due to the changing light conditions during various seasons and daylight vs. standard time. Also, the term “dusk” is somewhat vague, whereas “sunset” and “sunrise” are easily determined by published times for those events each day.

While looking at the ordinance, it appeared that other changes would be desirable. For example, the existing ordinance prohibits the operation of air conditioning equipment or pool pumps between 10:00 p.m. and 8:00 a.m. As we know in East County, hot summer evenings can reasonably cause us to leave air conditioners on all night. By the same token, PG&E encourages the public to avoid using electrical appliances during the peak afternoon hours, thus leading pool owners to opt to start pool filtering around dawn rather than after 8:00. Thus the references to air conditioners and pool pumps are proposed to be eliminated.



Section 2 of the proposed ordinance deals with the practice of blowing leaves into the street. We have received complaints that some homeowners blow leaves into the street, rather than collecting them into a pile and placing them in the green waste container for pickup. While some larger cities like Sacramento encourage residents to place leaves into the gutter, whereupon city crews come along and pick them up, Oakley and most area cities do not provide this service. The leaves that nature drops on the streets is a sufficient problem by itself in terms of the potential for clogging storm drains that the additional burden of homeowner leaves being placed into the street is burdensome.

Oakley has an existing ordinance, called the "encroachment ordinance" that prohibits most private activities in the public streets and rights-of-way. Currently, it is unlawful to place "rubbish, brush, earth or material" in the right-of-way. This ordinance would clarify that it is unlawful to also place leaves into the street.

#### **Attachments**

- 1) Proposed ordinance amending OMC Sec. 4.2.208(c) and 6.2.102(c)(4).
- 2) Strike-out sheet showing proposed changes.

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF OAKLEY AMENDING  
SECTIONS 4.2.208(c) and 6.2.102(c)(4) OF THE OAKLEY MUNICIPAL CODE,  
DEALING WITH UNREASONABLE NOISES AND ENCROACHMENTS**

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

Section 1. Section 4.2.208(c) of the Oakley Municipal Code is hereby amended to read as follows:

(c) Operate a lawn mower or leaf blower between sunset and sunrise, or operate other machinery between the hours of 10:00 p.m. and 7:00 a.m. in a manner causing excessive noise to nearby residents.

Section 2. Section 6.2.102(c)(4) is hereby amended to read as follows:

(c)(4) Placing or leaving on the right-of-way any rubbish, brush, leaves, earth or any material;

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 the project will not have a significant effect on the environment; therefore the project is not subject to CEQA.

Section 4. Severability.

In the event 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 5. Effective Date and Publication.

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 \_\_\_\_\_, 2015 by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

APPROVED:

\_\_\_\_\_  
Doug Hardcastle, Mayor

ATTEST:

\_\_\_\_\_  
Libby Vreonis, City Clerk

\_\_\_\_\_  
Date

**4.2.208 Prohibitions.**

Except as otherwise provided in this article it is unlawful for a person to do any of the following acts:

a. Operate or play a radio, television set, stereo, phonograph, receiving set, tape or compact disk player, jukebox, musical instrument or similar device between 10:00 p.m. and 8:00 a.m. in such a manner as to be plainly audible at a distance of 50 feet from the building, structure or vehicle from which it is located or a distance of 50 feet from the device if outside;

b. Create noise on a street, sidewalk or public place adjacent to a school or church while in use or to a hospital if the noise unreasonably interferes with the working of the institution or the peace or quiet of a hospital patient;

c. Operate ~~a machinery, equipment, or a pump, fan, air conditioner, spa or pool equipment, power tool, lawn mower or leaf blower~~ between sunset and sunrise, or operate other machinery between the hours of 10:00 p.m. and 7:00 a.m. ~~or engine~~ in a manner which causes excessive noise to nearby residents. ~~between the hours of 10:00 p.m. and 8:00 a.m.~~

d. Operate or perform construction or repair work (which creates noise) within or adjacent to a residential land use district except during the following hours:

1) Monday through Friday: 7:30 a.m. to 7:00 p.m.

2) Saturdays, Sundays and holidays: 9:00 a.m. to 7:00 p.m.;

e. Install, use or operate a loudspeaker or sound-amplifying equipment in a fixed or movable position or mounted on a sound truck for the purpose of transmitting sound to a person in or on a street, sidewalk, park or public property without a permit obtained under Section [4.2.210](#).

### 6.2.102 Definitions.

As used in this chapter the following words and phrases shall have the meanings given in this section:

a. "Public highway" means the full width of the surfaced or traveled portion, including shoulders, of any road, street, path, lane, or alley dedicated to, reserved for, or used by or for the general public when those roads, streets, paths, lanes, and alleys have been accepted as and declared to be part of the City system of public highways, except highways forming a part of the State highway system or of an incorporated City street system.

b. "Right-of-way" means all land or interest therein which by deed, conveyance, agreement, easement, dedication, usage, or process of law is reserved for or dedicated to the use of the general public for road or highway purposes.

c. "Encroach" includes going on, over, or under, or using any right-of-way so as to prevent, obstruct, or interfere with the normal use of that way, including the performance of any of the following acts:

- 1) Excavating or disturbing the right-of-way;
- 2) Erecting or maintaining any post, sign, pole, fence, on, over, or under the right-of-way;
- 3) Planting any tree, shrub, grass, or other growing thing within the right-of-way;
- 4) Placing or leaving on the right-of-way any rubbish, brush, leaves, earth, or any material;
- 5) Constructing, placing, or maintaining on, over, under, or within the right-of-way any pathway, sidewalk, driveway, or other surfacing, any culvert or other surface drainage or subsurface drainage facility; or any pipe, conduit, or cable;
- 6) Traveling on the right-of-way by any vehicle or combination of vehicles or object of dimension, weight, or other characteristic prohibited by law without a permit;
- 7) Lighting or building a fire within the right-of-way;
- 8) Constructing, placing, planting, or maintaining any structure, embankment, excavation, tree, or other object adjacent to the right-of-way which causes or will cause an encroachment;

d. "Permittee" means any person, firm, company, corporation, association, public agency, or organization that proposes to do work or encroach on a right-of-way as defined in this section and has been issued a permit for encroachment by the City Engineer. All obligations, responsibilities, and other requirements of the permittee as described in this title shall be binding on subsequent owners of the encroachment.





## STAFF REPORT

**Date:** Tuesday, January 13, 2015  
**To:** Bryan H. Montgomery, City Manager  
**From:** Kevin Rohani, Public Works Director/City Engineer

Approved and Forwarded to City Council:

  
Bryan H. Montgomery, City Manager

**SUBJECT:** Resolution to Name the Park area located at 215 2<sup>nd</sup> Street as "Dewey Park"

### **Background and Analysis**

The City acquired the former Fire Station #93 property located at 215 2<sup>nd</sup> Street in 2011, and a portion of the northern area of this parcel has been being used as a park area.

The Downtown Specific Plan identifies the entire parcel for potential structure parking. The surface parking use could occur on the remainder of the parcel. If in the future, development projects necessitate construction of the parking structure, the park improvements can easily be removed.

After Staff discussion and review, the name "Dewey Park" emerged as best suited for this site and is being proposed for consideration.

Historically, City founder Randolph Marsh wanted to name the City Dewey, after Admiral Dewey. Mr. Marsh was impressed with the exploits of Admiral Dewey at the Battle of Manila Bay during the Spanish-American War. The City park located on Oxford Drive was originally slated to be named "Dewey Park"; however, following a tragic event, the park was renamed Nunn-Wilson Family Park.

The "Dewey Park" name is in line with the City's adopted Facilities Naming Policy (attached), Staff believes that there is merit to naming the park "Dewey Park".

### **Fiscal Impact**

There is no budgetary impact to this policy decision.

### **Recommendation**

Staff recommends that the Council adopt the resolution formally naming the park area at 215 2<sup>nd</sup> Street as "Dewey Park".

### **Attachments**

- 1) Resolution
- 2) Vicinity Map
- 3) City Facilities Naming Policy

RESOLUTION NO. \_\_-15

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OAKLEY  
NAMING THE PARK PORTION OF THE 215 2<sup>ND</sup> STREET PARCEL  
“DEWEY PARK”**

**WHEREAS**, the City of Oakley owns parcel 035-131-002 on 2<sup>nd</sup> Street and said parcel is designated for public use; and

**WHEREAS**, stated property has been used as a park by the neighborhood for many years; and

**WHEREAS**, in February 2007 the City Council approved a City Facilities Naming Policy; and

**WHEREAS**, the proposed park name has historical context to Oakley;

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED**, that the City Council of the City of Oakley hereby names a 90’X100’ portion of park parcel 035-131-002 located at the corner of 2<sup>nd</sup> Street and Acme Street “Dewey Park”.

**PASSED AND ADOPTED** by the City Council of the City of Oakley at a meeting held on the 13<sup>th</sup> of January, 2015 by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTENTIONS:

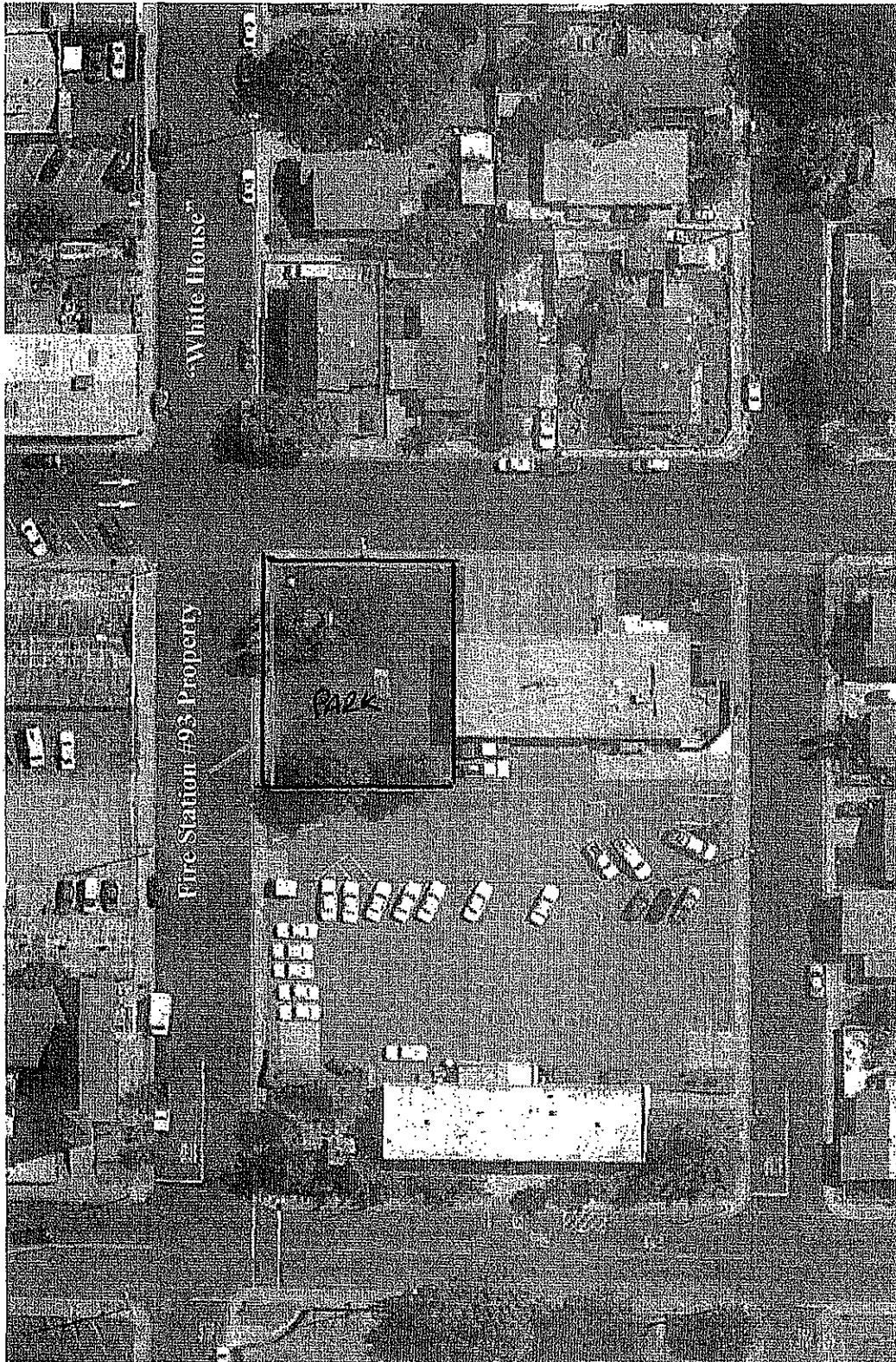
APPROVED:

ATTEST:

\_\_\_\_\_  
Doug Hardcastle, Mayor

\_\_\_\_\_  
Libby Vreonis, City Clerk

\_\_\_\_\_  
Date





## CITY FACILITIES NAMING POLICY

*Approved February 26, 2007*

### **PURPOSE:**

To provide guidelines and procedures for naming of City Facilities and Parks.

### **DEFINITIONS:**

*City Facilities:* Any facility, park or property owned, controlled and/or maintained by the City to conduct City business or City-sponsored activities, including developed areas, undeveloped areas and designated open spaces.

### **PROCEDURE:**

City staff will coordinate the generation of potential names and forward them to the City Manager. The City Manager will provide recommendation(s) regarding the proposed name(s) to the City Council for its consideration and the City Council shall have final approval.

### **POLICY:**

- 1) Naming shall be of such that it would provide an easy and recognizable reference to the facility and be compatible to the area in which the facility is located.
- 2) Naming based on a geographic location should reflect the well-known geographic name of the area within which the facility is located, the street adjacent to the facility, or other acceptable identification with the consideration of specific place, neighborhood, subdivision, or well-confirmed cultural or historical significance.
- 3) Naming based on a person or family should be done only for an individual (or family) that has had a clearly positive and significant impact or contribution to the City, State or Country. (This could include significant donors to the facility or previous property owners). Names should be avoided that would cause undue contention or concern.
- 4) Naming should take into account the names of other facilities (public or private) so as to not duplicate or utilize a name that could be readily confused by others, particularly emergency response personnel.



Agenda Date: 01/13/2015  
Agenda Item: 5.5

## STAFF REPORT

**Date:** Tuesday, January 13, 2015  
**To:** Bryan H. Montgomery, City Manager  
**From:** Kevin Rohani, P.E. Public Works Director/ City Engineer

Approved and Forwarded to City Council:

  
Bryan H. Montgomery, City Manager

**SUBJECT:** Approval of the City of Oakley's Contra Costa Transportation Authority (CCTA) Growth Management Program Compliance Checklist for Allocation of Fiscal Year 2013/14 and 2014/15 Local Street Maintenance and Improvement Funds

### **Background and Analysis**

In order to be eligible for the Measure J funds, municipalities in Contra Costa County are required to submit a biennial self-certifying checklist to the Contra Costa Transportation Authority (CCTA) that details how the requirements of Measure J have been complied with. Measure J funds are provided on a fiscal year basis, while the checklist covers a calendar year. Each checklist addresses a specific fiscal year period and a different reporting period. For instance, the current checklist is for Fiscal Years 2013-14 and 2014-15 but the reporting period is for calendar years 2012 and 2013.

When the City of Oakley incorporated, the self-certification process was done annually. However, in 2000 the CCTA switched to a biennial reporting format. City of Oakley has been found in compliance with CCTA requirements for each reporting submittal.

Measure J guidelines require that the checklist be approved by the City Council prior to it being forwarded to CCTA for consideration. Staff has prepared the attached checklist package and attachments for consideration by City Council and is recommending that the City Council adopt the resolution authorizing the Mayor to sign the checklist and forward it to CCTA prior to their June 30, 2015 submittal deadline. CCTA will then process the checklist pursuant to CCTA procedures and will notify the City that the checklist has been approved. This process typically takes several months to complete.

### **Fiscal Impact**

If the City of Oakley does not submit the checklist to CCTA, the City will not be eligible to receive its allocation of Measure J funds.

**Staff Recommendation**

Staff recommends that the City Council adopt the resolution authorizing the Mayor to sign the checklist and submit it to CCTA for consideration.

**Attachments**

- 1) Resolution
- 2) Checklist with Exhibits
- 3) Compliance Checklist

RESOLUTION NO. \_\_- 15

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OAKLEY, CALIFORNIA AUTHORIZING THE MAYOR TO SIGN THE CALENDER YEAR 2012 AND 2013 GROWTH MANAGEMENT PROGRAM CHECKLIST AND FORWARD IT TO THE CONTRA COSTA TRANSPORTATION AUTHORITY**

**WHEREAS**, the Contra Costa Transportation Authority Measure J allocates 18% of its revenues to the local municipalities for the maintenance and improvements of local streets and roads; and

**WHEREAS**, to be eligible for the Fiscal Year 2013-14 and 2014-15 Measure J disbursement, the City must submit a biennial self-certifying checklist to the Contra Costa Transportation Authority by June 30, 2015; and

**WHEREAS**, prior to submitting to the Contra Costa Transportation Authority, the City Council must review the checklist and find that it is in conformance with the requirements for compliance.

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED**, by the City Council of the City of Oakley that Calendar Year 2012 and 2013 Growth Management Program checklist is found to be in conformance with the City of Oakley policies and programs for compliance with the Contra Costa Transportation Authority Improvement and Growth Management Program.

**BE IT FURTHER RESOLVED AND ORDERED**, that the Mayor is authorized to sign the checklist and forward it to the Contra Costa Transportation Authority for consideration.

PASSED AND ADOPTED by the City Council of the City of Oakley, California this 13<sup>th</sup> day of January, 2015 by the following vote:

- AYES:
- NOES:
- ABSTENTIONS:
- ABSENT:

APPROVED:

\_\_\_\_\_  
Doug Hardcastle, Mayor

ATTEST:

\_\_\_\_\_  
Libby Vreonis, City Clerk

\_\_\_\_\_  
Date

**City of Oakley**

**Measure J Growth Management Program Compliance Checklist**

**For Fiscal Years 2013-14 and 2014-15**

**List of Exhibits:**

- A.) Resolution No. 11-14 - Annual Progress Report on Implementation of Housing Element for City of Oakley
- B.) Annual Housing Element Implementation Progress Report
- C.) Resolution No. 26-13 - Approval of General Plan Amendment for the land use of property at 111 Carol Lane
- D.) Resolution No. 02-13 - Adoption of Complete Street Policy
- E.) Standard Conditions of Approval (Residential)
- F.) Standard Conditions of Approval (Commercial / Industrial)
- G.) Resolution No. 62-14 - City of Oakley CIP for FY 2014-15 through 2018-19
- H.) Resolution No. 76-02 - Adoption of the Oakley 2020 General Plan and related mitigation findings regarding alternatives, a statement of overriding considerations, and a Mitigation Monitoring Program
- I.) Resolution No. 92-08 - Adoption of the Contra Costa County Measure L Urban Limit Line (ULL)
- J.) Resolution No. 33-10 - Oakley Downtown Specific Plan



## RESOLUTION NO. 11-14

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OAKLEY MAKING FINDINGS AND APPROVING THE ANNUAL PROGRESS REPORT ON IMPLEMENTATION OF THE HOUSING ELEMENT FOR THE CITY OF OAKLEY**

**WHEREAS**, in November 1998, the voters approved the incorporation of the City of Oakley, to be effective July 1, 1999; and

**WHEREAS**, on July 1, 1999, the City of Oakley was incorporated; and

**WHEREAS**, after incorporation, the City adopted the Contra Costa County General Plan for the Oakley Area as its General Plan, the County's subdivision ordinance as its subdivision Ordinance, and the County's zoning ordinance as its zoning ordinance (Ordinance Nos. 1-99, 17-99, 22-99). Since that time, the City has prepared its own General Plan, as required by Government Code Section 65360; and

**WHEREAS**, in December 2002, the Oakley City Council adopted the Oakley 2020 General Plan; and as part of the General Plan the City developed a 2001-2007 Housing Element, which was certified by The State Department of Housing and Community Development (HCD) in 2005; and

**WHEREAS**, in August 2009, the Oakley City Council adopted the 2007-2014 Housing Element,

**WHEREAS**, the City is required to provide housing opportunities for all income groups. HCD reviews the Housing Element portion of the General Plan, and requires an Annual Progress Report on the Implementation of the Housing Element; and

**NOW, THEREFORE**, on the basis of the above findings of fact and the entire Record, the City Council makes the following additional findings in support of the approvals:

1. The City has completed an Annual Progress Report (Attachment 1), which outlines the progress the City has made on the goals and policies outlined in the Housing Element:
  - a. The City shall meet the State Department of Housing and Community Development Department (HCD) requirements to ensure the City is providing adequate housing types for all income groups.
  - b. Compliance with HCD requirements will provide for orderly, well balanced growth within the City.

**PASSED AND ADOPTED:** by the City Council of the City of Oakley at a meeting held on the 11<sup>th</sup> day of March 2014, by the following vote: 5-0

**AYES:** Burgis, Hardcastle, Pope, Rios, Romick

**NOES:**

**ABSENT:**

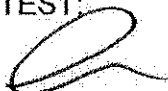
**ABSTENTIONS:**

**APPROVED:**



Randy Pope, Mayor

**ATTEST:**



Libby Vreonis, City Clerk

13MAY14

Date



**ANNUAL ELEMENT PROGRESS REPORT**  
**Housing Element Implementation**  
 (CCR Title 25 §6202 )

Jurisdiction City of Oakley  
 Reporting Period 1/1/2013 - 12/31/2013

**Table A2**  
**Annual Building Activity Report Summary - Units Rehabilitated, Preserved and Acquired pursuant to GC Section 65583.1(c)(1)**

Please note: Units may only be credited to the table below when a jurisdiction has included a program in its housing element to rehabilitate, preserve or acquire units to accommodate a portion of its RHNA which meet the specific criteria as outlined in GC Section 65583.1(c)(1)

Activity Type	Affordability by Household Incomes				(4) The Description should adequately document how each unit complies with subsection (c)(7) of Government Code Section 65583.1
	Extremely Low Income	Very Low Income	Low Income	TOTAL UNITS	
(1) Rehabilitation Activity				0	Most of the facilities are relatively new and maintained. Rehabilitation is not needed at this time.
(2) Preservation of Units At-Risk				0	Currently no units are at risk.
(3) Acquisition of Units				0	No additional units were acquired in the one year time frame from January 1, 2013 to December 31, 2013.
(5) Total Units by Income	0	0	0	0	

\* Note: This field is voluntary

**Table A3**  
**Annual building Activity Report Summary for Above Moderate-Income Units (not including those units reported on Table A)**

	1. Single Family	2. 2 - 4 Units	3. 5+ Units	4. Second Unit	5. Mobile Homes	6. Total	7. Number of infill units*
No. of Units Permitted for Moderate	196		1			197	
No. of Units Permitted for Above Moderate	3					3	

\* Note: This field is voluntary

**ANNUAL ELEMENT PROGRESS REPORT**  
**Housing Element Implementation**  
 (CCR Title 25 §6202 )

Jurisdiction City of Oakley  
 Reporting Period 1/1/2013 - 12/31/2013

**Table B**

**Regional Housing Needs Allocation Progress**

**Permitted Units Issued by Affordability**

Enter Calendar Year starting with the first year of the RHNA allocation period. See Example.													Total Units to Date (all years)	Total Remaining RHNA by Income Level
Income Level	RHNA Allocation by Income Level	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9				
Very Low	Deed Restricted	219	156		34		34	18					242	-23
	Non-deed restricted													
Low	Deed Restricted	120	162		9		9	11					191	-71
	Non-deed restricted													
Moderate	Deed Restricted	88	68	211	170	77	151	197					874	-786
	Non-deed restricted													
Above Moderate:		348	328					3					331	17
Total RHNA by COG. Enter allocation number:		775												
Total Units			714	211	213	77	194	229					1,630	-863
Remaining Need for RHNA Period														

Note: units serving extremely low-income households are included in the very low-income permitted units totals.

**ANNUAL ELEMENT PROGRESS REPORT**  
**Housing Element Implementation**

(CCR Title 25 §6202 )

Jurisdiction City of Oakley  
 Reporting Period 1/1/2013 - 12/31/2013

Table C

Program Implementation Status

Housing Programs Progress Report - Government Code Section 65583. Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.				
Program Description (By Housing Element Program Names)	Name of Program	Objective	Timeframe in H.E.	Status of Program Implementation
1.1 Provision of Adequate Sites to Meet Remaining RHNA Need.		Provision of Adequate sites to accommodate remaining RHNA need of 88 Extremely Low Income Units	August-10	The 6.52-acre portion of the 17.95-acre affordable housing community, owned by Corporation for Better Housing, continues to be available for future affordable housing construction. That site has the capacity to provide for an additional 85 affordable housing units. There continues to be adequate sites and capacity available to meet the Extremely Low Income subcategory if funding sources become available.
1.2 Rezoning for Consistency with the General Plan		Complete rezoning program for consistency with the General Plan	June-10	The City completed the rezoning of residential properties to be consistent with the City of Oakley 2020 General Plan by adopting Ordinances 07-11, 08-11, 09-11, 20-11, 21-11, and 23-11.
1.3 Amend Density Bonus Ordinance		Review and revise existing Density Bonus ordinance as required by recent legislation and any future revisions to State Density Bonus Law	June-10	The City revised the Density Bonus Ordinance to be consistent with State Law. Ordinance No. 11-10 was adopted in September 2010.
1.4 Review and Revise Development Fees		Aim to reduce constraints on development	June-10	Development fees were reviewed and revised as part of the Fee Schedule Update approved in August 2009. Generally the development fees were reduced or remained the same. Additionally, the City has adopted a temporary program that cuts the Development Impact Fees by almost 40 percent.
1.5 Promote Energy-Conserving Programs		Develop a Strategy for Efficient Use of Energy Resources	June-10	The City has adopted the California Energy Code and performs plan reviews to ensure projects meet the codes intention for efficient energy use.
1.6 Encourage Residential Development in Areas Served by Public Transit		Encourage Residential Development near current or planned Transit	Establish proximity criteria by June 2010	The City adopted the Downtown Specific Plan which is within 1/2 mile of public transit. The DSP allows for reduced parking in order to facilitate the redevelopment of downtown. Additionally, the General Plan has policies that encourage high density development near transit, and the City has made a consistent effort to locate higher density development along existing transit corridors.

**ANNUAL ELEMENT PROGRESS REPORT**  
**Housing Element Implementation**  
 (CCR Title 25 §6202 )

Jurisdiction City of Oakley  
 Reporting Period 1/1/2013 - 12/31/2013

1.7 Develop an Inventory of Available Land Resources	Inventory of Available Land Resources	June-10	The City has developed a comprehensive map of vacant and underutilized parcels. The list includes both vacant parcels and parcels that have infill potential. The information was recently updated prior to the adoption of the 2007-2014 Housing Element.
1.8 Inclusionary Housing Requirements	Implementation of Inclusionary Ordinance	Ongoing and Annual Monitoring	Since 2007, 434 units have been constructed within what was the RDA boundary. All 434 units fall within the Extremely Low, Very Low, Low, and Moderate Income Categories, providing capacity for above moderate income units to be constructed in accordance with the percentages set forth in the Inclusionary Ordinance. The City will be focusing attention on implementing the Downtown Specific Plan. One of the goals of the Downtown Specific Plan is to revitalize the historic downtown, including providing infill and mixed use residential opportunities. The impressive accomplishments in constructing affordable units will allow efforts to be focused on providing higher end, market rate residential units as part of the downtown revitalization efforts.
1.9 Encourage Infill Development	Encourage infill as a means to provide additional opportunities for construction	December-10	The city continues to encourage infill development. The City, as well as several other agencies have reduced the Development Impact Fees to encourage development. The City has adopted a Downtown Specific Plan which specifically provides for infill and mixed use residential opportunities within the City.
1.10 Job Housing Balance Evaluation	Analyze the status of jobs and housing within the community and then provide to large employers within the community	Develop info materials by Dec. 2010	The city has a comprehensive list of approved and developed subdivisions within the City. This list is readily available to large employers within the City.
1.11 Annual Review and Reporting of Housing Element Progress	Complete reporting requirements	Report due to HCD Annually	The Annual Report is scheduled for Council review and approval at the March 11, 2014 City Council Meeting. Thereafter, the Annual Report will be forwarded to HCD prior to April 1, 2014.
1.12 Affordable Housing Overlay	Review and Revise Affordable Housing Overlay	June-10	The City has revised the Affordable Housing Overlay District to make it consistent with the City's adopted Housing Element. Ordinance No. 12-10 was adopted in September 2010.
<b>GOAL 2 - Rehabilitation of Existing Housing Stock</b>			

**ANNUAL ELEMENT PROGRESS REPORT**  
**Housing Element Implementation**  
 (CCR Title 25 §6202)

Jurisdiction City of Oakley  
 Reporting Period 1/1/2013 - 12/31/2013

Name of Program	Objective	Timeframe in H.E.	Status of Program Implementation
2.1 Rehabilitation of Existing Housing Stock	Continue to provide information on housing rehabilitation assistance	2014	The City has provided access on the web site to the full list of programs available with the County and HUD, as well as links to appropriate web sites
2.2 Proactive Code Enforcement	Develop a Proactive Code Enforcement Strategy	June-10	Staff has developed, adopted and implemented a Property Maintenance Program, as well as a Residential Rental Inspection Program.
2.3 Infrastructure Preservation Program	Provide Adequate Infrastructure	Ongoing	The City annually adopts a capital improvement program as part of its budget to plan and schedule infrastructure improvements throughout Oakley. Based on those adopted priorities and funding plans the City aggressively implements capital improvement projects. There are currently 15 capital improvement projects in various stages of implementation throughout the City.
<b>GOAL 3 - Monitor Assisted Housing Units</b>			
Name of Program	Objective	Timeframe in H.E.	Status of Program Implementation
3.1 Monitor Assisted Housing Units	Monitor units to identify at risk units and insure current units compliance	Ongoing and Annual Monitoring	The City requires fiscal year financial and proof of certification to be reported 90 days after the end of the prior fiscal year. These reports are then audited. The City also maintains active relationships with owners and management.
3.2 Encourage Development of New Affordable Rental Housing for Remaining RHNA Need	Encourage Affordable Rental Housing Development to meet remaining RHNA need of 88 Extremely Low Income Units	2014	Active Program (See also Status of Implementation of Goal 1.1)
<b>GOAL 4 - Increase Access to Housing Opportunities</b>			
Name of Program	Objective	Timeframe in H.E.	Status of Program Implementation
4.1 Increase Access to Homeownership	Disseminate information about the available programs for Affordable Housing through offices, library or City website	June-10	The City website has the following information: where existing affordable family and senior housing projects within the City are located as well as submitted development applications, a link to the 211 program, and the County Section 8 Program.
4.2 Promote Fair Housing Standards	Continue to encourage the enforcement of federal and state fair housing standards	December-10	The City currently posts resources on the web site, plus disseminates information through the housing department and the police department. A guide to tenants and landlords rights is kept on hand as well.



**ANNUAL ELEMENT PROGRESS REPORT**  
**Housing Element Implementation**  
 (CCR Title 25 §6202 )

Jurisdiction City of Oakley  
 Reporting Period 1/1/2013 - 12/31/2013

4.3 Development of Housing for Extremely-Low Income Households	Encourage housing to meet RHNA need of 88 Extremely-Low Income units	2014	The City is working cooperatively with affordable housing developers to explore incentives. Although the City does not have available funds, staff has explored funding sources from other agencies in efforts to find ways to achieve the program goals to attain Extremely-Low Income units. The City has had numerous meetings and discussions with developers to explore incentives during this annual report time frame.
4.4 Development of Housing for Large Families	Increase Housing for Large Families	Ongoing	The City continues to focus on achieving a balance to accommodate various needs for housing.
4.5 Reasonable Accommodation Procedures	Continue reasonable accommodation procedures	Ongoing	Staff continues to ensure that projects meet the State's newest accessibility requirements by identifying deficiencies at plan review stage. City also works with a Certified Access Specialist for plan reviews and inspections.
4.6 Compliance with SB2	Comply with SB 2	August-10	The City has adopted an ordinance that complies with SB 2 in regard to transitional and supportive housing. The recently adopted Downtown Specific Plan provides a zone district and site to allow an Emergency Shelter by-right.
4.7 Pursue Outside Funding Sources	Monitor sources of development financing through federal, state and private sources to assist affordable and special needs housing	Ongoing/ Annually	The City is working cooperatively with affordable housing developers to explore outside funding sources. Although the City does not have available funds, staff has explored funding sources from other agencies in efforts to find ways to achieve the program goals to attain Extremely-Low Income units instead of Very-Low and -Low. The City has had numerous meetings and discussions in the past with developers to explore incentives and creative financing.
4.8 Provide Comprehensive Housing Information	Evaluate the effectiveness of existing community outreach and develop a comprehensive strategy	June-10	The City is continuing to enhance the community outreach strategy, which includes the use of e-mail, e-mail blasts, participation at community events, articles in publications/newspapers and on web sites. This is an ongoing process, and as more resources become available to the City, they are added to the community outreach strategy.
4.9 Zoning to Encourage and Facilitate Single Room Occupancy Units (SROs)	Zoning for SRO's	June-10	The City has adopted an ordinance that will encourage and facilitate the development of SRO's. Ordinance No. 13-10 was adopted in September 2010.

**ANNUAL ELEMENT PROGRESS REPORT**  
***Housing Element Implementation***  
(CCR Title 25 §6202 )

Jurisdiction	City of Oakley	
Reporting Period	1/1/2013	- 12/31/2013

**General Comments:**

The City of Oakley has had the following successes in implementation of its Housing Element:

- \* The City welcomed 433 new affordable housing units which started construction in 2008.
- \* The City is making excellent progress achieving its RHNA.
- \* The City has demonstrated significant progress to accomplishing the goals within the first three years of the 2007-2014 Housing Element.
- \* The City has continued development of housing in a difficult economy, with the permitting of 199 moderate and 3 above moderate income units in 2013.
- \* The City continues to assist citizens in finding local affordable housing opportunities.

**RESOLUTION NO. 26-13**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OAKLEY MAKING FINDINGS AND APPROVING THE GENERAL PLAN AMENDMENT TO AMEND THE LAND USE OF A .38 ACRE PROPERTY LOCATED AT 111 CAROL LANE (APN 037-132-037) FROM SINGLE-FAMILY HIGH RESIDENTIAL (SH) TO COMMERCIAL (CO)**

**FINDINGS**

**WHEREAS**, on July 1, 1999, the incorporation of the City of Oakley took effect; and

**WHEREAS**, after incorporation, the City adopted the Contra Costa County General Plan for the Oakley Area as its general plan, the County's subdivision ordinance as its subdivision ordinance, and the County's zoning ordinance as its zoning ordinance (Ordinance Nos. 1-99, 17-99, 22-99). Since that time, the City has prepared its own general plan, as required by Government Code Section 65360; and

**WHEREAS**, in December 2002, the Oakley City Council adopted the Oakley 2020 General Plan; and

**WHEREAS**, on November 5, 2012, The City of Oakley (herein referred to as "City"), initiated an application for a General Plan Amendment and Rezone for a .38-acre City owned parcel located at 111 Carol Lane (herein referred to as the "Project") APN: 037-132-037; and

**WHEREAS**, the City has initiated a project to amend the General Plan Designation of the property from Single-Family High Residential (SH) to Commercial (CO); and

**WHEREAS**, the City prepared an Initial Study/ Negative Declaration dated February 2013, which was circulated for public review and comment from February 19, 2013 to March 20, 2013. The Notice of Intent to Adopt a Negative Declaration and Initial Study/ Negative Declaration were filed with the County Clerk and Governor's Office of Planning and Research State Clearinghouse, on February 15, 2013 and February 19, 2013 respectively; and

**WHEREAS**, on March 15, 2013, the Notice of Public Hearing for the Project was duly noticed in the Contra Costa Times, a newspaper of general distribution. The Notice of Public Hearing was also mailed to all property owners within 300 feet of the project site. The Notice of Public Hearing was also posted at Oakley City Hall, Freedom High School, and at 204 2<sup>nd</sup> Street (City Annex); and

**WHEREAS**, on March 26, 2013, the City Council opened the public hearing at which it received a report from City Staff, oral and written testimony from the public, and deliberated on the project. At the conclusion of its deliberations, the City Council took a

vote and adopted this resolution to approve the project, as revised by the City Council during its deliberations; and

**WHEREAS**, these Findings are based on the City's General Plan and the City's Zoning Ordinance, and the information submitted to the City Council at its March 26, 2013 meeting, both written and oral, as reflected in the minutes of such meetings, together with the documents contained in the file for the Project (hereafter the "Record").

**NOW, THEREFORE**, on the basis of the above findings of fact and the entire Record, the City Council makes the following findings regarding the General Plan Amendment as shown in "Exhibit A" of this resolution in support of the recommended approvals:

**1. The change in Land Use Designation will provide for the orderly, well planned and balanced growth within the City:**

*The General Plan Amendment to Commercial (CO) will help to ensure the long-term economic success of the area by locating commercially designated land adjacent to arterial streets and promoting the location of neighborhood commercial centers (G.P. Policies 2.3.3 and 2.3.6), thereby continuing the orderly, well planned and balanced growth within the City.*

*In addition, The Commercial (CO) land use designation allows for a "broad range of commercial uses typically found adjacent to residential neighborhoods, downtowns, and freeways. The particular form of commercial zoning for different areas of the City will depend, among other factors, on the characteristics of surrounding land uses. General types of commercial uses include retail and service facilities, and limited office uses. Through sensitive design, commercial uses can be located near single-family residences with minimal disruption or impact. Typical uses will vary widely in size and purpose and include large-scale retail, regional-serving retail, grocery and convenience stores, salons, professional offices, restaurants, drug stores, dry cleaners, post office facilities, banks, and other uses of similar character and impacts." Although there is no development proposed at this time, the General Plan does recognize that commercial land uses may be placed next to residential land uses through sensitive design, which include the placement of the buildings and the parking area on the lot, minimizing the hours of operations, and using sound walls and parking lot light shields to minimize noise and light from spilling onto adjacent properties. All of these site design areas will be looked at when a future development project is proposed.*

**BE IT FURTHER RESOLVED THAT**, on the basis of the foregoing Findings and the entire Record, the City Council hereby approves the amendment to the General Plan as shown in "Exhibit A" of this resolution.

PASSED AND ADOPTED by the City Council of the City of Oakley at a meeting held on the 26<sup>th</sup> of March, 2013 by the following vote:

AYES: Burgis, Hardcastle, Pope, Rios, Romick

NOES:


ABSTENTIONS:

ABSENT:

APPROVED:

  
Kevin Romick, Mayor

ATTEST:

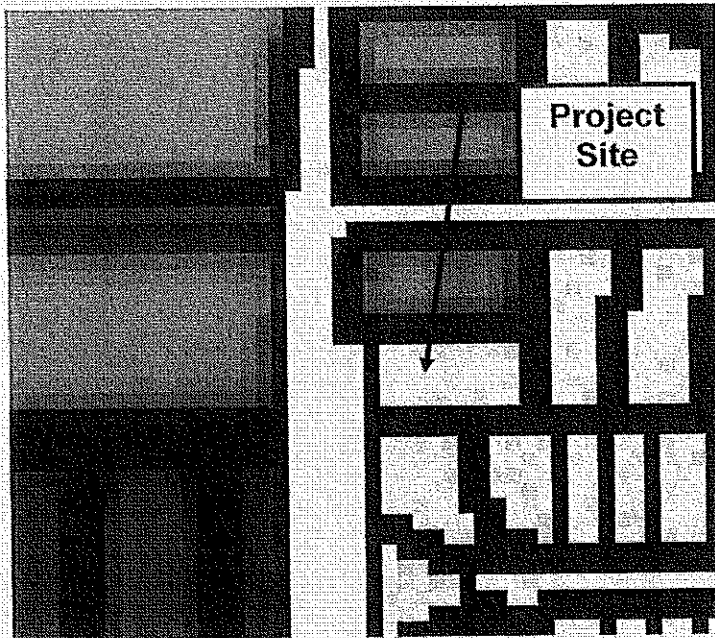
  
for Libby Vreonis, City Clerk

3-27-2013  
Date

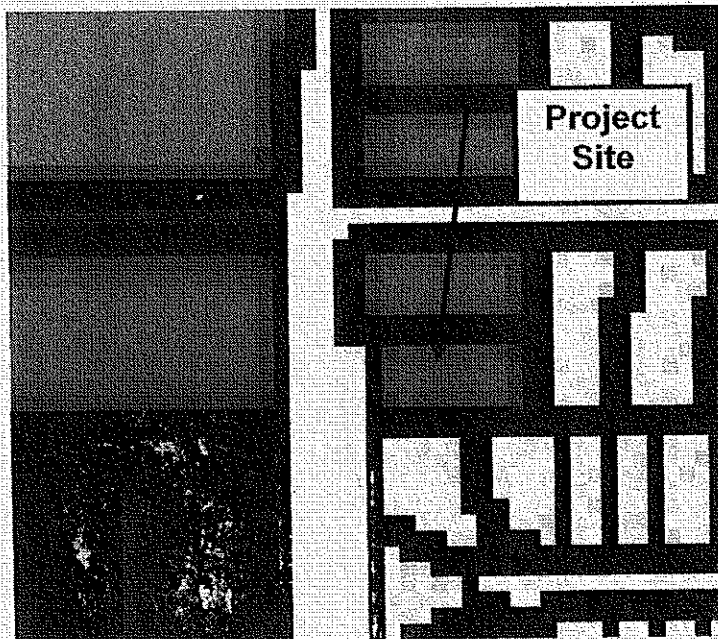
## Exhibit A

Parcel Number (APN)	Address	Existing General Plan Designation	Proposed General Plan Designation
037-131-037	111 Carol Lane	Single Family High (SH)	Commercial (CO)

### Existing General Plan Designation



### Proposed General Plan Designation



**RESOLUTION NO. 02-13****A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OAKLEY ADOPTING  
A COMPLETE STREETS POLICY****FINDINGS**

**WHEREAS**, the term "Complete Streets" describes a comprehensive, integrated transportation network with infrastructure and design that allows safe and convenient travel along and across streets for all users, including pedestrians, bicyclists, persons with disabilities, motorists, movers of commercial goods, users and operators of public transportation, seniors, children, youth, families, and other significant local users; and

**WHEREAS**, the City of Oakley acknowledges the benefits and value for the public health and welfare of reducing vehicle miles traveled and increasing transportation by walking, bicycling, and using public transportation; and

**WHEREAS**, the City of Oakley recognizes that the planning and coordinated development of Complete Streets infrastructure provides benefits for local governments in the areas of infrastructure cost savings; public health; and environmental sustainability; and

**WHEREAS**, the State of California has emphasized the importance of Complete Streets by enacting the California Complete Streets Act of 2008 (also known as AB 1358), which requires that when cities or counties revise general plans, they identify how they will provide for the mobility needs of all users of the roadways, as well as through Deputy Directive 64, in which the California Department of Transportation explained that it "views all transportation improvements as opportunities to improve safety, access, and mobility for all travelers in California and recognizes bicycle, pedestrian, and transit modes as integral elements of the transportation system"; and

**WHEREAS**, the California Global Warming Solutions Act of 2006 (known as AB 32) sets a mandate for the reduction of greenhouse gas emissions in California, and the Sustainable Communities and Climate Protection Act of 2008 (known as SB 375) requires emissions reductions through coordinated regional planning that integrates transportation, housing, and land-use policy, and achieving the goals of these laws will require significant increases in travel by public transit, bicycling, and walking; and

**WHEREAS**, numerous California counties, cities, and agencies have adopted Complete Streets policies and legislation in order to further the health, safety, welfare, economic vitality, and environmental wellbeing of their communities; and

**WHEREAS**, the City of Oakley therefore, in light of the foregoing benefits and considerations, wishes to improve its commitment to Complete Streets and desires that its streets form a comprehensive and integrated transportation network promoting safe,

equitable, and convenient travel for all users while preserving flexibility, recognizing community context, and using the latest and best design guidelines and standards; and

**NOW, THEREFORE, BE IT RESOLVED THAT** on the basis of the above findings of fact and the entire Record, the City Council makes the following additional findings in support of the approvals:

- A. The City of Oakley City Council adopts the Complete Streets Policy attached hereto as Exhibit A, and made part of this Resolution, and that said exhibit is hereby approved and adopted.
- B. That the next substantial revision of the City of Oakley General Plan Circulation Element shall incorporate Complete Streets policies and principles consistent with the California Complete Streets Act of 2008 (AB 1358) and with the Complete Streets Policy adopted by this resolution.

**PASSED AND ADOPTED** by the City Council of the City of Oakley at a meeting held on the 8<sup>th</sup> of January, 2013 by the following vote:

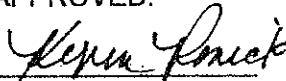
AYES: Burgis, Hardcastle, Pope, Romick

NOES:

ABSENT: Rios

ABSTENTIONS:

APPROVED:

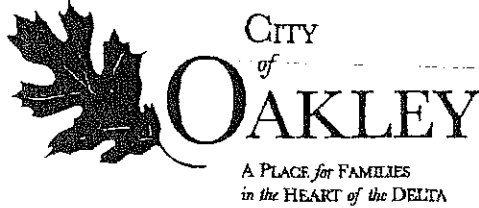
  
Kevin Romick, Mayor

ATTEST:

  
Libby Vreonis, City Clerk

1-14-13  
Date





## CITY OF OAKLEY COMPLETE STREETS POLICY

Adopted by Resolution No. 02-13 by the City of Oakley City Council on January 8, 2013.

### A. Complete Streets Principles

1. **Serve all Users:** All transportation improvements will be planned, designed, constructed, operated and maintained to support safe and convenient access for all users, and increase mobility for walking, bicycling and transit use, wherever possible while promoting safe and accessible operations for all users.
2. **Context Sensitivity:** The planning and implementation of transportation projects will reflect conditions within and surrounding the project area, whether the area is a residential, commercial, industrial, open space, or agricultural zoning district. Project planning, design and construction of complete streets projects should include working with residents and merchants to ensure that a strong sense of place is maintained.
3. **Complete Streets in all Departments:** All departments within the City of Oakley must incorporate a complete streets approach into the review and implementation of their projects and activities. Potential Complete Streets opportunities could apply to projects such as, transportation projects, road rehabilitation, new development, utilities, etc.
4. **All Projects/Phases:** The policy will apply to all roadway projects including those involving new construction, reconstruction, retrofits, repaving, rehabilitation, or changes in the allocation of pavement space on an existing roadway, as well as those that involve new privately built roads and easements intended for public use.

### B. Implementation

1. **Plan Consultation:** Any proposed improvements should be evaluated for consistency with all local bicycle, pedestrian and/or transportation plans and any other plans that affect the right of way should be consulted for consistency with any proposed improvements.
2. **Street Network/Connectivity:** The transportation system should provide a connected network of facilities accommodating all modes of travel. This includes

looking for opportunities for repurposing rights-of-ways to enhance connectivity for cyclists, pedestrians and transit users. A well connected network should include non-motorized connectivity to schools, parks, commercial areas, civic destinations and regional non-motorized networks on both publically owned roads/land and private developments (or redevelopment areas).

3. Bicycle and Pedestrian Advisory Consultation (BPAC): Input shall be solicited from local BPACs or similar advisory group in an early project development phase to verify bicycling and pedestrian needs for projects. (MTC Resolution 875 requires that cities of 10,000 or more create and maintain a BPAC or rely on the county BPAC to receive TDA-3 funds.)
4. Evaluation: City will establish a means to collect data and indicate how the jurisdiction is evaluating their implementation of complete streets policies. For example tracking the number of miles of bike lanes and sidewalks, numbers of street crossings, signage etc.

#### C. Exceptions

1. Process: Plans or projects that seek exemptions from implementing the City of Oakley Complete Streets policies outlined in prior sections must provide written findings of why accommodations for all modes were not included in the project. The memorandum should be signed off by the Public Works Director or equivalent high level staff.

**STANDARD CONDITIONS OF APPROVAL  
RESIDENTIAL**

Applicant shall comply with the requirements of Municipal Code. Any exceptions must be stipulated in these Conditions of Approval. Conditions of Approval are based on the site plan received by the Community Development Department on \_\_\_\_\_.

THE FOLLOWING PLANNING AND BUILDING CONDITIONS OF APPROVAL SHALL BE SATISFIED PRIOR TO THE ISSUANCE OF A BUILDING PERMIT UNLESS OTHERWISE NOTED:

***Planning Division Conditions*****General:**

1. This \_\_\_\_\_ is approved, as shown on the revised plans, date stamped by the Community Development Department on \_\_\_\_\_, and as modified by the following conditions of approval, subject to final review and approval by the Community Development Director.
2. This approval shall be effectuated within a period of \_\_\_\_\_ ( ) years from the effective date of this resolution by the recording of a final map and if not effectuated shall expire on \_\_\_\_\_. Prior to said expiration date, the applicant may apply for an extension of time pursuant to the provisions of the Municipal Code.
3. All construction drawings submitted for plan check shall be in substantial compliance with the plans presented to and approved by the Planning Commission on \_\_\_\_\_.
4. All conditions of approval shall be satisfied by the owner/developer. All costs associated with compliance with the conditions shall be at the owner/developer's expense.
5. Noise generating construction activities, including such things as power generators, shall be limited to the hours of 7:30 a.m. to 5:30 p.m. Monday through Friday, and shall be prohibited on City, State and Federal Holidays. The restrictions on allowed working days and times may be modified on prior written approval by the Community Development Director.
6. Should archaeological materials be uncovered during grading, trenching or other on- site excavation(s), earthwork within 30 yards of these materials shall be stopped until a professional archaeologist who is certified by the Society of Professional Archaeology (SOPA) has had an

opportunity to evaluate the significance of the find and suggest appropriate mitigation(s), if deemed necessary.

7. All mitigation measures addressed in the environmental document shall be complied with and addressed as outlined in the Mitigation Monitoring Program approved for this project (incorporated as Exhibit A), per the review and approval of the Community Development Director.
8. The applicant shall indemnify, defend, and hold harmless the City of Oakley, the City Approving Authorities, and the officers, agents, and employees of the City from any and all claims, damages and liability (including, but not limited to, damages, attorney fees, expenses of litigation, costs of court).
9. The applicant shall post a copy of the City of Oakley General Plan 2020 Land Use Diagram, in a conspicuous place, within the model homes or sales office.

**Development Standards:**

10. The \_\_\_\_\_ zone district shall have the following standards:

**Parks and Landscaping:**

11. This project has a park requirement of \_\_\_\_-acres (neighborhood and community). The applicant shall provide \_\_\_ acres on-site and pay in-lieu fees for the remainder.
12. The applicant shall work with the Community Development Department with the design, construction and completion of the park concurrent with the development of the subdivision. As part of the plan check process for the park, the applicant shall develop a park construction schedule approved by the Community Development Director to provide for the timely completion of the park concurrent with development.
13. A mix of evergreen and deciduous trees as well as shrubs and ground cover shall be planted along the street frontage as specified in the Residential Design Guidelines per the review and approval of the Community Development Director.
14. A landscaping and irrigation plan for all areas shown on the landscape plan shall be submitted for review and approval of the Community Development Director prior to the issuance of building permits. Landscaping shall conform to the Oakley Landscape Guidelines and the City's Water Conservation Landscape Ordinance 82-26 and shall be installed prior to final occupancy. The plan shall be prepared by a licensed landscape architect and shall be certified to be in compliance with the City's Water Conservation Ordinance.

15. California native drought tolerant plants shall be used as much as possible. All trees shall be a mix of fifteen-gallon and 24" box; all shrubs shall be a minimum five-gallon size, except as otherwise noted.
16. All landscaped areas not covered by shrubs or groundcover shall be covered with bark or acceptable alternative as reviewed and approved by the Community Development Director. On slopes greater than 3 to 1, the applicant shall use an alternative to bark per the review and approval of the Community Development Director.
17. Each residential lot shall have a minimum of two trees along the street frontage, with the exception of corner lots, which shall have four.
18. The applicant shall maintain all private landscaping until occupancy.
19. A street tree plan shall be submitted for review prior to issuance of Building Permits. The street trees shall be inter-mixed throughout the subdivision, so there are a variety of trees on every street, per review of the Community Development Department.

#### **Fences and Walls:**

20. Within the subdivision good neighbor fences shall be constructed of six-foot high wood fences with metal posts or acceptable alternative as reviewed and approved by the Community Development Director. Corner lots or any good neighbor fence facing a street shall provide a fence or wall constructed of a durable material such as, but not limited to, masonry, vinyl, enhanced wood, composite or other durable material as approved by the Community Development Director. All wood fencing visible from the street shall be stained or painted on both sides to prevent water damage to the satisfaction of the Community Development Director.
21. A \_\_\_-foot masonry wall shall be located along the perimeter of the site adjacent to \_\_\_\_\_. The wall shall be of \_\_\_\_\_ construction per the review and approval of the Community Development Director. In the locations where cul de sacs or front loaded streets are adjacent to the arterial and collector streets, wrought iron or 42" picket fences shall be constructed to provide open views per the review and approval of the Community Development Director.
22. Sound walls shall attenuate, not just deflect sound. The use of sound absorbing material should be used for the construction of sound walls per the review and approval of the Community Development Director.
23. Anti-graffiti techniques shall be used on sound walls.

#### **Subdivision Design:**

24. The neighborhood entries shall be identified by accent paving, project monument signage and accent planting per the review and approval of the Community Development Director.

25. Driveway openings shall be a maximum 18' in width or up to 25% of a lot's frontage (except on cul de sacs).
26. The street names shall be approved by the Community Development Department and the East Contra Costa Fire District.

**Subdivision Disclosures:**

27. The model home complex shall have a copy of the City of Oakley's General Plan land use map posted within the sales office or included with the informational material provided to prospective home buyers.
28. Where a lot/parcel is located within 300' of a high voltage electric transmission line, the applicant shall record the following notice:

"The subject property is located near a high voltage electric transmission line. Purchasers should be aware that there is ongoing research on possible potential adverse health effects caused by the exposure to a magnetic field generated by high voltage lines. Although much more research is needed before the question of whether magnetic fields actually cause adverse health effects can be resolved, the basis for such a hypothesis is established. At this time no risk assessment has been made."

When a Final Subdivision Public Report issued by the California Department of Real Estate is required, the applicant shall also request that the Department of Real Estate insert the above note in the report.

29. The following statements shall be recorded at the County Recorder's Office for each parcel to notify future owners of the parcels that they own property in an agricultural area:

"This document shall serve as notification that you have purchased land in an agricultural area where you may regularly find farm equipment using local roads; farm equipment causing dust or blowing sand; crop dusting and spraying occurring regularly; burning associated with agricultural activities; noise associated with farm equipment such as zon guns and aerial crop dusting and certain animals, including equestrian trails as well as flies may exist on surrounding properties. This statement is again, notification that this is part of the agricultural way of life in the open space areas of the City of Oakley and you should be fully aware of this at the time of purchase.

30. The following statement shall be recorded at the County Recorder's Office for each parcel to notify the future owners of

the parcel that they are within the Antioch School District and shall be prominently displayed in sales office's for the public to view:

This document shall serve as notification that you have purchased land within the Antioch Unified School District. Properties located within Antioch Unified School District boundaries are subject to Mello Roos tax. Potential property owners should be fully aware of this at the time of purchase."

**Design Review:**

31. All windows and doors shall be trimmed on all four sides.
32. Sixty percent of the garage doors throughout the subdivision, that face the street, shall have windows.
33. The use of stone or brick veneer shall be carried to the fence line or change in wall plane per the review of the Community Development Director.
34. All houses that side or back onto a road shall have additional architectural embellishments on the side and rear elevations.
35. Front yard setbacks shall vary from those of adjacent lots by at least 5 feet, for every three lots.

**Energy Efficiency:**

36. Water heaters shall provide an energy efficiency factor of 0.62 or better.
37. Dual zone air conditioning shall be provided on all two-story residential units.
38. Air conditioning condenser units shall be located to take advantage of natural shade. Condensers should not be placed on the west or south elevation of a home, unless shade is provided. The location of the condenser shall be added to all plot plans for review and approval of the Community Development Director.
39. Design and site units so as to take advantage of natural heating and cooling, sun and wind exposure, and solar energy opportunities.

**Waste Management Plan:**

40. The applicant shall submit a Waste Management Plan that complies with the City of Oakley Construction and Demolition Debris Recycling Ordinance.

### **Building Division Conditions**

41. Plans shall meet the currently adopted Uniform Codes as well as the newest T-24 Energy Requirements per the State of California Energy Commission. To confirm the most recent adopted codes please contact the Building Division at (925) 625 – 7005.
42. An Automatic Life Safety Sprinkler System shall be required in all new residential occupancies pursuant to Ordinance 22-06. The Automatic Life Safety Sprinkler Systems in one-family and two-family dwellings and attached and detached garages shall be designed and installed to the standards and requirements found in the most recent version of the NFPA (National Fire Protection Association), Standard 13D. A minimum of two sprinkler pilot heads shall be installed in a dwelling's attic area, if applicable.
43. Prior to requesting a *Final Inspection* from the Building Division all Conditions of Approval required for occupancy must be completed.

### ***Public Works and Engineering Conditions***

THE FOLLOWING PUBLIC WORKS AND ENGINEERING CONDITIONS OF APPROVAL SHALL BE SATISFIED PRIOR TO THE APPROVAL OF A FINAL MAP UNLESS OTHERWISE NOTED:

#### **General:**

44. Submit improvement plans prepared by a registered civil engineer to the City Engineer for review and approval and pay the appropriate processing costs in accordance with the Municipal Code and these conditions of approval. The plans shall be consistent with the Stormwater Control Plan for the project, include the drawings and specifications necessary to implement the required stormwater control measures, and be accompanied by a Construction Plan C.3 Checklist as described in the Stormwater C.3 Guidebook.
45. Submit a final map prepared by a licensed land surveyor or qualified registered civil engineer to the City Engineer and pay appropriate fees in accordance with the Code and these conditions of approval.
46. Submit grading plans including erosion control measures and revegetation plans prepared by a registered civil engineer to the City Engineer for review and pay appropriate processing costs in accordance with the Code and these conditions of approval.
47. Submit landscaping plans for publicly maintained landscaping, including planting and irrigation details, as prepared by a licensed landscape architect to the City Engineer for review and pay appropriate processing costs in accordance with the Code and these conditions of approval.
48. Execute any agreements required by the Stormwater Control Plan which pertain to the transfer of ownership and/or long term maintenance of



stormwater treatment mechanisms required by the plan prior to the final inspection of the first house within the subdivision.

49. Building permits for house construction shall not be issued until the subdivision streets serving the lots have been paved.

**Roadway Improvements:**

50. Construct the frontage of \_\_\_\_\_ to City public road standards for a 36-foot wide roadway within a 56-foot right-of-way, including curb, five-foot monolithic sidewalk (width measured from curb face), necessary longitudinal and transverse drainage, pavement widening to a minimum of 28 feet, and conforms to existing improvements. The face of curb shall be located 18 feet from the centerline and any conforms to existing improvements must take place outside of the limits of the project. [Residential Street condition]
51. Construct the frontage of \_\_\_\_\_ to City public road standards for a 40-foot wide roadway within a 76-foot right of way, including curb, six-foot detached sidewalk (parallel to the curb face and offset from the face of curb by six feet), right of way landscaping, necessary longitudinal and transverse drainage, pavement widening to a minimum of 28 feet, and conforms to existing improvements. The face of curb shall be located 20 feet from the centerline and any conforms to existing improvements must take place outside of the limits of the project. [Collector Street condition]
52. Construct the frontage of \_\_\_\_\_ to City public road standards for a 82-foot wide roadway within a 126-foot right of way, including curb, six-foot detached sidewalk (meandering within the landscape area so that the minimum landscape width is no less than six feet), right of way landscaping, a sixteen foot wide landscaped median, necessary longitudinal and transverse drainage, pavement widening to a minimum of 28 feet, and conforms to existing improvements. The face of curb shall be located 41 feet from the centerline and any conforms to existing improvements must take place outside of the limits of the project. [Arterial Street condition]
53. Construct a bus turnout on the \_\_\_\_\_ side of \_\_\_\_\_ just \_\_\_\_\_ of \_\_\_\_\_. The turnout shall be consistent with Tri Delta Transit and City standards and shall include any necessary shelters and appurtenances. The right of way adjacent to the turnout shall be widened so that the landscaping width is consistent with the remainder of the frontage.
54. Construct the project streets to City public road standards and as shown on the Tentative Map with the following exceptions:
  - A. The minimum street grade may be lowered from the standard 1% to 0.75% provided that the project proponent demonstrates that the City's drainage standards can be achieved.

- B. Submit a turning radius exhibit to the City Engineer for review and approval to illustrate that the ninety-degree turns of project streets can accommodate the largest expected vehicle to use the streets without the inclusion of City standard elbows. If the exhibit illustrates that elbows are necessary to accommodate the expected traffic then they shall be included in the improvement plans.
55. Install traffic calming measures consistent with the City's Neighborhood Traffic Management Program including \_\_\_\_\_. The traffic calming measures shall be included on the improvement plans and are subject to the review and approval of the City Engineer.
56. Install traffic control devices such as stop signs and other signing and striping on the project streets to the satisfaction of the City Engineer.
57. Install standard street barricades at the terminus of \_\_\_\_\_. The barricades shall include a sign notifying residents that the streets are planned to be extended in the future, and a deed notification shall be recorded for Lots \_\_\_\_\_ advising those owners of the possibility for future extension.
58. Construct emergency vehicle accesses from \_\_\_\_\_ to \_\_\_\_\_. The design and configuration of the accesses shall be per the current City standard and shall be subject to the review and approval of the City Engineer.
59. Construct an asphalt concrete overlay for the entire width of \_\_\_\_\_ adjacent to the project. The City Engineer shall determine the depth and extent of the overlay.
60. Design all public and private pedestrian facilities in accordance with Title 24 (Handicap Access) and the Americans with Disabilities Act.
61. Submit a phasing plan for the project streets to the City Engineer for review if the street improvement will be phased. The plan shall include provisions for emergency vehicle access, temporary turn-around facilities, and access to the occupied lots.

**Road Alignment/Sight Distance:**

62. Submit a preliminary plan and profile to the City Engineer for review showing all required improvements to \_\_\_\_\_. The sketch plan shall be to scale, show horizontal and vertical alignments, transitions, curb lines, lane striping and cross sections and shall provide sight distance for a design speed of \_\_\_ miles per hour. The plan shall extend a minimum of 150 feet ± beyond the limits of the proposed work.

**Road Dedications:**

63. Convey to the City, by Offer of Dedication, the right of way for the project streets.

64. Convey to the City, by offer of dedication, the right of way for \_\_\_\_\_ for the planned future half width of \_\_\_-feet along the project frontage.
65. Convey to the City, by offer of dedication, the required off-site road rights of way for \_\_\_\_\_. Alternatively the applicant can enter into an agreement with the City to fund the City efforts to obtain the off-site rights of way including all staff, legal, consultant, administrative, and acquisition costs.
66. Relinquish abutter's rights of access along all non-primary frontages to the satisfaction of the City Engineer.
67. Vacate the portion of public right of way on the \_\_\_\_\_ side of \_\_\_\_\_ in excess of the required half-width of \_\_\_-feet.
68. Furnish necessary rights of way, rights of entry, permits and/or easements for the construction of off-site, temporary or permanent, public and private road, utility and drainage improvements.

**Street Lights:**

69. Install streetlights along all project streets and the project \_\_\_\_\_ frontage. The City Engineer shall determine the final number and location of the lights, and the lights shall be on an LS2-A rate service. The lights on the project streets shall be decorative per City standards, and the lights along \_\_\_\_\_ shall be General Electric spun aluminum "cobra head" style.

**Grading:**

70. Submit a geotechnical report to the City Engineer for review that substantiates the design features incorporated into the subdivision including, but not limited to grading activities, compaction requirements, utility construction, slopes, retaining walls, and roadway sections.
71. At least one week prior to commencement of grading, the applicant shall post the site and mail to the owners of property within 300 feet of the exterior boundary of the project site notice that construction work will commence. The notice shall include a list of contact persons with name, title, phone number and area of responsibility. The person responsible for maintaining the list shall be included. The list shall be kept current at all times and shall consist of persons with authority to indicate and implement corrective action in their area of responsibility. The names of the individual responsible for noise and litter control shall be expressly identified in the notice. The notice shall be reissued with each phase of major grading activity. A copy of the notice shall be concurrently transmitted to the City Engineer. The notice shall be accompanied by a list of the names and addresses of the property owners noticed, and a map identifying the area noticed.

72. Dust control measures shall be provided for all stockpiling per the review and approval of the City Engineer.
73. Grade all pads so that they drain directly to the public street at a minimum of one percent without the use of private drainage systems through rear and side yards.
74. Grade any slopes with a vertical height of four feet or more at a slope of 3 to 1. Retaining walls that may be installed to reduce the slope must be masonry and comply with the City's building code.
75. Submit a dust and litter control plan to the City Engineer prior to beginning any construction activities.
76. Submit a haul route plan to the City Engineer for review and approval prior to importing or exporting any material from the site. The plan shall include the location of the borrow or fill area, the proposed haul routes, the estimated number and frequency of trips, and the proposed schedule of hauling. Based on this plan the City Engineer shall determine whether pavement condition surveys must be conducted along the proposed haul routes to determine what impacts the trucking activities may have. The project proponents shall be responsible to repair to their pre-construction condition any roads along the utilized routes.
77. Prior to commencement of any site work that will result in a land disturbance of one acre or more, the applicant shall provide evidence to the City Engineer that the requirements for obtaining a State General Construction Permit have been met. Such evidence may be a copy of the Notice of Intent letter sent by the State Water Resources Control Board. The WDID Number shall be shown on the grading plan prior to approval by the City Engineer.
78. Submit an updated erosion control plan reflecting current site conditions to the City Engineer for review and approval no later than September 1st of every year while the Notice of Intent is active.
79. Submit a Letter of Map Revision application or the appropriate application to FEMA to remove the building pads that are currently within the Special Flood Hazard Area Zone \_\_\_ from the flood zone. FEMA must issue no less than a Conditional Letter of Map Revision prior to the City issuing building permits for the lots affected by the Zone \_\_\_ designation. The applicant should be aware of the requirements of the Federal Flood Insurance Program and the City Floodplain Management Ordinance as they pertain to future construction of any structures on this property.
80. Grade all pad elevations or install levees to satisfy Chapter 914-10 of the City's Municipal Code, including the degree of protection provisions.
81. The burying of any construction debris is prohibited on construction sites.

**Utilities/Undergrounding:**

82. Underground all new and existing utility distribution facilities, including those along the frontage of \_\_\_\_\_. The developer shall provide joint trench composite plans for the underground electrical, gas, telephone, cable television and communication conduits and cables including the size, location and details of all trenches, locations of building utility service stubs and meters and placements or arrangements of junction structures as a part of the Improvement Plan submittals for the project. The composite drawings and/or utility improvement plans shall be signed by a licensed civil engineer.

83. All utility boxes shall be installed underground and all wires and cables must be installed in conduits. Compliance with this condition shall be at the discretion of the City Engineer.

84. Above ground utility boxes shall be camouflaged per the review and approval of the City Engineer.

#### **Drainage Improvements:**

85. Collect and convey all stormwater entering and/or originating on this property, without diversion and within an adequate storm drainage facility, to an adequate natural watercourse having definable bed and banks, or to an existing adequate public storm drainage facility that conveys the storm waters to an adequate natural watercourse consistent with the plans for Drainage Area \_\_\_\_ as prepared by the Contra Costa County Flood Control and Water Conservation District.

86. Submit a final hydrology and hydraulic report including 10-year and 100-year frequency event calculations for the proposed drainage system and stormwater pond to the City Engineer for review and approval.

87. Design and construct all storm drainage facilities in compliance with the Municipal Code and City design standards.

88. Prevent storm drainage from draining across the sidewalk(s) and driveway(s) in a concentrated manner.

89. Dedicate a public drainage easement over the drainage system that conveys storm water run-off from public streets.

90. Submit a long-term operational and maintenance plan for the stormwater pond and pump stations to the City Engineer for review. The plan must include a level of effort estimate for staffing and maintenance requirements as well as an operational and life cycle budget analysis.

#### **Landscaping in the Public Right of Way:**

91. Install public right of way landscaping along \_\_\_\_\_ prior to the issuance of the building permit for the \_\_\_th unit or concurrently with the construction of the sound wall. Public right of way landscaping along the

project streets shall be installed prior to occupancy of homes adjacent to that street.

92. Maintain all landscaping within the public right of way until such time that the adjacent roadway improvements have been accepted for maintenance.

**National Pollutant Discharge Elimination System (NPDES):**

93. Comply with all rules, regulations and procedures of the National Pollutant Discharge Elimination System (NPDES) for municipal, construction and industrial activities as promulgated by the California State Water Resources Control Board, the Regional Water Quality Control Board (Central Valley - Region IV), including the Stormwater C.3 requirements as detailed in the Guidebook available at [www.cccleanwater.org](http://www.cccleanwater.org).

Compliance shall include developing long-term best management practices (BMP's) for the reduction or elimination of storm water pollutants. The project design shall incorporate wherever feasible, the following long-term BMP's in accordance with the Contra Costa Clean Water Program for the site's storm water drainage:

- Offer pavers for household driveways and/or walkways as an option to buyers.
- Minimize the amount of directly connected impervious surface area.
- Delineate all storm drains with "No Dumping, Drains to the Delta" permanent metal markers per City standards.
- Construct concrete driveway weakened plane joints at angles to assist in directing run-off to landscaped/pervious areas prior to entering the street curb and gutter.
- Distribute public information items regarding the Clean Water Program to buyers.
- Other alternatives as approved by the City Engineer.

**Fees/Assessments:**

94. Comply with the requirements of the development impact fees listed below, in addition to those noticed by the City Council in Resolution 85-00 and 08-03. The applicant shall pay the fees in the amounts in effect at the time each building permit is issued.
  - A. Traffic Impact Fee (authorized by Ordinance No. 14-00, adopted by Resolution 49-03);
  - B. Regional Transportation Development Impact Mitigation Fee or any future alternative regional fee adopted by the City (authorized by Ordinance No. 14-00, adopted by Resolution No. 73-05);

- C. Park Land Dedication In-Lieu Fee (adopted by Ordinance No. 03-03);
- D. Park Impact Fee (authorized by Ordinance No. 05-00, adopted by Resolution No. 19-03);
- E. Public Facilities Fee (authorized by Ordinance No. 05-00, adopted by Resolution No. 18-03);
- F. Child Care Facilities "In Lieu" Fee (adopted by Ordinance No. 18-99 and 23-99);
- G. Fire Facilities Impact Fee, collected by the City (adopted by Ordinance No. 09-01);
- H. South Oakley Infrastructure Master Plan Fee (adopted by Resolution No. 52-03); and
- I. General Plan Fee (adopted by Resolution No. 53-03)
- J. East Contra Costa County Habitat Conservation Plan Fee (adopted by Resolution No. 112-07 & 124-07)

The applicant should contact the City Engineer prior to constructing any public improvements to determine if any of the required improvements are eligible for credits or reimbursements against the applicable traffic benefit fees or from future developments.

- 95. The applicant shall be responsible for paying the County Recorder's fee for the Notice of Determination as well as the State Department of Fish and Game's filing fee.
- 96. Annex the property to the City of Oakley Landscape and Lighting District No. 1 for citywide landscaping and park maintenance, subject to an assessment for maintenance based on the assessment methodology described in the Engineer's Report. The assessment shall be the per parcel annual amount (with appropriate future cost of living adjustment) as established at the time of voting by the City Council. Any required election and/or ballot protest proceedings shall be completed prior to approval of the final map. The Applicant shall apply for annexation and provide all information and documents required by the City to process the annexation. All costs of annexation shall be paid by Applicant.
- 97. Annex the property to the City of Oakley Landscape and Lighting District No. 1 for citywide street lighting costs and maintenance, subject to an assessment for street light maintenance based on the assessment methodology described in the Engineer's Report. The assessment shall be the per parcel annual amount (with appropriate future cost of living adjustment) as established at the time of voting by the City Council. Any required election and/or ballot protest proceedings shall be completed prior to filing of the final map. The applicant shall apply for annexation and

provide all information and documents required by the City to process the annexation. All costs of annexation shall be paid by Applicant.

98. Annex the property to the City of Oakley Landscape and Lighting District No. 1 for project specific landscaping maintenance, subject to an assessment for landscape operation and maintenance based on the assessment methodology described in the Engineer's Report. The assessment shall be the per parcel annual amount (with appropriate future cost of living adjustment) as established at the time of voting by the City Council. Any required election and/or ballot protest proceedings shall be completed prior to filing of the final map. The applicant shall apply for annexation and provide all information and documents required by the City to process the annexation. All costs of annexation shall be paid by Applicant.
99. Participate in the provision of funding to maintain police services by voting to approve a special tax for the parcels created by this subdivision approval. The tax shall be the per parcel annual amount (with appropriate future cost of living adjustment) as established at the time of voting by the City Council. The election to provide for the tax shall be completed prior to filing of the final map. Should the homes be occupied prior to the City receiving the first disbursement from the tax bill, the project proponent shall be responsible for paying the pro-rata share for the remainder of the tax year prior to the City conducting a final inspection.
100. Participate in the formation of a mechanism to fund the operation and maintenance of the storm drain system, including storm water quality monitoring and reporting, stormwater ponds and any proposed pump stations, as well as any levees proposed to be maintained by the City. The appropriate funding mechanism shall be determined by the City and may include, but not be limited to, an assessment district, community services district, or community facilities district. The funding mechanism shall be formed prior to filing of any final or parcel map, and the project proponent shall fund all costs of the formation.
101. Participate in the formation of an assessment district for the construction of off-site improvements such as \_\_\_\_\_ and/or the pre-payment of all or a portion of eligible development impact fees should the City deem such a mechanism necessary. The assessment district shall be formed prior to the filing of any final or parcel map, and the project proponent shall fund all costs of formation.
102. Applicant shall comply with the drainage fee requirements for Drainage Area \_\_\_ as adopted by the County Board of Supervisors. The applicant shall pay the fee in effect at the time of final map approval. Certain improvements required by the Conditions of Approval for this development or the Code may be eligible for credit or reimbursement against the drainage area fee. The developer should contact the City Engineer to personally determine the extent of any credit or reimbursement for which they might be eligible. Any credit or



reimbursements shall be determined prior to filing the final map or as approved by the Flood Control District.

103. Participate in the City's South Oakley Infrastructure Master Plan both by cooperating with the City's consultant team in the design and implementation of specific infrastructure projects and by providing this project's fair share contribution to the costs of preparing the study. The fair share contribution shall be paid in accordance with Resolution 52-03.
104. Participate in the assessment district to fund parks, including any off-site parks that will serve this development.

#### **ADVISORY NOTES**

THE FOLLOWING ADVISORY NOTES ARE PROVIDED TO THE APPLICANT AS A COURTESY BUT ARE NOT A PART OF THE CONDITIONS OF APPROVAL. ADVISORY NOTES ARE PROVIDED FOR THE PURPOSE OF INFORMING THE APPLICANT OF ADDITIONAL ORDINANCE REQUIREMENTS THAT MUST BE MET IN ORDER TO PROCEED WITH DEVELOPMENT.

- A. The applicant/owner should be aware of the expiration dates and renewing requirements prior to requesting building or grading permits.
- B. The project will require a grading permit pursuant to the Ordinance Code.
- C. Applicant shall comply with the requirements of Ironhouse Sanitary District.
- D. The applicant shall comply with the requirements of the Diablo Water District.
- E. Comply with the requirements of the East Contra Costa Fire Protection District.
- F. Comply with the requirements of the Building Inspection Division. Building permits are required prior to the construction of most structures.
- G. This project may be subject to the requirements of the Department of Fish and Game. It is the applicant's responsibility to notify the Department of Fish and Game, P.O. Box 47, Yountville, California 94599, of any proposed construction within this development that may affect any fish and wildlife resources, per the Fish and Game Code.
- H. This project may be subject to the requirements of the Army Corps of Engineers. It is the applicant's responsibility to notify the appropriate district of the Corps of Engineers to determine if a permit is required, and if it can be obtained.
- I. The applicant shall obtain an encroachment permit for construction within existing City rights of way.

J. The applicant shall obtain an encroachment permit from Caltrans for construction within the State right of way.

**Draft**  
**STANDARD CONDITIONS OF APPROVAL**  
**COMMERCIAL/INDUSTRIAL**

Exhibit F

Applicant shall comply with the requirements of Municipal Code. Any exceptions must be stipulated in these Conditions of Approval. Conditions of Approval are based on the site plan received by the Community Development Department on \_\_\_\_\_.

THE FOLLOWING CONDITIONS OF APPROVAL SHALL BE SATISFIED PRIOR TO THE ISSUANCE OF A BUILDING PERMIT UNLESS OTHERWISE NOTED:

***Planning Division Conditions***

**General:**

1. This \_\_\_\_\_ is approved, as shown on the revised plans, date stamped by the Community Development Department on \_\_\_\_\_, and as modified by the following conditions of approval, subject to final review and approval by the Community Development Director.
2. This approval shall be effectuated within a period of \_\_\_\_\_ ( ) years from the effective date of this resolution by pulling a building permit and if not effectuated shall expire on \_\_\_\_\_. Prior to said expiration date, the applicant may apply for an extension of time pursuant to the provisions of the Zoning Code.
3. All construction drawings submitted for plan check shall be in substantial compliance with the plans presented to and approved by the Planning Commission on \_\_\_\_\_.
4. All conditions of approval shall be satisfied by the owner/developer. All costs associated with compliance with the conditions shall be at the owner/developer's expense.
5. Noise generating construction activities, including such things as power generators, shall be limited to the hours of 7:30 a.m. to 5:30 p.m. Monday through Friday, and shall be prohibited on City, State and Federal Holidays. The restrictions on allowed working days and times may be modified on prior written approval by the Community Development Director.
6. Should archaeological materials be uncovered during grading, trenching or other on- site excavation(s), earthwork within 30 yards of these materials shall be stopped until a professional archaeologist who is certified by the Society of Professional Archaeology (SOPA) has had an

opportunity to evaluate the significance of the find and suggest appropriate mitigation(s), if deemed necessary.

7. All mitigation measures addressed in the environmental document shall be complied with and addressed as outlined in the Mitigation Monitoring Program approved for this project (incorporated as Exhibit A), per the review and approval of the Community Development Director.
8. The applicant shall indemnify, defend, and hold harmless the City of Oakley, the City Approving Authorities, and the officers, agents, and employees of the City from any and all claims, damages and liability (including, but not limited to, damages, attorney fees, expenses of litigation, costs of court).

**Site Plan:**

9. All parking stall striping shall be double striped. Parking stalls shall be 9 feet wide by 19 feet deep and all drive aisles shall be a minimum 24 feet in width as reviewed and approved by the Community Development Director.
10. A lighting and photometric plan shall be submitted prior to the issuance of building permits. The minimum requirement shall be one foot of candle light within public parking areas and pedestrian pathways.
11. Light poles shall be a maximum height of \_\_\_feet and shall provide glare shields where adjacent to existing residences per the review and approval of the Community Development Director.
12. Trash enclosures shall match Oakley Disposal and City standards and shall provide adequate space to accommodate both trash and recycling. Also, trash enclosures shall be constructed with a roof to match the building design and materials, have metal gates, and when appropriate be surrounded by landscaping with climbing vines on three sides per the review and approval of the Community Development Director.
13. Storage shall be contained inside the building. Storage containers are not allowed and pallets, boxes, cardboard etc. shall not be stored outside.

**Architecture:**

14. Roof-mounted equipment shall be architecturally screened from view.
15. The light fixtures on the commercial building shall be decorative fixtures per the review and approval of the Community Development Director.

**Landscaping Requirements:**

16. A landscaping and irrigation plan for all areas shown on the site plan shall be submitted for review and approval of the Community Development Director prior to the issuance of building permits. The landscaping plan shall include the project's frontage and side yards. Landscaping shall conform to the Oakley Water Efficient Landscape Ordinance and the Guidelines for

Implementation of the City of Oakley Water Efficient Landscape Ordinance and shall be installed prior to final occupancy. The plan shall be prepared by a licensed landscape architect and shall be certified to be in compliance with the City's Water Conservation Ordinance.

17. California native drought tolerant plant or shall be used as much as possible. All trees shall be a mix of fifteen-gallon, 24-inch box and 36-inch box, all shrubs shall be a minimum five-gallon size, except as otherwise noted.
18. Parking lot trees shall provide 50 percent shading of the parking areas at tree maturity.
19. Prior to occupancy, an on-site inspection shall be made of privately owned lands by a licensed landscape architect to determine compliance with the approved landscape plan. A signed certification of completion shall be submitted to the Community Development Director for review and approval.
20. If occupancy is requested prior to the installation of the landscape and irrigation improvements, then either a cash deposit or a letter of credit shall be delivered to the City for 125 percent of the estimated cost of the uncompleted portion of the landscape and irrigation improvements. If compliance is not achieved after six months of occupancy as determined by the Community Development Director, the City shall contract for the completion of the landscaping and irrigation improvements to be paid for by the held sum. The City shall return the unused portion within one year of receipt or at the completion of all work.
21. Landscaping shall be maintained as shown on the landscape plan in perpetuity.

### **Sound Walls**

22. Walls shall attenuate, not just deflect sound. The use of sound absorbing material should be used for the construction of sound walls per the review and approval of the Community Development Director.
23. Anti-graffiti techniques shall be used on sound walls.

### **Signage:**

24. The proposed signage shall meet the requirements of the City's Zoning Ordinance. All proposed signage shall be reviewed by the Planning and Building Divisions.
25. A Sign Plan shall be provided for the site. Only the following signs shall be allowed, subject to final review and approval by the Community Development Director prior to the issuance of a building permit for signs:

- To be determined with each project.
26. The wall signs shall be constructed of individual channel letters.
  27. All signs shall be on permanent structure and of design and material to compliment the proposed commercial building. No signs on the premises shall be animated, rotating or flashing. No flags, pennants, banners, pinwheels or similar items shall be permitted on the premises, with the exception of a United States flag and California state flag.
  28. Temporary signage for such things as special events and grand openings, shall require a Temporary Use Permit per the review and approval of the Community Development Director.

### ***Building Division Conditions***

29. Plans shall meet the currently adopted Uniform Codes as well as the newest T-24 Energy Requirements per the State of California Energy Commission. To confirm the most recent adopted codes please contact the Building Division at (925) 625 – 7005.
30. An Automatic Life Safety Sprinkler System shall be required in all new construction pursuant to Ordinance 22-06. The Automatic Life Safety Sprinkler Systems in commercial and industrial buildings shall be designed and installed to the standards and requirements found in the most recent version of the NFPA (National Fire Protection Association). Automatic Life Safety Sprinkler Systems in hotels and apartments shall be installed to the standards and requirements found in the most recent version of the NFPA, Standard 13R.
31. Prior to requesting a Certificate of Occupancy from the Building Division all Conditions of Approval required to occupancy must be completed.

### ***Public Works and Engineering Conditions***

#### **General:**

32. Submit improvement plans prepared by a registered civil engineer to the City Engineer for review and approval and pay the appropriate processing costs in accordance with the Municipal Code and these conditions of approval. The plans shall be consistent with the Stormwater Control Plan for the project, include the drawings and specifications necessary to implement the required stormwater control measures, and be accompanied by a Construction Plan C.3 Checklist as described in the Stormwater C.3 Guidebook.
33. Submit grading plans including erosion control measures and revegetation plans prepared by a registered civil engineer to the City Engineer for review and pay appropriate processing costs in accordance with the Code and these conditions of approval.

34. Submit landscaping plans for publicly maintained landscaping, including planting and irrigation details, as prepared by a licensed landscape architect to the City Engineer for review and pay appropriate processing costs in accordance with the Code and these conditions of approval.
35. Execute any agreements required by the Stormwater Control Plan which pertain to the transfer of ownership and/or long term maintenance of stormwater treatment mechanisms required by the plan prior to the final inspection of the first house within the subdivision.

**Roadway Improvements:**

36. Construct the frontage of \_\_\_\_\_ to City public road standards for a 82-foot wide roadway within a 126-foot right of way, including curb, six-foot detached sidewalk (meandering within the landscape area so that the minimum landscape width is no less than six feet), right of way landscaping, a sixteen foot wide landscaped median, necessary longitudinal and transverse drainage, pavement widening to a minimum of 28 feet, and conforms to existing improvements. The face of curb shall be located 41 feet from the centerline and any conforms to existing improvements must take place outside of the limits of the project. [Arterial Street condition]
37. Design all public and private pedestrian facilities in accordance with Title 24 (Handicap Access) and the Americans with Disabilities Act.

**Road Alignment/Sight Distance:**

38. Submit a preliminary plan and profile to the City Engineer for review showing all required improvements to \_\_\_\_\_. The sketch plan shall be to scale, show horizontal and vertical alignments, transitions, curb lines, lane striping and cross sections and shall provide sight distance for a design speed of \_\_\_ miles per hour. The plan shall extend a minimum of 150 feet ± beyond the limits of the proposed work.
39. Locate the project signs so as to not obstruct sight distance at the intersection of \_\_\_\_\_ and \_\_\_\_\_ and the project driveways. The design speed for \_\_\_\_\_ shall be \_\_\_ mph.

**Road Dedications:**

40. Convey to the City, by offer of dedication, the right of way for \_\_\_\_\_ for the planned future half width of \_\_\_-feet along the project frontage.
41. Convey to the City, by offer of dedication, the required off-site road rights of way for \_\_\_\_\_. Alternatively the applicant can enter into an agreement with the City to fund the City efforts to obtain the off-site rights of way including all staff, legal, consultant, administrative, and acquisition costs.

42. Relinquish abutter's rights of access along \_\_\_\_\_ except for the \_\_\_\_\_ approved driveway locations.

**Access to Adjoining Property:**

43. Furnish necessary rights of way, rights of entry, permits and/or easements for the construction of off-site, temporary or permanent, public and private road and drainage improvements.
44. Obtain an encroachment permit from Caltrans for construction of any improvements within the State right of way.
45. Applicant shall only be allowed access to the project site at the \_\_\_\_\_ locations shown on the approved site plan.
46. Develop for the City's review and approval and enter into a private joint access agreement that allows the adjacent parcels within the project to utilize common drive aisles.

**On-Site Improvements:**

47. Provide a minimum outside turning radius of 45 feet and a minimum inside turning radius of 28 feet within the parking lot.
48. Develop for the City's review and approval and enter into a private maintenance agreement that ensures that joint use drive aisles, parking areas, and common landscaping will be maintained to a standard agreed upon by the City and that each separate parcel shall share in the funding of the maintenance.

**Landscaping in the Public Right of Way:**

49. Enter into an agreement with the City that requires the right of way landscaping adjacent to the site to be maintained as part of the on-site landscaping at the property owner's expense to a standard acceptable and agreed upon by the City.

**Street Lights:**

50. Install streetlights along the project \_\_\_\_\_ frontage. The City Engineer shall determine the final number and location of the lights, and the lights shall be on an LS2-A rate service. The lights on the project streets shall be decorative per City standards, and the lights along \_\_\_\_\_ shall be General Electric spun aluminum "cobra head" style.

**Grading:**

51. Submit a geotechnical report to the City Engineer for review that substantiates the design features incorporated into the subdivision including, but not limited to grading activities, compaction requirements, utility construction, slopes, retaining walls, and roadway sections.



52. At least one week prior to commencement of grading, the applicant shall post the site and mail to the owners of property within 300 feet of the exterior boundary of the project site notice that construction work will commence. The notice shall include a list of contact persons with name, title, phone number and area of responsibility. The person responsible for maintaining the list shall be included. The list shall be kept current at all times and shall consist of persons with authority to indicate and implement corrective action in their area of responsibility. The names of the individual responsible for noise and litter control shall be expressly identified in the notice. The notice shall be reissued with each phase of major grading activity. A copy of the notice shall be concurrently transmitted to the City Engineer. The notice shall be accompanied by a list of the names and addresses of the property owners noticed, and a map identifying the area noticed.
53. Dust control measures shall be provided for all stockpiling per the review and approval of the City Engineer.
54. Grade all pads so that they drain directly to the public street at a minimum of one percent without the use of private drainage systems through rear and side yards.
55. Grade any slopes with a vertical height of four feet or more at a slope of 3 to 1. Retaining walls that may be installed to reduce the slope must be masonry and comply with the City's building code.
56. Submit a dust and litter control plan to the City Engineer prior to beginning any construction activities.
57. Submit a haul route plan to the City Engineer for review and approval prior to importing or exporting any material from the site. The plan shall include the location of the borrow or fill area, the proposed haul routes, the estimated number and frequency of trips, and the proposed schedule of hauling. Based on this plan the City Engineer shall determine whether pavement condition surveys must be conducted along the proposed haul routes to determine what impacts the trucking activities may have. The project proponents shall be responsible to repair to their pre-construction condition any roads along the utilized routes.
58. Prior to commencement of any site work that will result in a land disturbance of one acre or more, the applicant shall provide evidence to the City Engineer that the requirements for obtaining a State General Construction Permit have been met. Such evidence may be a copy of the Notice of Intent letter sent by the State Water Resources Control Board. The WDID Number shall be shown on the grading plan prior to approval by the City Engineer.
59. Submit an updated erosion control plan reflecting current site conditions to the City Engineer for review and approval no later than September 1st of every year while the Notice of Intent is active.

60. Submit a Letter of Map Revision application or the appropriate application to FEMA to remove the building pads that are currently within the Special Flood Hazard Area Zone \_\_\_ from the flood zone. FEMA must issue no less than a Conditional Letter of Map Revision prior to the City issuing building permits for the lots affected by the Zone \_\_\_ designation. The applicant should be aware of the requirements of the Federal Flood Insurance Program and the City Floodplain Management Ordinance as they pertain to future construction of any structures on this property.
61. Grade all pad elevations or install levees to satisfy Chapter 914-10 of the City's Municipal Code, including the degree of protection provisions.
62. The burying of any construction debris is prohibited on construction sites.

**Utilities/Undergrounding:**

63. Underground all new and existing utility distribution facilities, including those along the frontage of \_\_\_\_\_. The developer shall provide joint trench composite plans for the underground electrical, gas, telephone, cable television and communication conduits and cables including the size, location and details of all trenches, locations of building utility service stubs and meters and placements or arrangements of junction structures as a part of the Improvement Plan submittals for the project. The composite drawings and/or utility improvement plans shall be signed by a licensed civil engineer.
64. All utility boxes shall be installed underground and all wires and cables must be installed in conduits. Compliance with this condition shall be at the discretion of the City Engineer.
65. Above ground utility boxes shall be camouflaged per the review and approval of the City Engineer.

**Drainage Improvements:**

66. Collect and convey all stormwater entering and/or originating on this property, without diversion and within an adequate storm drainage facility, to an adequate natural watercourse having definable bed and banks, or to an existing adequate public storm drainage facility that conveys the storm waters to an adequate natural watercourse consistent with the plans for Drainage Area \_\_\_ as prepared by the Contra Costa County Flood Control and Water Conservation District.
67. Submit a final hydrology and hydraulic report including 10-year and 100-year frequency event calculations for the proposed drainage system and stormwater pond to the City Engineer for review and approval.
68. Design and construct all storm drainage facilities in compliance with the Municipal Code and City design standards.

69. Prevent storm drainage from draining across the sidewalk(s) and driveway(s) in a concentrated manner.

70. Dedicate a public drainage easement over the drainage system that conveys storm water run-off from public streets.

**National Pollutant Discharge Elimination System (NPDES):**

71. Comply with all rules, regulations and procedures of the National Pollutant Discharge Elimination System (NPDES) for municipal, construction and industrial activities as promulgated by the California State Water Resources Control Board, the Regional Water Quality Control Board (Central Valley - Region IV), including the Stormwater C.3 requirements as detailed in the Guidebook available at [www.cccleanwater.org](http://www.cccleanwater.org).

Compliance shall include developing long-term best management practices (BMP's) for the reduction or elimination of storm water pollutants. The project design shall incorporate wherever feasible, the following long-term BMP's in accordance with the Contra Costa Clean Water Program for the site's storm water drainage:

- Utilize pavers or other pervious materials for driveways, walkways, and parking areas wherever feasible.
- Minimize the amount of directly connected impervious surface area.
- Delineate all storm drains with "No Dumping, Drains to the Delta" permanent metal markers per City standards.
- Construct concrete driveway weakened plane joints at angles to assist in directing run-off to landscaped/pervious areas prior to entering the street curb and gutter.
- Install filters in on-site storm drain inlets.
- Sweeping the paved portion of the site at least once a month utilizing a vacuum type sweeper.
- Use of landscape areas, vegetated swales, pervious pavement, and other infiltration mechanisms to filter stormwater prior to entering the storm drain system.
- Provide a sufficient amount of on-site trash receptacles.
- Distribute public information items regarding the Clean Water Program to customers.
- Other alternatives as approved by the City Engineer.

72. Submit a fuel spillage containment plan and long-term water quality plan for the gas station portion of the project.

**Fees/Assessments:**

73. Comply with the requirements of the development impact fees listed below, in addition to those noticed by the City Council in Resolution 00-85 and 08-03. The applicant shall pay the fees in the amounts in effect at the time each building permit is issued.

- A. Traffic Impact Fee (authorized by Ordinance No. 14-00, adopted by Resolution 49-03);
- B. Regional Transportation Development Impact Mitigation Fee or any future alternative regional fee adopted by the City (authorized by Ordinance No. 14-00, adopted by Resolution No. 73-05);
- C. Park Land Dedication In-Lieu Fee (adopted by Ordinance No. 03-03);
- D. Park Impact Fee (authorized by Ordinance No. 05-00, adopted by Resolution No. 19-03);
- E. Public Facilities Fee (authorized by Ordinance No. 05-00, adopted by Resolution No. 18-03);
- F. Child Care Facilities "In Lieu" Fee (adopted by Ordinance Nos. 18-99 and 23-99);
- G. Fire Facilities Impact Fee, collected by the City (adopted by Ordinance No. 09-01);
- H. South Oakley Infrastructure Master Plan Fee (adopted by Resolution No. 52-03);
- I. General Plan Fee (adopted by Resolution No. 53-03): and
- J. East Contra Costa County Habitat Conservation Plan Fee (adopted by Resolution No. \_\_\_\_)

The applicant should contact the City Engineer prior to constructing any public improvements to determine if any of the required improvements are eligible for credits or reimbursements against the applicable traffic benefit fees or from future developments.

- 74. The applicant shall be responsible for paying the County Recorder's fee for the Notice of Determination as well as the State Department of Fish and Game's filing fee.
- 75. Annex the property to the City of Oakley Landscape and Lighting District No. 1 for citywide landscaping and park maintenance, subject to an assessment for maintenance based on the assessment methodology described in the Engineer's Report. The assessment shall be the per parcel annual amount (with appropriate future cost of living adjustment) as established at the time of voting by the City Council. Any required election and/or ballot protest proceedings shall be completed prior to issuance of a certificate of occupancy. The Applicant shall apply for annexation and provide all information and documents required by the City to process the annexation. All costs of annexation shall be paid by Applicant.

76. Annex the property to the City of Oakley Landscape and Lighting District No. 1 for citywide street lighting costs and maintenance, subject to an assessment for street light maintenance based on the assessment methodology described in the Engineer's Report. The assessment shall be the per parcel annual amount (with appropriate future cost of living adjustment) as established at the time of voting by the City Council. Any required election and/or ballot protest proceedings shall be completed prior to issuance of a certificate of occupancy. The applicant shall apply for annexation and provide all information and documents required by the City to process the annexation. All costs of annexation shall be paid by Applicant.
77. Participate in the provision of funding to maintain police services by voting to approve a special tax for the parcels created by this subdivision approval. The tax shall be the per parcel annual amount (with appropriate future cost of living adjustment) as established at the time of voting by the City Council. The election to provide for the tax shall be completed prior to filing of the final map. Should the building be occupied prior to the City receiving the first disbursement from the tax bill, the project proponent shall be responsible for paying the pro-rata share for the remainder of the tax year prior to the City conducting a final inspection.
78. Participate in the formation of a mechanism to fund the operation and maintenance of the storm drain system, including storm water quality monitoring and reporting. The appropriate funding mechanism shall be determined by the City and may include, but not be limited to, an assessment district, community services district, or community facilities district. The funding mechanism shall be formed prior to issuance of a certificate of occupancy, and the project proponent shall fund all costs of the formation.
79. Applicant shall comply with the drainage fee requirements for Drainage Area \_\_\_ as adopted by the County Board of Supervisors. The applicant shall pay the fee in effect at the time of building permit issuance. Certain improvements required by the Conditions of Approval for this development or the Code may be eligible for credit or reimbursement against the drainage area fee. The developer should contact the City Engineer to personally determine the extent of any credit or reimbursement for which they might be eligible. Any credit or reimbursements shall be determined prior to filing the final map or as approved by the Flood Control District.
80. Participate in the City's South Oakley Infrastructure Master Plan both by cooperating with the City's consultant team in the design and implementation of specific infrastructure projects and by providing this project's fair share contribution to the costs of preparing the study. The fair share contribution shall be paid in accordance with Resolution 52-03.

#### ADVISORY NOTES

PLEASE NOTE ADVISORY NOTES ARE ATTACHED TO THE CONDITIONS OF APPROVAL BUT ARE NOT A PART OF THE CONDITIONS OF APPROVAL. ADVISORY NOTES ARE PROVIDED FOR

THE PURPOSE OF INFORMING THE APPLICANT OF ADDITIONAL ORDINANCE REQUIREMENTS THAT MUST BE MET IN ORDER TO PROCEED WITH DEVELOPMENT.

- A. The applicant/owner should be aware of the expiration dates and renewing requirements prior to requesting building or grading permits.
- B. The project will require a grading permit pursuant to the Ordinance Code.
- C. Comply with the requirements of the Ironhouse Sanitary District.
- D. Comply with the requirements of the East Contra Costa Fire Protection District.
- E. Comply with the requirements of the Diablo Water District.
- F. Comply with the requirements of the Building Inspection Department. Building permits are required prior to the construction of most structures.
- G. This project may be subject to the requirements of the Department of Fish and Game. It is the applicant's responsibility to notify the Department of Fish and Game, PO Box 47, Yountville, California 94599, of any proposed construction within this development that may affect any fish and wildlife resources, per the Fish and Game Code.
- H. This project may be subject to the requirements of the Army Corps of Engineers. It is the applicant's responsibility to notify the appropriate district of the Corps of Engineers to determine if a permit is required, and if it can be obtained.

## RESOLUTION NO. 62-14

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OAKLEY  
ADOPTING THE FY 2014-2015 RECOMMENDED BUDGET, STATEMENT OF  
FINANCIAL POLICIES, APPROPRIATIONS LIMIT AND 5 YEAR CAPITAL  
IMPROVEMENT PLAN (CIP) FOR FISCAL YEARS 2014-2015 THROUGH 2018-2019  
AND MAKE FINDINGS RELATED THERETO**

**WHEREAS**, the City Council is required by law to adopt a budget and appropriations limit prior to the beginning of its new fiscal year, which is July 1, 2014; and

**WHEREAS**, the City desires to annually review and adopt a 5 year Capital Improvement Plan and comprehensive Statement of Financial Policies; and

**WHEREAS**, the City Manager and Staff have developed and the City Manager has presented Preliminary Operating and Capital Budgets, Statement of Financial Policies, Appropriations Limit, and 5 Year Capital Improvement Plan; and

**WHEREAS**, that the City Council did on May 27, hold a workshop to discuss these Preliminary documents and provide additional direction to the City Manager for the preparation of a final set of documents; and

**WHEREAS**, the City Manager has this day presented to the City Council for adoption a Recommended Budget document, including the updated Statement of Financial Policies, Recommended Operating and Capital Budgets, Fiscal Year 2014-2015 Appropriations Limit Calculation, and a separate Recommended 5 Year Capital Improvement Plan for Fiscal Years 2014-2015 through 2018-2019; and

**WHEREAS**, the City Council is currently serving in the role of the city's Planning Authority; and

**WHEREAS**, Section 65401 of the Government Code requires the Planning Authority of cities and counties to review any Capital Improvement Program (CIP) in their jurisdiction for conformance with the reviewing agency's adopted General Plan; and

**WHEREAS**, potentially adverse impacts of the CIP were adequately discussed in the Environmental Impact Report (EIR) for the Oakley 2020 General Plan, and project-by-project environmental assessments will be prepared when necessary; and

**WHEREAS**, the Recommended 5 Year Capital Improvement Plan for Fiscal Years 2014-2015 through 2018-2019 for the City of Oakley has been submitted and reviewed as to its conformance with the adopted Oakley General Plan by the Planning Authority; and

**WHEREAS**, the projects proposed reflect the major need for roadways, public utilities and other community facilities during the next five years in concert with anticipated growth areas as noted in the adopted General Plan.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Oakley:

1) Acting as the Planning Authority of the City, hereby adopts the City's Recommended 5 Year Capital Improvement Plan for FY's 2014-2015 through 2018-2019 and confirms the Plan is consistent with the adopted Oakley General Plan; and

2) As the City Council, hereby adopts the FY 2014-2015 Recommended Budget, Statement of Financial Policies, FY 2014-2015 Appropriations Limit, and 5 Year Capital Improvement Plan for FY's 2014-2015 through 2018-2019.


**PASSED AND ADOPTED** by the City Council of the City of Oakley at a meeting held on the 30<sup>th</sup> of June, 2014 by the following vote: 4-0

AYES:                   Burgis, Pope, Rios, Romick  
NOES:  
ABSENT:                Hardcastle  
ABSTENTIONS:

ATTEST:

  
\_\_\_\_\_  
Libby Vreonis, City Clerk

APPROVED:

  
\_\_\_\_\_  
Randy Pope, Mayor

7 JUL 14  
\_\_\_\_\_  
Date



# 5-Year Capital Improvement Program

For Fiscal Years 2014/15 to 2018/19

Recommended



## CAPITAL IMPROVEMENT PROGRAM

The Capital Improvement Program (CIP) is a major public infrastructure and planning tool for the City of Oakley and the CIP serves as a statement of the City's policies and financial abilities to manage the physical development of the community. The development of a five-year CIP provides a systematic plan for providing infrastructure improvements within a prioritized framework and with a general schedule within which the projects proceed. The first year reflects the adopted Budget for the upcoming fiscal year (FY). The remaining four years represent a schedule and estimate of future capital needs that may be funded given projected revenues.

There are several benefits for developing and adopting a Capital Improvement Program. Not only does the CIP become a management tool for the City Council and City staff, a CIP also provides valuable information to the citizens, developers, and businesses who are interested in the development of the community. The CIP document will assist in leveraging available resources through improved timing of projects, and coordinating City projects with the projects of other public or private entities.

Despite the many benefits of capital improvement programming, it is important to highlight the fact that this is a fluid document. Changes can occur for many reasons. Revenues can fluctuate as a result of changing economic conditions or shifts in City policy. Private economic decisions can also affect the timing, scale, and location of capital projects. The City of Oakley CIP reflects the strategic goals of the City Council and a critical investment in the community.

The focus of the proposed CIP for FY 2014/15 through 2018/19 is to maintain the core infrastructure of the City of Oakley while utilizing the most cost effective and creative approach; and continuing to build new infrastructure for the community which will enhance the quality of life for residents and promote the economic vitality and viability for the City. The CIP for FY 2014/15 is divided into specific projects to address unique needs for each component of the infrastructure system. This approach provides funding for both the infrastructure maintenance and construction of new improvements with a long range goal for protecting the quality of the public infrastructure system in the City of Oakley. The funding for the CIP projects are generally from the following sources: Measure J Sales Tax, Gas Tax, General Fund, Development Traffic Impact Fees, Park

Impact Fee, and Federal & State Grants. The reduction of Impact Fee revenues due to the economic recession and the building downturn has had an effect on the overall scope and magnitude of the CIP projects. With the focus of FY 2014/15 CIP on core infrastructure asset protection/maintenance, some projects will be deferred to future years as a strategic approach and to work within the available funding. The deferred projects include: the Rose Avenue/Laurel Road Intersection and Traffic Signal Construction Project, LED Streetlight Replacement Project, Traffic Signal Modernization Project, the and Thoroughfare Street Tree Replacement Project. These CIP projects can be included in future CIP programs as funding becomes available.

With the improved economic forecast, it is expected that the Impact Fee revenue will grow and be a larger part of the future funding of the projects. The increase in the level of private development activity will provide opportunities for the City to undertake projects with various infrastructure improvements in conjunction with the developments; and to construct roadway improvements that will be cost effective and timely.

### **Proposed Projects for FY 2014/15 CIP**

*Project 141, Main Street Median Landscape Rehabilitation* – This project will reconstruct the existing medians along Main Street from Vintage Parkway to Empire Road to provide enhanced landscaping and tree planting instead of concrete filled medians. This section of Main Street serves as the gateway to the core downtown area and the rehabilitation of these medians will enhance downtown Oakley and beautify the Main Street. Total Budget- \$471,487 (\$287,000 FY 2013/14 carryover balance, \$125,000 General Capital Projects Fund, \$59,487 Measure J Fund))

*Project 147, East Cypress Road Widening* - The Emerson Ranch subdivision was conditioned during its planning process to widen the north side of Cypress Road along their subdivision frontage and install a portion of the median and landscaping. The responsibility of the developers is for curb, gutter, sidewalk and one travel lane. The second travel lane and the medians will be the responsibility of the City. The actual construction work will be performed by the developer; and the City's cost of the project is eligible for Traffic Impact Fee credits. The project is expected to go to construction in 2015. Fee credits will be based on actual construction costs and will be issued at the time of building permits. Total Budget- \$420,000 (\$420,000 Traffic Impact Fee)

***Project 148, Cypress Grove Irrigation Well*** - When the Cypress Grove neighborhood was originally constructed, the design had configured the irrigation system to draw from the stormwater pond through a series of filters. The filters routinely clog with organic materials causing inefficient and unreliable irrigation that are very costly to repair. Constructing a dedicated well for irrigation eliminates the need to irrigate with pond water. The construction of irrigation well for Cypress Grove was included in the FY 2013/14 CIP at a cost of \$150,000. During the design and development of this project it was determined that the actual cost for this project would be approximately \$250,000. The project was deferred to FY 2014/15 to provide sufficient time to review the design in detail and construct the irrigation well in spring 2015. Total Budget- \$250,000 (\$250,000 Community Facility District)

***Project 150, Civic Center Park Amphitheater Improvements*** - This project will construct a new stage and amphitheater style seating at the Civic Center Park for special events. The project will also install a pre-fabricated dual purpose concession and restroom building for use during special events in downtown. This project will complement those downtown street improvements that were constructed in 2013 and also the future Veterans Memorial to be constructed at the corner of Norcross Lane and Main Street. The design of this project was started in second quarter of FY 2013/14 with the intention to have the final construction completed by September 2014 and have the facility ready for the fall festivals. Total Budget- \$684,511 (\$407,511 Measure WW Grant, \$232,000 Main Street Fund, \$45,000 Park Impact Fee)

***Project 151, FY 2014/15 Street Repair & Resurfacing*** - This project will repair the base and surface failures and resurface streets throughout the City as a part of a comprehensive program to maintain the streets for the community. The resurfacing project for FY 2014/15 will focus on subdivisions west of Empire Avenue between Oakley Road and El Monte Drive. Total Budget- \$850,000 (\$150,000 Traffic Impact Fee, \$150,000 Measure J, \$550,000 General Capital Projects Fund)

***Project 152, FY 2014/15 Street Restriping***- This project will restripe various City streets each year to help maintain the streets that are delineated and marked clearly for the public use for the motorists and pedestrians. The work performed under this project focus on the streets that are not in the plan for resurfacing in the next 2 years and need the striping for lane delineation (centerline, edge line, cross walk, pavement marking) to provide safe streets for the community. Total Budget- \$25,000 (\$25,000 Measure J)

***Project 153, FY 2014/15 Curb, Gutter, and Sidewalk Repair and Reconstruction-*** This project will coordinate with the responsible property owners the repair and reconstruct damaged and broken concrete curbs, gutters, and sidewalk throughout the City to eliminate trip and fall hazard accidents caused by sidewalks and curbs uplifted by tree root overgrowth and to provide safe streets for the community. This project works in coordination with the 50-50 cost share program that helps the property owners in the City to address concrete sidewalk and curb and gutter uplifts caused by tree root overgrowth. Total Budget- \$40,000 (\$40,000 Gas Tax)

***Project 154, FY 2014/15 Frontage Gap Closure Improvements*** - This project will construct localized curb, gutter, sidewalk, ADA ramps, and pavement widening improvements that are necessary for vehicular and pedestrian safety and will likely not be provided for by future private developments. Total Budget- \$50,000 (\$50,000 Gas Tax)

***Project 155, FY 2014/15 Traffic Safety Improvements*** - This project will construct various traffic calming and safety improvements for the community. The scope of the work includes traffic calming measures such as speed bumps, electronic crosswalk warning systems, enhanced signage and striping near schools and public places. This project involves close coordination between the Police and Public Works Department to ensure the safest and most effective traffic safety measures are implemented for the community. Total Budget- \$50,000 (\$50,000 Measure J)

***Project 156, FY 2014/15 Storm Drain Improvements*** - This project will construct storm drain systems on Main Street in the vicinity of O'Neal Court. This area does not have a formal storm drain system and experience chronic flooding during the rainy season. Total Budget- \$25,000 (\$25,000 Stormwater Fund)

***Project 161, City Park Security Camera Installation*** - This project will provide funding for purchase and installation of digital security cameras at the following City Parks: Creekside, Summer Lake, Laurel, Crockett, Cypress, Civic Center, Laurel Ballfields, and Emerson Ranch. The vandalism and abuse of these parks has increased and the few existing cameras that are at some parks are old and not functioning properly and this project will replace the old cameras and install a uniform digital camera system that can be monitored in real time remotely and also will be in the same style and format that will be used by the Police Department for security system at selected streets and intersections. Total Budget- \$70,000 (\$70,000 General Capital Projects Fund)

## Completed Projects in FY 2013/14

PROJECT LOCATIONS	
A Main Street Realignment & Downtown Plaza	F Citywide Street Name Sign Replacement Project
B O'Hara Avenue Widening (Covered Wagon to Laurel)	G Raye Avenue Improvement Project
C O'Hara Avenue Widening (Carpenter to Vintage)	H Pavement Rehabilitation Project
D Marsh Creek Restoration Project	
E Citywide Safety & Traffic Management Improvements	



**A Main Street Realignment & Downtown Plaza Project**

### Main Street Realignment & Downtown Plaza Project

This project widened Main Street between Vintage Parkway and Norcross Lane, added on-street parking, and constructed a landscaped median to enhance the look and feel of Downtown Oakley. The Plaza included a fountain between the new restaurant buildings in the downtown.

The total project cost was \$6,200,000.



**B O'Hara Avenue Widening (Covered Wagon to Laurel)**

### O'Hara Ave. Widening (Covered Wagon Dr. to Laurel Rd.)

This Project widened O'Hara Avenue as a four lane divided arterial from Laurel Road north across the CCWD canal and in front of the Moura parcel that included landscaped medians and LED street lighting.

The total project cost was \$2,128,000.



**C O'Hara Avenue Widening (Carpenter to Vintage)**

**O'Hara Avenue Widening (Carpenter Rd. to Vintage Dr.)**

This project included construction of the complete roadway improvements and construction of curb, gutter, and sidewalk, signalized intersection at Carpenter Road and O'Hara Avenue, and landscaping improvements.

The total project cost was \$1,370,000.



**D Marsh Creek Restoration Project**

**Marsh Creek Restoration Project**

This project widened Marsh Creek adjacent to Creekside Park to provide recreation opportunities and enhanced creek habitat. The project included a pedestrian bridge across Marsh Creek near the south end of Creekside Park.

The total project cost was \$815,000.



**E Citywide Safety & Traffic Management Improvements**

**Citywide Safety & Traffic Management Improvements**

This project included installing cross-walks, pavement markings and stop signs around the park in the Magnolia Park neighborhood.

The total project cost was \$8,500

***Project 162, Main Street "Visioning" Concept Project*** - This project will create a conceptual design for the future of Downtown renovations to continue and complement the current improvements along Civic Center frontage from Norcross Lane to Second Street. This project will develop the layout of future improvements along Main Street that includes streetscape, curbs, sidewalks, parking, lighting and traffic circulation components. Architectural rendering will be a part of this project which will be used for marketing and promoting the downtown. Total Budget- \$80,000 (\$80,000 General Capital Projects Fund)

***Project 163, Cypress, Big Break, & Rose Pavement Rehabilitation Project*** - This project will rehabilitate three streets in Oakley and will consist of repairing areas of failed street base and asphalt surface, update ADA ramps to meet new State and Federal codes, and placement of an asphalt overlay on the streets followed with new signing and striping. Total Budget- \$1,289,000 (OneBayAreaGrant - \$1,029,000 OBAG, Local Match Requirement \$260,000 Traffic Impact Fee)

***Project 164, Main Street Resurfacing (Bridgehead Road to Big Break Road)*** - This project will repair the base and surface failures, repair and reconstruct damaged curb, gutter, and sidewalks, repair shoulders, and resurface and restripe. This project has been in the planning stage for a number of years and its final construction will greatly enhance one of the major gateways into the City of Oakley. Total Budget- \$1,600,000 (\$50,000 Measure J, \$1,150,000 Traffic Impact Fee, \$400,000 General Capital Projects Fund)

***Project 166, Hwy 160-Main Street Gateway Sign & Landscaping Project*** - This project will landscape the area in between the Hwy 160 ramps and Main Street to provide an enhanced gateway to City of Oakley. This work will complement the new Hwy 160 improvements that provide connector ramps to Hwy 4. Conceptual design for the landscaping and gateway sign has been done previously and this project will refine that design and develop a final set of construction documents. This project will also complement the Main Street Resurfacing (Bridgehead Road to Big Break Road) that is part of FY 2014/15 budget. Total Budget- \$150,000 (\$150,000 General Capital Projects Fund)



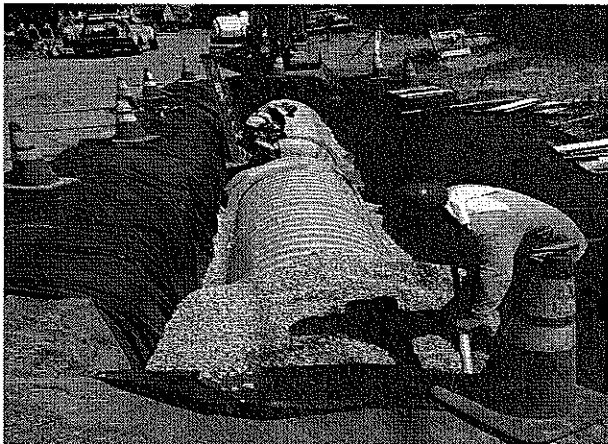


**F Citywide Street Name Sign Replacement Project**

#### **Citywide Street Name Sign Replacement Project**

This project replaced the old black and white Contra Costa County street name signs with the new Oakley Standard street name signs in various neighborhoods within the City.

The total project cost was \$90,000



**G Raye Avenue Improvement Project**

#### **Raye Avenue Improvement Project**

This project installed 5 infiltration basins to alleviate the flooding in three locations on Raye Avenue. The infiltration basins capture the stormwater off the roadway providing a safer path of travel.

The total project cost was \$118,000.



**H Pavement Rehabilitation**

#### **Pavement Rehabilitation Project**

This project removed base failed areas followed by placing a thin rubberized overlay throughout the entire Heather Park Subdivision including added alternate streets Canopy Ln, Garden Ct., and Springbrook Ct. Finally striping was placed as the last item of work.

The total project cost was \$645,000.

City of Oakley  
 FY 2014/15 Project Summary  
 Capital Improvement Program for Fiscal Years 2014/15 to 2018/19

**FY 14/15 Proposed Revenues**

	General Capital Projects	Main Street Fund	TIF	Measure J	Gas Tax	CFD	Grant	Stormwater Fund	Park Impact Fee
FY 13/14 Fund Balance	\$ 325,000	\$ 134,000	\$ 978,000	\$ 125,354	\$ 2,000	\$ 1,110,000	\$ 2,511	\$ 1,004,000	\$ 47,000
FY 14/15 Revenues	\$ 1,075,000	\$ 100,000	\$ 1,200,000	\$ 513,433	\$ 920,930	\$ 251,000	\$ 1,434,000	\$ 460,000	\$ -
FY 14/15 Operational Expenditures	\$ 22,167	\$ 2,000	\$ 67,333	\$ 304,300	\$ 812,586	\$ 264,150	\$ -	\$ 582,020	\$ 2,000
Total Available for Capital Projects	\$ 1,377,833	\$ 232,000	\$ 2,110,667	\$ 334,487	\$ 110,344	\$ 1,096,850	\$ 1,436,511	\$ 881,980	\$ 45,000

**FY 14/15 Proposed Expenditures**

#	Project	14/15 Total	General Capital Fund	Main Street Fund	TIF	Measure J	Gas Tax	CFD	Grant	Stormwater Fund	Park Impact Fee
141	Main Street Median Landscape Rehabilitation	\$ 184,487	\$ 125,000			\$ 59,487					
147	East Cypress Road Widening	\$ 420,000			\$ 420,000						
148	Cypress Grove Irrigation Well	\$ 250,000						\$ 250,000			
150	Civic Center Amphitheater Project	\$ 684,511		\$ 232,000					\$ 407,511		\$ 45,000
151	FY 2014/15 Street Repair and Resurfacing	\$ 850,000	\$ 550,000		\$ 150,000	\$ 150,000	\$ -				
152	FY 2014/15 Street Restriping	\$ 25,000				\$ 25,000					
153	FY 2014/15 Curb, Gutter, and Sidewalk Reconstruction	\$ 40,000					\$ 40,000				
154	FY 2014/15 Frontage Gap Closure Improvements	\$ 50,000					\$ 50,000				
155	FY 2014/15 Traffic Safety Improvements	\$ 50,000				\$ 50,000					
156	FY 2014/15 Storm Drain Improvements	\$ 25,000				\$ -				\$ 25,000	
161	City Parks Security Camera Installation Project	\$ 70,000	\$ 70,000								
162	Main Street "Visioning" Concept Design	\$ 80,000	\$ 80,000								
163	Cypress, Big Break, & Rose Pavement Rehabilitation	\$ 1,289,000			\$ 260,000	\$ -	\$ -		\$ 1,029,000	\$ -	\$ -
164	Main Street Resurfacing (Bridgehead to Big Break)	\$ 1,600,000	\$ 400,000		\$ 1,150,000	\$ 50,000	\$ -				
166	Hwy 160-Main Street Gateway Sign and Landscaping Project	\$ 150,000	\$ 150,000								
	<b>Total</b>	<b>\$ 5,767,998</b>	<b>\$ 1,375,000</b>	<b>\$ 232,000</b>	<b>\$ 1,980,000</b>	<b>\$ 334,487</b>	<b>\$ 90,000</b>	<b>\$ 250,000</b>	<b>\$ 1,436,511</b>	<b>\$ 25,000</b>	<b>\$ 45,000</b>
	Remaining Unassigned Balances		\$ 2,833	\$ -	\$ 130,667	\$ -	\$ 20,344	\$ 846,850	\$ -	\$ 856,980	\$ -

**RESOLUTION NO. 76-02.****A RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF OAKLEY ADOPTING THE OAKLEY 2020 GENERAL PLAN AND  
RELATED MITIGATION FINDINGS, FINDINGS REGARDING ALTERNATIVES,  
A STATEMENT OF OVERRIDING CONSIDERATIONS,  
AND A MITIGATION MONITORING PROGRAM**

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**WHEREAS**, in November 1998, the voters approved the incorporation of the City of Oakley, to be effective July 1, 1999, and the City was incorporated on July 1, 1999. After incorporation, the City adopted the Contra Costa County General Plan for the Oakley area as its general plan, the County's subdivision ordinance as its subdivision ordinance, and the County's zoning ordinance as its zoning ordinance (Ordinance Nos. 1-99, 17-99, 22-99). Since that time, the City has been in the process of preparing its own general plan, as required by Government Code Section 65360 (the "Project"); and

**WHEREAS**, in December 2000, the City Council directed staff to explore the possibility of expanding the City's sphere of influence, and the Contra Costa Local Agency Formation Commission directed the City to include in the environmental impact report for the Oakley 2020 General Plan the areas proposed to be included in the expanded sphere. As a result, the Project area boundaries include the current City and approximately 3,000 acres located east of the current City limits, described as the Expansion Areas in the General Plan; and

**WHEREAS**, in accordance with Section 65351 of the California Government Code, since December 2000, the City has facilitated public participation in the general plan adoption process through the following steps:

- On December 4, 2000, the City's consultant, Pacific Municipal Consultants (PMC) conducted a general plan vision workshop at which 55 members of the public, including the seven members of the Planning Commission, engaged in a series of exercises that allowed them to share information and opinions about such matters as existing City resources, circulation, land use, recreation, and local character.
- On February 5, 2001, the Planning Commission conducted a public workshop to identify large general issues of special interest to the community and to rank those concerns for treatment in the general plan. PMC distributed a list of 82 issues identified by City staff and asked the Commission to rank the relative importance of each one. PMC then computed the average rank that the Commissioners gave to each issue and used the results to construct a matrix of important topics to discuss in the general plan and how much weight to give each topic.
- PMC met with the City Council and Planning Commission in a general plan workshop on May 7, 2001, at which PMC presented to members of both bodies maps showing the existing land use designations for the entire City, and what the City would look like under several hypothetical build-out

scenarios. Members of the Council and Commission commented on the accuracy of the map of the existing City and provided general feedback about the visions represented by the others.

- On June 25, 2001, the City Council and Planning Commission met in a joint work session to consider land use alternatives prepared by PMC and provide guidance about the creation of a preferred land use alternative for environmental analysis.
- On July 9, 2001, the City Council and Planning Commission met in a joint work session to consider the continuation of agricultural land use designations in the general plan and the definition of such uses.
- On July 30, 2001, the City Council and Planning Commission held a joint special work session to continue their consideration of the land use alternatives prepared by PMC, including the definitions of land use designations and locations, so that they could decide upon a preferred alternative for the purpose of environmental analysis.
- On September 8, 2001, the City Council and Planning Commission met in a joint work session to continue discussions about land use alternatives, focusing particularly on agricultural, public and semi-public, business park, and utility district land uses. Members of the two bodies also discussed the format and appearance of the general plan. Finally, PMC distributed technical and background documents to the members of the Council and Commission for their review.
- On May 6, 2002, the City Council and Planning Commission held a joint work session to review the Draft General Plan Housing Element
- On September 7, 2002, the City Council and Planning Commission held a joint work session to review the Draft General Plan discussed below.

This public participation program informed the public of the on-going general plan process; obtained public input regarding major issues, community objectives, and plan policies; provided the public with opportunities to evaluate alternative plans and to participate in choosing the preferred alternative; informed decision makers of public opinions; and worked towards community consensus.

**WHEREAS**, various reports and documents also guided the preparation of an initial draft of the General Plan. A citywide land use inventory was prepared, updated traffic counts were assembled, and noise levels in different neighborhoods were monitored. Reports documenting local demographics, visual conditions, safety hazards, and natural resources were drafted. An Oakley 2020 General Plan Background Report was prepared; and

**WHEREAS**, the Draft General plan released to the public on September 13, 2002 consisted of the seven elements required by state law—Land Use, Transportation, Conservation, Open Space, Safety, Noise, and Housing—as well as two optional elements, Growth Management and Economic Development. The Draft General Plan contains goals, policies and programs to guide the physical development of the City and the conservation of its resources, generally over a 20-year planning horizon. Thus, the

Draft General Plan contains all content for the mandatory general plan elements as required by State law, including the proposed general distribution, location and extent of land uses in the Planning Area for residential, commercial, industrial, public, open space and parks and other categories of public and private uses of land, and including standards of population density and building intensity; and

**WHEREAS**, the City determined that an Environmental Impact Report ("EIR") should be prepared and circulated a Notice of Preparation dated March 25, 2002 to public agencies and interested parties for consultation on the scope of the EIR; and

**WHEREAS**, the City prepared a Draft EIR dated September 2002 (SCH No. 2002042134), which reflected the independent judgment of the City as to the potential environmental effects of the Project. The Draft EIR was circulated for the required 45 day public review period, from September 16, 2002 to October 30, 2002; and

**WHEREAS**, between September 16, 2002 and November 4, 2002, the Planning Commission held eight hearings on the General Plan and EIR, at which all interested parties were able to submit written and oral testimony. The Planning Commission recommended a number of changes to the Draft General Plan, which were summarized in a version dated November 12, 2002. Staff reviewed all recommended changes and determined that their qualitative and quantitative effect would not significantly change the Project. Thus, for instance, staff verified that the changes would not result in land use incompatibilities or inconsistencies with the General Plan; that local and cumulative impacts to circulation, biological resources, open space, public safety, and noise would not be changed significantly; and that the City would be able to meet its regional share of affordable housing; and

**WHEREAS**, the Planning Commission received oral comments from the public at a hearing held on October 29, 2002 regarding the Draft EIR and reviewed all written comments received prior to the close of the public comment period. Staff prepared a preliminary analysis of comments received, which was presented to the Planning Commission on November 18, 2002, at which time all interested parties had an opportunity to comment. Staff's good faith, reasoned preliminary analysis concluded that no new information was received that would require recirculation of the Draft EIR under CEQA Guideline 15088.5. Staff, however, indicated to the Commission that it would recommend that the Council make changes to the General Plan based on those comments and the responses contained in the Final EIR; and

**WHEREAS**, a staff report, dated November 18, 2002, described and analyzed for the Planning Commission the Draft EIR and staff's conclusions regarding the public comments and responses; and

**WHEREAS**, the Planning Commission reviewed the staff report and the Draft EIR on November 18, 2002, at which time all interested parties had the opportunity to be heard; and

**WHEREAS**, the Draft General Plan was reviewed in accordance with the provisions of the California Environmental Quality Act through the preparation and review of an Environmental Impact Report. On November 12, 2002, at the conclusion of a properly noticed public hearing, the Commission unanimously moved by voice vote to recommend that the City Council certify the Environmental Impact Report, and that the Council approve the version of the General Plan of the same date. On November 18, 2002, at the conclusion of a properly noticed public hearing, the Commission adopted Resolution No. 02-06, which recommended that the Council certify the Environmental Impact Report, including the changes identified as necessary in the staff report discussing the EIR. It also adopted Resolution No. 02-05, which recommended that the Council approve the November 12, 2002 version of the General Plan; and

**WHEREAS**, on November 12, 2002, the City Council held a properly noticed public hearing on the Land Use and Circulation Elements of the Draft General Plan, including the revisions recommended by the Planning Commission. The City Council made preliminary changes to the wording of the Land Use Element and to the Land Use Diagram, Figure 2-2. (The changes are summarized in Attachment 1.) Staff reviewed all recommended changes and determined that their qualitative and quantitative effect would not significantly change the Project, since, for instance, the population of the City at build-out would be slightly less than analyzed, and no land use incompatibilities would be introduced. Staff presented a red-lined version of the Land Use Element to the Council at its November 18, 2002 and December 3, 2002 hearings, and informed the Council of its conclusions; and

**WHEREAS**, on November 18, 2002, the City Council held a properly noticed public hearing on the Circulation and Health & Safety Elements, and continued the hearing on the Land Use Element. The City Council made preliminary changes to the wording of the Circulation and Health & Safety Elements. Staff reviewed all recommended changes and determined that their qualitative and quantitative effect would not significantly change the Project, since, for instance, the level of service standards for roadway segments and intersections would be adequate and achieved. The only change to the Health & Safety Element was the addition of a program. (The changes are summarized in Attachment 1.) Staff provided additional information regarding a few specific roadways at the Council's November 25 and December 2, 2002 hearings. Staff presented a red-lined version of the Circulation and Health & Safety Elements to the Council at its December 3, 2002 hearings, and informed the Council of its conclusions; and

**WHEREAS**, on November 19, 2002, the City Council held a properly noticed public hearing on the Housing and Noise Elements, and continued the hearing on the Land Use, Circulation, and Health & Safety Elements. The City Council made preliminary changes to the wording of the Housing and Noise Elements. (The changes are summarized in Attachment 1.) Staff reviewed all recommended changes and determined that their qualitative and quantitative effect would not significantly change the Project. With the changes, the Project would still result in the production of the City's share of the regional affordable housing allocation. Changes to the Noise

Element were not substantive; they merely clarified existing policies in the Draft General Plan. Staff presented a red-lined version of the Noise Element to the Council at its December 3, 2002 hearing. Staff presented a red-lined version of the Housing Element to the Council at its December 9, 2002 hearing and informed the Council of its conclusions regarding meeting affordable housing requirements; and

**WHEREAS**, on November 25, 2002, the City Council held a properly noticed public hearing on the Open Space & Conservation, Parks & Recreation, Growth Management, and Economic Development Elements, and continued the hearing on the Land Use, Circulation, Health & Safety, Housing, and Noise Elements. The City Council made preliminary changes to the wording of the Growth Management, Open Space & Conservation, and Parks & Recreation Elements. (The changes are summarized in Attachment 1.) Staff reviewed all recommended changes and determined that their qualitative and quantitative effect would not significantly change the Project: the City would meet the requirements of Measure C, adequate open space would be preserved, and the identified parkland standard would be maintained. Staff presented a red-lined version of the Open Space & Conservation, Parks & Recreation, Growth Management, and Economic Development Elements to the Council at its December 3, 2002 hearing and informed the Council of its conclusions regarding the significance of the changes to the Project; and

**WHEREAS**, on December 2 and 3, 2002, the City Council held properly noticed public hearings to consider property owner special requests for land use designations in the General Plan. In response to some requests, the City Council made preliminary changes to the Land Use Diagram, Figure 2-2 in the General Plan. (The changes are summarized in Attachment 1.) Staff reviewed all recommended changes and determined that their qualitative and quantitative effect would not significantly change the Project, since, for instance, the population of the City at build-out would be slightly less than analyzed, no land use incompatibilities would be introduced, and the Project would meet the City's share of the regional affordable housing allocation; and

**WHEREAS**, comments from the Bay Area Air Quality Management District clarified that potential air emissions resulting from additional commutes and roadway congestion may possibly lead to a delay in attaining state and federal air quality standards. That impact would be significant and unavoidable. Approval of the 2020 General Plan must, therefore, include findings regarding alternatives, as set forth in Exhibit B, and must include a Statement of Overriding Considerations, which is attached as Exhibit C; and

**WHEREAS**, the Draft EIR identified several potentially significant impacts that will be reduced to insignificance with specified mitigation measures. Approval of the General Plan will therefore require adoption of mitigation findings, which are attached as Exhibit A; and

**WHEREAS**, on December 9, 2002, the City Council conducted a noticed public hearing on the Draft General Plan, as previously revised, at which time all interested

parties had the opportunity to be heard. The City Council considered the Environmental Impact Report, the Planning Commission recommendations, and all written and oral testimony submitted at the public hearing. The Council then adopted a motion of intent by voice vote to certify the EIR and to approve the General Plan, and directed staff to prepare resolutions consistent with that intent; and

**WHEREAS**, on December 16, 2002, the City Council adopted Resolution No. 75-02, incorporated herein by reference, certifying the Environmental Impact Report as adequate and complete pursuant to the California Environmental Quality Act.

**NOW, THEREFORE, BE IT RESOLVED THAT:**

1. The foregoing recitals are true and correct and made a part of this resolution.
2. The City Council hereby finds that, with the changes outlined above, the General Plan is internally consistent and, as fully implemented, will provide for compatible land uses and a number of affordable housing units that satisfy the City's share of the regional allocation. The Council additionally finds that, the changes to the General Plan described above will not significantly change the Project: no new impacts have been introduced and all significant and potentially significant impacts previously reduced to a less than significant level by the full implementation of the General Plan will still be adequately mitigated. The Council, therefore, finds that the General Plan is in the public interest and does hereby approve the General Plan as set forth in the Draft General Plan dated November 12, 2002, with revisions to the General Plan text, as identified.

**BE IT FURTHER RESOLVED THAT** the City Council adopts the mitigation findings set forth in Exhibit A, the findings regarding alternatives to the Project set forth in Exhibit B, and the statement of overriding considerations set forth in Exhibit C.

ADOPTED this 16th day of December, 2002 by the following vote:

AYES: Anderson, Nix, Rios, Huffaker, Vanek  
NOES: None  
ABSENT: None  
ABSTENTIONS: None

  
\_\_\_\_\_  
MAYOR

ATTEST  
  
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CITY CLERK



# CHAPTER

# 3

## CIRCULATION ELEMENT

### **I**NTRODUCTION

Oakley's history and development have been closely tied to its circulation system. The Circulation Element provides an overview of existing and planned transportation programs and policies within Oakley for all major modes, including motor vehicles, pedestrians, public transit, and bicycles. An introductory section provides a context for the Circulation Element, followed by a section on Goals, Policies and Implementation Programs. The circulation plan section documents planned circulation improvements at build-out of this General Plan, and the setting section provides current conditions.

### OVERVIEW

The Circulation Element outlines Oakley's plan for the provision of convenient and efficient travel within the community and between Oakley and the region. Key circulation issues for Oakley include:

- Prioritization and construction of roadway improvements necessary to improve circulation and levels of service;
- Establishment of a minimum Level of Service (LOS) standard for the community;
- Agreement on street design standards that will foster optimal living environments;

- Support for the realignment of Highway 4;
- Standardization of streetscape elements on major public streets;
- Identification of measures necessary to enhance pedestrian and bicycle safety;
- Development of minimum emergency access standards;
- Support for increased public transit use;
- Encourage increased bicycle usage;
- Enforcement of traffic laws; and
- Assurance of adequate funding for necessary circulation improvements

These issues are addressed in the Circulation Element sections that follow.

### Organization of the Element

The Circulation Element is organized into four main sections; 1) an Introduction section that includes an overview of the element and its consistency with State law; 2) a Goals, Policies, and Implementation Programs section addressing all modes of travel and the relationship between transportation and land use; 3) a Circulation Plan; and 4) a setting section that describes current conditions.

## 3.0 – Circulation Element

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### CONSISTENCY WITH STATE LAW

#### Minimum Requirements

The circulation element is one of the seven mandated general plan elements identified in the State planning and zoning law. Section 65302(b) of the California Government Code specifies that each general plan must include “a circulation element consisting of the general location and extent of existing and proposed major thoroughfares, transportation routes, terminals, and other local public utilities and facilities, all correlated with the land use element of the plan.” The Oakley Circulation Element meets these requirements.

California Government Code Section 65401 specifies public works projects must be in conformity with the General Plan. In practice, this will require that the City, during adoption of the Five-Year Capital Improvement Program (CIP), make findings that the proposed City of Oakley Five-Year CIP is in conformance with the General Plan, including the Circulation Element.

### Relationship to Other General Plan Elements

According to state planning law, the Circulation Element must be consistent with the other General Plan elements, which are all interrelated to a degree. Certain goals and policies of one element may address issues that are primary subjects of other elements. This integration of issues throughout the General Plan creates a strong basis for the implementation of plans and programs and achievement of community goals. The Circulation Element is most directly related to the Land Use, Growth Management, and Economic Development Element.

### CONSISTENCY WITH COUNTYWIDE PROGRAMS

As a participant in the Contra Costa County Measure C Growth Management Program and Congestion Management Program, Oakley must take certain circulation-related actions as conditions for ongoing compliance with the Growth Management Program. These actions are discussed in subsequent sections of the Circulation Element.

## GENERAL GOALS, POLICIES, AND PROGRAMS

The following are the Goals, Policies, and Implementation Programs for each transportation mode and circulation topic area addressed within the General Plan Circulation Element. Additional supporting information is provided in the Setting and Circulation Plan sections of this element. The goals, which are overall statements of the community's desires, are broad statements of purpose and direction. The policies serve as guides for working with local and regional agencies on Oakley circulation issues. Implementation programs identify specific actions to achieve particular goals and policies.

### ROADWAYS

**Goal 3.1** Provide an efficient and balanced transportation system.

#### Policies

- 3.1.1 Strive to maintain Level of Service D as the minimum acceptable service standard for intersections during peak periods (except those facilities identified as Routes of Regional Significance).
- 3.1.2 For those facilities identified as Routes of Regional Significance, maintain the minimum acceptable service standards specified in the *East County Action Plan Final 2000 Update*, or future Action Plan updates as adopted.
- 3.1.3 Keep roadway facilities in optimal condition.
- 3.1.4 Consistent with the California Vehicle Code, direct trucks to appropriate truck routes.
- 3.1.5 Encourage a multi-modal circulation system that supports non-automobile travel.
- 3.1.6 Address future roadway needs through both new road construction and management of existing and planned roadway capacity.
- 3.1.7 Create and maintain fee and other programs adequate to assure sufficient financing and land to maintain and achieve prescribed Levels of Service.

3.1.8 Mitigate conflicts between new roadway improvements and existing rural roadways when the identified conflicts threaten public health, safety and welfare.

#### Programs

3.1.A Prior to approval of all projects, demonstrate that traffic levels of service and performance standards will be maintained, or that a funding mechanism and timeline has been established which will provide the infrastructure to meet the standards. Ensure that developers fund traffic impact studies that identify on-site and off-site effects and mitigations, and that they contribute appropriate funding for on-site and off-site improvements.

3.1.B If it cannot be demonstrated prior to project approval that levels of service will be met per Program 3.1.A, the City may consider the development but defer its approval until the standards can be met or assured. In the event that a signalized intersection exceeds the applicable level of service standard, the City may approve projects if the City can establish appropriate mitigation measures, or determine that the intersection or portion of roadway is subject to a finding of special circumstances, or is a route of regional significance, consistent with those findings and/or action plans adopted by the Contra Costa Transportation Authority pursuant to Measure C-1998. Mitigation measures specified in the action plans shall be applied to all projects that would create significant impacts on such regional routes, as defined by the Authority in consultation with local agencies and as permitted by law.

3.1.C Monitor intersection Levels of Service on a biannual basis at key reporting intersections.

3.1.D Implement circulation improvements required to mitigate the effects of

### 3.0 – Circulation Element

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growth and to maintain the Level of Service standard. Prioritize roadway improvement projects based on traffic volume, traffic safety, pedestrian and bicyclist safety, availability of funding, and other measures of need as appropriate.

- 3.1.E Maintain a pavement management program, and identify and prioritize projects in the City's Capital Improvement Program to maintain the quality and integrity of the City's roadway system. Street maintenance should include regular cleaning and upkeep of bicycle routes to remove debris and alleviate poor pavement conditions that discourage bicycle riding.
- 3.1.F Install and maintain truck route signing and marking to direct truck traffic onto designated truck routes.
- 3.1.G During the planning and development review processes for new development and new roadways, incorporate provisions for bicycle, pedestrian, and public transit modes, where appropriate.
- 3.1.H Encourage and promote car pools, vanpools, alternative work hours, employee shuttles, and other incentives to reduce single-occupant vehicle trips.

#### BICYCLES AND PEDESTRIANS

**Goal 3.2** Promote and encourage walking and bicycling.

##### Policies

- 3.2.1 Provide maximum opportunities for bicycle and pedestrian circulation on existing and new roadway facilities.
- 3.2.2 Enhance opportunities for bicycle and pedestrian activity in new public and private development projects.
- 3.2.3 Create a bicycle and pedestrian system that provides connections throughout Oakley and with neighboring areas, and serves both recreational and commuter users.
- 3.2.4 Design new roadway facilities to accommodate bicycle and pedestrian traffic. Include Class I, II, or III bicycle

facilities as appropriate. Through the Design Review process, provide sidewalks on all roads, except in cases where very low pedestrian volumes and/or safety considerations preclude sidewalks.

- 3.2.5 Promote the provision of bike lockers and bike racks at park and ride lots within the City.

##### Programs

- 3.2.A During the site plan review process, encourage new development to incorporate design features that support bicycling and walking, particularly in those areas that could provide access to and between major destinations. This could include: bicycle racks, lockers, showers, and other support facilities; continuous sidewalks; an internal pedestrian circulation plan; walkways for pedestrians and bicyclist between cul-de-sacs; and at least one major entrance adjacent to a sidewalk, wherever possible.
- 3.2.B Develop a comprehensive Bicycle and Pedestrian Master Plan, including design standards for bicycle and pedestrian facilities, evaluation of current bicycle promotion programs, analysis of bicycle and pedestrian accidents, and a capital improvement program to ensure adequate maintenance of bicycle and pedestrian facilities. Develop a strategic approach to pursuing state and federal funding for bicycle and pedestrian improvement projects, working closely with neighboring jurisdictions.
- 3.2.C Coordinate with the Antioch Unified School District, Liberty Union High School District, and Oakley Union Elementary School District to create well-designed Routes to Schools, maps for bicyclists and pedestrians, and to provide adequate facilities to park bicycles.
- 3.2.D Actively participate in the adoption and implementation of the Contra Costa Countywide Bicycle Plan.

**PUBLIC TRANSPORTATION**

**Goal 3.3** Provide adequate, convenient, and affordable public transportation.

**Policies**

- 3.3.1 Design new roadways and facilities to accommodate public transit.
- 3.3.2 Ensure that new public and private development supports public transit.
- 3.3.3 Encourage transit providers to improve transit routes, frequency, and level of service to adequately serve the mobility needs of Oakley residents, including those dependent on public transit.

**Programs**

- 3.3.A When reviewing development proposals, coordinate with Tri-Delta Transit on appropriate standards for bus bays, bus turnouts, bus shelters, and other public transit amenities in new roadway design.
- 3.3.B Coordinate with the Antioch Unified School District, Liberty Union High School District, and Oakley Union Elementary School District to promote access and roadway designs that support school bus requirements.
- 3.3.C During the development review process, require the provisions in site plans for public transit vehicle stops and turning maneuvers, where appropriate.
- 3.3.D Pursue opportunities to provide additional funding for public transit service within Oakley, and between Oakley and surrounding communities.
- 3.3.E Participate in the development of the Tri-Delta Transit Short Range Transit Plan to ensure that adequate fixed route transit service is provided within Oakley, and between Oakley and surrounding communities, and that the public transit system provides convenient transfers between transit services and other modes of travel.
- 3.3.F Explore potential locations for Park-and-Ride facilities within Oakley.
- 3.3.G Coordinate with the Bay Area Rapid Transit District (BART) and the Contra

Costa Transportation Authority regarding potential opportunities for BART or light rail service to Oakley.

**NEIGHBORHOOD TRAFFIC MANAGEMENT**

**Goal 3.4** Minimize the intrusion of through traffic on residential streets.

**Policies**

- 3.4.1 Direct non-local traffic onto collector streets and arterials.
- 3.4.2 Maintain traffic speeds and volumes on neighborhood streets consistent with residential land uses.
- 3.4.3 Provide adequate capacity on collector and arterial streets to accommodate travel within the City.

**Programs**

- 3.4.A During the development review process, design neighborhood street systems to discourage motor vehicle “cut-through” traffic on residential streets.
- 3.4.B Design residential streets to balance vehicular movement and safety with slower speeds. Such measures should also be designed to avoid creating hazards for bicyclists.
- 3.4.C Identify and eliminate potential future “short-cut” routes. Ensure that there is sufficient vehicular capacity on collector streets and arterials to facilitate travel between neighborhoods and other areas. During the development review process, coordinate access from neighborhoods to collectors and arterials to minimize motor vehicle “cut-through” traffic.
- 3.4.D Develop traffic management guidelines for the City as a tool for consistent responses to neighborhood concerns about traffic speed and volume issues.

**TRAFFIC SAFETY**

**Goal 3.5** Monitor, improve, and enhance traffic safety and reduce the potential for traffic accidents.

### 3.0 – Circulation Element

#### Policies

- 3.5.1 Provide consistent, comprehensive traffic safety law enforcement throughout Oakley.
- 3.5.2 Design a roadway system that maximizes safety for all users.
- 3.5.3 Maintain roadway facilities to maximize safety.

#### Programs

- 3.5.A Allocate adequate resources for traffic enforcement activities.
- 3.5.B As part of the Capital Improvement Program, identify and prioritize projects that enhance and improve vehicular, bicycle, and pedestrian safety.
- 3.5.C Ensure that new roadways are designed to minimize conflicts due to driveway access and parking.
- 3.5.D Ensure that adequate funding is available to maintain roadway marking, signs, and striping in optimal condition.
- 3.5.E Enhance safety at railroad grade crossings, including coordination with Contra Costa Water District, Diablo Water District, East Bay Regional Park District and Ironhouse Sanitary District in the construction at no cost to the City of a new controlled, at-grade crossing on the BNSF tracks by the northward extension of Rose Avenue.
- 3.5.F Coordinate with local fire protection and law enforcement agencies on emergency response routes and plans.

#### REGIONAL COORDINATION

- Goal 3.6 Participate in regional transportation and land use planning to promote and protect the interests and objectives of Oakley residents and workers.

#### Policies

- 3.6.1 Ensure that Oakley is represented in all East County regional and sub-regional forums.

- 3.6.2 Work with other agencies to address multi-jurisdictional issues affecting Oakley.
- 3.6.3 Ensure that roadway facilities that serve Oakley and neighboring communities are planned for consistency at City boundaries.
- 3.6.4 Ensure that Oakley obtains its fair share of regional improvements (such as the State Route 4 Bypass) that are funded from impact fees collected within Oakley.
- 3.6.5 Encourage implementation of Contra Costa County's East Contra Costa Bikeway Plan.

#### Programs

- 3.6.A Attend and participate in regularly scheduled TRANSPLAN meetings.
- 3.6.B Provide written comments on environmental documents, plans, and programs prepared by neighboring agencies.
- 3.6.C Secure representation on the Contra Costa Transportation Authority Board when appropriate.
- 3.6.D Actively participate in all activities related to the East Contra Costa Regional Fee and Financing Authority and the East County Transportation Improvement Authority.
- 3.6.E Coordinate with CCTA, Caltrans, and other transportation agencies to ensure that Oakley's transportation planning objectives are included during the roadway planning and design process.
- 3.6.F To maintain compliance with the Contra Costa Transportation Authority Growth Management Program, implement all actions assigned to Oakley in the *East County Action Plan*.
- 3.6.G Participate in sub-regional efforts towards transportation demand management, consistent with the *East County Action Plan*.

#### LAND USE COORDINATION

- Goal 3.7 Coordinate land use and transportation planning to

maximize use of limited transportation resources.

**Policies**

- 3.7.1 To the extent feasible, protect existing and future land uses from the noise, visual, and other impacts of major roadway construction projects.
- 3.7.2 Ensure that the density and mixture of future land uses (both public and private) encourage transit usage, walking and bicycling.
- 3.7.3 Provide sufficient parking, while considering the effect of parking supply on the use of alternate modes.
- 3.7.4 Mitigate development impacts and ensure that new development pays its own way.
- 3.7.5 New development should not result in inconsistent street frontage improvements along streets adjacent to and serving the project.
- 3.7.6 Mitigate potential circulation conflicts between new roadways and existing rural roadways adjacent to new development.
- 3.7.7 Encourage site planning that promotes all modes of transportation, and that minimizes vehicular trips between different land uses.
- 3.7.8 Pursue a mix of both new housing and additional jobs in Oakley, as part of the overall strategy to balance jobs and housing in East County.
- 3.7.9 Support the Metropolitan Transportation Commission's Safe Routes to Schools program.
- 3.7.10 Support and pursue Safe Routes to Schools projects to enhance pedestrian safety within Oakley.

**Programs**

- 3.7.A Work with public and private agencies to minimize the effect of major roadway construction projects, such as the State Route 4 Bypass, on nearby land uses.
- 3.7.B During the development review process, size streets and intersections to accommodate planned land uses consistent with the Level of Service

standard, to the extent feasible. Consider the effects of pedestrian-, bicycle-, and transit-oriented land uses when determining appropriate infrastructure size and configuration.

- 3.7.C Maintain compliance with the Contra Costa Transportation Authority Growth Management Program by reviewing Oakley General Plan Amendments for consistency with the *East County Action Plan Final 2000 Update*, or future Action Plan updates as adopted.
- 3.7.D Develop parking requirements that are consistent with the goals for increased use of alternative transportation modes; and that acknowledge opportunities for shared parking. During the development review process, ensure that development plans are consistent with the parking requirements in the Oakley zoning code.
- 3.7.E Collect development impact and other fees and require any necessary roadway improvements and property dedications to ensure that each development project contributes its fair share toward necessary transportation improvement projects.
- 3.7.F Develop streetscape design standards that recognize the role of streets not only as vehicle routes but also as part of an extensive system of public spaces where people live, neighbors meet, and businesses operate.
- 3.7.G Review site plans and area plans to encourage mixed uses, thereby decreasing the number of vehicle trips required between uses. Promote land use patterns that maximize trip-linking opportunities. Locate mixed uses within walking or bicycling distance, and ensure that there are not physical barriers to walking and bicycling.

**CITY OF OAKLEY CITY COUNCIL**

**RESOLUTION NO. 92-08**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OAKLEY ADOPTING THE CONTRA COSTA COUNTY MEASURE L URBAN LIMIT LINE (ULL) AS THE CITY'S ADOPTED ULL, FOR THE PURPOSES OF COMPLIANCE WITH MEASURE J TO ESTABLISH A VOTER-APPROVED ULL**

**FINDINGS**

WHEREAS, the Measure J (2004) Transportation Expenditure Plan includes a Growth Management Program (GMP) which contains an urban limit line component mandating that local jurisdictions must adopt and continuously comply with a voter approved urban limit line no later than April 1, 2009 in order to receive their shares of Measure J Local Street Maintenance and Improvement Funds and to be eligible to receive Measure J Transportation for Livable Community funds; and

WHEREAS, Measure J also includes Principles of Agreement for Establishing the Urban Limit Line (ULL Principles) as Attachment A to the GMP, incorporated therein by reference; and

WHEREAS, the ULL Principles, as amended by the Authority on November 15, 2006, state that a local jurisdiction may adopt a "County ULL," which is defined as the ULL adopted by the Contra Costa County Board of Supervisors and passed by the voters at a countywide election (after November, 2004); and

WHEREAS, Measure L (2006), the Contra Costa County Board of Supervisor ULL, was passed by a majority of voters in Contra Costa at the November 7, 2006 election; and

WHEREAS, the Measure L ULL was also approved by a majority of the voters in the City at the November 7, 2006 election, as certified by the County Clerk; and

WHEREAS, the City wishes to adopt the Measure L ULL (referred to hereinafter as the County ULL) as its ULL specifically as it applies to the City boundaries for the purpose of compliance with the Measure J GMP; and

WHEREAS, on July 25, 2006, the Contra Costa County Board of Supervisors, as the lead agency for the project under the California Environmental Quality Act ("CEQA"), adopted a Negative Declaration (State Clearinghouse No. 2006012134) on the "November 7, 2006 General Election, Urban Limit Line Ballot Measure Sponsored by Contra Costa County Board of Supervisors;" and

WHEREAS, the Negative Declaration determined that the adoption of the Measure L ULL would not have any significant impacts on the environment;



NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF OAKLEY DOES RESOLVE AS FOLLOWS:

1. The City accepts, adopts, and approves, for the purposes of compliance with the Measure J GMP, the County ULL boundary for urban development as its applicable voter-approved ULL with regard to the boundaries of the City; and
2. Conditions for revising the physical boundary of the County ULL to allow the City to make adjustments of 30 or fewer acres, or to address issues of unconstitutional takings, or to conform to state and federal law, or other applicable regulations are set forth in Exhibit 1, which is attached hereto and made a part hereof; and
3. The City shall not make adjustments of greater than 30 acres to the physical boundary of the adopted County ULL unless those adjustments have been approved by the voters in accordance with the ULL Principles; and
4. The City has considered the environmental effects of the project as shown in the Negative Declaration prepared by the County and shall adopt a Notice of Determination in accordance with State CEQA Guidelines sections 15075 and 15096(i) within five working days after the approval of this resolution.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Oakley held on the 9<sup>th</sup> day of September 2008, by Councilmember Romick, who moved its adoption, which motion being duly seconded by Councilmember Anderson, was upon voice vote carried and the resolution adopted by the following vote:

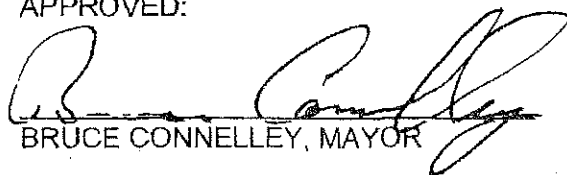
AYES: Anderson, Connelley, Nix, Rios, Romick

NOES: None

ABSTENTIONS: None

ABSENT: None

APPROVED:

  
BRUCE CONNELLEY, MAYOR

ATTEST:

  
NANCY ORTENBLAD, CITY CLERK

Exhibit 1  
City Council Resolution No. 92-08

Conditions for revising the physical boundary of the urban limit line to allow adjustments of 30 or fewer acres, or to address issues of unconstitutional takings, or to conform to state and federal law:

1. To prevent the use of multiple boundary adjustments of 30 acres or less to avoid the more-than-30 acres limitation.
2. To allow adjustment of 30 acres or less within a limited set of conditions, provided those adjustments were non-contiguous (and not proximate to each other).
3. The term "nonconsecutive" is intended to mean that adjustments should not be proximate to each other, and that in combination, these adjustments shall not result in amassing a contiguous parcel (or parcels) in excess of 30 acres.
4. The local jurisdiction should avoid the creation of pockets of land outside the urban limit line, specifically to avoid the possibility of wanting to fill in those pockets later on through separate adjustments.
5. To allow consideration of more than one local voter approved urban limit line boundary adjustment, each of 30 acres or less, provided they are relatively isolated and well separated from each other.
6. Contiguous annexations totaling more than 30 acres would require further voter approval.
7. To allow a minor change in the urban limit line to accurately reflect topographic characteristics or legal boundaries (e.g. when a portion of a legal parcel is within the urban limit line).

**RESOLUTION NO. 33-10**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OAKLEY CERTIFYING THE OAKLEY DOWNTOWN SPECIFIC PLAN EIR (SCH. NO. 2008112089), MAKING CERTAIN FINDINGS CONCERNING MITIGATION MEASURES, ADOPTING A MITIGATION MONITORING AND REPORTING PROGRAM, MAKING FINDINGS CONCERNING ALTERNATIVES, AND ADOPTING A STATEMENT OF OVERRIDING CONSIDERATION IN CONNECTION WITH THE OAKLEY DOWNTOWN SPECIFIC PLAN.**

**WHEREAS**, on or about January 18, 2000, the City of Oakley ("City") began holding workshops and discussion regarding the future of the Oakley Downtown, which has led to evolved into preparation of the Oakley Downtown Specific Plan ("Specific Plan"); and

**WHEREAS**, pursuant to policies adopted as part of the City of Oakley 2020 General Plan (GP), the Specific Plan places substantial emphasis on the improvement of the downtown (GP Policy 2.8.1), includes regulations and design standards to allow the downtown to be developed at a pedestrian scale, with adequate sidewalks, street crossings, and pedestrian resources (GP Policy 2.8.1), contains design standards for streets trees (GP Policy 2.8.3), includes a conceptual parking plan (GP Policy 2.8.4), and contains regulations, design standards and guidance for architecture, signs, and uses (GP Implementation Program 2.8.C); and

**WHEREAS**, on November 20, 2008, the City published a Notice of Preparation for the Specific Plan, which identified potentially significant environmental impacts attributable to the Specific Plan, on which basis the City determined that an Environmental Impact Report ("EIR") was required for the Specific Plan; and

**WHEREAS**, the Notice of Preparation provided notice of the City's determination, and solicited public input on the proposed scope and content of the EIR for the Specific Plan; and

**WHEREAS**, on December 5, 2008 the City held a public scoping meeting to receive public comments on the scope and content of the EIR; and

**WHEREAS**, a Draft Environmental Impact Report (EIR) with Technical Appendices, was prepared by the City of Oakley and released for public review on September 10, 2009; and

**WHEREAS**, the Draft EIR was available for public comment for a period of at least 45 days as required by Section 21091 of the California Environmental Quality Act (CEQA), the close of the public comment period being October 28, 2009; and

**WHEREAS**, the City held a public comment meeting to receive public comments on the Draft EIR on October 13, 2009; and

**WHEREAS**, during the public comment period the City received six letters commenting on the Draft EIR; and

**WHEREAS**, the City prepared written responses to all written comments received on the Draft EIR, said responses being contained in the "Oakley Downtown Specific Plan Environmental Impact Report Response to Comments Document" (RTC) (State Clearinghouse Number 2008112089) prepared pursuant to Section 15089 of the CEQA Guidelines; and

**WHEREAS**, the RTC document and Draft EIR together make up the Oakley Downtown Specific Plan Final EIR (Final EIR); and

**WHEREAS**, the Final EIR was distributed and made available to the public at City Hall and on the City website on February 12, 2010, and consists of the Draft EIR, a list of commenters, copies of all written comments received, responses to those comments that raise environmental issues, and any revisions to the text of the Draft EIR made in response to the comments, as required by Section 15132 of the CEQA Guidelines; and

**WHEREAS**, the project under consideration would include approval of the following: a resolution certifying the EIR for the Oakley Downtown Specific Plan Project, adoption of an ordinance approving a Zoning Ordinance Amendment to create the SP-4 (Specific Plan-4) District, adoption of an ordinance approving a Rezone of the Project site to SP-4 (Specific Plan-4) District, and adoption of the Oakley Downtown Specific Plan; and

**WHEREAS**, CEQA requires that, in connection with the approval of a project for which an EIR has been prepared which identifies one or more significant environmental effects, the decision-making agency make certain findings regarding those effects; and

**WHEREAS**, the EIR identifies potentially significant environmental impacts and related mitigation measures and a Mitigation Monitoring and Reporting Program, which mitigation measures and a monitoring program shall apply to development in the Specific Plan Area; and

**WHEREAS**, the EIR also identifies potentially significant environmental impacts that cannot be avoided by mitigation and for which the City must adopt a Statement of Overriding Considerations pursuant to CEQA; and

**WHEREAS**, the Final EIR reflects the City's independent judgment and analysis on the potential for environmental impacts and constitutes the EIR for the Oakley Downtown Specific Plan; and

**WHEREAS**, the Draft EIR and RTC are separately bound documents, incorporated herein by reference, and are available for review in the City's Planning Division; and

**WHEREAS**, the City Council has received and considered the Final EIR, made up of the Draft EIR and RTC for the Oakley Downtown Specific Plan (SCH No. 2008112089) that analyzed the potential environmental effects of the proposed Specific Plan; and

**WHEREAS**, on February 23, 2010 the City Council held a duly noticed public hearing on the Specific Plan, including the Draft EIR and RTC (Final EIR), the Oakley Downtown Specific Plan, a Zoning Ordinance Amendment to create the SP-4 (Specific Plan-Downtown) District, and a Rezone of the Project site to SP-4 (Specific Plan-Downtown) District at which time all interested persons and parties had the opportunity to be heard. The City Council considered the February 23, 2010 staff report with all attachments, and all written and oral testimony, and reviewed and considered the Environmental Impact Report.

**NOW, THEREFORE, BE IT FURTHER RESOLVED** that the City of Oakley City Council make the following findings:

1. That, based on review and analysis of the EIR and other information in the record and has considered the information contained therein, including the written and oral comments received at the public hearings on the EIR and the Specific Plan, prior to acting upon or approving the Project; the EIR has been completed in compliance with CEQA; and that the EIR represents the independent judgment of the City of Oakley; and
2. That the Final EIR contains discussion of the potential impacts, level of significance of each impact, proposed mitigation for any impact found to be potentially significant, and factual findings relating to potential environmental impacts that could result from implementation of the Oakley Downtown Specific Plan. The City Council hereby refers to the Final EIR as support for findings and recommendations made by the Council as the City's findings under the California Environmental Quality Act ("CEQA") (Pub. Resources Code § 21000 et seq.) and the CEQA Guidelines (Cal. Code Regs., Title 14, §15000 et seq.) relating to the Project.
3. That the Final EIR provides the written analysis and conclusions of the City Council regarding the Specific Plan's environmental impacts, mitigation measures and alternatives to the Project, and shall be referenced as findings for all impacts

found to have no impact, be less than significant without mitigation incorporated, or be less than significant with mitigation incorporated.

4. That pursuant to Public Resources Code Section 21081 and CEQA Guidelines Sections 15091 *et seq.*, the City Council of the City of Oakley adopts and makes the following statement of overriding considerations regarding the remaining unavoidable impacts of the Project and the anticipated economic, social and other benefits of the Project.

- a. Significant Unavoidable Impacts

With respect to the foregoing findings, and in recognition of those facts which are included in the record, the City has determined the following:

- The Specific Plan will cause significant, unavoidable impacts to Cultural Resources (historic architectural resources); and
- The Specific Plan will cause significant, unavoidable impacts to Transportation and Circulation (if Option #2 "Roundabout option" is chosen as the Main Street realignment option); however, the City Council is not choosing this option. Therefore, a Statement of Overriding Considerations has not been included for the significant and unavoidable impacts to Traffic and Circulation.
- These impacts cannot be avoided or substantially reduced by feasible changes or alterations to the Project, other than the changes or alterations already adopted.

- b. Overriding Considerations

The City Council specifically adopts and makes this Statement of Overriding Considerations that this Project includes all feasible measures that would eliminate or substantially lessen the significant impacts of the Project on the environment, and that the remaining significant, unavoidable impacts of the Project are acceptable in light of the environmental, economic, social and other considerations set forth herein because the benefits of the Project outweigh the significant and adverse impacts of the Project. The City Council finds that each of the overriding considerations set forth below constitutes a separate and independent ground for finding that the benefits of the Project outweigh its significant adverse environmental impacts and sets forth an overriding consideration warranting approval of the Project. These matters are supported by evidence in the record.

c. Benefits of Proposed Project

The City Council has considered the EIR, the public record of proceedings on the proposed Specific Plan and other written materials presented to the City as well as oral and written testimony at all public hearings related to the Specific Plan, and does hereby determine that implementation of the Specific Plan as specifically provided in the Plan documents would result in the substantial public benefits set forth below.

The City Council has weighed the benefits of the proposed Project against its unavoidable environmental risks and adverse environmental effects identified in the EIR and hereby determines that those benefits outweigh the risks and adverse environmental effects and, therefore, further determines that these risks and adverse environmental effects are acceptable.

- i. The Project would improve Main Street's overall appearance through consistent sidewalks, street trees, pedestrian oriented lighting, and utility undergrounding; and
- ii. The Project would promote property renovation and redevelopment through a Façade Improvement Program for renovation, and pro-active redevelopment efforts; and
- iii. The Project would enhance the pedestrian environment through consistent design for installation of highly visible crosswalks, corner curb bulbouts, street furnishings, and sidewalk-directed lighting; and
- iv. The Project would focus pedestrian-oriented development toward the Downtown Core through allowance and limitations on the proper types of uses and adherence to design standards, as well as promoting higher density infill projects; and
- v. The Project would facilitate realignment of Highway 4/Main Street, which is an integral part of the revitalization efforts for the Downtown. The realignment will be a catalyst for investment, giving new life to Main Street by redirecting heavy truck and through traffic around the district, and creating newly accessible properties that enhance Downtown's ability to attract new development; and
- vi. The Project would allow the City to move closer to acquiring funding for the Highway 4/Main Street realignment right of way by providing an adopted plan that can be used in references for grants, etc. The City, combined with private development interests can use a consistent plan when planning for future project along the Main Street corridor; and

- vii. The Project will promote higher density infill development, which will support downtown's businesses and capitalize on the pedestrian-oriented environment created by the Specific Plan. Within the Downtown Core Area, this would be achieved through vertical mixed-use (residential above retail/office); and
  - viii. The Project will allow for interim revitalization efforts that are spelled out in the Specific Plan. This will allow steps to be taken to enhance the area without the need for immediate large projects or redevelopment efforts.
5. The Mitigation Monitoring and Reporting Program for the Oakley Downtown Specific Plan is incorporated and adopted as part of this resolution and attached herein as Exhibit "A". The Program identifies impacts of the Specific Plan, corresponding mitigation, designation of responsibility for mitigation implementation and the agency responsible for the monitoring action.
  6. The City Council hereby finds and recognizes that the Final EIR contains additions, clarifications, modifications and other information in its responses to comments on the Draft EIR. This Council hereby finds and determines that such changes and additional information are not significant new information as that term is defined under the provisions of the California Environmental Quality Act, because such changes and additional information do not indicate that any new significant environmental impacts not already evaluated would result from the Project and do not reflect any substantial increase in the severity of any environmental impact; that no feasible mitigation measures considerably different from those previously analyzed in the Draft EIR have been proposed that would lessen significant environmental impacts of the Project; and that no feasible alternatives considerably different from those analyzed in the Draft EIR have been proposed that would lessen significant environmental impacts of the Project. Accordingly, this Council hereby finds and determines that recirculation of the Final EIR for further public review and comment is not warranted; and
  7. The City Council does hereby designate the Community Development Director of the City of Oakley, at his office at 3231 Main Street, Oakley, California 94651 as the custodian of documents and record of proceedings on which the decision is based; and
  8. The City Council does hereby make the foregoing findings with respect to the significant effects on the environment of such Specific Plan, as identified in the Final EIR, with the stipulations that all information in these findings is intended as a summary of the full administrative record supporting the Final EIR, which full administrative record should be consulted for the full details supporting these findings, and that any mitigation measures and/or alternatives that were suggested by commenters to the Draft EIR and were not adopted as part of the



Final EIR are hereby expressly rejected for the reasons stated in the responses to the comments set forth in the Final EIR and elsewhere in the record.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Oakley that the foregoing resolution was adopted at a regular meeting of the City Council of the City of Oakley held on the 23<sup>rd</sup> day of February, 2010, by Romick, who moved its adoption, which motion being duly seconded by Frazier, was upon voice vote carried and the resolution adopted by the following vote:

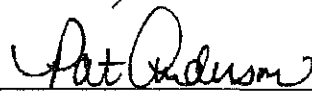
AYES: Anderson, Connelley, Frazier, Rios, Romick

NOES: None


ABSTENTIONS: None

ABSENT: None

APPROVED:

  
\_\_\_\_\_  
Pat Anderson, Mayor

ATTEST:

 2/25/10  
\_\_\_\_\_  
Nancy Ortenblad, City Clerk Date

**Exhibit A – Oakley Downtown Specific Plan EIR – Mitigation, Monitoring and Reporting Program**

**Measure J Growth Management Program**

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**Compliance Checklist**

Reporting Jurisdiction: City of Oakley  
 For Fiscal Years 2013-14 and 2014-15  
 Reporting Period: Calendar Years 2012 & 2013

<b>1. Action Plans</b>	<b>YES</b>	<b>NO</b>	<b>N/A</b>
a. Is the jurisdiction implementing the actions called for in the applicable Action Plan for all designated Routes of Regional Significance within the jurisdiction?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Has the jurisdiction implemented the following procedures as outlined in the <i>Implementation Guide</i> and the applicable Action Plan for Routes of Regional Significance?			
i. Circulation of environmental documents,	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ii. Analysis of the impacts of proposed General Plan amendments and recommendation of changes to Action Plans, and	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
iii. Conditioning the approval of projects consistent with Action Plan policies?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Has the jurisdiction followed the procedures for Regional Transportation Planning Committee (RTPC) review of General Plan Amendments as called for in the <i>Implementation Guide</i> ?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>2. Transportation Mitigation Program</b>	<b>YES</b>		<b>NO</b>
a. Has the jurisdiction adopted and implemented a local development mitigation program to ensure that new development pays its fair share of the impact mitigation costs associated with that development?	<input checked="" type="checkbox"/>		<input type="checkbox"/>

## Measure J GMP Checklist — Checklist

Reporting Jurisdiction: City of Oakley

For Fiscal Years 2013-14 and 2014-15

Reporting Period: Calendar Years 2012 & 2013

<b>2. Transportation Mitigation Program</b>	<b>YES</b>	<b>NO</b>
b. Has the jurisdiction adopted and implemented the regional transportation mitigation program, developed and adopted by the applicable Regional Transportation Planning Committee, including any regional traffic mitigation fees, assessments, or other mitigation as appropriate?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>3. Housing Options and Job Opportunities</b>	<b>YES</b>	<b>NO</b>
a. Has the jurisdiction prepared and submitted a report to the Authority demonstrating reasonable progress in providing housing opportunities for all income levels under its Housing Element? The report can demonstrate progress by:  (1) comparing the number of housing units approved, constructed or occupied within the jurisdiction over the preceding five years with the number of units needed on average each year to meet the housing objectives established in its Housing Element; or  (2) illustrating how the jurisdiction has adequately planned to meet the existing and projected housing needs through the adoption of land use plans and regulatory systems which provide opportunities for, and do not unduly constrain, housing development; or  (3) illustrating how its General Plan and zoning regulations facilitate improvement or development of sufficient housing to meet the Element's objectives.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. Does the jurisdiction's General Plan—or other adopted policy document or report—consider the impacts that its land use and development policies have on the local, regional and countywide transportation system, including the level of transportation capacity that can reasonably be provided?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. Has the jurisdiction incorporated policies and standards into its development approval process that support transit, bicycle and pedestrian access in new developments?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**Measure J GMP Checklist — Checklist**

Reporting Jurisdiction: City of Oakley

For Fiscal Years 2013-14 and 2014-15

Reporting Period: Calendar Years 2012 & 2013

4. Traffic Impact Studies	YES	NO	N/A
a. Using the Authority's <i>Technical Procedures</i> , have traffic impact studies been conducted as part of development review for all projects estimated to generate more than 100 net new peak-hour vehicle trips? (Note: Lower traffic generation thresholds established through the RTPC's Action Plan may apply).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. If the answer to 4.a. above is "yes", did the local jurisdiction notify affected parties and circulate the traffic impact study during the environmental review process?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Participation in Cooperative, Multi-Jurisdictional Planning	YES	NO	
a. During the reporting period, has the jurisdiction's Council/Board representative regularly participated in meetings of the appropriate RTPC, and have the jurisdiction's local representatives to the RTPC regularly reported on the activities of the Regional Committee to the jurisdiction's council or board? (Note: Each RTPC should have a policy that defines what constitutes regular attendance of Council/Board members at RTPC meetings.)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
b. Has the local jurisdiction worked with the RTPC to develop and implement the Action Plans, including identification of Routes of Regional Significance, establishing Multimodal Transportation Service Objectives (MTSOs) for those routes, and defining actions for achieving the MTSOs?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
c. Has the local jurisdiction applied the Authority's travel demand model and <i>Technical Procedures</i> to the analysis of General Plan Amendments (GPAs) and developments exceeding specified thresholds for their effect on the regional transportation system, including on Action Plan MTSOs?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

**Measure J GMP Checklist — Checklist**

Reporting Jurisdiction: City of Oakley

For Fiscal Years 2013-14 and 2014-15

Reporting Period: Calendar Years 2012 & 2013

<b>5. Participation in Cooperative, Multi-Jurisdictional Planning</b>	<b>YES</b>	<b>NO</b>
d. As needed, has the jurisdiction made available, as input into the countywide transportation computer model, data on proposed improvements to the jurisdiction's transportation system, including roadways, pedestrian circulation, bikeways and trails; planned and improved development within the jurisdiction; and traffic patterns?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>6. Five-Year Capital Improvement Program</b>	<b>YES</b>	<b>NO</b>
Does the jurisdiction have an adopted five-year capital improvement program (CIP) that includes approved projects and an analysis of project costs as well as a financial plan for providing the improvements? (The transportation component of the plan must be forwarded to the Authority for incorporation into the Authority's database of transportation projects)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>7. Transportation Systems Management Program</b>	<b>YES</b>	<b>NO</b>
Has the jurisdiction adopted a transportation systems management ordinance or resolution that incorporates required policies consistent with the updated model ordinance prepared by the Authority for use by local agencies or qualified for adoption of alternative mitigation measures because it has a small employment base?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>8. Maintenance of Effort (MoE)</b>	<b>YES</b>	<b>NO</b>
Has the jurisdiction met the MoE requirements of Measure J as stated in Section 6 of the Contra Costa Transportation Improvement and Growth Management Ordinance (as amended)? (See the Checklist Instructions for a listing of MoE requirements by local jurisdiction.)	<input checked="" type="checkbox"/>	<input type="checkbox"/>

## Measure J GMP Checklist — Checklist

Reporting Jurisdiction: City of Oakley

For Fiscal Years 2013-14 and 2014-15

Reporting Period: Calendar Years 2012 & 2013

<b>9. Posting of Signs</b>	<b>YES</b>	<b>NO</b>	<b>N/A</b>
Has the jurisdiction posted signs meeting Authority specifications for all projects exceeding \$250,000 that are funded, in whole or in part, with Measure C or Measure J funds?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>10. Adoption of the Measure J Growth Management Element</b>	<b>YES</b>	<b>NO</b>	<b>N/A</b>
Has the local jurisdiction adopted a final GME for its General Plan that substantially complies with the intent of the Authority's adopted Measure J Model GME?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>11. Adoption of a Voter-Approved Urban Limit Line</b>	<b>YES</b>	<b>NO</b>	<b>N/A</b>
a. Has the local jurisdiction adopted and continually complied with an applicable voter-approved Urban Limit Line as outlined in the Authority's annual ULL Policy Advisory Letter?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. If the jurisdiction has modified its voter-approved ULL or approved a major subdivision or General Plan Amendment outside the ULL, has the jurisdiction made a finding of consistency with the Measure J provisions on ULLs and criteria in the ULL Policy Advisory Letter after holding a noticed public hearing and making the proposed finding publically available?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>12. Other Considerations</b>	<b>YES</b>	<b>NO</b>	<b>N/A</b>
If the jurisdiction believes that the requirements of Measure J have been satisfied in a way not indicated on this checklist, has an explanation been attached below?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Measure J GMP Checklist — Checklist**

Reporting Jurisdiction: City of Oakley  
For Fiscal Years 2013-14 and 2014-15  
Reporting Period: Calendar Years 2012 & 2013

**13. Review and Approval of Checklist**

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This checklist was prepared by:

*Kenneth K. Lavin*  
Signature

12-9-14  
Date

\_\_\_\_\_  
Name & Title (print)

\_\_\_\_\_  
Phone

\_\_\_\_\_  
Email

The council/board of City of Oakley has reviewed the completed checklist and found that the policies and programs of the jurisdiction as reported herein conform to the requirements for compliance with the Contra Costa Transportation Improvement and Growth Management Program.

\_\_\_\_\_  
Certified Signature (Mayor or Chair)

\_\_\_\_\_  
Date

*Doug Hardcastle, Mayor*  
Name & Title (print)

\_\_\_\_\_  
Attest Signature (City/Town/County Clerk)

\_\_\_\_\_  
Date

*Libby Vreonis*  
Name (print)

## Compliance Checklist Attachments

Reporting Jurisdiction: City of Oakley  
For Fiscal Years 2013-14 and 2014-15  
Reporting Period: Calendar Years 2012 & 2013

### Supplementary Information (Required)

#### 1. Action Plans

- a. *Please summarize steps taken during the reporting period to implement the actions, programs, and measures called for in the applicable Action Plans for Routes of Regional Significance.*

Regional Transportation Projects: Participated in regional meetings at TRANSPLAN, ECCRFFA, and CCTA to plan and advocate for funding for regional roadway improvement projects.

East County Transportation Mitigation Fee: Participated at ECCRFFA meetings and discussions in regards to administration and implementation of regional transportation mitigation fees.

Transportation and Traffic Improvements: The City of Oakley CIP planned and constructed a number of improvements including; Main Street reconstruction in downtown, Laurel Road Widening Project, and O'Hara Avenue Widening Project. The design for the reconstruction of Main Street (Bridgehead to Big Break) is currently underway and construction is anticipated by summer 2015. The City of Oakley has also started the work on the "Vision" for the Main Street and its improvements from downtown due east which will be implemented over the coming years.

Expand public bus stops: A new bus stop for Tri Delta Transit was constructed on Main Street at Big Break Road to better accommodate the residents using public transportation.

Encourage Walking and Bicycling: Planned and implemented a number of infrastructure improvements to construct sidewalks and bike lanes for the community. The Main Street and downtown "Vision" planning works towards creating pedestrian friendly downtown destination.

Job-Housing Balance: The City of Oakley has a new Economic Development Manager whose mission is to attract and retain businesses and commercial development in Oakley. The Development Manager participates in regional associations to promote



## Compliance Checklist Attachments

Reporting Jurisdiction: City of Oakley

For Fiscal Years 2013-14 and 2014-15

Reporting Period: Calendar Years 2012 & 2013

the Oakley community as a destination for commercial developments to complement the residential developments that are being constructed in Oakley.

Infrastructure Maintenance: The City of Oakley utilizes the MTC's pavement management program to track the pavement condition index for the streets in the community. The quality of public streets in Oakley rank in the very good category amongst the municipalities in the bay area. The City of Oakley utilizes a variety of funding sources to maintain and rehabilitate the public infrastructure which enhance the quality of life for Oakley residents.

- b. *Attach, list and briefly describe any General Plan Amendments that were approved during the reporting period. Please specify which amendments affected ability to meet the standards in the Growth Management Element and/or affected ability to implement Action Plan policies or meet Traffic Service Objectives. Indicate if amendments were forwarded to the jurisdiction's RTPC for review, and describe the results of that review relative to Action Plan implementation.*

During the reporting period the following General Plan Amendment was approved:

Resolution 26-13 - 111 Carol Lane General Plan Amendment (GPA)

The GPA approved by Resolution 26-13 changed the General Plan Land Use Designation of 111 Carol Lane from Single Family Residential High to Commercial in conjunction with a Rezone of the property from R-6 Single Family Residential to the General Commercial (C) District. As part of the public process and findings the City concluded that the 111 Carol Lane GPA did not affect its ability to meet GME standards or TSO's.

## Compliance Checklist Attachments

Reporting Jurisdiction: City of Oakley  
For Fiscal Years 2013-14 and 2014-15  
Reporting Period: Calendar Years 2012 & 2013

*Provide a summary list of projects approved during the reporting period and the conditions required for consistency with the Action Plan.*

The approved projects during the reporting period are:

Subdivision 9311 KT KB Oakley

Subdivision 9285 The Estates at Vineyard Acres

Subdivision 9284 The Ranchettes at Neroly Estates

### 2. Transportation Mitigation Program

*a. Describe progress on implementation of the regional transportation mitigation program.*

The City of Oakley in 2003 adopted the Oakley Traffic Impact Fee to fund improvements to the local street network that were necessitated by new private development projects and still is in use. On the regional improvements, the City of Oakley had adopted the fees associated with the East Contra Costa Fee and Financing Authority (ECCRFFA), East County Transportation Improvement authority (ECTIA), and Regional Transportation Development Impact Mitigation (RTDIM) fees. City staff participates in various committees related to these fees and their board.

### 3. Housing Options and Job Opportunities

*a. Please attach a report demonstrating reasonable progress in providing housing opportunities for all income levels.*

The most recent Housing Element Annual Progress Report from 2013 has been attached. This report shows that the City is committed to providing housing opportunities for all income levels, and has exceeded the RHNA allocation for the 2007-2014 Housing Element Cycle.

## Compliance Checklist Attachments

Reporting Jurisdiction: City of Oakley  
For Fiscal Years 2013-14 and 2014-15  
Reporting Period: Calendar Years 2012 & 2013

- c. *Please attach the jurisdiction's adopted policies and standards that ensure consideration of and support for walking, bicycling, and transit access during the review of proposed development.*

### 4. Traffic Impact Studies

*Please list all traffic impact studies that have been conducted as part of the development review of any project that generated more than 100 net new peak hour vehicle trips. (Note: Lower traffic generation thresholds established through the RTPC's Action Plan may apply). Note whether the study was consistent with the Authority's Technical Procedures and whether notification and circulation was undertaken during the environmental review process.*

The City of Oakley did not review any Traffic Impact Studies as a result of a project during the specified reporting period.

### 5. Participation in Cooperative, Multi-Jurisdictional Planning

*No attachments necessary.*

### 6. Five-Year Capital Improvement Program

*Please attach the transportation component of the most recent CIP version, if the Authority does not already have it. Otherwise, list the resolution number and date of adoption of the most recent five-year CIP.*

Resolution No. 62-14, dated June 30, 2014

### 7. Transportation Systems Management Program

*Please attach a copy of the jurisdiction's TSM ordinance, or list the date of ordinance or resolution adoption and its number.*

## Compliance Checklist Attachments

Reporting Jurisdiction: City of Oakley  
For Fiscal Years 2013-14 and 2014-15  
Reporting Period: Calendar Years 2012 & 2013

Ordinance No. 78-11, dated December 16, 2002

### 8. Maintenance of Effort (MoE)

*Please indicate the jurisdiction's MoE requirement and MoE expenditures for the past two fiscal years (FY 2009-10 and FY 2010-11). See the Instructions to identify the MoE requirements.*

N/A

### 9. Posting of Signs

*Provide a list of all projects exceeding \$250,000 within the jurisdiction, noting which ones are or were signed according to Authority specifications.*

The City has not built any projects exceeding \$250,000 that was funded with Measure J funds.

### 10. Adoption of the Measure J Growth Management Element

*Please attach the adopted Final Measure J Growth Management Element to the local jurisdiction's General Plan.*

### 11. Adoption of a voter-approved Urban Limit Line

*The local jurisdiction's adopted ULL is on file at the Authority offices. Please specify any actions that were taken during the reporting period with regard to changes or modifications to the voter-approved ULL, which should include a resolution making a finding of consistency with Measure J and a copy of the related public hearing notice.*

In September 2008, the City Council adopted Resolution No. 92-08 Adopting the

## Compliance Checklist Attachments

Reporting Jurisdiction: City of Oakley  
For Fiscal Years 2013-14 and 2014-15  
Reporting Period: Calendar Years 2012 & 2013

Contra Costa County Measure L Urban Limit Line. A copy of resolution is attached.

### 12. Other Considerations

*Please specify any alternative methods of achieving compliance for any components for the Measure J Growth Management Program.*

There were no alternative methods necessary during the reporting period.



## STAFF REPORT

**Date:** January 13, 2015  
**To:** Bryan H. Montgomery, City Manager  
**From:** Paul Abelson, Finance Director  
**SUBJECT:** Adopt Resolution Accepting the Comprehensive Annual Financial Report (CAFR), Management Letter, and Report on Agreed Upon Procedures for Fiscal Year 2013-2014

Approved and Forwarded to the City Council:

Bryan Montgomery, City Manager

### Background and Analysis

The Fiscal Year 2013-2014 CAFR, including the City's audited financial statements, is complete and 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 Gann Limit calculations and compliance. Maze and Associates performed the engagements, and have issued an unqualified (clean) opinion on the financial statements, as presented. As is required when significant uncertainties exist, their opinion includes additional language mentioning the uncertainties remaining related to the winding down of the Redevelopment Agency; and the Notes to the Financial Statements include a substantial amount of Successor Agency information.

The Auditor's Management Letter includes the required communications from Statement of Auditing Standards (SAS) No. 112 Communicating Internal Control Related Matters Identified in an Audit, which requires that the Auditor report any "material weakness" or "significant deficiency" found during the audit. There were none. The Auditor's Management Letter does include several items under "other matters" they believe are worth our consideration; and Management's response to each one is included in the Letter. These are generally smaller items, and all were items worth reviewing and/or implementing as described.

The Auditor's "Agreed Upon Procedures Report on Compliance with the Proposition 111 2013-2014 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.

### Suggested Communication

In addition to providing you with these reports, it is recommended that at least once each year we review with you the importance of the City's establishing and maintaining a system of internal controls. A particularly important part of this is to be clear that it is the City's obligation to establish the system of internal controls – and not the Auditor. (The Management Letter that follows the Audit is a report to management, but in itself, does not replace the need/requirement for internal controls.)

In the simplest terms, internal controls are the methods and procedures designed by management to safeguard assets and to manage resources. They include how management “sets the tone”, providing discipline and structure, and the means for free flowing communication both up and down the chain of command and across the organization to meet the City's stated goals and objectives. At its core, and in the context most associated with the annual external financial audit, it includes the system of checks and balances designed to minimize errors in the accounting records and deter fraud, embezzlement and theft by employees, customers and vendors. These are generally accomplished by incorporating control activities into the organization's operations, the most common activities being approvals and verifications, reconciliations, reviews and segregation of duties.

When examining internal controls, it's important to consider the risks an activity proposes to reduce, against the cost of the activity itself. As with most things, more isn't always better; and both the law of diminishing returns and resource limitations can significantly affect the decision of which activities to employ in each situation. It is also important to carefully balance the need for adequate controls against the creation of unnecessary bureaucracy, since efficiency is an important organizational objective, as well.

The City's auditors perform an assessment of the City's internal controls as part of the audit each year, and so this is a good time to review the concept, and responsibility the City has in establishing appropriate controls. As noted above and in the attached Management Letter, the Auditor found no material weaknesses or significant deficiencies in our controls; however, they have offered some small suggestions for improvement. This is common, and helpful, especially as the City continues to develop. As always, we continue to strive for improvement and welcome their recommendations.

**Fiscal Impact**

None.

**Recommendation**

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

**Attachments**

1. Resolution
2. FY 2013-2014 CAFR
3. FY 2013-2014 Management Letter from Maze and Associates
4. FY 2013-2014 Gann Limit Report

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OAKLEY ACCEPTING THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR), MANAGEMENT LETTER, AND REPORT ON AGREED UPON PROCEDURES FOR FISCAL YEAR 2013-14**

**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 letter to the City Council commonly referred to as the "Management Letter" 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 was also engaged to perform certain agreed upon procedures to verify the City's Gann Limit calculations and has issued a report related thereto; and

**WHEREAS**, the CAFR, Management Letter and Report on Agreed Upon Procedures performed for Fiscal Year 2013-14 are attached hereto as Exhibits A, B and C.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Oakley accepts the attached CAFR, Management Letter and Report on Agreed Upon Procedures performed for Fiscal Year 2013-14.

The foregoing resolution was introduced at a regular meeting of the City Council of the City of Oakley held on the 13th day of January 2015 and adopted by the following vote:

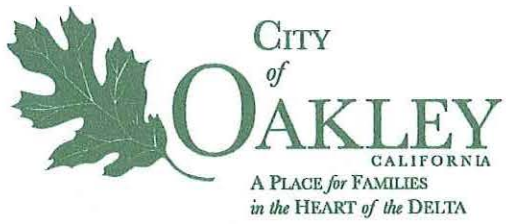
AYES:  
NOES:  
ABSTENTION:  
ABSENT:

APPROVED: \_\_\_\_\_  
Doug Hardcastle, MAYOR

ATTEST:

\_\_\_\_\_  
Libby Vreonis, CITY CLERK





**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2014**



**CITY OF OAKLEY, CALIFORNIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2014**

**PREPARED BY THE  
FINANCE DEPARTMENT**

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3231 Main Street  
Oakley, CA 94561  
925 625 7000 tel  
925 625 9859 fax  
www.ci.oakley.ca.us

December 13, 2014

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

**MAYOR**

Randy Pope

**VICE MAYOR**

Doug Hardcastle

**COUNCILMEMBERS**

Diane Burgis  
Kevin Romick  
Carol Rios

We are pleased to submit to you the City of Oakley's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2014. 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.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with City management. 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 disclosure necessary to enable the reader to gain an understanding of the City's financial affairs.

**CITY PROFILE**

The City of Oakley is a community of approximately 38,075 located in the eastern portion of Contra Costa County in the San Francisco Bay Area. The City entity is a California corporate municipality incorporated on July 1, 1999, and operated under a Council-City Manager structure of government. The City Council is comprised of five members elected by the Voters city-wide, serving in staggered 4 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; Planning; Engineering; Streets, Parks and Landscaping Maintenance; Recreation; and Police Protection. Sewer, Water, Transit, Irrigation, Mosquito Abatement, Flood Control, Schools, and Fire Protection Services are all provided by local special districts with their own governing boards. The City contracts for sanitation service 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. They are blended in the report since they are governed by the City Council sitting in a separate capacity or provide 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.

#### 2013-2014 Financial Statement Impacts/Redevelopment Agency Dissolution

The State passed legislation in June 2011 that resulted in the dissolution of redevelopment agencies throughout the State effective January 31, 2012. The legislation was further amended and revised in June of 2012. Collectively, the legislation is referred to as the Dissolution Act. The process of implementing the Act resulted in uncertainties and litigation relating to the process. The City, Successor Agency, and State Department of Finance settled the litigation in July 2014, removing these uncertainties and allowing the Agency to resume moving forward in the process of winding down the Agency's affairs. The effects of the settlement are discussed in greater detail in the Financial Statement footnotes.

#### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

In preparing the budget for fiscal year 2014-2015, management considered the following significant factors likely to affect the financial condition of the City:

- Housing prices have strengthened and building activity has begun to increase. Property tax growth was estimated at 8%, reflecting the newfound market strength, offset by conservative estimates of what the County Assessor might or might not reflect in his assessed values. In addition, the City projected developers will complete 180 new homes in fiscal year 2014-2015, similar to the increased levels seen in fiscal year 2013-2014 compared to prior years.
- The City received news from the County that police services costs would be increasing by nearly 10% vs. fiscal year 2013-2014. This meant that public safety budgeting would remain focused on maintaining existing levels of service, as increases have, for the moment, become too expensive. The Council instructed Staff to continue studying the possibility of a more cost effective long-term approach to providing police services.
- The City had accumulated reserves well in excess of its adopted policy level of 20% of anticipated General Fund expenditures. With all of the news supporting an expectation that the recession was finally over, the Council has once again begun the appropriation of the excess to fund one-time additional infrastructure and economic development investments.

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 their commitment to conservative budgeting, controlling costs, and using the City's revenues wisely.

### THE LOCAL AND REGIONAL ECONOMIES

Oakley's local commercial economy was affected by the larger downturn being experienced across the country and seemingly everywhere, and 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. While new development and City initiatives bring infrastructure improvements and attractive new neighborhoods, these investments also support the City's efforts to attract new businesses and expand existing local employment opportunities. Thus, while near-term growth in the local economy may remain slower, the City is taking the steps necessary to realize its potential, and its long-term prospects remain favorable.

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 improved remarkably this last year and employment for the City's residents has improved yet again. City unemployment as of August 2014 was 4.3%, down from 5.3% in August 2013.

### **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 and combining individual fund statements and schedules 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 of Oakley for its comprehensive annual financial report for the fiscal year ended June 30, 2013. This was the fourteenth consecutive year that the government has achieved the award. 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.

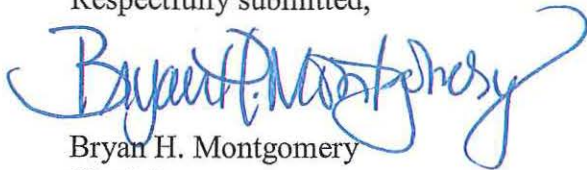
## AVAILABILITY TO THE PUBLIC

Once accepted by the Council, the report will be made available to the Public at the City Offices, on the City's website ([www.oakleyinfo.com](http://www.oakleyinfo.com)), at State 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, 2014. 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



Paul Abelson  
Finance Director



**CITIZENS OF OAKLEY**

**CITY COUNCIL**

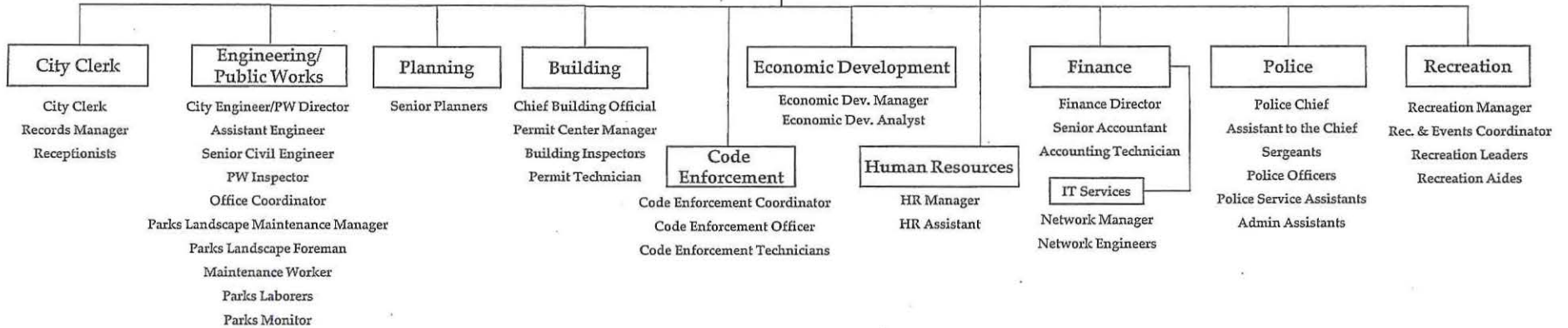
**CITY ATTORNEY**

City Attorney  
Special Counsel  
Paralegal

**CITY MANAGER**

Assistant to the City Manager  
Maintenance Custodian

You, Me, We = Oakley  
Program Coordinator



X

**CITY OF OAKLEY**

**ELECTED OFFICIALS AND  
ADMINISTRATIVE PERSONNEL**

**JUNE 30, 2014**

**ELECTED OFFICIALS**

Mayor	Randy Pope
Vice-Mayor	Doug Hardcastle
Council Member	Diane Burgis
Council Member	Carol Rios
Council Member	Kevin Romick

**ADMINISTRATIVE PERSONNEL**

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

Bryan H. Montgomery  
Derek Cole  
Paul Abelson  
Dan Gomez  
Libby Vreonis  
Kevin Rohani  
Doug Simms



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, 2013**

Executive Director/CEO



## FINANCIAL SECTION

## INDEPENDENT AUDITOR'S REPORT

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

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 as of and for the year ended June 30, 2014, 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. 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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons listed as part of the basic financial statements for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## *Emphasis of Matters*

As discussed in Note 15, pursuant to ABx1 26 adopted by the State of California which was validated by the California Supreme Court on December 28, 2011, the Oakley Redevelopment Agency has been dissolved and its assets turned over to and liabilities assumed by Successor Agencies effective January 31, 2012. Certain transactions undertaken by the Oakley Redevelopment Agency prior to the date of dissolution may be subject to review by the State as discussed in Note 15, but the effect of that review cannot be determined as of June 30, 2014.

The City's position on these matters is not a position of settled law and there is considerable legal uncertainty regarding these matters. It is possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue favorably or unfavorably to the City. No provision for liabilities resulting from the outcome of these uncertain matters has been recorded in the accompanying financial statements.

AB1484 requires the Successor Agency to complete two Due Diligence Reviews (DDR) to determine the amount of the remaining assets that should be transferred by the City to the Successor Agency or by the Successor Agency to the County for distribution to the affected taxing entities. In August 2013, the State Department of Finance (DOF) completed its review of the DDR of the Low and Moderate Housing Fund's cash balance available for allocation to the affected taxing entities. The DDR indicated assets totaling \$1,956 were to be returned, but that amount was adjusted by the DOF to \$537,576. The Successor Agency complied with a portion the DOF's determination by transmitting a payment of \$71,556 to the County Auditor-Controller in August 2013, but the City disputed the remaining balance due of \$466,020. In October 2013, the DOF completed its review of the DDR of all other funds of the former Redevelopment Agency. The DDR indicated there were no assets available for allocation to the affected taxing entities, but that amount was adjusted by the DOF to \$952,264. The City disputed the adjustments.

Also as discussed in Note 15, prior to the Redevelopment Agency dissolution, the City, acting under a Cooperation Agreement with the Agency, approved a loan agreement which obligated certain Redevelopment funds. The loan agreement was rejected by the Department of Finance (Department). The City and Department have met and conferred to settle the matter and the Department determined that it is not an enforceable obligation of the Successor Agency at this time. Management continued to believe this transaction was valid and filed a lawsuit against the Department related to this matter and the DDR adjustments.

The City entered into a settlement agreement in July 2014 with the State Department of Finance and the Contra Costa County Auditor-Controller to resolve the disputes discussed above. With the execution of the settlement agreement, the litigation was dismissed on July 23, 2014. Under the terms of the settlement agreement, the City agrees to transfer \$1,450,500 to the Successor Agency that represents the value of the Development and Disposition Agreement related to the Manuel's Five Star Restaurant, Inc., less \$124,500 for the administrative allowance and bond administration expenses previously withheld by the Department of Finance. With the transfer of funds, the City will acquire all rights and interest in the DDA and the associated loan receivable from Manuel's Five Star Restaurant, Inc. will be transferred from the Successor Agency to the City.

After the transfer of funds from the City to the Successor Agency, the Successor Agency is to remit \$1,418,284 to the County Auditor-Controller that represents the total of the amounts remaining in the Low and Moderate Housing Fund DDR (\$466,020) and the DDR of all other funds (\$952,264). The Successor Agency remitted the payments on August 14, 2014, and the Department of Finance issue the Successor Agency a Finding of Completion on August 15, 2014.

In addition, the City agreed that it will not pursue the repayment from the Successor Agency of the housing related advance to the former Redevelopment Agency discussed in Note 15A, and will not seek payment from the Successor Agency for City administration of certain housing programs.

The emphasis of these matters does not constitute a modification to our opinions.

### *Other Matters*

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis 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 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.

*Mane & Associates*

Pleasant Hill, California  
December 15, 2014

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# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

This discussion and analysis of the City of Oakley's financial performance for the fiscal year ended June 30, 2014, 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 decreased by \$1.0 million, or 0.5 percent this year.
- Government-wide program expenditures exceeded program revenues by \$9.9 million.
- General Fund revenues were \$311,000 more than budgeted; expenditures were \$1,274,000 less than budgeted.
- The General Fund balance at the end of the year was \$12.4 million, of which \$7.8 million 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 16 and 17) 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 20. 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 7. 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 fiscal year 2013-2014 the City's combined net position decreased \$1.0 million from \$190.3 million to \$189.3 million. 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, 2014 and 2013  
 (In Millions)

<b>Governmental Activities</b>	<u>2014</u>	<u>2013</u>
<u>Assets</u>		
Current and restricted assets	\$ 46.2	\$ 47.7
Capital assets	<u>154.3</u>	<u>154.9</u>
Total Assets	<u>200.5</u>	<u>202.6</u>
<u>Liabilities</u>		
Long-term liabilities outstanding	7.0	7.2
Other liabilities	<u>4.2</u>	<u>5.1</u>
Total Liabilities	<u>11.2</u>	<u>12.3</u>
<u>Net Position</u>		
Net Investment in Capital Assets	147.9	148.3
Restricted	27.1	29.0
Unrestricted	<u>14.3</u>	<u>13.0</u>
Total Net Position	<u>\$189.3</u>	<u>\$190.3</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, the part of net position representing capital assets, and principally infrastructure assets, accounts for the majority of the City's governmental activities net position.

The decrease in Net Investment in Capital Assets resulted primarily from depreciation on the City's infrastructure.

The decrease in Restricted Net Position is primarily due to a reduction in the funds restricted for capital projects.

The increase in Unrestricted Net Position is primarily attributed to strong performance in the City's General Fund.

Table 2  
Changes in Net Position  
As of June 30, 2014 and 2013  
(In Millions)

<b>Governmental Activities</b>	<u>2014</u>	<u>2013</u>
<b>REVENUES</b>		
<u>Program revenues:</u>		
Charges for Services	\$ 8.2	\$ 8.2
Operating Grants and Contributions	1.5	1.4
Capital Grants and Contributions	2.6	3.4
<u>General revenues:</u>		
Property tax	4.5	4.4
Sales tax	1.5	1.6
Other taxes	1.5	1.4
Use of money and property	0.4	0.4
Miscellaneous	<u>1.0</u>	<u>1.0</u>
 Total Revenues	 <u>21.2</u>	 <u>21.8</u>
 <b>EXPENSES</b>		
Legislative	0.4	0.5
Administrative Services	1.3	1.0
Law Enforcement	7.7	7.4
Community Development	1.8	1.8
Public Works	10.2	9.6
Recreation	0.5	0.4
Interest on long-term debt	<u>0.3</u>	<u>0.3</u>
 Total Expenses	 <u>22.2</u>	 <u>21.0</u>
 Change in Net Position	 (1.0)	 0.8
 Net Position – Beginning	 <u>190.3</u>	 <u>189.5</u>
 Net Position – Ending	 <u>\$189.3</u>	 <u>\$190.3</u>

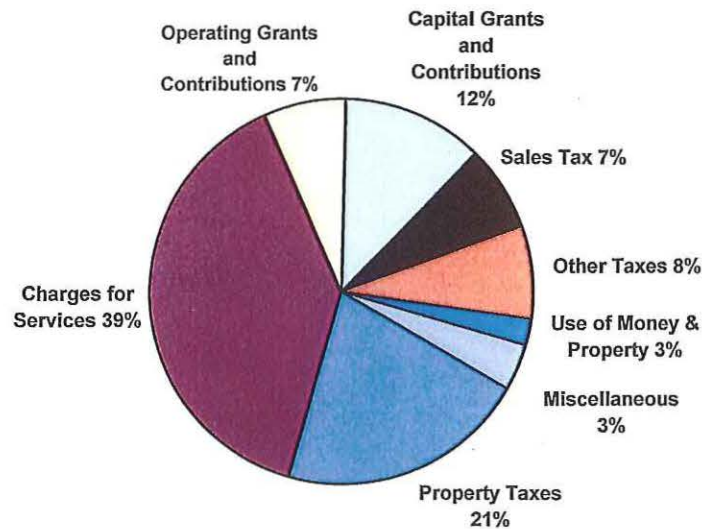
## Governmental Activities

Total revenue was \$21.2 million. The largest component this year was Charges for Services, which was unchanged from 2013. Most other categories also experienced no or little change. Capital Grants and Contributions was the exception; it decreased by \$0.8 million. In 2013, capital grants and contributions were higher due to the inclusion of a one-time receipt of project funds from the Highway 4 Bypass Authority.

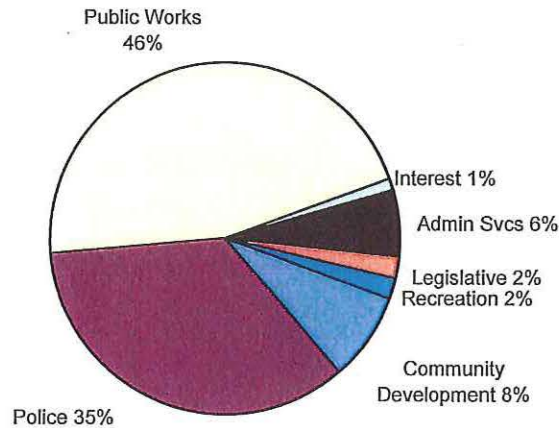
Total expenses were \$22.2 million. Public Works, with \$10.2 million of expenses, represented the largest component of total governmental expenses. The \$0.6 million increase in Public Works expenses resulted from increased seasonal staff; lighting zone costs, remedial maintenance work and depreciation expense. Administrative Services increased \$0.3 due in large part to its inclusion of \$81 thousand in downtown signage and outdoor furnishings and the accrual of \$135 thousand for the future repayment to the State Board of Equalization for corrections to a prior allocation of sales tax. Law Enforcement expenses increased by \$0.3 million, reflecting increased County charges for police officers provided to the City under the City's police services contract.

## Fiscal Year 2014 Government Activities

### Sources of Revenues



## Functional Expenses



### THE CITY'S FUNDS

On page 20, the governmental funds balance sheet is shown. The combined fund balance was \$29.8 million, a decrease of \$0.2 million. The largest contributors to the change in fund balance were a decrease in the Traffic Impact Fee Fund (\$1.7 million), resulting from increased capital investment, offset in large part from an increase from General Fund operations (\$1.4 million). The combined fund balance includes the General Fund balance of \$12.4 million.

The General Fund balance increased by \$1.4 million from the prior year. This was a smaller increase than in 2013, when fund balances increased \$2.2 million. Revenues declined \$0.3 million due primarily to decreases in one time revenues; and expenditures increased \$0.3 million due primarily to increases in Administrative Services, for signage and other furnishings in the Downtown, and Public Works, reflecting an increase in General Fund activities. General Fund Unassigned fund balances increased by \$1.7 million.

General Fund revenues were \$1.7 million more than expenditures before transfers.

Other major funds and non-major fund balance changes are noted below:

- The Lighting and Landscaping Fund balance increased \$0.5 million to \$6.4 million, as operating revenues exceeded operating expenditures for the year.
- The Traffic Impact Fee Fund balance decreased by \$1.7 million to \$5.0 million due primarily to increased Capital Outlay.

- The non-major Gas Tax Fund balance decreased \$0.5 million primarily due to increased capital outlay.
- The non-major Park Impact Fees Fund balance increased by \$0.5 million with the receipt of State reimbursement grant funds related to a completed creek restoration project in a City park.
- The non-major Childcare Impact Fees Fund balance decreased \$0.4 million, resulting from the City's first of three payments to a grant recipient for development of a childcare facility.

### **General Fund Budgetary Highlights**

For the City's General Fund, actual revenues of \$9.8 million were \$311,000 more than the final budgeted revenues of \$9.4 million. Property, sales and other tax revenues exceeded budget by \$245,000, and licenses and permit revenues exceeded budget by \$137,000. Original budgeted General Fund revenues were increased by approximately \$96,000 during the year, reflecting improving views on the state of the economic recovery, offset largely by an action by the State to deny funding a portion of an annual Successor Agency administrative fee.

Actual General Fund expenditures were \$8.0 million, \$1.27 million less than final budget of \$9.3 million. Savings were primarily in law enforcement, where expenditures were \$893,000 less than budgeted.

### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

#### **Capital Assets**

At the end of 2014, the City had \$154.3 million 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, 2014 and 2013  
(In Millions)

<b>Governmental Activities</b>	<u>2014</u>	<u>2013</u>
Non Depreciable		
- Land	\$9.3	\$ 9.3
- Construction in progress	4.1	8.3
Depreciable, net of accumulated depreciation:		
- Machinery, equipment and vehicles	0.7	0.8
- Buildings and improvements	7.2	7.2
- Park improvements	7.9	7.0
- Infrastructure	<u>125.1</u>	<u>122.3</u>
<b>Total Capital Assets</b>	<u>\$154.3</u>	<u>\$154.9</u>

Capital assets decreased by \$0.6 million during fiscal year 2013-2014 as depreciation exceeded new asset additions.

The City's fiscal year 2014-2015 capital improvement budget calls for it to spend \$5.8 million for new capital projects, the majority being the construction of roadways, drainage, and landscaping improvements. The work projects will be financed primarily with Traffic Impact fees, General Fund allocations, and grant funds. 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 \$7.0 million as shown in Table 4. The decrease of \$0.2 from a year ago is due to payment of scheduled debt service. No new debt was issued in the current year. Additional information about the City's debt can be found in Note 8 of the financial statements.

Table 4  
Outstanding Debt at Year-End  
(In Millions)

<b>Governmental Activities</b>	<u>2014</u>	<u>2013</u>
2006 Certificates of Participation	<u>7.0</u>	<u>7.2</u>
<b>Total Debt</b>	<u>\$ 7.0</u>	<u>\$ 7.2</u>

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](http://www.oakleyinfo.com)). This CAFR, as well as other financial documents, is posted in the Finance Department section of the City's website.

**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 are component units 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, 2014

	Governmental Activities
<b>ASSETS</b>	
Cash and investments available for operations (Note 3)	\$29,955,038
Cash and investments with fiscal agent (Note 3)	574,685
Accounts receivable, net of allowance for doubtful accounts (Note 1F)	1,558,282
Interest receivable	13,341
Prepays and deposits	22,832
Loans receivable (Note 5)	11,847,641
Land held for resale (Note 6)	2,222,235
Capital assets (Note 7):	
Land and construction in progress	13,322,982
Depreciable, net	140,931,286
Total Assets	200,448,322
<b>LIABILITIES</b>	
Accounts payable	1,723,124
Accrued liabilities	193,270
Deposits payable	1,009,893
Unearned revenue	872,222
Interest payable	49,439
Claims payable - due in one year (Note 13)	25,000
Compensated absences (Note 1H):	
Due within one year	184,927
Due in more than one year	181,512
Long-term debt (Note 8):	
Due within one year	265,000
Due in more than one year	6,690,000
Total Liabilities	11,194,387
<b>NET POSITION (Note 10)</b>	
Net investment in capital assets	147,873,953
Restricted for:	
Capital projects	17,657,686
Debt service	93
Low and moderate income housing	9,383,859
Total Restricted Net Position	27,041,638
Unrestricted net position	14,338,344
Total Net Position	\$189,253,935

See accompanying notes to financial statements

CITY OF OAKLEY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2014

Functions/Programs	Expenses	Program Revenues		Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions		
<b>Governmental Activities:</b>					
Legislative	\$445,731				(\$445,731)
Administrative Services	1,301,361	\$265,859	\$130,000		(905,502)
Community Development	1,818,749	1,154,157	24,397	\$513,805	(126,390)
Public Works	10,176,857	3,498,824	1,105,043	2,111,050	(3,461,940)
Housing Programs	8,279				(8,279)
Law Enforcement	7,694,485	3,232,109	171,752		(4,290,624)
Recreation	478,070	69,168	72,031		(336,871)
Interest and fiscal charges	316,972				(316,972)
<b>Total Governmental Activities</b>	<b>\$22,240,504</b>	<b>\$8,220,117</b>	<b>\$1,503,223</b>	<b>\$2,624,855</b>	<b>(9,892,309)</b>
<b>General revenues:</b>					
<b>Taxes:</b>					
Property taxes					4,499,522
Sales taxes					1,520,884
Other taxes					1,536,193
<b>Intergovernmental, unrestricted:</b>					
Motor vehicle in lieu					15,804
Use of money and property					435,725
Miscellaneous					871,215
<b>Total General Revenues</b>					<b>8,879,343</b>
<b>Change in Net Position</b>					<b>(1,012,966)</b>
<b>Net Position-Beginning</b>					<b>190,266,901</b>
<b>Net Position-Ending</b>					<b>\$189,253,935</b>

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 2014. 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.

**CITY OF OAKLEY  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2014**

	General	Lighting and Landscaping Districts	Public Protection	Low and Moderate Income Housing Asset	Traffic Impact Fees
<b>ASSETS</b>					
Cash and investments available for operations (Note 3)	\$9,030,853	\$6,795,910	\$213,152	\$56,618	\$4,955,037
Cash and investments with fiscal agent (Note 3)					
Accounts receivable, net of allowance for doubtful accounts (Note 1F)	922,043	13,135	8,828		
Interest receivable	4,691	2,953	(25)		2,271
Due from other funds (Note 4C)	8,279				
Prepays and deposits	22,832				
Loans receivable (Note 5)	1,161,299			10,686,342	
Advances to other funds (Note 4B)	247,715				682,679
Land held for resale (Note 6)	2,222,235				
<b>Total Assets</b>	<b>\$13,619,947</b>	<b>\$6,811,998</b>	<b>\$221,955</b>	<b>\$10,742,960</b>	<b>\$5,639,987</b>
<b>LIABILITIES</b>					
Accounts payable	\$683,049	\$254,265			\$389,697
Accrued liabilities	57,710				
Due to other funds (Note 4C)				\$8,279	
Deposits payable	782				
Unearned revenue	301,183		\$221,955		114,042
Advances from other funds (Note 4B)		97,715		1,350,822	
<b>Total Liabilities</b>	<b>1,042,724</b>	<b>351,980</b>	<b>221,955</b>	<b>1,359,101</b>	<b>503,739</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - accounts receivable	195,262	13,135			
Unavailable revenue - loans receivable				10,686,342	
Unavailable revenue - interest on advances to other funds					96,503
<b>Total Deferred Inflows of Resources</b>	<b>195,262</b>	<b>13,135</b>		<b>10,686,342</b>	<b>96,503</b>
<b>FUND BALANCES</b>					
Fund balance (Note 10):					
Nonspendable	3,654,081				
Restricted	559,498	6,446,883			5,039,745
Assigned	331,289				
Unassigned	7,837,093			(1,302,483)	
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>12,381,961</b>	<b>6,446,883</b>		<b>(1,302,483)</b>	<b>5,039,745</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$13,619,947</b>	<b>\$6,811,998</b>	<b>\$221,955</b>	<b>\$10,742,960</b>	<b>\$5,639,987</b>

See accompanying notes to financial statements

Other Governmental Funds	Total Governmental Funds
\$7,248,830	\$28,300,400
574,685	574,685
614,276	1,558,282
2,720	12,610
	8,279
	22,832
	11,847,641
668,143	1,598,537
	2,222,235
<u>\$9,108,654</u>	<u>\$46,145,501</u>
\$370,273	\$1,697,284
683	58,393
	8,279
1,009,111	1,009,893
235,042	872,222
150,000	1,598,537
<u>1,765,109</u>	<u>5,244,608</u>
	208,397
	10,686,342
94,447	190,950
<u>94,447</u>	<u>11,085,689</u>
	3,654,081
6,745,836	18,791,962
668,457	999,746
(165,195)	6,369,415
<u>7,249,098</u>	<u>29,815,204</u>
<u>\$9,108,654</u>	<u>\$46,145,501</u>

**CITY OF OAKLEY**  
**Reconciliation of the**  
**GOVERNMENTAL FUNDS - BALANCE SHEET**  
**with the**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2014**

Total fund balances reported on the governmental funds balance sheet: \$29,815,204

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. 154,254,268

**ALLOCATION OF INTERNAL SERVICE FUND NET ASSETS**

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. 1,629,529

**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. 11,085,689

**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	(6,955,000)
Accrued liabilities	(134,877)
Interest payable	(49,439)
Compensated absences	(366,439)
Claims Payable	(25,000)
	(7,830,755)

**NET POSITION OF GOVERNMENTAL ACTIVITIES** \$189,253,935

See accompanying notes to financial statements

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CITY OF OAKLEY  
 GOVERNMENTAL FUNDS  
 STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 2014

	General	Lighting and Landscaping Districts	Public Protection	Low and Moderate Income Housing Asset	Traffic Impact Fees
<b>REVENUES</b>					
Property taxes	\$4,014,795				
Sales tax	1,520,884				
Other taxes	1,425,552				
Licenses and permits	1,344,949				
Charges for services	75,691				
Fines and forfeits	158,778				
Intergovernmental:					
Motor vehicle in lieu	15,804				
Other	245,806		\$116,752		
Developer fees					\$1,415,372
Special assessments		\$3,182,615	3,058,332		
Loan repayments				\$1,217	
Use of money and property	146,097	8,637	99	41,297	21,718
Miscellaneous	804,405	39,840			
<b>Total Revenues</b>	<b>9,752,761</b>	<b>3,231,092</b>	<b>3,175,183</b>	<b>42,514</b>	<b>1,437,090</b>
<b>EXPENDITURES</b>					
Current:					
Legislative	433,151				
Administrative Services	1,110,343				
Community Development	1,225,658				
Public Works	609,450	2,874,684			47,989
Housing programs				8,279	
Law Enforcement	4,282,445		3,175,183		
Recreation	371,742				
Capital outlay		24,991			3,105,925
Debt service:					
Principal					
Interest and fiscal charges		110		3,267	
<b>Total Expenditures</b>	<b>8,032,789</b>	<b>2,899,785</b>	<b>3,175,183</b>	<b>11,546</b>	<b>3,153,914</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,719,972</b>	<b>331,307</b>		<b>30,968</b>	<b>(1,716,824)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in (Note 4A)	807	155,745			
Transfers (out) (Note 4A)	(341,212)				
<b>Total Other Financing Sources (Uses)</b>	<b>(340,405)</b>	<b>155,745</b>			
<b>NET CHANGE IN FUND BALANCES</b>	<b>1,379,567</b>	<b>487,052</b>		<b>30,968</b>	<b>(1,716,824)</b>
<b>FUND BALANCES (DEFICIT) AT BEGINNING OF YEAR</b>	<b>11,002,394</b>	<b>5,959,831</b>		<b>(1,333,451)</b>	<b>6,756,569</b>
<b>FUND BALANCES (DEFICIT) AT END OF YEAR</b>	<b>\$12,381,961</b>	<b>\$6,446,883</b>		<b>(\$1,302,483)</b>	<b>\$5,039,745</b>

See accompanying notes to financial statements

Other Governmental Funds	Total Governmental Funds
\$484,727	\$4,499,522
	1,520,884
	1,425,552
	1,344,949
	75,691
	158,778
	15,804
2,092,888	2,455,446
919,219	2,334,591
288,486	6,529,433
	1,217
13,541	231,389
126,226	970,471
<u>3,925,087</u>	<u>21,563,727</u>
	433,151
	1,110,343
561,103	1,786,761
1,075,693	4,607,816
	8,279
	7,457,628
99,140	470,882
2,122,027	5,252,943
255,000	255,000
315,295	318,672
<u>4,428,258</u>	<u>21,701,475</u>
<u>(503,171)</u>	<u>(137,748)</u>
910,891	1,067,443
<u>(726,231)</u>	<u>(1,067,443)</u>
184,660	
(318,511)	(137,748)
<u>7,567,609</u>	<u>29,952,952</u>
<u>\$7,249,098</u>	<u>\$29,815,204</u>

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, 2014

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 (\$137,748)

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	5,317,031
Retirements are deducted from fund balance	(2,279)
Depreciation expense is deducted from fund balance (Depreciation expense is net of internal service fund depreciation of \$506,477 which has already been allocated to serviced funds.)	(5,663,846)

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	255,000
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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	(88,361)
Accrued liabilities	(134,877)
Interest payable	1,700
Unavailable revenue	(340,912)

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 Assets - Internal Service Fund	<u>(218,674)</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (\$1,012,966)

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, 2014

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$3,813,000	\$3,887,000	\$4,014,795	\$127,795
Sales taxes	1,450,000	1,450,000	1,520,884	70,884
Other taxes	1,379,000	1,379,000	1,425,552	46,552
Licenses and permits	1,009,000	1,208,310	1,344,949	136,639
Charges for services	38,500	45,500	75,691	30,191
Fines and forfeits	163,500	148,500	158,778	10,278
Intergovernmental:				
Motor vehicle in lieu		15,804	15,804	
Other	264,000	358,777	245,806	(112,971)
Use of money and property	50,000	112,500	146,097	33,597
Miscellaneous	1,178,097	836,200	804,405	(31,795)
<b>Total Revenues</b>	<b>9,345,097</b>	<b>9,441,591</b>	<b>9,752,761</b>	<b>311,170</b>
<b>EXPENDITURES</b>				
Current:				
Legislative	356,870	472,061	433,151	38,910
Administrative Services	1,252,512	1,261,842	1,110,343	151,499
Community Development	1,322,789	1,321,650	1,225,658	95,992
Public Works	471,736	672,100	609,450	62,650
Law Enforcement	5,173,499	5,175,373	4,282,445	892,928
Recreation	383,391	388,778	371,742	17,036
Capital outlay	76,300	15,280	15,280	
<b>Total Expenditures</b>	<b>9,037,097</b>	<b>9,307,084</b>	<b>8,032,789</b>	<b>1,274,295</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>308,000</b>	<b>134,507</b>	<b>1,719,972</b>	<b>1,585,465</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in			807	807
Transfers (out)	(69,000)	(341,212)	(341,212)	
<b>Total Other Financing Sources (Uses)</b>	<b>(69,000)</b>	<b>(341,212)</b>	<b>(340,405)</b>	<b>807</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$239,000</b>	<b>(\$206,705)</b>	<b>1,379,567</b>	<b>\$1,586,272</b>
Fund balance at beginning of year			11,002,394	
Fund balance at end of year			<b>\$12,381,961</b>	

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, 2014

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Special assessments	\$3,131,795	\$3,130,295	\$3,182,615	\$52,320
Use of money and property	8,025	7,025	8,637	1,612
Miscellaneous		13,914	39,840	25,926
Total Revenues	<u>3,139,820</u>	<u>3,151,234</u>	<u>3,231,092</u>	<u>79,858</u>
<b>EXPENDITURES</b>				
Current:				
Public Works	2,879,963	3,158,566	2,874,684	283,882
Capital outlay		108,752	24,991	83,761
Debt service:				
Interest and fiscal charges			110	(110)
Total Expenditures	<u>2,879,963</u>	<u>3,267,318</u>	<u>2,899,785</u>	<u>367,533</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>259,857</u>	<u>(116,084)</u>	<u>331,307</u>	<u>447,391</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	201,000	246,800	155,745	(91,055)
Transfers (out)	<u>(68,000)</u>	<u>(68,000)</u>		68,000
Total Other Financing Sources (Uses)	<u>133,000</u>	<u>178,800</u>	<u>155,745</u>	<u>(23,055)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$392,857</u>	<u>\$62,716</u>	<u>487,052</u>	<u>\$424,336</u>
Fund balance at beginning of year			<u>5,959,831</u>	
Fund balance at end of year			<u>\$6,446,883</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, 2014

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Intergovernmental:				
Other	\$100,000	\$116,750	\$116,752	\$2
Special assessments	3,031,000	3,058,000	3,058,332	332
Use of money and property	500	500	99	(401)
Total Revenues	<u>3,131,500</u>	<u>3,175,250</u>	<u>3,175,183</u>	<u>(67)</u>
<b>EXPENDITURES</b>				
Current:				
Law Enforcement	3,131,500	3,175,250	3,175,183	67
Total Expenditures	<u>3,131,500</u>	<u>3,175,250</u>	<u>3,175,183</u>	<u>67</u>
<b>NET CHANGE IN FUND BALANCES</b>				
Fund balance at beginning of year			_____	
Fund balance at end of year			=====	

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, 2014

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Loan repayment	\$2,400	\$2,400	\$1,217	(\$1,183)
Use of money and property	12,000	12,000	41,297	29,297
<b>Total Revenues</b>	<u>14,400</u>	<u>14,400</u>	<u>42,514</u>	<u>28,114</u>
<b>EXPENDITURES</b>				
Current:				
Housing programs	14,400	14,400	8,279	6,121
Debt service:				
Interest			3,267	(3,267)
<b>Total Expenditures</b>	<u>14,400</u>	<u>14,400</u>	<u>11,546</u>	<u>2,854</u>
<b>NET CHANGE IN FUND BALANCES</b>			<u>30,968</u>	<u>\$25,260</u>
Fund balance (deficit) at beginning of year			<u>(1,333,451)</u>	
Fund balance (deficit) at end of year			<u>(\$1,302,483)</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, 2014

	<u>Governmental Activities - Internal Service Funds</u>
<b>ASSETS</b>	
Current:	
Cash and investments available for operations (Note 3)	\$1,654,638
Receivables:	
Interest	<u>731</u>
Total Current Assets	<u>1,655,369</u>
Noncurrent:	
Capital assets (net of accumulated depreciation)	<u>7,590,250</u>
Total Assets	<u>9,245,619</u>
<b>LIABILITIES</b>	
Accounts payable	<u>25,840</u>
Total Assets	<u>25,840</u>
<b>NET POSITION (Note 10)</b>	
Net investment in capital assets	7,590,250
Unrestricted	<u>1,629,529</u>
Total Net Position	<u><u>\$9,219,779</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, 2014

	Governmental Activities - Internal Service Funds
<b>OPERATING REVENUES</b>	
Charges for services	\$249,000
Total Operating Revenues	249,000
<b>OPERATING EXPENSES</b>	
Supplies	71,966
Depreciation	506,477
Total Operating Expenses	578,443
Operating Income (Loss)	(329,443)
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest income	4,723
Loss on disposition of property	(29,975)
Total Nonoperating Revenues	(25,252)
Income (Loss) Before Contributions	(354,695)
Contributions	136,021
Change in net position	(218,674)
<b>BEGINNING NET POSITION</b>	<b>9,438,453</b>
<b>ENDING NET POSITION</b>	<b>\$9,219,779</b>

See accompanying notes to financial statements

CITY OF OAKLEY  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2014

	Governmental Activities - Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$249,000
Payments to suppliers	<u>(46,126)</u>
Cash Flows from Operating Activities	<u>202,874</u>
 <b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>	
Acquisition of capital assets	(76,643)
Proceeds from sale of capital assets	<u>4,065</u>
Cash Flows from Capital Financing Activities	<u>(72,578)</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest	<u>4,693</u>
Net Cash Flows	134,989
Cash and investments at beginning of period	<u>1,519,649</u>
Cash and investments at end of period	<u><u>\$1,654,638</u></u>
 <b>NONCASH TRANSACTIONS</b>	
Contribution of capital assets	<u>\$136,021</u>
Retirement of capital assets	<u><u>\$34,040</u></u>
 <b>Reconciliation of Operating Income (Loss) to Cash Flows</b>	
from Operating Activities:	
Operating income (loss)	(\$329,443)
Adjustments to reconcile operating income (loss) to cash flows	
from operating activities:	
Depreciation	506,477
Net change in liabilities:	
Accounts payable	<u>25,840</u>
Cash Flows from Operating Activities	<u><u>\$202,874</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, 2014

	Successor Agency to the Redevelopment Agency Private Purpose Trust Fund	Agency Funds
<b>ASSETS</b>		
Cash and investments (Note 3)	\$1,659,461	\$2,007,518
Cash and investments with fiscal agent (Note 3)	2,675,204	2,011,984
Accounts receivable	169,511	
Interest receivable		535
Loans receivable (Note 15B)	2,385,869	
Land held for redevelopment (Note 15C)	3,863,352	
Capital assets (Note 15D):		
Land and construction in progress	4,907,806	
Depreciable, net	16,412,935	
Total Assets	32,074,138	\$4,020,037
<b>LIABILITIES</b>		
Accounts payable	471,834	
Due to other agencies		\$435,330
Due to bondholders		3,584,707
Long-term debt (Note 15E):		
Due within one year	660,000	
Due in more than one year	30,200,000	
Total Liabilities	31,331,834	\$4,020,037
<b>NET POSITION</b>		
Held in Trust for the Successor Agency and Other Governments	\$742,304	

See accompanying notes to financial statements

CITY OF OAKLEY  
 FIDUCIARY FUNDS  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2014

	Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund
<b>ADDITIONS</b>	
Property taxes	\$2,180,805
Charges for services	13,455
Use of money and property	288,574
Miscellaneous	<u>83,974</u>
Total Additions	<u>2,566,808</u>
<b>DEDUCTIONS</b>	
Redevelopment and Economic Development	545,808
Payment to the County Auditor-Controller (Note 15F)	71,556
Depreciation	444,194
Debt service:	
Interest and fiscal charges	<u>1,591,011</u>
Total Deductions	<u>2,652,569</u>
Change in Net Position	(85,761)
<b>NET POSITION HELD IN TRUST FOR SUCCESSOR            AGENCY AND OTHER GOVERNMENTS</b>	
Beginning of year	<u>828,065</u>
End of year	<u><u>\$742,304</u></u>

See accompanying notes to financial statements

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**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2014**

**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 38,000 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. 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.



**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

**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.

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2014**

**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 and the County for regional mitigation fees. 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, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. *Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of financial position or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. 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, 2014 were comprised of the following:

Governmental Activities:	Taxes	Accounts	Inter- Governmental	Total Receivables
General Fund	\$262,001	\$295,192	\$364,850	\$922,043
Lighting and Landscaping Districts Fund	13,135			13,135
Public Protection Fund	8,828			8,828
Non-Major Governmental Funds		105,605	508,671	614,276
Total Accounts Receivable, net of allowance for doubtful accounts	<u>\$283,964</u>	<u>\$400,797</u>	<u>\$873,521</u>	<u>\$1,558,282</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, 2014**

**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	\$278,078
Additions	273,288
Payments	(184,927)
Ending Balance	\$366,439
Current Portion	\$184,927

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

**I. *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.

**J. *Closed Fund***

The Cypress Grove Capital Projects Fund was closed as of June 30, 2014.

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2014**

**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 Cypress Grove Project 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.

**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 Public Facilities Impact Fees Capital Projects Fund incurred expenditures in excess of appropriations in the amount \$181. The fund had sufficient revenues to finance these expenditures.

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
For fiscal year ended June 30, 2014

**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.

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	\$29,955,038
Cash and investments with fiscal agent	574,685
Total City Cash and Investments	30,529,723
Cash and investments in Fiduciary Funds (Separate Statement):	
Successor Agency to the Redevelopment	
Agency Private Purpose Trust Fund:	
Cash available for operations	1,659,461
Cash and investments with fiscal agent	2,675,204
Agency Funds:	
Cash and investments available for operations	2,007,518
Cash and investments with fiscal agent	2,011,984
Total Cash and Investments	\$38,883,890

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
For fiscal year ended June 30, 2014

**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		N/A	\$50 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		N/A	No Limit
Repurchase Agreements	1 year		No Limit	No Limit

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2014**

**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	\$50 million per account
Bankers Acceptances	360 days	A1/A1+/P1
Commercial Paper	270 days	A-1+/P-1
Money Market Funds	N/A	A/AAA <sub>m</sub> /AAA <sub>m</sub>
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. Interest Rate Risk**

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, 2014**

**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, 2014, all of the City's investments mature in 12 months or less, except the Certificates of Deposit held by fiscal agents, which mature on May 16, 2017 (\$500,000) and May 18, 2017 (\$250,000):

Investment Type	
<i>Cash and Investments in City Treasury:</i>	
Money Market Funds	\$1,772,413
Local Agency Investment Fund	19,382,655
CalTRUST	9,003,132
<i>Held by Fiscal Agents:</i>	
California Asset Management Program	2,000,344
Money Market Funds	2,511,529
Certificates of Deposit	750,000
Total Investments	35,420,073
<i>Cash deposits in banks and petty cash</i>	3,463,817
Total Cash and Investments	\$38,883,890

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. 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, 2014 these investments matured in an average of 232 days.

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, 2014, these investments matured in an average of 500 days.

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2014**

**NOTE 3 - CASH AND INVESTMENTS (Continued)**

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. The Pool's investments are limited to investments permitted by subdivisions (a) to (n), inclusive, of Section 53601 of the California Government Code. The 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. At June 30, 2014, the fair value approximated is the Agency's cost. At June 30, 2014, these investments have an average maturity of 41 days.

Money market funds are available for withdrawal on demand and at June 30, 2014 matured in an average of 38 days.

**F. 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, 2014 for CalTRUST is AAf, California Asset Management Program is rated AAAM, and all the City's Money Market Funds are 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, 2014.

**G. Concentration of Credit Risk**

Investments in any one issuer, other than money market mutual funds, Local Agency Investment Fund, CalTRUST and California Asset Management Program, that represent 5% or more of total investments at the Entity-wide level or in individual funds were as follows at June 30, 2014:

Issuer	Investment Type	Amount
<i>Agency Funds:</i>		
GE Capital	Certificate of Deposit	\$250,000
Discover Bank	Certificate of Deposit	250,000
Goldman Sachs	Certificate of Deposit	250,000

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2014**

**NOTE 4 - INTERFUND TRANSACTIONS**

**A. Transfers Between Funds**

With Council approval, resources may be transferred from one City fund to another. The purpose of the majority of transfers is to reimburse a fund which has made an expenditure on behalf of another fund. Less often, a transfer may be made to open or close a fund.

Transfers between Funds during the fiscal year ended June 30, 2014 were as follows:

Fund Receiving Transfer	Fund Making Transfers	Transfer Amount
General Fund	Non-Major Governmental Funds	\$807 (A)
Lighting and Landscaping Districts Special Revenue Fund	Non-Major Governmental Funds	155,745 (A)
Non-Major Governmental Funds	General Fund	341,212 (B)
Non-Major Governmental Funds	Non-Major Governmental Funds	569,679 (B), (C)
	Total Interfund Transfers	<u>\$1,067,443</u>

(A) To fund operations.

(B) To fund capital projects.

(C) To fund debt service.

**B. Long-Term Interfund Advances**

At June 30, 2014 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 deferred revenue or nonspendable fund balance.

Advances to Other Funds	Advances from Other Funds	Advanced Amount
General Fund	Lighting and Landscaping Districts Special Revenue Fund	\$97,715
General Fund	Non-Major Funds	150,000
Traffic Impact Fees	Low and Moderate Income Housing Asset Special Revenue Fund	682,679
Non-Major Funds	Low and Moderate Income Housing Asset Special Revenue Fund	668,143
	Total Interfund Advances	<u>\$1,598,537</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 \$97,715 at June 30, 2014.

The General Fund agreed to advance \$150,000 to the Public Facilities Impact Fee Capital Projects Fund to fund a debt service shortfall. The advance bears interest at the City's investment pool rate. The balance of the advance totaled \$150,000 at June 30, 2014.

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2014**

**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 0.24% for fiscal year 2014. The balance outstanding at June 30, 2014 was \$1,350,822.

**C. Current Interfund Balances**

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. At June 30, 2014, the Low and Moderate Income Housing Asset Special Revenue Fund owed the General Fund \$8,279.

**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 15, 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, 2014 are set forth below:

Golden Oak Manor	\$1,219,448
Silver Oak Apartments	608,145
Oakley Senior Housing	847,394
Oakley Cypress Associates	3,143,750
Carol Lane	4,709,372
First Time Homebuyer	158,233
Employee Home Loans	556,868
East Cypress	48,126
Manuel's Five Star Restaurant, Inc.	156,305
Rogelstad-Thorpe, LLC	400,000
Total	<u>\$11,847,641</u>

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2014**

**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.

**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 15.

**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, 2014**

**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, 2014 had a remaining balance of \$466,699.

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, 2014, and at June 30, 2014 the loan has a remaining balance of \$90,169.

As of June 30, 2014, the combined balances of these loans are \$556,868.

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2014**

**NOTE 5 – LOANS RECEIVABLE (Continued)**

***I. East Cypress***

Under the terms of a settlement agreement with the Greenbelt Alliance regarding the agricultural impacts of the planned development of 828 acres of farmland in the East Cypress area, the property owners in the area are required to make up front per acre and per-lot and pre-recording contributions to the San Francisco Foundation. The Foundation will then distribute the funding to organizations committed to agricultural land preservation in the Delta area. The City participates in the calculation, collection and distribution of payments to the Foundation. During fiscal year 2011, the City made the following two loans to property owners in the East Cypress area to assist with their share of the litigation expenses:

On June 16, 2011, the City loaned \$16,242 to a property owner. The loan was secured by a deed of trust and if not paid in full by the maturity date, bore interest of 6% annually on the unpaid balance. The loan was repayable within 90 days of receipt of any payments the property owner received from a proposed developer of the property. In the event the owner did not obtain a developer to develop the property, the loan was payable as follows: \$4,000 no later than June 16, 2015, and the remaining balance no later than June 16, 2019. The outstanding balance was repaid in full on October 30, 2013.

On June 30, 2011, the City also loaned \$45,189 to another property owner. The loan is secured only by a promissory note and was due June 30, 2012, however the loan agreement was amended in May 2012 to extend the term of the loan to May 22, 2013. The loan was not repaid on that date, but the City remained in contact with the borrower to ensure collection. Because the note was not paid in full by the maturity dates, the unpaid balance accrued interest at 6% annually from May 22, 2013. The amount outstanding was paid in full on August 21, 2014.

As of June 30, 2014, the balance of the loan, including accrued interest, was \$48,126.

***J. Rogelstad-Thorpe, LLC***

On August 28, 2013, the City loaned \$400,000 to Rogelstad-Thorpe, LLC, for the purpose of posting the collateral required by a commercial lender for the purchase of real property and the completion of various improvements to and expansion of the Oakley Plaza shopping center. The loan is secured by a promissory note and deed of trust, and bears simple interest of 5 percent annually. The principal and all accrued interest were due on August 1, 2014, but the agreement was amended on May 9, 2014 to extend the due date to December 15, 2014.

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2014**

**NOTE 5 – LOANS RECEIVABLE (Continued)**

**K. *Manuel's Five Star Restaurant, Inc.***

As discussed in Note 15B, the City entered into an agreement with Manuel's Five Star Restaurant, Inc., in August 2011 to provide loans of the former Redevelopment Agency's funds. The City entered into a second amendment to the agreement in April 2013 to provide an additional loan of \$160,000 for construction costs incurred by the developer that were in excess of amounts anticipated under the original agreement. Due to restrictions applicable under the Dissolution Act, the General Fund made this additional construction loan of \$160,000. The loan bears interest of 5% on outstanding principal, is secured by a deed of trust and is payable in monthly installments. The loan is subject to the same terms of the original agreement and is due upon the sale of the property.

The outstanding balance of the loan was \$156,305 at June 30, 2014.

**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, 2014 was \$2,222,235.



**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2014**

**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 fair market 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)	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, 2014

**NOTE 7 - CAPITAL ASSETS (Continued)**

**A. Capital Assets Additions and Retirements**

Capital asset balances comprise the following:

	Balance as of June 30, 2013	Additions	Retirements	Transfers	Balance as of June 30, 2014
<b>Governmental Activities:</b>					
Capital assets not being depreciated:					
Land	\$9,266,464				\$9,266,464
Construction in Progress	8,287,592	\$5,235,418	(\$2,279)	(\$9,464,213)	4,056,518
<b>Total capital assets not being depreciated</b>	<b>17,554,056</b>	<b>5,235,418</b>	<b>(2,279)</b>	<b>(9,464,213)</b>	<b>13,322,982</b>
Capital assets being depreciated:					
Buildings and Improvements	9,480,504			272,017	9,752,521
Machinery and Equipment	2,076,395	54,299			2,130,694
Vehicles	1,356,390	158,365	(175,308)		1,339,447
Roadways:					
Pavement	148,507,835			7,823,977	156,331,812
Sidewalks	9,797,203				9,797,203
Curbs and Gutters	9,585,634			92,879	9,678,513
Traffic Signals	2,938,083			8,406	2,946,489
Regulatory Signs and Street Trees	1,216,410			73,392	1,289,802
Street Lights	3,239,203				3,239,203
Bridges	4,422,722				4,422,722
Parks and Recreation Structures	9,936,136	81,613		1,193,542	11,211,291
<b>Total capital assets being depreciated</b>	<b>202,556,515</b>	<b>294,277</b>	<b>(175,308)</b>	<b>9,464,213</b>	<b>212,139,697</b>
Less accumulated depreciation for:					
Buildings and Improvements	(2,260,334)	(257,469)			(2,517,803)
Machinery and Equipment	(1,763,416)	(113,853)			(1,877,269)
Vehicles	(899,051)	(151,841)	141,268		(909,624)
Roadways:					
Pavements	(48,984,539)	(4,600,364)			(53,584,903)
Sidewalks	(2,538,016)	(130,603)			(2,668,619)
Curbs and Gutters	(2,473,848)	(128,422)			(2,602,270)
Traffic Signals	(983,520)	(117,690)			(1,101,210)
Regulatory Signs and Street Trees	(662,291)	(127,904)			(790,195)
Street Lights	(832,041)	(80,980)			(913,021)
Bridges	(892,794)	(44,226)			(937,020)
Parks and Recreation Structures	(2,889,506)	(416,971)			(3,306,477)
<b>Total accumulated depreciation</b>	<b>(65,179,356)</b>	<b>(6,170,323)</b>	<b>141,268</b>		<b>(71,208,411)</b>
<b>Net capital assets being depreciated</b>	<b>137,377,159</b>	<b>(5,876,046)</b>	<b>(34,040)</b>	<b>9,464,213</b>	<b>140,931,286</b>
<b>Governmental activity capital assets, net</b>	<b>\$154,931,215</b>	<b>(\$640,628)</b>	<b>(\$36,319)</b>		<b>\$154,254,268</b>

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
For fiscal year ended June 30, 2014

**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	\$16,686
Public Works	5,647,160
Internal Service Funds	<u>506,477</u>
<b>Total Governmental Activities</b>	<u><u>\$6,170,323</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.

	<u>Original Issue Amount</u>	<u>Balance June 30, 2013</u>	<u>Retirements</u>	<u>Balance June 30, 2014</u>	<u>Current Portion</u>
<b>2006 Certificates of Participation</b> 4.00-4.50%, due 5/1/2032	<u>\$8,500,000</u>	<u>\$7,210,000</u>	<u>(\$255,000)</u>	<u>\$6,955,000</u>	<u>\$265,000</u>

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2014**

**NOTE 8 – LONG-TERM DEBT (Continued)**

**B. 2006 Certificates of Participation**

On December 5, 2006, the City issued the 2006 Certificates of Participation (COPs) in the principal amount of \$8,500,000 to finance the acquisition of property and construction of improvements to the City's Civic Center. The COPs are collateralized by revenue from the Civic Center lease agreement. The City intends to use public facilities impact fees to make the lease payments, however the lease payments are payable from any legally available funds. Principal is payable annually and the interest is payable semi-annually through 2032.

**C. Debt Service Requirements**

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

<u>For the Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2015	\$265,000	\$296,635
2016	275,000	286,035
2017	285,000	275,035
2018	300,000	263,635
2019	310,000	251,635
2020 - 2024	1,755,000	1,059,945
2025 - 2029	2,190,000	653,160
2030 - 2032	1,575,000	144,000
	<u>\$6,955,000</u>	<u>\$3,230,080</u>

**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. 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 \$14,120,000 and \$9,680,000 respectively at June 30, 2014.

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.

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2014**

**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:

*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.

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2014**

**NOTE 10 – NET POSITION AND FUND BALANCES (Continued)**

*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, 2014**

**NOTE 10 – NET POSITION AND FUND BALANCES (Continued)**

Detailed classifications of the City's Fund Balances, as of June 30, 2014, are below:

Fund Balance Classifications	General Fund	Major Special Revenue Funds			Major Capital Projects Fund		Total
		Lighting and Landscaping District	Public Protection	Low and Mod Income Housing Asset	Traffic Impact Fees	Other Governmental Funds	
<b>Nonspendables:</b>							
Items not in spendable form:							
Prepays and Deposits	\$22,832						\$22,832
Loans Receivable	1,161,299						1,161,299
Land Held for resale	2,222,235						2,222,235
Advances	247,715						247,715
<b>Total Nonspendable Fund Balances</b>	<b>3,654,081</b>						<b>3,654,081</b>
<b>Restricted for:</b>							
Dutch Slough	559,498						559,498
Lighting and landscaping services		\$6,446,883					6,446,883
Traffic impact projects					\$5,039,745		5,039,745
Fire impact projects						\$81,741	81,741
Street maintenance and improvement						2,281,610	2,281,610
NPDES projects						1,233,930	1,233,930
Community Facilities District #1						1,499,773	1,499,773
Agricultural Conservation						1,725	1,725
Childcare facilities projects						591,812	591,812
Debt Service						574,778	574,778
Park Impact Fees						480,467	480,467
<b>Total Restricted Fund Balances</b>	<b>559,498</b>	<b>6,446,883</b>			<b>5,039,745</b>	<b>6,745,836</b>	<b>18,791,962</b>
<b>Assigned to:</b>							
Termination Payments	117,500						117,500
Uninsured Claims Payable	25,000						25,000
Sales Tax Apportionment Corrections	134,877						134,877
Tenant Improvements	24,337						24,337
Main Street Projects	29,575					668,457	698,032
<b>Total Assigned Fund Balances</b>	<b>331,289</b>					<b>668,457</b>	<b>999,746</b>
<b>Unassigned:</b>							
General fund	7,837,093						7,837,093
Other fund deficits				(\$1,302,483)		(165,195)	(1,467,678)
<b>Total Unassigned Fund Balances</b>	<b>7,837,093</b>			<b>(1,302,483)</b>		<b>(165,195)</b>	<b>6,369,415</b>
<b>Total Fund Balances</b>	<b>\$12,381,961</b>	<b>\$6,446,883</b>		<b>(\$1,302,483)</b>	<b>\$5,039,745</b>	<b>\$7,249,098</b>	<b>\$29,815,204</b>

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2014**

**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.
- 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.
- 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.
- 6) 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.
- 7) 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.
- 8) 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.
- 9) 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, 2014, and therefore was not required to establish a Reserve for Qualifying Expenditures as of June 30, 2014.



**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2014**

**NOTE 10 – NET POSITION AND FUND BALANCES (Continued)**

**D. Fund Balance Deficit**

The Low and Moderate Income Housing Asset Special Revenue Fund had a fund balance deficit of \$1,302,483 at June 30, 2014. The deficit is expected to be eliminated from future loan repayment revenues. In addition, the Public Facilities Impact Fees Fund had a fund balance deficit of \$8,993 at June 30, 2014. The deficit is expected to be eliminated from future impact fee collections.

**NOTE 11 - PENSION PLAN**

***CALPERS Miscellaneous Employee Plan***

Substantially all of the City's regular, probationary and part-time employees meet the qualifications to participate in pension plans offered by California Public Employees Retirement System (CALPERS), a cost-sharing agent multiple employer defined benefit pension plan which acts as a common investment and administrative agent for its participating member employers. CALPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. The employees participate in the Miscellaneous Employee Plan. Benefit provisions under the Plan are established by State statute and City resolution. Benefits are based on years of credited service, with one year of credited service earned for each one year of full time employment. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CALPERS; the City must contribute these amounts. In August 2010, the City Council authorized an amendment to the contract between the City and the California Public Employees' Retirement System in order to establish a Tier 2 retirement benefits structure. The Tier 2 changed the retirement benefit plan 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 Plan. The Plans' provisions and benefits in effect at June 30, 2014, are summarized as follows:

	Miscellaneous Tier 1 (2.5% @ 55)	Miscellaneous Tier 2 (2% @ 60)	Miscellaneous Tier 3 (2% @ 62)
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Minimum / Normal Retirement age	50 - 55	50 - 63	52 - 67
Monthly benefits, as a % of annual	2.0% - 2.5%	1.092% - 2.418%	1.0% - 2.5%
Required employee contribution rates	8%	7%	6.25%
Required employer contribution rates	16.687%	8.486%	6.25%

These benefit provisions and all other requirements are established by state statute and City Resolution. Contributions necessary to fund CALPERS on an actuarial basis are determined by CALPERS and its Board of Administration. In May of 2013, the City Council, through a Resolution, directed that in lieu of salary increases, beginning July 1, 2014 and until revised, City employees under Tier 1 and Tier 2 will no longer pay the 2% of their employee contributions they had been paying. The City now pays both the employees' contribution as well as the employer contribution.

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2014**

**NOTE 11 - PENSION PLAN (Continued)**

CALPERS determines contribution requirements using a modification of the Entry Age Normal Method. Under this method, the City's total normal benefit cost for each employee from date of hire to date of retirement is expressed as a level percentage of the related total payroll cost. Normal benefit cost under this Method is the level amount the employer must pay annually to fund an employee's projected retirement benefit. This level percentage of payroll method is used to amortize any unfunded actuarial liabilities. The actuarial assumptions used to compute contribution requirements are also used to compute the actuarially accrued liability. The City uses the actuarially determined percentages of payroll to calculate and pay contributions to CALPERS. This results in no net pension obligations or unpaid contributions. Annual Pension Costs, representing the payment of all actuarially required contributions required by CALPERS, for the last three years were as follows:

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2012	\$291,501	100%	\$0
June 30, 2013	315,372	100%	0
June 30, 2014	366,245	100%	0

CALPERS uses the market related value method of valuing the Plan's assets. An investment rate of return of 7.50% is assumed, including inflation rate at 2.75%. Annual salary increases are assumed to vary by duration of service. Changes in liability due to plan amendments, changes in actuarial assumptions, or changes in actuarial methods are amortized as a level percentage of payroll on a closed basis over twenty years. Investment gains and losses are accumulated as they are realized and amortized over a rolling thirty year period.

As required by State law effective July 1, 2005, the City's Miscellaneous Plan was terminated, and the employees in the plan were required by CALPERS to join a State-wide pool. One of the conditions of entry to the pool was that the City true-up any unfunded liabilities in the former Plan, either by paying cash or by increasing its future contribution rates through a Side Fund offered by CALPERS. The City satisfied its Miscellaneous Plan's unfunded liability by agreeing to contribute to the Side Fund through an addition to its normal contribution rates. The balance of the Side Fund was \$169,248 at June 30, 2014, which will be repaid over the next 6 years.

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
For fiscal year ended June 30, 2014

**NOTE 11 - PENSION PLAN (Continued)**

The schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. CALPERS' latest actuarial value (which differs from market value) and funding progress for the State-wide pools are shown below:

Actuarial

*Miscellaneous Tier 1*

Valuation Date	Entry Age Accrued Liability	Value of Asset	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) as % of Payroll
2010	\$1,972,910,641	\$1,603,482,152	\$369,428,489	81.3%	\$352,637,380	104.8%
2011	2,135,350,204	1,724,200,585	411,149,619	80.7%	350,121,750	117.4%
2012	2,254,622,362	1,837,489,422	417,132,940	81.5%	339,228,272	123.0%

*Miscellaneous Tier 2*

Valuation Date	Entry Age Accrued Liability	Value of Asset	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) as % of Payroll
2010	\$624,423,437	\$594,492,164	\$29,931,273	95.2%	\$186,777,830	16.0%
2011	682,375,804	639,237,247	43,138,557	93.7%	193,877,169	22.3%
2012	736,231,913	701,224,211	35,007,702	95.2%	208,517,122	16.8%

The City's Miscellaneous Tier 1 Plan represents approximately 0.3875%, 0.4150% and 0.4867% of the State-wide pool for the years ended June 30, 2012, 2011, and 2010, respectively, based on covered payroll of \$1,314,528, \$1,452,922 and \$1,716,330 for those years. The City joined the Miscellaneous Tier 2 Plan in August 2010 and the City's Miscellaneous Tier 2 Plan represents approximately 0.1642% and 0.0900% of the State-wide pool for the years ended June 30, 2012 and 2011, respectively, based on covered payroll of \$342,409 and \$174,577 for those years. Actuarial information for the Miscellaneous Tier 3 Plan is not yet available.

Audited annual financial statements and ten-year trend information are available from CALPERS at P.O. Box 942709, Sacramento, CA 94229-2709.

**NOTE 12 - 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, 2014

**NOTE 13 - 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:

<u>Types of Coverage (Deductible)</u>	<u>Coverage Limits</u>
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 (\$10,000)	1,000,000
Employment Liability (\$50,000)	1,000,000

\* \$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, 2014**

**NOTE 13 - 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	
	2014	2013
Balance at beginning of year	\$25,000	\$25,000
Liability for current fiscal year claims		26,921
Change in liability for prior fiscal year claims and claims incurred but not reported (IBNR)	16,141	47,283
Claims paid	(16,141)	(74,204)
Balance at end of year	\$25,000	\$25,000

**NOTE 14 - COMMITMENTS AND CONTINGENCIES**

**A. Construction and Other Commitments**

The City has the following outstanding construction commitments as of June 30, 2014 which are included in the balance of encumbrances in Note 14E:

Citywide Street Name Sign Replacement	\$63,483
Laurel and Rose Signalization	79,263
Laurel Road Widening - O'Hara to Laurel Ballfields	1,395,602
Civic Center Park Improvement Project	229,390

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 disbursed \$350,000 during the year, and as of June 30, 2014 the undisbursed amount is \$575,000.

**B. Litigation**

The City is subject to litigation arising in the normal course of business. In the opinion of the City Attorney, other than as disclosed in Note 15F(3), there is no presently filed litigation which is likely to have a material adverse effect on the financial position of the City.

**C. Tax Apportionment Errors**

One of the City's largest previous sales and use tax generators closed its warehouse during the recession, but failed to update its quarterly sales tax reporting. As a result, the City continued to receive sales and use tax associated with the site. Contact with the business failed to correct the problem, and so the City filed a notice with the State Board of Equalization (SBE) requesting verification, and if appropriate, an update to the SBE records and an adjustment to the City's allocations to correct prior allocation errors. During fiscal year 2014, the SBE began processing the correction as a reduction to the City's allocations pursuant to an agreement that the corrections will be made over four quarters. The City estimates the remaining outstanding corrections total approximately \$134,877 as of June 30, 2014, which has been reported as an accrued liability in the Statement of Net Position, and included in assigned fund balance in the General Fund.

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2014**

**NOTE 14 - COMMITMENTS AND CONTINGENCIES (Continued)**

**D. 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.

**E. Encumbrances**

Encumbrances outstanding as of June 30, 2014 by fund were as follows:

Major Governmental Fund:	
General Fund	\$29,575
Traffic Impact Fees	1,483,986
Lighting and Landscaping Districts	26,931
Non-Major Governmental Funds	936,153
Total Encumbrances	\$2,476,645

**NOTE 15 – 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, but the results of the review have not yet been provided 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.

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2014**

**NOTE 15 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES**  
**(Continued)**

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.

On January 19, 2011 the Redevelopment Agency entered into a Cooperation Agreement with the City to perform and administer the redevelopment programs and activities within the Project Area, including its low and moderate income housing programs. The Cooperation Agreement identifies thirty-seven Agency projects that cannot be completed without the assistance of the City, but those projects may be amended. In exchange for the City's agreement to accept these responsibilities and participate in these projects, as appropriate, the Agency made various findings in accordance with the Health and Safety Code within the Cooperation Agreement, including §33220, and the Agency agreed to the following provisions:

- To transfer and convey all of its existing assets to the City prior to June 30, 2011, including its rights to receive funds associated with the Agency's existing agreements with third parties as a contribution toward carrying out the obligations specified in the Agreement.
- To pay the City 3% of all property taxes it receives to the City for administration and oversight activities.
- To repay the principal and interest of the interagency advances discussed in Note 4 B above over a term of six years.

For accountability, the City had established two new funds to account for activities undertaken pursuant to this Agreement.

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2014**

**NOTE 15 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES**  
**(Continued)**

The Cooperation Agreement was to terminate in fiscal year 2039, however under the provisions of Health and Safety Code Section 34171(d)(2) established by ABx1 26, agreements between the City and the Agency that were executed after December 31, 2010 are no longer enforceable obligations and Health and Safety Code Section 34167.5 requires that if the City is not contractually committed to a third party for the expenditure or encumbrance of those funds that they be returned to the Successor Agency. Although the City contends that the Cooperation Agreement was lawfully executed, the City agreed to comply with the requirements of the Code and the assets as of January 31, 2012 in the City Redevelopment Housing Fund were transferred to the Low and Moderate Income Housing Asset Fund which accounts for the Housing Successor activities, and the assets and liabilities of the City Redevelopment Capital Projects Fund were transferred to the Successor Agency to the Redevelopment Agency Private Purpose Trust Fund. As Housing Successor, the City is only required to assume the assets of the former Redevelopment Agency’s housing activities, however, the State Department of Finance has indicated that the Cooperation Agreement is not an enforceable obligation of the Successor Agency and that the advance to the former Redevelopment Agency for a housing project should not be repaid by property taxes. Until the matter was resolved, the City, as housing successor, had assumed the advance liability as discussed in Note 4B.

The entire dispute between the State Department of Finance and the City and Agency regarding the Cooperation Agreement and housing-related advances was litigated, and ultimately resolved, through the settlement discussed in Note 15F(3).

Cash and investments of the Successor Agency as of June 30, 2014 includes the following:

Cash available for operations:	
Cash available for operations	\$213,660
Cash held for September 2, 2014 debt service payment	1,445,801
Cash and investments with fiscal agent	2,675,204
Total Cash and Investments	\$4,334,665

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, 2014.

**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 \$609,936 as of June 30, 2014.



**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2014**

**NOTE 15 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES**  
**(Continued)**

*Manuel's Five Star Restaurant, Inc.*

Under the terms of its Cooperation Agreement with the Redevelopment Agency and following existing law at the time, on August 9, 2011 the City entered into an agreement with Manuel's Five Star Restaurant, Inc., to provide loans of Agency funds to develop a restaurant and associated improvements. The loans consist of a construction loan of up to \$1,200,000 to construct the restaurant and an enhancement loan of up to \$600,000 to enhance the exterior of the restaurant building and on-site amenities. The construction loan bears interest of 5% on outstanding principal and unpaid interest beginning three months after the start of operations of the restaurant, is secured by a first deed of trust, and is payable in monthly installments also beginning after the start of operations of the restaurant. The construction loan becomes due upon sale of the property. The enhancement loan does not bear interest and will be forgiven if the borrower operates the restaurant for ten consecutive years. The borrower had drawn down \$39,800 of the loans as of January 31, 2012. With the dissolution of the Agency effective February 1, 2012, the outstanding loan as of that date in the amount of \$39,800 was assumed by the Successor Agency.

The State Department of Finance determined that the loans are not enforceable obligations of the Successor Agency, and the Department and the Agency representatives have gone through a meet and confer process in an attempt to resolve their differences. Notwithstanding this effort, the Department continued to deny the loans, relying on legislation later validated by the State Supreme Court ending redevelopment that included, amongst other things, language that retroactively invalidates virtually all agreements between agencies and their sponsoring entities. The Department contended that as a result of this provision, the loans are a City obligation and not an obligation of the Successor Agency. They did, however, provide that because the enhancement loan was funded with proceeds of Redevelopment Agency bonds, then once the Agency obtains a "Finding of Completion" by complying with provisions of a new law passed in June 2012, the enhancement loan would be allowed.

The borrower had drawn down \$1,200,000 of the construction loan and \$599,304 of the enhancement loan as of June 30, 2014. Loan repayments began in fiscal 2013 and the outstanding balance of the loans was \$1,775,933 at June 30, 2014.

This dispute between the State Department of Finance and the City and Agency regarding the Cooperation Agreement was litigated, and ultimately resolved through the settlement discussed in Note 15F(3).

**C. LAND HELD FOR REDEVELOPMENT**

The Successor Agency assumed the land held for redevelopment of the Redevelopment Agency as of February 1, 2012. The Redevelopment Agency had purchased parcels of land as part of its efforts to develop or redevelop blighted properties within the Project Area. 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 Successor Agency sold one parcel to a developer subsequent to June 30, 2014.

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2014**

**NOTE 15 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES**  
**(Continued)**

**D. CAPITAL ASSETS**

The Successor Agency assumed the capital assets of the Redevelopment Agency as of February 1, 2012.

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 fair market 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 Successor Agency has assigned the useful lives listed below to capital assets:

	<u>Useful lives</u>
Buildings	40 years
Improvements	5-15 years
Machinery and Equipment	5 years
Vehicles	5 years
Roadways:	
Streets (includes pavement, sidewalk, curb & gutters, trees & signs)	40 years
Traffic Signals	25 years
Parks and Recreation:	
General Improvements	25 years
Specialty Features	10 years

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
For fiscal year ended June 30, 2014

**NOTE 15 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES**  
**(Continued)**

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.

Capital assets recorded at June 30 comprise:

	Balance June 30, 2013	Additions	Retirements	Transfers	Balance June 30, 2014
<b>Governmental Activities:</b>					
Capital assets not being depreciated:					
Land	\$4,331,395				\$4,331,395
Construction in Progress	9,163,318	\$905,509	(\$9,441)	(\$9,482,975)	576,411
Total capital assets not being depreciated	13,494,713	905,509	(9,441)	(9,482,975)	4,907,806
Capital assets being depreciated:					
Buildings and improvements	3,906,700			2,010,090	5,916,790
Machinery and equipment	65,957				65,957
Roadways:					
Pavement	3,889,591			7,447,885	11,337,476
Traffic Signals	400,859				400,859
Street Trees				25,000	25,000
Parks and Recreation	818,890				818,890
Total capital assets being depreciated	9,081,997			9,482,975	18,564,972
Less accumulated depreciation for:					
Buildings and improvements	(815,475)	(177,090)			(992,565)
Machinery and equipment	(65,957)				(65,957)
Roadways:					
Pavement	(590,530)	(209,812)			(800,342)
Traffic Signals	(95,152)	(16,034)			(111,186)
Street Trees		(313)			(313)
Parks and Recreation	(140,729)	(40,945)			(181,674)
Total accumulated depreciation	(1,707,843)	(444,194)			(2,152,037)
Net capital assets being depreciated	7,374,154	(444,194)		9,482,975	16,412,935
Capital assets, net	\$20,868,867	\$461,315	(\$9,441)		\$21,320,741

Included in the balances above are certain assets that are designated for public purposes and the City anticipates that the assets will ultimately be conveyed to the City.

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
For fiscal year ended June 30, 2014

**NOTE 15 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES**  
(Continued)

**E. 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, 2013	Retirements	Balance June 30, 2014	Current Portion
<b>2003 Tax Allocation Bonds</b> 3.97-6.32%, due 9/01/2028	\$8,500,000	\$6,685,000	(\$260,000)	\$6,425,000	\$275,000
<b>2008 Subordinate Tax Allocation Bonds</b> 4.00-5.00%, due 9/1/2038	25,095,000	24,785,000	(350,000)	24,435,000	385,000
Total		<u>\$31,470,000</u>	<u>(\$610,000)</u>	<u>\$30,860,000</u>	<u>\$660,000</u>

**2. Redevelopment Agency 2003 Tax Allocation Bonds and 2008 Subordinate Tax Allocation Bonds**

On December 4, 2003, the Agency issued Tax Allocation Bonds to refund and defease outstanding 1999 Tax Allocation Revenue Bonds issued by the County prior to the transfer of the Oakley Project to the Oakley Redevelopment Agency when formed in 2001, and to provide financing for various redevelopment projects. The Bonds are secured by the Agency's tax increment revenue. Principal is payable annually and the interest is payable semi-annually through 2029. A portion of the proceeds from the 2003 Bonds was placed in an irrevocable trust to provide all the future debt service payments of the defeased 1999 Bonds, and the 1999 Bonds were called in August 2009.

On May 10, 2008, the Agency issued Subordinate Tax Allocation Bonds, Series 2008A, to provide financing for various redevelopment projects. The bonds are secured by the Agency's tax increment, however, the 2008A Bonds are subordinated to the 2003 Bonds. Principal is payable annually and the interest is payable semi-annually through 2039.

As discussed above, the Agency has 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 has 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. The pledge of all future tax increment revenues ends upon repayment of the \$53,527,314 remaining debt service on the Bonds above, which is scheduled to occur in 2039. With the issuance of the 2008 Bonds, projected non-housing tax increment revenues are expected to provide coverage over debt service of 217% over the life of the two Bonds.

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2014**

**NOTE 15 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES**  
**(Continued)**

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 2014 calculated by the County Auditor-Controller was \$2,707,978 and the total received by the Successor Agency for fiscal year 2014 debt service was \$2,180,805, which represented of 99% of the \$2,195,609 of debt service. The lesser tax distribution was deemed sufficient, because the Agency had other revenues/resources available to direct towards debt service.

**3. Debt Service Requirements**

Annual debt service requirements for the Bonds are shown below:

For the Year Ending June 30	Principal	Interest
2015	\$660,000	\$1,555,803
2016	715,000	1,522,964
2017	775,000	1,487,494
2018	835,000	1,449,293
2019	900,000	1,407,984
2020 - 2024	5,110,000	6,304,296
2025 - 2029	6,445,000	4,775,983
2030 - 2034	6,775,000	3,041,125
2035 - 2039	8,645,000	1,122,372
	<u>\$30,860,000</u>	<u>\$22,667,314</u>

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2014**

**NOTE 15 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES**  
**(Continued)**

**F. 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 are subject to further examination by the State of California and the amount, if any, of expenditures which may be disallowed by the State cannot be determined at this time. In addition, 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, but the results of that review have not been issued, and therefore the amount, if any, of assets that may be required to be returned to the Successor Agency cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

**3. Litigation and Settlement**

AB1484 requires the Successor Agency to complete two Due Diligence Reviews (DDR) to determine the amount of the remaining assets that should be transferred by the City to the Successor Agency or by the Successor Agency to the County for distribution to the affected taxing entities.

In August 2013, the State Department of Finance (DOF) completed its review of the DDR of the Low and Moderate Housing Fund's cash balance available for allocation to the affected taxing entities. The DDR indicated assets totaling \$1,956 were to be returned, but that amount was adjusted by the DOF to \$537,576. The Successor Agency complied with a portion the DOF's determination by transmitting a payment of \$71,556 to the County Auditor-Controller in August 2013, but the City disputed the remaining balance due of \$466,020.

In October 2013, the DOF completed its review of the DDR of all other funds of the former Redevelopment Agency. The DDR indicated there were no assets available for allocation to the affected taxing entities, but that amount was adjusted by the DOF to \$952,264. The City disputed the adjustments.

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2014**

**NOTE 15 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES**  
**(Continued)**

All of the DOF adjustments were for disallowed expenditures and obligations. The City filed suit against the DOF, claiming amongst other things, the transactions undertaken pursuant to the Cooperation Agreement between the City and the Redevelopment Agency prior to the elimination of AB1x27 that was originally passed as a companion bill with AB1x26, that allowed continued operations of the Redevelopment Agency subject to certain conditions that the subject expenditures and obligations were enforceable obligations of the Successor Agency, and that the DOF exceeded its authority in disallowing them. The State and the County, as an interested party in the matter, filed responses to the City's complaint.

In July 2014, the City entered into a settlement agreement with the State Department of Finance and the Contra Costa County Auditor-Controller to resolve the dispute discussed above. With the full execution of the settlement agreement, the litigation was formally dismissed on July 23, 2014. Under the terms of the settlement agreement, the City agreed to transfer \$1,450,500 to the Successor Agency that represents the value of the Development and Disposition Agreement related to the Manuel's Five Star Restaurant, Inc., less \$124,500 for administrative allowance and bond administration expenses previously withheld by the Department of Finance. With the transfer of funds, the City acquired all rights and interest in the DDA, and the associated loan receivable from Manuel's Five Star Restaurant, Inc.

After the transfer of funds from the City to the Successor Agency, the Successor Agency was required to remit \$1,418,284 to the County Auditor-Controller, representing the total of the amounts remaining in the Low and Moderate Housing Fund DDR (\$466,020) and the DDR of all other funds (\$952,264). The Successor Agency remitted the payments on August 14, 2014, and the Department of Finance issued the Successor Agency a Finding of Completion on August 15, 2014.

In addition, the City agreed that it will not pursue the repayment of the advance to the former Redevelopment Agency for a housing project from the Successor Agency discussed in Note 15A above; and will not seek payment from the Successor Agency for City administration of certain housing programs.

**MAJOR GOVERNMENTAL FUNDS, OTHER THAN  
GENERAL FUND AND SPECIAL REVENUE FUNDS**

**TRAFFIC IMPACT FEES CAPITAL PROJECTS FUND**

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



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, 2014

	<u>TRAFFIC IMPACT FEES</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Developer fees	\$1,500,000	\$1,415,372	(\$84,628)
Use of money and property	5,000	21,718	16,718
Total Revenues	<u>1,505,000</u>	<u>1,437,090</u>	<u>(67,910)</u>
<b>EXPENDITURES</b>			
Current:			
Public Works	48,308	47,989	319
Capital outlay	6,632,758	3,105,925	3,526,833
Total Expenditures	<u>6,681,066</u>	<u>3,153,914</u>	<u>3,527,152</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u><u>(\$5,176,066)</u></u>	<u><u>(1,716,824)</u></u>	<u><u>\$3,459,242</u></u>
Fund balance at beginning of year		<u>6,756,569</u>	
Fund balance at end of year		<u><u>\$5,039,745</u></u>	

## **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.

#### **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.

### **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.

**NON-MAJOR GOVERNMENTAL FUNDS (Continued)**

**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.

**GENERAL CAPITAL PROJECTS**

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.

**FIRE IMPACT FEES**

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

**DEBT SERVICE FUNDS**

**2006 CERTIFICATES OF PARTICIPATION**

This fund accounts for principal and interest payments on the City's 2006 Certificates of Participation.

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CITY OF OAKLEY  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEETS  
JUNE 30, 2014

	SPECIAL REVENUE FUNDS				
	Gas Tax	NPDES	Developer Deposits	Youth Development	Community Facilities District #1
<b>ASSETS</b>					
Cash and investments available for operations	\$857,013	\$1,291,595	\$934,993	\$77,937	\$1,501,700
Cash with fiscal agent					
Accounts receivable, net	27,225		78,380		
Interest receivable	526	558		31	651
Prepays and deposits					
Advances to other funds					
<b>Total Assets</b>	<b>\$884,764</b>	<b>\$1,292,153</b>	<b>\$1,013,373</b>	<b>\$77,968</b>	<b>\$1,502,351</b>
<b>LIABILITIES</b>					
Accounts payable	\$83,879	\$58,223	\$4,262	\$2,122	\$2,578
Accrued liabilities					
Deposits payable			1,009,111		
Unearned revenue				75,846	
Advances from other funds					
<b>Total Liabilities</b>	<b>83,879</b>	<b>58,223</b>	<b>1,013,373</b>	<b>77,968</b>	<b>2,578</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - interest on advances to other funds					
<b>Total Deferred Inflows of Resources</b>					
<b>FUND BALANCES</b>					
Nonspendable					
Restricted	800,885	1,233,930			1,499,773
Assigned					
Unassigned					
<b>Total Fund Balance</b>	<b>800,885</b>	<b>1,233,930</b>			<b>1,499,773</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$884,764</b>	<b>\$1,292,153</b>	<b>\$1,013,373</b>	<b>\$77,968</b>	<b>\$1,502,351</b>

SPECIAL REVENUE FUNDS			CAPITAL PROJECTS FUNDS			
Oakley Welcoming	Ag Conservation	Measure J	Park Impact Fees	Childcare Impact Fees	Public Facilities Impact Fee	Main Street
\$108,372	\$1,724	\$416,017	\$45,896	\$591,544	\$1,954	\$719,987
48	1	508,671 284	(21)	268	(51)	
			506,138		162,005	
<u>\$108,420</u>	<u>\$1,725</u>	<u>\$924,972</u>	<u>\$552,013</u>	<u>\$591,812</u>	<u>\$163,908</u>	<u>\$719,987</u>
\$6,107 683		\$9,744				\$51,530
101,630					\$150,000	
<u>108,420</u>		<u>9,744</u>			<u>150,000</u>	<u>51,530</u>
			\$71,546		22,901	
			71,546		22,901	
	\$1,725	915,228	480,467	\$591,812		668,457
					(8,993)	
	<u>1,725</u>	<u>915,228</u>	<u>480,467</u>	<u>591,812</u>	<u>(8,993)</u>	<u>668,457</u>
<u>\$108,420</u>	<u>\$1,725</u>	<u>\$924,972</u>	<u>\$552,013</u>	<u>\$591,812</u>	<u>\$163,908</u>	<u>\$719,987</u>

(Continued)

CITY OF OAKLEY  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEETS  
JUNE 30, 2014

	CAPITAL PROJECTS FUNDS			DEBT SERVICE FUND	Total Nonmajor Governmental Funds
	Cypress Grove Capital Project	General Capital Projects	Fire Impact Fees	2006 Certificates of Participation	
<b>ASSETS</b>					
Cash and investments available for operations		\$618,394	\$81,704		\$7,248,830
Cash with fiscal agent				\$574,685	574,685
Accounts receivable, net					614,276
Interest receivable		295	37	93	2,720
Prepays and deposits					
Advances to other funds					668,143
<b>Total Assets</b>		<b>\$618,689</b>	<b>\$81,741</b>	<b>\$574,778</b>	<b>\$9,108,654</b>
<b>LIABILITIES</b>					
Accounts payable		\$151,828			\$370,273
Accrued liabilities					683
Deposits payable					1,009,111
Unearned revenue		57,566			235,042
Advances from other funds					150,000
<b>Total Liabilities</b>		<b>209,394</b>			<b>1,765,109</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - interest on advances to other funds					94,447
<b>Total Deferred Inflows of Resources</b>					<b>94,447</b>
<b>FUND BALANCES</b>					
Nonspendable					
Restricted		\$565,497	\$81,741	\$574,778	6,745,836
Assigned					668,457
Unassigned		(156,202)			(165,195)
<b>Total Fund Balance</b>		<b>409,295</b>	<b>81,741</b>	<b>574,778</b>	<b>7,249,098</b>
<b>Total Liabilities, Deferred Inflows of Resources</b>		<b>\$618,689</b>	<b>\$81,741</b>	<b>\$574,778</b>	<b>\$9,108,654</b>

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CITY OF OAKLEY  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2014

SPECIAL REVENUE FUNDS					
	Gas Tax	NPDES	Developer Deposits	Youth Development	Community Facilities District #1
<b>REVENUES</b>					
Property taxes		\$484,727			
Intergovernmental:					
Other	\$1,050,803				
Developer fees			\$193,050		
Special assessments					\$288,486
Use of money and property	1,744	3,953		\$86	4,540
Miscellaneous	27,225	90		26,880	
<b>Total Revenues</b>	<b>1,079,772</b>	<b>488,770</b>	<b>193,050</b>	<b>26,966</b>	<b>293,026</b>
<b>EXPENDITURES</b>					
Current:					
Community Development			193,050		
Public Works	424,787	403,951			71,790
Recreation				26,966	
Capital outlay	992,425				2,705
Debt Service:					
Principal					
Interest and fiscal charges					
<b>Total Expenditures</b>	<b>1,417,212</b>	<b>403,951</b>	<b>193,050</b>	<b>26,966</b>	<b>74,495</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(337,440)</b>	<b>84,819</b>			<b>218,531</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in					
Transfers (out)	(155,745)				
<b>Total Other Financing Sources (Uses)</b>	<b>(155,745)</b>				
<b>NET CHANGE IN FUND BALANCES</b>	<b>(493,185)</b>	<b>84,819</b>			<b>218,531</b>
Fund balance (deficit) at beginning of year	1,294,070	1,149,111			1,281,242
<b>Fund balances (deficit) at end of year</b>	<b>\$800,885</b>	<b>\$1,233,930</b>			<b>\$1,499,773</b>

SPECIAL REVENUE FUNDS

CAPITAL PROJECTS FUNDS

Oakley Welcoming	Ag Conservation	Measure J	Park Impact Fees	Childcare Impact Fees	Public Facilities Impact Fee	Main Street
		\$508,671	\$533,414		\$513,805	
\$143 72,031	\$7	989		\$847	(198)	
72,174	7	509,660	533,414	847	513,607	
72,174	3,700	76,318	3,253	350,090	16,859	\$2,438
		467,537	15,275	9,558		52,031
					182	
72,174	3,700	543,855	18,528	359,648	17,041	54,469
	(3,693)	(34,195)	514,886	(358,801)	496,566	(54,469)
						25,000
					(569,679)	
					(569,679)	25,000
	(3,693)	(34,195)	514,886	(358,801)	(73,113)	(29,469)
	5,418	949,423	(34,419)	950,613	64,120	697,926
	\$1,725	\$915,228	\$480,467	\$591,812	(\$8,993)	\$668,457

(Continued)

CITY OF OAKLEY  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2014

	CAPITAL PROJECTS FUNDS			DEBT SERVICE FUND	Total Nonmajor Governmental Funds
	Cypress Grove Capital Project	General Capital Projects	Fire Impact Fees	2006 Certificates of Participation	
<b>REVENUES</b>					
Property taxes					\$484,727
Intergovernmental:					
Other					2,092,888
Developer fees		\$212,364			919,219
Special assessments					288,486
Use of money and property	\$98	790	\$108	\$434	13,541
Miscellaneous					126,226
<b>Total Revenues</b>	<b>98</b>	<b>213,154</b>	<b>108</b>	<b>434</b>	<b>3,925,087</b>
<b>EXPENDITURES</b>					
Current:					
Community Development			1,104		561,103
Public Works	89,456				1,075,693
Recreation					99,140
Capital outlay		582,496			2,122,027
Debt Service:					
Principal				255,000	255,000
Interest and fiscal charges				315,113	315,295
<b>Total Expenditures</b>	<b>89,456</b>	<b>582,496</b>	<b>1,104</b>	<b>570,113</b>	<b>4,428,258</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(89,358)</b>	<b>(369,342)</b>	<b>(996)</b>	<b>(569,679)</b>	<b>(503,171)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in		316,212		569,679	910,891
Transfers (out)		(807)			(726,231)
<b>Total Other Financing Sources (Uses)</b>		<b>315,405</b>		<b>569,679</b>	<b>184,660</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(89,358)</b>	<b>(53,937)</b>	<b>(996)</b>		<b>(318,511)</b>
Fund balance (deficit) at beginning of year	89,358	463,232	82,737	574,778	7,567,609
Fund balances (deficit) at end of year		\$409,295	\$81,741	\$574,778	\$7,249,098

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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, 2014

	SPECIAL REVENUE FUNDS					
	GAS TAX			N.P.D.E.S.		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>						
Property taxes				\$460,000	\$484,727	\$24,727
Intergovernmental:						
Other	\$1,032,500	\$1,050,803	\$18,303			
Developer fees						
Special assessments						
Use of money and property	500	1,744	1,244	1,500	3,953	2,453
Miscellaneous		27,225	27,225		90	90
<b>Total Revenues</b>	<u>1,033,000</u>	<u>1,079,772</u>	<u>46,772</u>	<u>461,500</u>	<u>488,770</u>	<u>27,270</u>
<b>EXPENDITURES</b>						
Current:						
Community Development						
Public Works	408,726	424,787	(16,061)	456,525	403,951	52,574
Recreation						
Capital Outlay	1,734,798	992,425	742,373			
Debt Service:						
Principal						
Interest and fiscal charges						
<b>Total Expenditures</b>	<u>2,143,524</u>	<u>1,417,212</u>	<u>726,312</u>	<u>456,525</u>	<u>403,951</u>	<u>52,574</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(1,110,524)</u>	<u>(337,440)</u>	<u>773,084</u>	<u>4,975</u>	<u>84,819</u>	<u>79,844</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in						
Transfers (out)	(178,546)	(155,745)	22,801			
<b>Total Other Financing Sources (Uses)</b>	<u>(178,546)</u>	<u>(155,745)</u>	<u>22,801</u>			
<b>NET CHANGE IN FUND BALANCES</b>	<u><u>(\$1,289,070)</u></u>	<u><u>(493,185)</u></u>	<u><u>\$795,885</u></u>	<u><u>\$4,975</u></u>	<u><u>84,819</u></u>	<u><u>\$79,844</u></u>
Fund balances (deficit) at beginning of year		1,294,070			1,149,111	
Fund balances (deficit) at end of year		<u><u>\$800,885</u></u>			<u><u>\$1,233,930</u></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)
\$323,815	\$193,050	(\$130,765)				\$251,150	\$288,486	\$37,336
			\$27,500	\$86	\$86	1,000	4,540	3,540
				26,880	(620)			
<u>323,815</u>	<u>193,050</u>	<u>(130,765)</u>	<u>27,500</u>	<u>26,966</u>	<u>(534)</u>	<u>252,150</u>	<u>293,026</u>	<u>40,876</u>
323,815	193,050	130,765						
			27,500	26,966	534	271,553	71,790	199,763
						152,705	2,705	150,000
<u>323,815</u>	<u>193,050</u>	<u>130,765</u>	<u>27,500</u>	<u>26,966</u>	<u>534</u>	<u>424,258</u>	<u>74,495</u>	<u>349,763</u>
						(172,108)	218,531	390,639
						<u>(\$172,108)</u>	218,531	<u>\$390,639</u>
							1,281,242	
							<u>\$1,499,773</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, 2014

SPECIAL REVENUE FUNDS

	OAKLEY WELCOMING			AG CONSERVATION		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>						
Property taxes						
Intergovernmental:						
Other						
Developer fees						
Special assessments						
Use of money and property		\$143	\$143		\$7	\$7
Miscellaneous	\$83,816	72,031	(11,785)			
Total Revenues	83,816	72,174	(11,642)		7	7
<b>EXPENDITURES</b>						
Current:						
Community Development						
Public Works				\$3,700	3,700	
Recreation	96,815	72,174	24,641			
Capital Outlay						
Debt Service:						
Principal						
Interest and fiscal charges						
Total Expenditures	96,815	72,174	24,641	3,700	3,700	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(12,999)		12,999	(3,700)	(3,693)	7
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in						
Transfers (out)						
Total Other Financing Sources (Uses)						
<b>NET CHANGE IN FUND BALANCES</b>	<u>(\$12,999)</u>		<u>\$12,999</u>	<u>(\$3,700)</u>	<u>(3,693)</u>	<u>\$7</u>
Fund balances (deficit) at beginning of year					5,418	
Fund balances (deficit) at end of year					<u>\$1,725</u>	

CAPITAL PROJECTS FUNDS

MEASURE J			PARK IMPACT FEES			CHILDCARE IMPACT FEES		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$480,059	\$508,671	\$28,612	\$557,000	\$533,414	(\$23,586)			
1,500	989	(511)					\$847	\$847
<u>481,559</u>	<u>509,660</u>	<u>28,101</u>	<u>557,000</u>	<u>533,414</u>	<u>(23,586)</u>		<u>847</u>	<u>847</u>
148,761	76,318	72,443	5,000	3,253	1,747	\$925,090	350,090	575,000
1,156,866	467,537	689,329	80,474	15,275	65,199	9,560	9,558	2
<u>1,305,627</u>	<u>543,855</u>	<u>761,772</u>	<u>85,474</u>	<u>18,528</u>	<u>66,946</u>	<u>934,650</u>	<u>359,648</u>	<u>575,002</u>
<u>(824,068)</u>	<u>(34,195)</u>	<u>789,873</u>	<u>471,526</u>	<u>514,886</u>	<u>43,360</u>	<u>(934,650)</u>	<u>(358,801)</u>	<u>575,849</u>
<u>(\$824,068)</u>	<u>(34,195)</u>	<u>\$789,873</u>	<u>\$471,526</u>	<u>514,886</u>	<u>\$43,360</u>	<u>(\$934,650)</u>	<u>(358,801)</u>	<u>\$575,849</u>
	<u>949,423</u>			<u>(34,419)</u>			<u>950,613</u>	
	<u>\$915,228</u>			<u>\$480,467</u>			<u>\$591,812</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, 2014

	CAPITAL PROJECTS FUNDS					
	PUBLIC FACILITIES IMPACT FEE			MAIN STREET		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>						
Property taxes						
Intergovernmental:						
Other						
Developer fees	\$674,750	\$513,805	(\$160,945)			
Special assessments						
Use of money and property	250	(198)	(448)			
Miscellaneous						
<b>Total Revenues</b>	<u>675,000</u>	<u>513,607</u>	<u>(161,393)</u>			
<b>EXPENDITURES</b>						
Current:						
Community Development	16,860	16,859	1			
Public Works				\$2,438	\$2,438	
Recreation						
Capital Outlay				694,336	52,031	\$642,305
Debt Service:						
Principal						
Interest and fiscal charges		182	(182)			
<b>Total Expenditures</b>	<u>16,860</u>	<u>17,041</u>	<u>(181)</u>	<u>696,774</u>	<u>54,469</u>	<u>642,305</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>658,140</u>	<u>496,566</u>	<u>(161,574)</u>	<u>(696,774)</u>	<u>(54,469)</u>	<u>642,305</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in					25,000	25,000
Transfers (out)	(571,835)	(569,679)	2,156			
<b>Total Other Financing Sources (Uses)</b>	<u>(571,835)</u>	<u>(569,679)</u>	<u>2,156</u>		<u>25,000</u>	<u>25,000</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$86,305</u>	<u>(73,113)</u>	<u>(\$159,418)</u>	<u>(\$696,774)</u>	<u>(29,469)</u>	<u>\$667,305</u>
Fund balances (deficit) at beginning of year		64,120			697,926	
Fund balances (deficit) at end of year		<u>(\$8,993)</u>			<u>\$668,457</u>	

CAPITAL PROJECTS FUNDS						DEBT SERVICE FUND		
GENERAL CAPITAL PROJECTS			FIRE IMPACT FEE			2006 CERTIFICATES OF PARTICIPATION		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$257,500		(\$257,500)						
192,566	\$212,364	19,798						
	790	790	\$100	\$108	\$8		\$434	\$434
450,066	213,154	(236,912)	100	108	8		434	434
			2,000	1,104	896			
1,400,912	582,496	818,416				\$255,000	255,000	
						316,835	315,113	1,722
1,400,912	582,496	818,416	2,000	1,104	896	571,835	570,113	1,722
(950,846)	(369,342)	581,504	(1,900)	(996)	904	(571,835)	(569,679)	2,156
316,212	316,212					571,864	569,679	(2,185)
	(807)	(807)						
316,212	315,405	(807)				571,864	569,679	(2,185)
<u>(\$634,634)</u>	<u>(53,937)</u>	<u>\$580,697</u>	<u>(\$1,900)</u>	<u>(996)</u>	<u>\$904</u>	<u>\$29</u>		<u>(\$29)</u>
	463,232			82,737			574,778	
	<u>\$409,295</u>			<u>\$81,741</u>			<u>\$574,778</u>	

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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, 2014

	Equipment Replacement	Capital Facilities Maintenance and Replacement	Total
<b>ASSETS</b>			
<b>Current:</b>			
Cash and investments available for operations	\$1,419,123	\$235,515	\$1,654,638
<b>Receivables:</b>			
Interest	621	110	731
<b>Total Current Assets</b>	1,419,744	235,625	1,655,369
<b>Noncurrent:</b>			
Capital assets (net of accumulated depreciation)	683,248	6,907,002	7,590,250
<b>Total Assets</b>	2,102,992	7,142,627	9,245,619
<b>LIABILITIES</b>			
Accounts payable	23,640	2,200	25,840
<b>Total Assets</b>	23,640	2,200	25,840
<b>NET POSITION</b>			
Net investment in capital assets	683,248	6,907,002	7,590,250
Unrestricted	1,396,104	233,425	1,629,529
<b>Total Net Position</b>	\$2,079,352	\$7,140,427	\$9,219,779

CITY OF OAKLEY  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUE, EXPENSES  
AND CHANGES IN FUND NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2014

	Equipment Replacement	Capital Facilities Maintenance and Replacement	Total
<b>OPERATING REVENUES</b>			
Charges for services	\$249,000		\$249,000
<b>Total Operating Revenues</b>	<b>249,000</b>		<b>249,000</b>
<b>OPERATING EXPENSES</b>			
Supplies	33,429	\$38,537	71,966
Depreciation	265,694	240,783	506,477
<b>Total Operating Expenses</b>	<b>299,123</b>	<b>279,320</b>	<b>578,443</b>
<b>Operating Income (Loss)</b>	<b>(50,123)</b>	<b>(279,320)</b>	<b>(329,443)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest income	4,382	341	4,723
Loss on disposition of property	(29,975)		(29,975)
<b>Total Nonoperating Revenues</b>	<b>(25,593)</b>	<b>341</b>	<b>(25,252)</b>
<b>Income (Loss) Before Contributions</b>	<b>(75,716)</b>	<b>(278,979)</b>	<b>(354,695)</b>
<b>Contributions</b>	<b>136,021</b>		<b>136,021</b>
<b>Change in net position</b>	<b>60,305</b>	<b>(278,979)</b>	<b>(218,674)</b>
<b>BEGINNING NET POSITION</b>	<b>2,019,047</b>	<b>7,419,406</b>	<b>9,438,453</b>
<b>ENDING NET POSITION</b>	<b>\$2,079,352</b>	<b>\$7,140,427</b>	<b>\$9,219,779</b>

CITY OF OAKLEY  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2014

	Equipment Replacement	Capital Facilities Maintenance and Replacement	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$249,000		\$249,000
Payments to suppliers	(9,789)	(\$36,337)	(46,126)
<b>Cash Flows from Operating Activities</b>	<b>239,211</b>	<b>(36,337)</b>	<b>202,874</b>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>			
Acquisition of capital assets	(76,643)		(76,643)
Proceeds from sale of capital assets	4,065		4,065
<b>Cash Flows from Noncapital Financing Activities</b>	<b>(72,578)</b>		<b>(72,578)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest	4,337	356	4,693
<b>Net Cash Flows</b>	<b>170,970</b>	<b>(35,981)</b>	<b>134,989</b>
Cash and investments at beginning of period	1,248,153	271,496	1,519,649
Cash and investments at end of period	<u>\$1,419,123</u>	<u>\$235,515</u>	<u>\$1,654,638</u>
<b>NONCASH TRANSACTIONS</b>			
Contribution of capital assets	<u>\$136,021</u>		<u>\$136,021</u>
Retirement of capital assets	<u>\$34,040</u>		<u>\$34,040</u>
<b>Reconciliation of Operating Income (Loss) to Cash Flows</b>			
from Operating Activities:			
Operating income (loss)	(\$50,123)	(\$279,320)	(\$329,443)
Adjustments to reconcile operating income (loss) to cash flows			
from operating activities:			
Depreciation	265,694	240,783	506,477
Net change in liabilities:			
Accounts payable	23,640	2,200	25,840
<b>Cash Flows from Operating Activities</b>	<b>\$239,211</b>	<b>(36,337)</b>	<b>\$202,874</b>

## 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.

### REGIONAL MITIGATION FEES

This fund accounts for fees established by the County to fund future County capital facilities from development. The fees are collected via building permits and submitted to the County.

### 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, 2014

	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014
<u>Assessment District 2004-1</u>				
Assets				
Cash and investments	\$969,181	\$1,143,717	\$1,072,747	\$1,040,151
Cash with fiscal agent	1,203,964	62,157		1,266,121
Interest receivable	324	371	324	371
<b>Total Assets</b>	<b>\$2,173,469</b>	<b>\$1,206,245</b>	<b>\$1,073,071</b>	<b>\$2,306,643</b>
Liabilities				
Due to bondholders	\$2,173,469	\$1,206,245	\$1,073,071	\$2,306,643
<b>Total Liabilities</b>	<b>\$2,173,469</b>	<b>\$1,206,245</b>	<b>\$1,073,071</b>	<b>\$2,306,643</b>
<u>Regional Mitigation Fees Fund</u>				
Assets				
Cash and investments	\$457,990	\$4,507,485	\$4,530,145	\$435,330
Liabilities				
Due to other agencies	\$457,990	\$4,507,485	\$4,530,145	\$435,330
<b>Total Liabilities</b>	<b>\$457,990</b>	<b>\$4,507,485</b>	<b>\$4,530,145</b>	<b>\$435,330</b>
<u>Assessment District 2006-1</u>				
Assets				
Cash and investments	\$515,910	\$759,997	\$743,870	\$532,037
Cash with fiscal agent	745,819	44		745,863
Interest receivable	159	164	159	164
<b>Total Assets</b>	<b>\$1,261,888</b>	<b>\$760,205</b>	<b>\$744,029</b>	<b>\$1,278,064</b>
Liabilities				
Due to bondholders	\$1,261,888	\$760,205	\$744,029	\$1,278,064
<b>Total Liabilities</b>	<b>\$1,261,888</b>	<b>\$760,205</b>	<b>\$744,029</b>	<b>\$1,278,064</b>
<u>Totals - All Agency Funds</u>				
Assets				
Cash and investments	\$1,943,081	\$6,411,199	\$6,346,762	\$2,007,518
Cash with fiscal agent	1,949,783	62,201		2,011,984
Interest receivable	483	535	483	535
<b>Total Assets</b>	<b>\$3,893,347</b>	<b>\$6,473,935</b>	<b>\$6,347,245</b>	<b>\$4,020,037</b>
Liabilities				
Due to other agencies	\$457,990	\$4,507,485	\$4,530,145	\$435,330
Due to bondholders	3,435,357	1,966,450	1,817,100	3,584,707
<b>Total Liabilities</b>	<b>\$3,893,347</b>	<b>\$6,473,935</b>	<b>\$6,347,245</b>	<b>\$4,020,037</b>

# 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 well being 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:

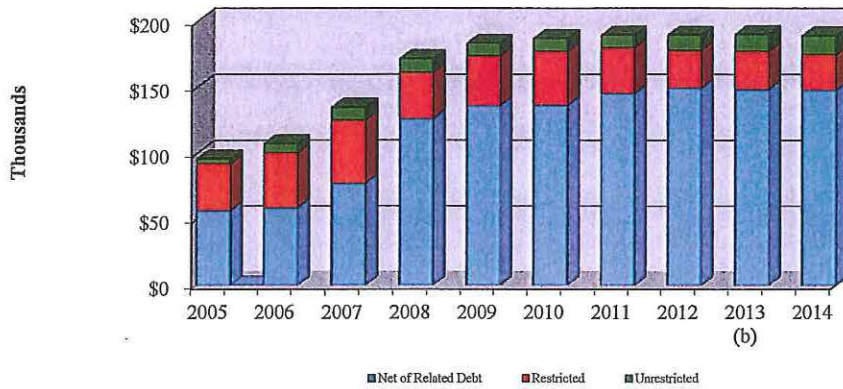
1. Budgeted Full-Time Equivalent City Government Employees by Function
2. Operating Indicators by Function/Program
3. Capital Asset Statistics by Function/Program

### ***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,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013 (b)	2014
<i>Primary government</i>										
<i>Governmental activities</i>										
Net investment in capital assets	\$56,504 (a)	\$58,624	\$76,945	\$126,106	\$136,077	\$136,320	\$145,396	\$149,394	\$148,296	\$147,874
Restricted	35,699	41,703	48,240	35,170	37,745	40,968	34,572	28,647	28,996	27,042
Unrestricted	3,659	7,072	9,894	10,473	9,727	9,979	9,713	11,462	12,975	14,338
Total governmental activities net position	<u>\$95,862</u>	<u>\$107,399</u>	<u>\$135,079</u>	<u>\$171,749</u>	<u>\$183,549</u>	<u>\$187,267</u>	<u>\$189,681</u>	<u>\$189,503</u>	<u>\$190,267</u>	<u>\$189,254</u>

**NOTES:**

(a) The City recorded historical infrastructure balances in fiscal year 2005.

(b) The City implemented the provisions of GASB Statement 63 in fiscal year 2013, which replaced the term "net assets" with the term "net position."

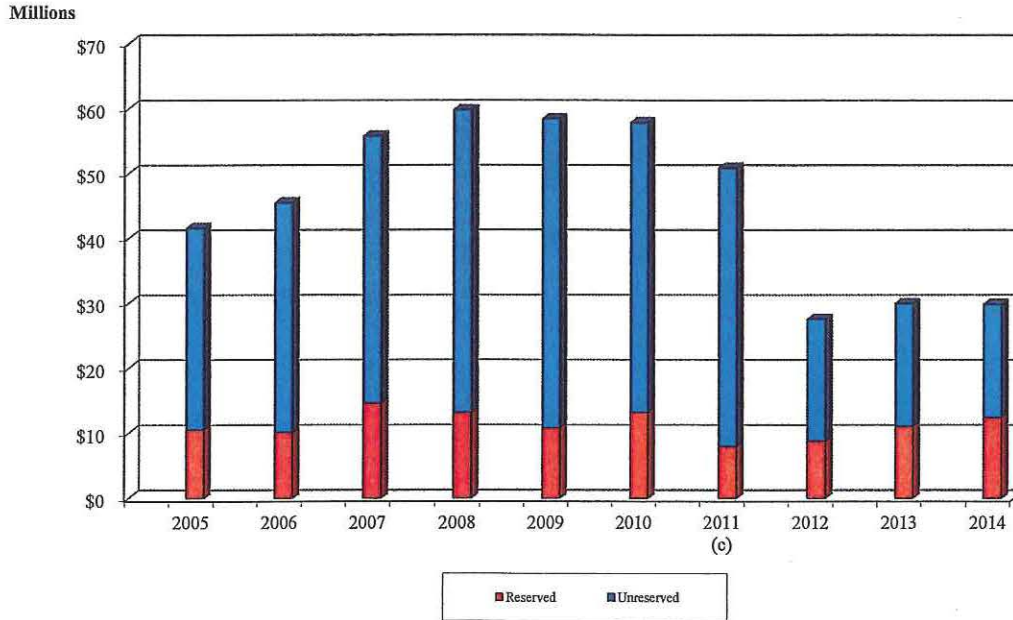
**CITY OF OAKLEY**  
**Changes in Net Position (000's)**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	Fiscal Year Ended June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013 (e)	2014
<b>Expenses</b>										
<b>Governmental Activities:</b>										
Legislative	\$642	\$409	\$370	\$574	\$835	\$492	\$500	\$466	\$492	\$446
Administrative Services	1,246	1,225	957	1,043	986	872	913	769	973	1,301
Community Development	12,360	14,592	11,308	7,914 (a)	7,258	2,572 (b)	1,830	1,711	1,802	1,819
Public Works				3,074 (a)	3,994	8,687 (b)	9,181	12,507 (c)	9,631	10,177
Redevelopment and Economic Development	1,897	1,625	3,147	2,511	2,052	3,610	2,023	932 (d)		
Housing Programs									9	8
Law Enforcement	4,270	5,039	5,530	6,703	7,228	7,280	7,259	7,462	7,338	7,694
Recreation	489	682	543	313	464	352	273	360	420	478
Interest and fiscal charges	515	495	890	2,383	2,012	2,030	2,000	606 (d)	324	317
Total Governmental Activities Expenses	21,419	24,067	22,745	24,515	24,829	25,895	23,979	24,813	20,989	22,240
Total Primary Government Expenses	\$21,419	\$24,067	\$22,745	\$24,515	\$24,829	\$25,895	\$23,979	\$24,813	\$20,989	\$22,240
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
<b>Charges for Services:</b>										
Administrative Services	\$310	\$556	\$689	\$271	\$164	\$239	\$156	\$154	\$235	\$266
Community Development	6,527	9,846	8,190	3,606	2,010	1,954	1,341	1,186	1,461	1,154
Public Works				2,780	3,062	3,307	3,209	3,266	3,391	3,499
Law Enforcement	681	915	1,654	2,070	2,231	2,328	2,426	2,718	3,038	3,232
Recreation	36	39	37	31	41	47	42	74	54	69
Operating Grants and Contributions	1,649	1,061	1,153	799	1,196	1,225	1,116	1,630	1,371	1,503
Capital Grants and Contributions	19,658	9,260	20,977	27,856	12,839	8,671	5,940	8,433	3,360	2,625
Total Government Activities Program Revenues	28,861	21,677	32,700	37,413	21,543	17,771	14,230	17,461	12,910	12,348
Total Primary Government Program Revenues	\$28,861	\$21,677	\$32,700	\$37,413	\$21,543	\$17,771	\$14,230	\$17,461	\$12,910	\$12,348
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$7,442	(\$2,390)	\$9,955	\$12,898	(\$3,286)	(\$8,124)	(\$9,749)	(\$7,352)	(\$8,079)	(\$9,892)
Total Primary Government Net Expense	\$7,442	(\$2,390)	\$9,955	\$12,898	(\$3,286)	(\$8,124)	(\$9,749)	(\$7,352)	(\$8,079)	(\$9,892)
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental Activities:</b>										
<b>Taxes:</b>										
Property Taxes	\$5,964	\$7,423	\$9,579	\$10,096	\$9,652	\$7,370	\$7,050	\$5,561 (d)	\$4,359	\$4,499
Sales Taxes	1,081	1,194	1,268	1,617	1,466	1,343	1,413	1,590	1,618	1,521
Motor Vehicle In-Lieu	876	625	167	150	121	109	159	18	18	16
Transient Occupancy Tax	184	208	220	217	164	128	118	165	196	195
Nonregulatory Franchise and Business	472	462	558	584	634	726	1,062	1,136	1,222	1,341
Interest Earnings	1,722	1,676	3,412	2,774	1,915	995	883	653	371	436
Other	471	1,468	2,522	1,072	1,134	1,171	1,477	873	1,058	871
Extraordinary item								(2,820) (d)		
Total Government Activities	10,770	13,056	17,726	16,510	15,086	11,842	12,162	7,176	8,842	8,879
Total Primary Government	\$10,770	\$13,056	\$17,726	\$16,510	\$15,086	\$11,842	\$12,162	\$7,176	\$8,842	\$8,879
<b>Change in Net Position</b>										
Governmental Activities	\$18,212	\$10,666	\$27,681	\$29,408	\$11,800	\$3,718	\$2,413	(\$176)	\$763	(\$1,013)
Total Primary Government	\$18,212	\$10,666	\$27,681	\$29,408	\$11,800	\$3,718	\$2,413	(\$176)	\$763	(\$1,013)

**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."

**CITY OF OAKLEY**  
**Fund Balances of Governmental Funds (000's)**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**



	Fiscal Year Ended June 30,									
	2005	2006	2007	2008	2009	2010	2011 (c)	2012	2013	2014
<b>General Fund</b>										
Reserved	\$2,970	\$2,657	\$2,210	\$2,074	\$1,834	\$1,593				
Unreserved	3,968	5,248	7,493	5,656	4,748	5,353				
Nonspendable							\$2,847	\$2,843	\$3,301	\$3,654
Restricted							559	559	559	560
Assigned							155	100	991	331
Unassigned							4,347	5,255	6,151	7,837
<b>Total General Fund</b>	<u>\$6,938</u> (a)	<u>\$7,905</u>	<u>\$9,703</u>	<u>\$7,730</u>	<u>\$6,582</u>	<u>\$6,946</u>	<u>\$7,908</u>	<u>\$8,757</u>	<u>\$11,002</u>	<u>\$12,382</u> (b)
<b>All Other Governmental Funds</b>										
Reserved	\$7,556	\$7,411	\$12,353	\$11,049	\$8,939	\$11,565				
Unreserved, reported in:										
Special revenue funds	9,939	2,311	3,178	5,109	6,204	7,526				
Capital project funds	17,149	27,852	30,518	35,903	36,634	31,761				
Nonspendable							\$497			
Restricted							42,404	\$19,210	\$19,898	\$18,233
Assigned							1,344	884	698	668
Unassigned							(1,339)	(1,320)	(1,645)	(1,467)
<b>Total all other governmental funds</b>	<u>\$34,644</u> (a)	<u>\$37,574</u>	<u>\$46,049</u>	<u>\$52,061</u>	<u>\$51,777</u>	<u>\$50,852</u>	<u>\$42,906</u>	<u>\$18,774</u> (d)	<u>\$18,951</u>	<u>\$17,434</u> (b)

**NOTES:**

- (a) During fiscal year 2005 the City reviewed historical revenues and expenditures in the General Fund and made a number of restatements and recategorizations, primarily related to the presentation of its Impact Fee Funds.
- (b) The change in total fund balance for the General Fund and other governmental funds is explained in Management's Discussion and Analysis.
- (c) 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.
- (d) 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.

**CITY OF OAKLEY**  
**Changes in Fund Balance of Governmental Funds (000's)**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

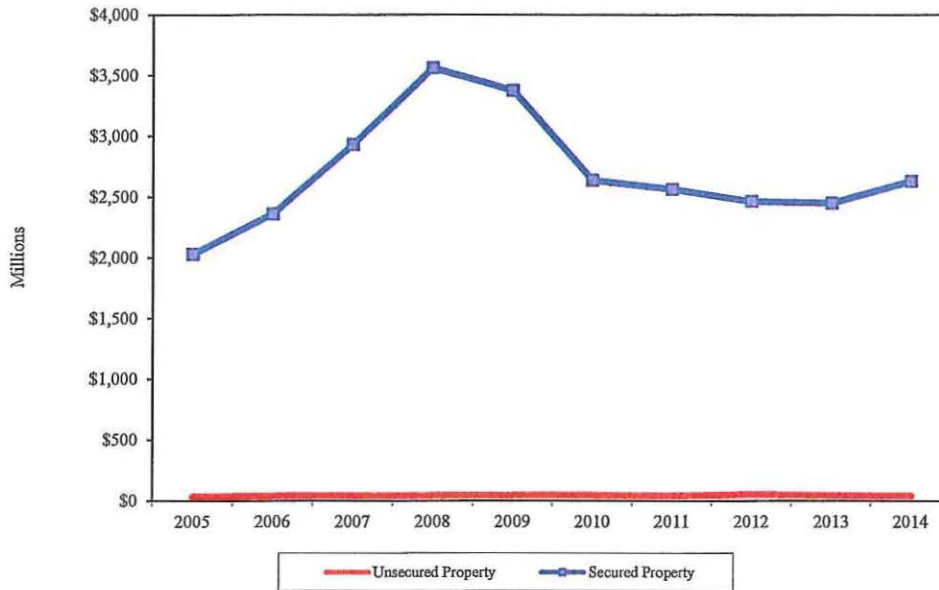
	<b>Fiscal Year Ended June 30,</b>									
	2005	2006	2007	2008	2009	2010	2011	2012 (c)	2013	2014
<b>Revenues</b>										
Taxes	\$7,680	\$9,197	\$11,514	\$12,403	\$11,799	\$9,017	\$9,526	\$8,344	\$7,729	\$7,446
Licenses, permits and fees	2,041	3,739	3,652	1,909	1,252	1,392	950	990	1,178	1,345
Fines and forfeitures	111	99	198	134	140	177	149	136	181	159
Use of money and property	828	1,656	3,210	2,313	1,629	673	578	418	121	231
Intergovernmental revenues	2,369	2,693	2,401	2,319	1,715	4,210	2,538	2,164	3,306	2,471
Charges for services	9,629	15,506	14,334	13,166	8,152	10,323	7,378	8,293	8,648	8,941
Other	15,479	1,648	11,522	1,071	1,133	1,171	1,384	932	1,123	971
<b>Total Revenues</b>	<b>38,137</b>	<b>34,538</b>	<b>46,831</b>	<b>33,315</b>	<b>25,820</b>	<b>26,963</b>	<b>22,503</b>	<b>21,277</b>	<b>22,286</b>	<b>21,564</b>
<b>Expenditures</b>										
<b>Current:</b>										
Legislative	642	419	377	567	809	462	483	452	481	433
Administrative services	1,041	1,049	893	955	878	785	783	766	918	1,110
Community development	8,721	11,753	8,895	4,014 (a)	2,575	2,338	1,788	1,677	1,771	1,787
Public works				3,074 (a)	4,627	3,877	3,682	3,641	4,015	4,608
Redevelopment and economic development	1,118	3,415	6,094	659	642	489	455	276		
Housing programs									9	8
Law enforcement	4,147	5,130	5,599	6,633	6,952	6,955	7,002	7,437	7,186	7,458
Recreation	488	689	549	308 (a)	464	329	264	353	414	471
Pass through to County and other agencies	671	604	809	824	799	615	579	642		
SERAF payment						1,516	312			
Estimated reduction in value of property held for resale						274				
Capital outlay	8,712	6,820	21,359	40,822 (b)	6,962	7,123	10,644	5,946	4,502	5,253
<b>Debt service:</b>										
Principal repayment	692	673	365	610	680	720	742	465	240	255
Interest and fiscal charges	517	497	833	2,137	1,864	2,043	2,011	1,159	329	318
<b>Total Expenditures</b>	<b>26,749</b>	<b>31,049</b>	<b>45,773</b>	<b>60,603</b>	<b>27,252</b>	<b>27,526</b>	<b>28,745</b>	<b>22,814</b>	<b>19,865</b>	<b>21,701</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>11,388</b>	<b>3,489</b>	<b>1,058</b>	<b>(27,288)</b>	<b>(1,432)</b>	<b>(563)</b>	<b>(6,242)</b>	<b>(1,537)</b>	<b>2,421</b>	<b>(137)</b>
<b>Other Financing Sources (Uses)</b>										
Transfers in	3,531	1,507	2,925	5,530	3,560	2,110	3,214	2,100	925	1,067
Transfers (out)	(3,531)	(1,507)	(2,925)	(5,530)	(3,560)	(2,110)	(3,952)	(2,100)	(925)	(1,067)
Proceeds (loss) from sale of property		296	714	6,233				(14)		
Tax allocation bonds issued				25,095						
Certificates of participation issued			8,500							
Contribution from County										
Payments to refunded bond escrow										
Other	28									
<b>Total other financing sources (uses)</b>	<b>28</b>	<b>296</b>	<b>9,214</b>	<b>31,328</b>			<b>(738)</b>	<b>(14)</b>		
Special item		113								
Extraordinary item							(21,734)			
<b>Net Change in fund balances</b>	<b>\$11,416</b>	<b>\$3,898</b>	<b>\$10,272</b>	<b>\$4,040</b>	<b>(\$1,432)</b>	<b>(\$563)</b>	<b>(\$6,980)</b>	<b>(\$23,285)</b>	<b>\$2,421</b>	<b>(\$137)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>7.2%</b>	<b>5.1%</b>	<b>5.2%</b>	<b>10.3%</b>	<b>12.9%</b>	<b>13.5%</b>	<b>15.0%</b>	<b>9.5%</b>	<b>3.7%</b>	<b>3.5%</b>

**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) Includes the use of funds from the 2004-1 and 2006-1 Assessment Districts to acquire infrastructure assets. The Assessment District Bonds are not debt of the City, and therefore proceeds from the bonds are not included in Other Financing Sources. The Districts contributed the project funds to the City to acquire the infrastructure assets which is reflected in other revenues in 2005 and 2007.
- (c) 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**



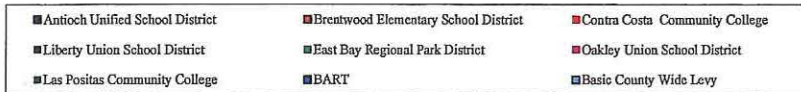
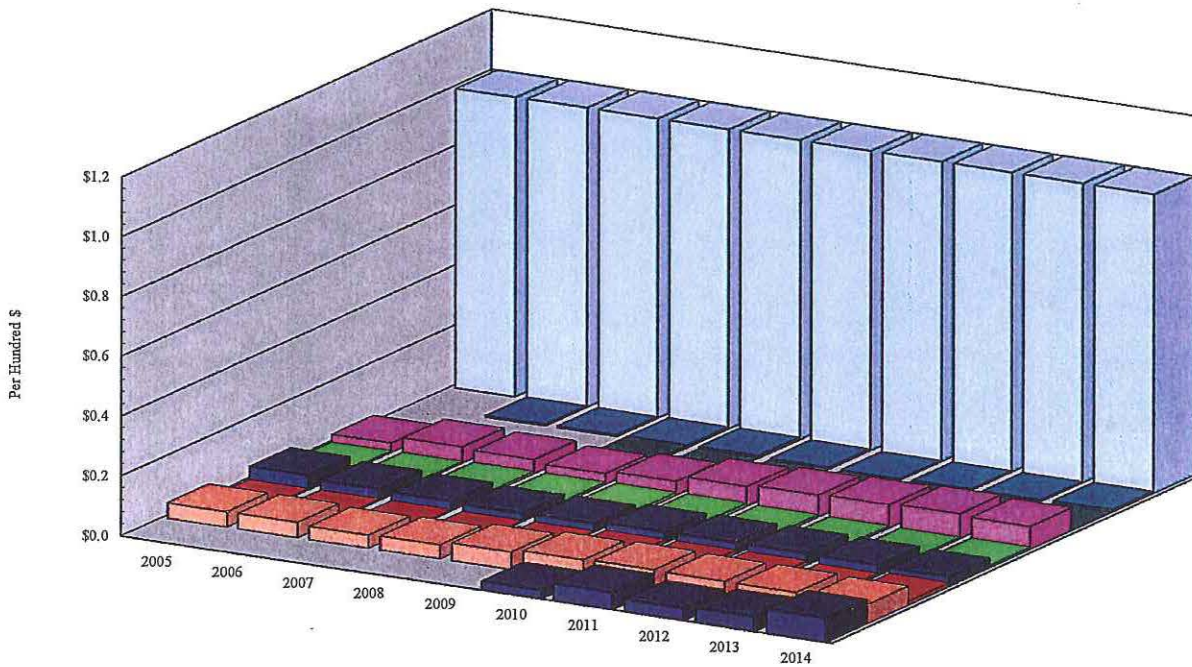
Fiscal Year	Real Property				Total Real Secured Property	Unsecured Property	Total Assessed (a)	Estimated Full Market (a)	Total Direct Tax Rate (b)
	Residential Property	Commercial Property	Industrial Property	Other					
2005	\$1,718	\$76	\$21	\$178	\$1,993	\$37	\$2,030	\$2,030	1%
2006	1,952	85	27	255	2,319	41	2,360	2,360	1%
2007	2,514	96	28	250	2,888	41	2,929	2,929	1%
2008	3,096	108	31	282	3,517	45	3,562	3,562	1%
2009	2,903	113	33	280	3,329	46	3,375	3,375	1%
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%

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**



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
2005	\$1.0000	\$0.0057	\$0.0314	\$0.0489	\$0.0517	\$0.0042		\$0.0057			\$1.1476
2006	1.0000	0.0057	0.0542	0.0379	0.0519	0.0047	\$0.0048	0.0050			1.1642
2007	1.0000	0.0085	0.0472	0.0331	0.0444	0.0043	0.0050	0.0043			1.1468
2008	1.0000	0.0080	0.0357	0.0276	0.0470	0.0038	0.0076	0.0039	\$0.0070		1.1406
2009	1.0000	0.0100	0.0460	0.0289	0.0587	0.0040	0.0090	0.0041	0.0026		1.1633
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

Source: Contra Costa County Auditor-Controller

**CITY OF OAKLEY**  
**Principal Property Tax Payers**  
**Current Year and Nine Years Ago (000's)**

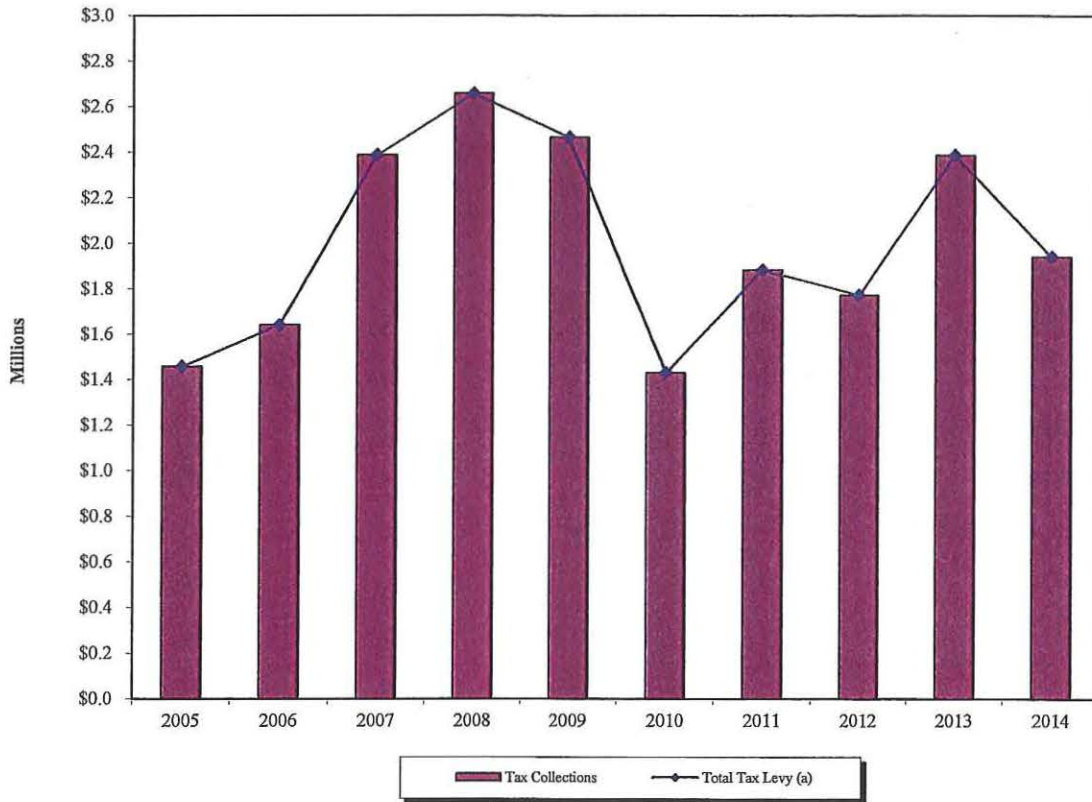
Taxpayer	2013-14			2004-05		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Cypress Square S&R Associates	\$18,019,319	1	0.69%	\$15,606,659	1	0.77%
Neroly Sports Club Investors	11,269,958	2	0.43%			
Shea Homes LP	10,094,014	3	0.38%			
Lucky No California Investor LLC	8,386,863	4	0.32%			
Shurgard Storage Center	7,909,118	5	0.30%	6,358,721	3	0.31%
Brookfield Emerson Land, LLC	6,400,000	6	0.24%			
BMS Investments 3 LLC	6,309,969	7	0.24%	5,622,707	4	0.28%
Simon-Oakley Town Center	6,119,300	8	0.23%			
HPH Properties LP	5,823,891	9	0.22%	4,358,106	8	0.21%
WEC 98D-30 LLC	5,557,605	10	0.21%	4,813,488	5	0.24%
Lucky Stores Inc.				6,392,579	2	0.31%
John E. Pessin				4,788,723	6	0.24%
Conco Land Company				4,625,603	7	0.23%
Foundation Constructors Inc.				4,070,322	9	0.20%
Emerson Dairy Inc.				3,942,207	10	0.19%
Subtotal	<u>\$85,890,037</u>		<u>3.27%</u>	<u>\$60,579,115</u>		<u>2.98%</u>

**Total Net Assessed Valuation (000's):**

Fiscal Year 2013-2014	\$2,629,000,000
Fiscal Year 2004-2005	\$2,030,000,000

Source: HdL Companies (Contra Costa County Assessor 2013/2014 and 2004/2005 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
2005	\$1,458 (b)	\$1,458	100.0%	(a)	\$1,458	100.0%
2006	1,640 (b)	1,640	100.0%	(a)	1,640	100.0%
2007	2,388	2,388	100.0%	(a)	2,388	100.0%
2008	2,659	2,659	100.0%	(a)	2,659	100.0%
2009	2,465	2,465	100.0%	(a)	2,465	100.0%
2010	1,430 (c)	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 (c)	2,388	100.0%	(a)	2,388	100.0%
2014	1,941	1,941	100.0%	(a)	1,941	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) Tax levies and collections for 2005 and 2006 have been reduced by a mandatory tax reallocation imposed by the State of California not reflected in other years.

(c) \$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**

Governmental Activities (in thousands)								
Fiscal Year	Tax Allocation Bonds	Repayment Agreement with County	Jurisdictional Transfer Agreement Pass - Throughs	Note Payable	Certificates of Participation	Total	Percentage of Personal Income (a)	Per Capita (a)
2005	\$8,375	\$284	\$1,397	\$84	\$0	\$10,140	1.53%	\$359
2006	8,195	0	1,272	0	0	9,467	1.33%	326
2007	8,005	0	1,097	0	8,500	17,602	2.27%	552
2008	32,905 (b)	0	872	0	8,310	42,087	4.79%	1,267
2009	32,700	0	597	0	8,110	41,407	4.46%	1,201
2010	32,490	0	297	0	7,900	40,687	4.36%	1,179
2011	32,265	0	0	0	7,680	39,945	5.01%	1,121
2012	0 (c)	0	0	0	7,450	7,450	0.82%	204
2013	0	0	0	0	7,210	7,210	0.76%	194
2014	0	0	0	0	6,955	6,955	0.72%	183

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) The Redevelopment Agency issued its 2008 Subordinate Tax Allocation Bonds during fiscal year 2008.

(c) 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, 2014**

2013-14 Assessed Valuation, Excluding the Redevelopment Agency \$2,360,785,389

	Net Debt Outstanding	Percentage Applicable To City of Oakley	Amount Applicable To City of Oakley
<b>OVERLAPPING TAX AND ASSESSMENT DEBT:</b>			
Contra Costa County Pension Obligations	\$258,500,000	1.786%	\$4,617,871
CCC Lease Revenue Bonds	289,802,050	1.786%	5,177,056
Bay Area Rapid Transit District Bond	218,127,299	1.786%	3,896,649
East Bay Regional Park District Bond	88,692,412	1.786%	1,584,411
Liberty Union High School District Bonds	94,467,658	18.365%	17,348,910
Brentwood Union School District Bonds	68,589,704	0.032%	21,887
Oakley Union School District Bonds	26,825,000	85.475%	22,928,620
Antioch Unified School District School Facilities Improvement District No. 1	64,662,391	5.601%	3,621,958
Contra Costa Community College District Bonds	495,035,000	1.794%	8,878,623
<b>TOTAL GROSS OVERLAPPING TAX AND ASSESSMENT DEBT</b>	<b><u>\$1,604,701,514</u></b>		<b><u>\$68,075,985</u></b>
<b>DIRECT DEBT:</b>			
<b>City of Oakley Certificates of Participation</b>	<b><u>\$6,955,000</u></b>	100.000%	<b><u>\$6,955,000</u></b>
<b>TOTAL DIRECT AND OVERLAPPING DEBT</b>			<b><u>\$75,030,985 (1)</u></b>

(1) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

<b>RATIOS TO 2013-14 ASSESSED VALUATION:</b>	
Direct Debt	0.29%
Overlapping Debt	2.88%
Total Debt	3.18%

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, 2014**

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	\$2,629,000,000
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BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)	\$98,587,500
---	--------------

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

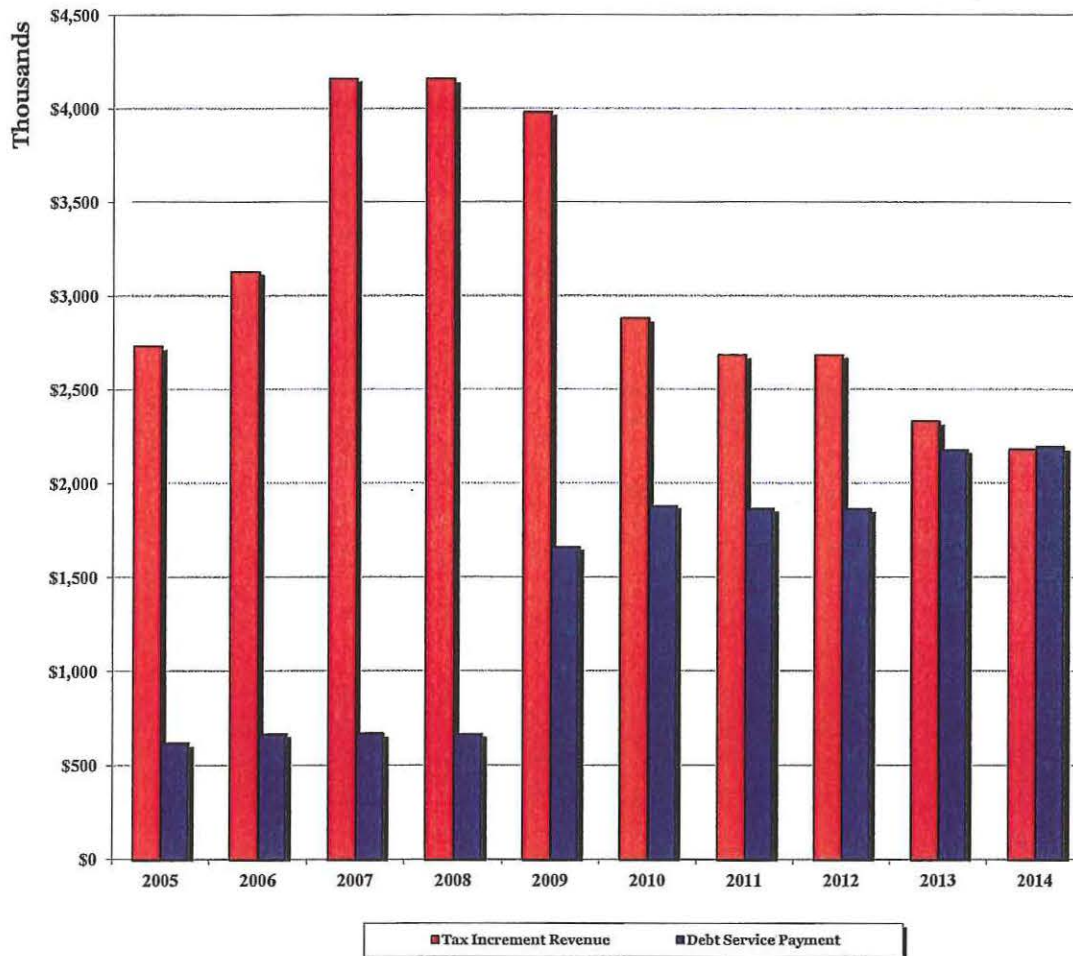
LEGAL BONDED DEBT MARGIN	\$98,587,500
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Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2005	\$76,120,907	0	\$76,120,907	0.00%
2006	88,509,713	0	88,509,713	0.00%
2007	109,848,863	0	109,848,863	0.00%
2008	133,576,266	0	133,576,266	0.00%
2009	126,616,212	0	126,616,212	0.00%
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%

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**

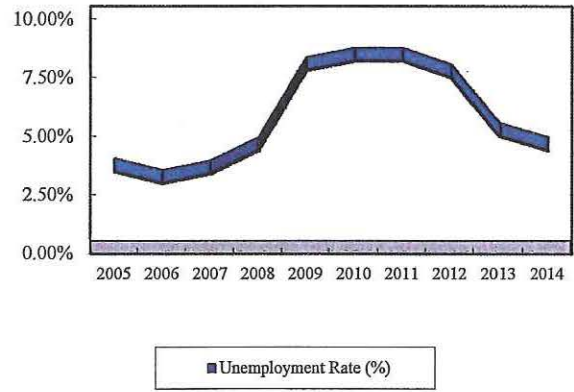
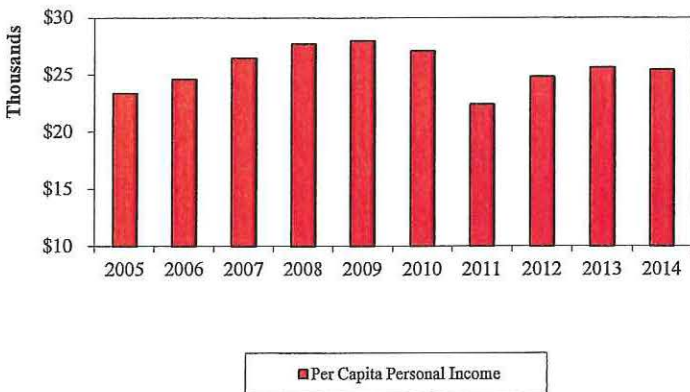
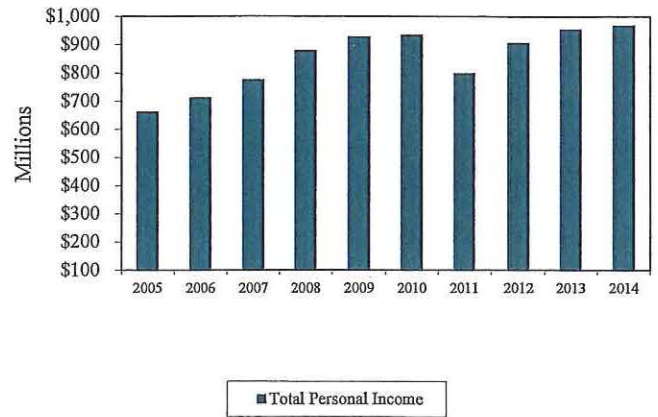
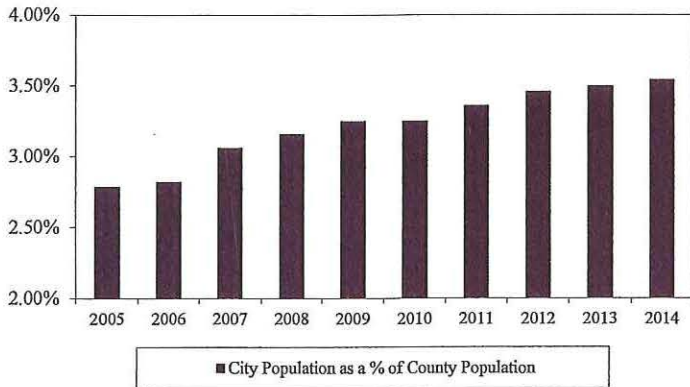


Fiscal Year	Tax Increment Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2005	\$2,732,541	\$125,000	\$493,994	\$618,994	\$4.41
2006	3,128,294	180,000	487,940	667,940	4.68
2007	4,161,415	190,000	480,595	670,595	6.21
2008	4,160,358	195,000	472,953	667,953	6.23
2009	3,982,760	205,000	1,458,624	1,663,624	2.39
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

- (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.



**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
2005	28,228	\$662,843,000	\$23,364	3.5%	1,013,280	2.79%
2006	29,074	712,613,000	24,605	3.0%	1,030,732	2.82%
2007	31,906	776,037,000	26,449	3.4%	1,042,341	3.06%
2008	33,210	878,436,000	27,674	4.4%	1,051,674	3.16%
2009	34,468	927,881,000	27,958	7.8%	1,060,435	3.25%
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%

(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**

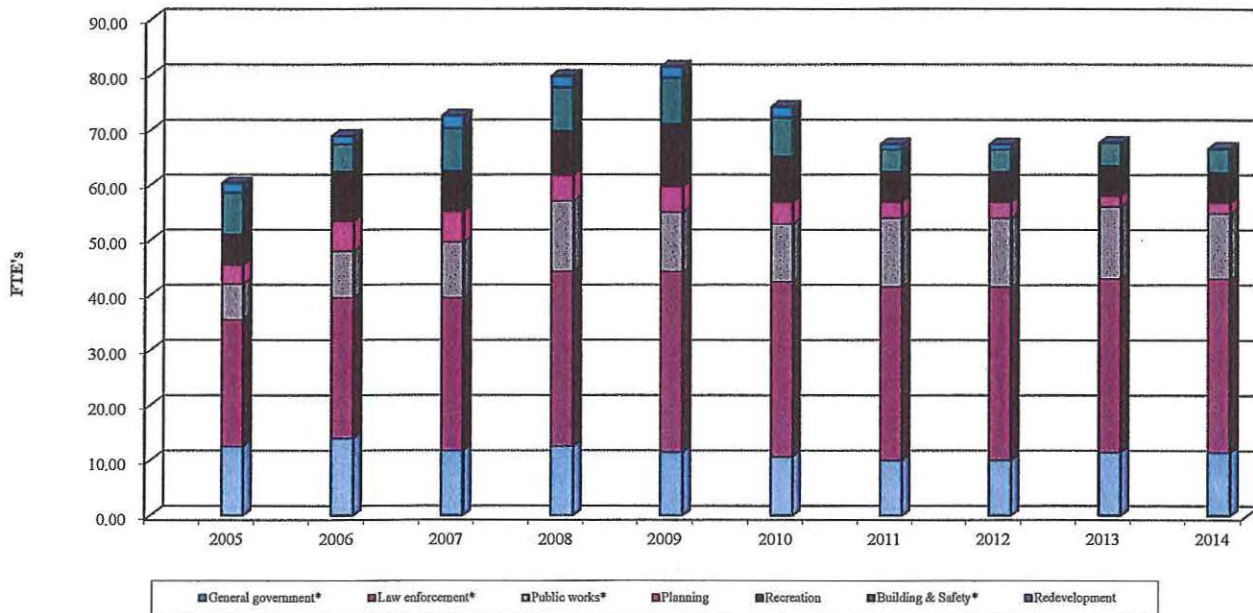
<u>Employer</u>	<u>2013-14</u>			<u>2004-2005</u>		
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Oakley Union Elementary School District	420	1	23.0%			
Diamond Hills Sports Club and Spa	55	2	3.0%			
Lucky's	54	3	3.0%			
Continente Nut LLC	49	4	2.7%	(A)	(A)	(A)
Raley's	48	5	2.6%	(A)	(A)	(A)
McDonalds	38	6	2.1%	(A)	(A)	(A)
Foundation Constructors	32	7	1.7%			
Round Table Pizza	29	8	1.6%			
Delta Black Bear Diner	27	9	1.5%			
Burger King	26	10	1.4%	(A)	(A)	(A)
BMS Investments, LLC DBA Comfort Suites	26	10	1.4%	(A)	(A)	(A)
Templers Auto Body & Towing, Inc.	26	10	1.4%			
Albertsons				(A)	(A)	(A)
Jack in the Box				(A)	(A)	(A)
Luxury Linens				(A)	(A)	(A)
Rain for Rent				(A)	(A)	(A)
Rite Aid				(A)	(A)	(A)
Taco Bell				(A)	(A)	(A)
Value Plumbing				(A)	(A)	(A)
Subtotal	<u>804</u>		<u>44.0%</u>			
Total City Day Population (C)	<u>1,829</u>			<u>(B)</u>		

Source: City of Oakley Finance Department - Business Licenses

Notes:

- (A) Number of Employees and Rank data for fiscal year 2004-05 was not available.
- (B) Not available for 2004/2005
- (C) 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,**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Function</b>										
General government*	12.50	14.00	11.75	12.50	11.50	10.65	10.00	10.00	11.45	11.46
Community development:										
Public works*	6.50	8.50	10.20	12.80	10.80	10.50	12.50	12.50	13.13	11.88
Planning	3.50	5.40	5.60	4.70	4.70	4.00	3.00	3.00	2.00	2.00
Building & Safety*	7.55	5.00	7.80	8.00	8.50	7.10	4.05	4.05	4.30	4.45
Redevelopment	1.75	1.50	2.25	2.00	2.00	2.00	1.00	1.00	0.00	0.00
Law enforcement*	23.00	25.50	27.70	31.75	32.75	31.75	31.48	31.48	31.48	31.48
Recreation	5.50	9.00	7.25	8.00	11.25	8.20	5.37	5.37	5.37	5.37
<b>Total</b>	<u>60.30</u>	<u>68.90</u>	<u>72.55</u>	<u>79.75</u>	<u>81.50</u>	<u>74.20</u>	<u>67.40</u>	<u>67.40</u>	<u>67.73</u>	<u>66.64</u>

**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 are contracted with the County Sheriff 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**

Function/Program	Fiscal Year			
	2005	2006	2007	2008
Law enforcement:				
Police (a) (b):				
Violent crimes	71	72	95	117
Property crimes	904	686	763	738
Public Works:				
Street resurfacing (miles)	7.2	4.1	0 (c)	10.8 (c)
Leisure Services:				
Recreation:				
Recreation activities participants	3,900	7,000	8,050	9,940

Source: City of Oakley

Notes:

Data prior to July 1, 2004 is not available.

(a) Prior calendar year

(b) Data from FBI Uniformed Crime Reports (UCR)

(c) The 2007 and 2008 projects were combined into a single project constructed in 2008.

Fiscal Year						
2009	2010	2011	2012	2013	2014	
77	49	80	79	85	54	
693	483	531	526	477	468	
10	10	8	5.4	0.72	1.54	
9,700	9,700	11,500	13,300	16,486	22,663	

**CITY OF OAKLEY**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**

Function/Program	Fiscal Year			
	2005	2006	2007	2008
<b>Law enforcement:</b>				
Police stations	1	1	1	1
Police patrol vehicles	24	25	27	27
<b>Public works:</b>				
Miles of streets	92	100	102	116
Street lights	1,491	1,708	1,782	1,915
Traffic Signals	n/a	5	5	11
<b>Recreation:</b>				
<b>Community services:</b>				
City parks	13	16	16	29
City parks acreage	56	77	77	90
Community centers	1	1	1	1
Baseball/softball diamonds	1	1	1	1
Soccer/football fields	1	1	1	1
Skate features	0	0	0	0
BMX dirt track	0	0	0	0

Source: City of Oakley

**Notes:**

n/a means not available.

Fiscal Year					
2009	2010	2011	2012	2013	2014
1	1	1	1	1	1
27	27	27	26	29	25
116.5	116.5	119.5	127.7	129.12	131.00
2,047	2,047	2,347	2,794	3,032	3,050
17	17	17	32	33	33
29	29	29	29	29	30
90	90	90	96	98	101.5
1	1	2	2	2	2
8	8	8	8	8	8
7	7	7	7	7	7
3	3	3	3	3	3
1	1	1	1	1	1

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**INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED UPON PROCEDURES FOR  
COMPLIANCE WITH THE PROPOSITION 111  
2013-2014 APPROPRIATIONS LIMIT INCREMENT**

To the City Council of the  
City of Oakley, California

We have performed the procedures below to the Appropriations Limit Worksheet (Worksheet) which were agreed to by the City of Oakley for the year ended June 30, 2014. 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. Management is responsible for the Worksheet. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the 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 2013-2014 Appropriations Limit of \$8,794,691 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 2013-2014 Appropriations Limit by multiplying the 2012-2013 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.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the Appropriations Limit Worksheet. Accordingly, we do not express such an opinion. 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 of management and the City Council; however, this restriction is not intended to limit the distribution of this report, which is a matter of public record.

*Maze & Associates*

Pleasant Hill, California  
June 24, 2014



**CITY OF OAKLEY**  
**MEMORANDUM ON INTERNAL CONTROL**  
**AND**  
**REQUIRED COMMUNICATIONS**  
**FOR THE YEAR ENDED**  
**JUNE 30, 2014**

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**CITY OF OAKLEY**  
**MEMORANDUM ON INTERNAL CONTROL**  
**AND**  
**REQUIRED COMMUNICATIONS**

**For the Year Ended June 30, 2014**

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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 for the year ended June 30, 2014, 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 auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Included in the Schedule of Other Matters are recommendations not meeting the above definitions that we believe to be of potential benefit to the City.

The City'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 cursive script that reads 'Maze & Associates'.

Pleasant Hill, California  
December 15, 2014

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**CITY OF OAKLEY**  
**MEMORANDUM ON INTERNAL CONTROL**

**SCHEDULE OF OTHER MATTERS**

**2014-01      Council Approval of Interfund Loans**

The City's Short-Term Debt Policy for interfund loans indicates that in lieu of outside debt instruments, such loans will be approved by the City Council, documented by a memorandum signed by the City Manager and filed with the Finance Department and the City Clerk.

During fiscal year 2014, the City had two new long-term interfund loans in the amounts of \$75,000 and \$5,600 for the Public Facilities Impact Fee Capital Projects Fund and the Country Place District of the Lighting and Landscaping Districts Special Revenue Fund, respectively. Although the City Manager approved the loans in individual memorandums dated September 11, 2014, the advances were not separately approved by City Council as required by the Short Term Debt Policy.

City staff indicated that the original loans were approved in the fiscal year 2014 budget in lesser amounts, but City staff did not go back to City Council for separate approval of the loans after the final amount was known, as had been done in the past for certain loans. We noted that there was an interfund loan in the 10 Year Plan section of the original 2014 budget in the amount of \$142,000 for the Public Facilities Impact Fee Capital Projects Fund, but it was not clearly included in the individual fund section of the Budget. Although the original 2014 budget indicated expenditures in excess of resources in Country Place District of the Lighting and Landscaping Districts Special Revenue Fund, an interfund loan was not specifically indicated until a loan for the Fund in the amount of \$16,080 was included in the Fiscal Year 2014 Mid-Year Budget Review.

The City should clarify the Short-Term Debt Policy to indicate whether City Council's approval of the loans through the budget process is sufficient, or if City Council approval is required after the final amount of the loan is known. In addition, to facilitate the process, the City should consider including a summary of interfund loans approved in the original budget.

***Management's Response:***

Agreed. We will propose clarifying language for the policy, allowing that the Council's approval of budget items by Resolution reflects an approval of all of its contents, and reducing the need for additional Council actions to ratify those already approved. We'll also plan to include a summary of interfund loans in the annual budget, and an update to that summary with the mid-year budget report. This will help avoid any confusion about whether the loans are approved or not.

**2014-02      Using Full Accrual Accounting for the Successor Agency Private-Purpose Trust Fund**

The activities of the Successor Agency to the Oakley Redevelopment Agency are recorded in a Private-Purpose Trust Fund, which uses full-accrual accounting.

When recording the capital asset and long-term debt activity in the Successor Agency Private-Purpose Trust Fund, the City used modified accrual accounting entries. This means that additions to capital assets of \$902,619 were recorded as an addition to fund balance, rather than a reduction of capital outlay expenses; additions to accumulated depreciation of \$444,194 were recorded as a reduction of fund balance instead of expenses; and rather than recording the debt principal payments of \$610,000 as a reduction to the long-term debt balance, they were reported debt service principal expenses. Post-closing entries were necessary to "convert" the activities to full-accrual accounting.



**CITY OF OAKLEY**  
**MEMORANDUM ON INTERNAL CONTROL**

**SCHEDULE OF OTHER MATTERS**

**2014-02      Using Full Accrual Accounting for the Successor Agency Private-Purpose Trust Fund (Continued)**

We understand that City staff uses the modified accrual basis of accounting for the Successor Agency during the fiscal year to monitor the activities of the Fund and to facilitate the cash-basis reporting requirements of the Department of Finance.

Since the Successor Agency Fund should use full-accrual accounting throughout the fiscal year, the City should consider establishing contra expense accounts that would be consolidated with the associated capital outlay accounts for financial reporting. In addition, the City should ensure that all other long-term asset and liability activity is recorded in the associated balance sheet accounts, rather than as income statement items, using the full-accrual basis of accounting, using contra-revenue or expense accounts as necessary.

***Management's Response:***

This is a good solution to the conflicting requirements and we will implement this.

**2014-03      Traffic Impact Fees Fund Unearned Revenue**

The Traffic Impact Fees Fund reports unearned revenue of \$114,042 that includes \$35,000 related to a third party payment. After our inquiry regarding the status of the balance, City staff found a copy of a letter dated July 9, 2007 from an attorney that describes the check for \$35,000 as final payment in satisfaction of the outstanding claims related to a Proposed Release Agreement. The agreement states that there was a requirement for the third-party to reimburse the City for certain fees associated with widening of the public roadways in the immediate area where the third-party properties were being developed. Therefore, the balance does not appear to be unearned revenue.

The City should determine whether the balance is in fact unearned revenue, or if it should be recorded as revenue.

***Management's Response:***

The payment was a settlement of a dispute over the installation of frontage improvements related to a deferred improvement agreement. The \$35,000 is not technically earned or unearned. It was received in lieu of the improvements, and as cash, it is available for the fund's use. The City, however, has the obligation to install improvements in the future, so we continue to carry the amount received as a liability on the books so that as an earmark, it is tracked until the project is finally undertaken. Given the small amount involved and the limited number of available accounts in the Fund, Staff believes the unearned revenue account is the best available account to track this.

**CITY OF OAKLEY  
MEMORANDUM ON INTERNAL CONTROL**

**SCHEDULE OF OTHER MATTERS**

**2014-04      Treasurer's Report – Frequency of Reporting**

The Reporting Section of the City's Investment Policy requires quarterly reporting to the City Council. However, the Delegation of Authority Section of the Policy delegates the authority to invest the funds of the City under California Government Code Section 53607, which requires monthly reporting of transactions to the legislative body. The City should determine whether the quarterly reporting requirement is sufficient under the Government Code, or if the Investment Policy and reporting frequency should be revised to conform with the Code requirements.

***Management's Response:***

Staff's understanding is that the GC 53607 requirement was included because many agencies have portfolios of a size and/or complexity that they are actively traded. In such cases the monthly reporting of *transactions* to the governing board provides a more frequent level of oversight to prevent the abuse of investment authority.

In Oakley, responsibility for investment decisions was delegated to the Finance Director, who acts as the City Treasurer, but the City's portfolio is not actively traded. While the authority to delegate investment responsibility is found in GC 53600 et seq., the applicable reporting provision for a City that does not trade actively is summarized in GC 53646, and the substance of those requirements are spelled out in the City's Investment Policy. Staff will bring back to the City Council for their approval a proposed updated investment policy clarifying the reporting requirement is consistent with GC 53646.

**2014-05      Health and Safety Code Expenditure Limitations and Reporting Requirements for the Housing Successor**

Senate Bill No. 341 was approved on October 13, 2013 and amended and added to the Health and Safety Code (HSC) effective January 1, 2014 to change provisions relating to the functions performed by a Housing Successor.

The amendments to HSC Section 34176 are minor and primarily include defining the "entity that assumed the housing functions of a former redevelopment agency" as the Housing Successor.

HSC Section 34176.1 is new and imposes spending limitations and reporting requirements related to the housing assets of the former Redevelopment Agency held by the Housing Successor.

The City serves as Housing Successor for the housing activities of the former Oakley Redevelopment Agency and the activities of the Housing Successor are reported in the Low and Moderate Income Housing Asset Special Revenue Fund.

The City, as Housing Successor, should develop procedures to ensure ongoing compliance with the provisions of HSC Section 34176.1, including the expenditure limitations and annual reporting requirements.

***Management's Response:***

Agreed. We note that revenues are expected to be used primarily to repay the City for housing project obligations passed to the Housing Successor pursuant to the recently approved Settlement Agreement and it will likely be many years (potentially decades) before sufficient Housing Successor funds will be available for housing subsidies that are subject to the SB 341 limits. We previously reviewed the bill, and calendared and assigned the annual report preparation that is first due in the Spring of 2015.

**CITY OF OAKLEY**  
**MEMORANDUM ON INTERNAL CONTROL**

**SCHEDULE OF OTHER MATTERS**

**NEW GASB PRONOUNCEMENTS OR PRONOUNCEMENTS NOT YET EFFECTIVE**

The following comment represents a new pronouncement taking affect in the next fiscal year. We cite it here to keep you informed of developments:

**EFFECTIVE FISCAL 2015:**

**GASB 71 – Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB No. 68**

The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions* discussed in the Current Status of Prior Year Schedule of Other Matters section below. The issue relates to determining the beginning balances of deferred inflows and outflows required under the provisions of GASB Statement No. 68 and amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Statement 68 requires a state or local government employer (or non-employer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or non-employer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources. In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or non-employer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or non-employer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported.

Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or non-employer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

The provisions of this Statement are required to be applied simultaneously with the provisions of Statement 68.

**CITY OF OAKLEY**  
**MEMORANDUM ON INTERNAL CONTROL**

**SCHEDULE OF OTHER MATTERS**

**GASB 71 – Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB No. 68 (Continued)**

**How the Changes in This Statement Will Improve Financial Reporting**

The requirements of this Statement will eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement 68 in the accrual-basis financial statements of employers and non-employer contributing entities. This benefit will be achieved without the imposition of significant additional costs.

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**CITY OF OAKLEY  
MEMORANDUM ON INTERNAL CONTROL**

**STATUS OF PRIOR YEAR  
SCHEDULE OF OTHER MATTERS**

**2013-01      Monitoring Loan Repayment Terms and Delinquencies**

The City has a number of loans receivable from developers and property owners that have differing repayment terms. The City should be monitoring those loans to ensure any repayments due are made in a timely manner in accordance with the terms of the loan agreements.

Four of the City's developer loans are repayable if the respective projects have "residual receipts" in any one year as defined in the agreements. According to City staff, any residual receipts payments are accounted for only when they are received. However, since the loan agreements define residual receipts, the City should request the annual calculation from each developer to confirm whether a payment is or is not due.

One of the City's loans to a property owner was due in May 2013, but City staff did not notice that payment had not been received until the property owner contacted the City in October 2013 to indicate the loan would be repaid by December 2013.

The City should develop procedures to ensure loans receivable are monitored to ensure repayments are received when due.

*Current Status:*  
Implemented.

**2013-02      Reporting Investment Details on the Treasurer's Report**

California Government Code Section 53646 (b)(1) requires that the Treasurer's Report include the individual investment details either on the face of the Report or in an attached schedule.

We reviewed the June 30, 2013 Quarterly Investment Report and noted that the City listed its certificates of deposit (CDs) held by Wells Fargo Trust as a single line item. Upon review of the trustee statements, we noted that these CDs are invested with GE Capital, Discover Bank and Goldman Sachs, none of which is indicated on the report.

The City should revise the format of the Treasurer's Report to include the required information either on the face of the Report or in a supplemental schedule.

*Current Status:*  
Implemented.

**CITY OF OAKLEY**  
**MEMORANDUM ON INTERNAL CONTROL**

**STATUS OF PRIOR YEAR**  
**SCHEDULE OF OTHER MATTERS**

**2013-03**      **Timely Bank Deposits of Cash Receipts**

The City should make cash deposits to the bank in a timely manner. According to the City's "Cash and Deposit Policy," dated June 19, 2012, "...if the cash receipts for the week exceeds \$1,000, the Finance Director will deposit the funds in the bank as soon as practicable (the same day the balance is determined to exceed the threshold or the following morning). If the cash receipts for the week does not exceed \$1,000, the Finance Director shall take the funds to the Bank each Thursday afternoon."

We selected a sample of forty receipts that included cash, checks, and credit cards to test whether they were deposited in the bank in a timely manner and in compliance with the City's policy. Of the forty cash receipts tested, we noted that three cash (actual currency) receipts of less than \$300 each were not deposited in the bank timely due to the Finance Director's absence, and we noted one cash receipt of less than \$200 was not deposited in the bank timely due to the City Hall closure for the holiday break. All three receipts were deposited upon the Finance Director's return.

The City staff responsible for making the deposits indicated that the monies related to the last receipt came in the day before the City offices were going to be closed for the Christmas and New Year holiday and therefore the deposit was not made until the offices reopened. The other receipts were not deposited timely because the Finance Director was on vacation or in training and unavailable to make the deposits. Although these deposit delays represent a significant improvement from the issues noted in the prior year Memorandum on Internal Control comment 2012-01, by not making deposits of cash to the bank timely, the City is not in compliance with the timely deposit requirements of its policy.

The City should review the requirements of its Cash and Deposit Policy and either make the deposits timely in accordance with the policy, or revise the policy to reflect the current practices. And, to facilitate that process, the City should consider revising the policy to include a responsible staff as back up to deposit receipts when the Finance Director is not available to do so. Finally, the City should consider depositing cash collections prior to a holiday break with the bank before the City Hall closure so cash is not retained in City Hall for an extended period of time.

***Current Status:***  
Implemented.

**2013-04**      **Collectability of Deposits Receivable**

We inquired why certain deposits payable accounts with negative balances (indicating receivable balances) had little or no activity during the fiscal year. City staff indicated that some of the accounts involved legal or other negotiations, but that other balances totaling \$38 thousand were potentially uncollectible.

The City should determine whether the above balances are collectible or if they should be written off. In addition, the City should develop procedures to review all receivable balances on a more frequent balance to determine collectability and document the follow up and status on the internal deposits payable worksheet so the status is readily evident.

***Current Status:***  
Implemented mid-year.

**CITY OF OAKLEY  
MEMORANDUM ON INTERNAL CONTROL**

**STATUS OF PRIOR YEAR  
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 abreast of developments:

**EFFECTIVE FISCAL 2014:**

***GASB 70 - Accounting and Financial Reporting for Nonexchange Financial Guarantees***

Some governments extend financial guarantees for the obligations of another government, a not-for-profit entity, or a private entity without directly receiving equal or approximately equal value in exchange (a nonexchange transaction). As a part of this nonexchange financial guarantee, a government commits to indemnify the holder of the obligation if the entity that issued the obligation does not fulfill its payment requirements. Also, some governments issue obligations that are guaranteed by other entities in a nonexchange transaction. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees.

This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The amount of the liability to be recognized should be the discounted present value of the best estimate of the future outflows related to the guarantee expected to be incurred. When there is no best estimate but a range of the estimated future outflows can be established, the amount of the liability to be recognized should be the discounted present value of the minimum amount within the range.

This Statement requires a government that has issued an obligation guaranteed in a nonexchange transaction to recognize revenue to the extent of the reduction in its guaranteed liabilities. This Statement also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. When a government is released as an obligor, the government should recognize revenue as a result of being relieved of the obligation. This Statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units.

This Statement specifies the information required to be disclosed by governments that extend nonexchange financial guarantees. In addition, this Statement requires new information to be disclosed by governments that receive nonexchange financial guarantees.

The provisions of this Statement are effective for reporting periods **beginning after June 15, 2013**. Except for disclosures related to cumulative amounts paid or received in relation to a financial guarantee, the provisions of this Statement are required to be applied retroactively. Disclosures related to cumulative amounts paid or received in relation to a financial guarantee may be applied prospectively.



**CITY OF OAKLEY  
MEMORANDUM ON INTERNAL CONTROL**

**STATUS OF PRIOR YEAR  
SCHEDULE OF OTHER MATTERS**

**GASB 70 - Accounting and Financial Reporting for Nonexchange Financial Guarantees (Continued)**

**How the Changes in this Statement Will Improve Financial Reporting**

The requirements of this Statement will enhance comparability of financial statements among governments by requiring consistent reporting by those governments that extend nonexchange financial guarantees and by those governments that receive nonexchange financial guarantees. This Statement also will enhance the information disclosed about a government's obligations and risk exposure from extending nonexchange financial guarantees. This Statement also will augment the ability of financial statement users to assess the probability that governments will repay obligation holders by requiring disclosures about obligations that are issued with this type of financial guarantee.

**EFFECTIVE FISCAL 2015:**

**GASB 68 - Accounting and Financial Reporting for Pensions (an amendment of GASB 27)**

This Statement will have material impact on the City's financial statements. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions.

This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

Note disclosure and required supplementary information requirements about pensions also are addressed. Distinctions are made regarding the particular requirements for employers based on the number of employers whose employees are provided with pensions through the pension plan and whether pension obligations and pension plan assets are shared.

The following are the major impacts:

- This Statement requires the liability of employers and nonemployer contributing entities to employees for defined benefit pensions (**net pension liability**) to be measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service (**total pension liability**), less the amount of the pension plan's **fiduciary net position**.
- Actuarial valuations of the total pension liability are required to be performed at least every two years, with more frequent valuations encouraged. If a valuation is not performed as of the measurement date, the total pension liability is required to be based on update procedures to roll forward amounts from an earlier actuarial valuation (performed as of a date no more than 30 months and 1 day prior to the employer's most recent year-end).

**CITY OF OAKLEY**  
**MEMORANDUM ON INTERNAL CONTROL**

**STATUS OF PRIOR YEAR**  
**SCHEDULE OF OTHER MATTERS**

**GASB 68 - Accounting and Financial Reporting for Pensions (an amendment of GASB 27)**  
**(Continued)**

- The actuarial present value of projected benefit payments is required to be attributed to periods of employee service using the entry age actuarial cost method with each period's service cost determined as a level percentage of pay. The actuarial present value is required to be attributed for each employee individually, from the period when the employee first accrues pensions through the period when the employee retires.

**Single and Agent Employers**

- In financial statements prepared using the economic resources measurement focus and accrual basis of accounting, a single or agent employer that does not have a special funding situation is required to recognize a liability equal to the net pension liability. The net pension liability is required to be measured as of a date no earlier than the end of the employer's prior fiscal year (the measurement date), consistently applied from period to period.
- The pension expense and deferred outflows of resources and deferred inflows of resources related to pensions that are required to be recognized by an employer primarily result from changes in the components of the net pension liability—that is, changes in the total pension liability and in the pension plan's fiduciary net position.
- This Statement requires that most changes in the net pension liability be included in pension expense in the period of the change. For example, changes in the total pension liability resulting from current-period service cost, interest on the total pension liability, and changes of benefit terms are required to be included in pension expense immediately. Projected earnings on the pension plan's investments also are required to be included in the determination of pension expense immediately.
- The effects of certain other changes in the net pension liability are required to be included in pension expense over the current and future periods. The effects on the total pension liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees), beginning with the current period. The effect on the net pension liability of differences between the projected earnings on pension plan investments and actual experience with regard to those earnings is required to be included in pension expense in a systematic and rational manner over a closed period of five years, beginning with the current period. Changes in the net pension liability not included in pension expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to pensions.
- Employer contributions subsequent to the measurement date of the net pension liability are required to be reported as deferred outflows of resources.

**CITY OF OAKLEY**  
**MEMORANDUM ON INTERNAL CONTROL**

**STATUS OF PRIOR YEAR**  
**SCHEDULE OF OTHER MATTERS**

**GASB 68 - Accounting and Financial Reporting for Pensions (an amendment of GASB 27)**  
**(Continued)**

- In governmental fund financial statements: A net pension liability should be recognized to the extent the liability is normally expected to be liquidated with expendable **available** financial resources. Pension expenditures should be recognized equal to the total of (1) amounts paid by the employer to the pension plan and (2) the change between the beginning and ending balances of amounts normally expected to be liquidated with expendable available financial resources.
- Notes to financial statements of single and agent employers include descriptive information, such as the types of benefits provided and the number and classes of employees covered by the benefit terms. Single and agent employers also should disclose the following information:
  - For the current year, sources of changes in the net pension liability
  - Significant assumptions and other inputs used to calculate the total pension liability, including those about inflation, salary changes, ad hoc postemployment benefit changes (including ad hoc COLAs), and inputs to the discount rate, as well as certain information about mortality assumptions and the dates of experience studies.
  - The date of the actuarial valuation used to determine the total pension liability, information about changes of assumptions or other inputs and benefit terms, the basis for determining employer contributions to the pension plan, and information about the purchase of allocated insurance contracts, if any.
  - Required Supplementary Information: Single and agent employers are required to present in required supplementary information the following information, determined as of the measurement date, for each of the 10 most recent fiscal years:
    - Sources of changes in the net pension liability
    - The components of the net pension liability and related ratios, including the pension plan's fiduciary net position as a percentage of the total pension liability, and the net pension liability as a percentage of covered-employee payroll.
    - Schedule covering each of the 10 most recent fiscal years that includes information about the actuarially determined contribution, contributions to the pension plan, and related ratios. If the contributions of a single or agent employer are not actuarially determined but are established in statute or by contract, the employer should present a schedule covering each of the 10 most recent fiscal years that includes information about the statutorily or contractually required contribution rates, contributions to the pension plan, and related ratios.

**CITY OF OAKLEY**  
**MEMORANDUM ON INTERNAL CONTROL**

**STATUS OF PRIOR YEAR**  
**SCHEDULE OF OTHER MATTERS**

**GASB 68 - Accounting and Financial Reporting for Pensions (an amendment of GASB 27)**  
**(Continued)**

- Significant methods and assumptions used in calculating the actuarially determined contributions, if applicable, should be presented as notes to required supplementary information. In addition, the employer should explain factors that significantly affect trends in the amounts reported in the schedules, such as changes of benefit terms, changes in the size or composition of the population covered by the benefit terms, or the use of different assumptions.

**Cost-Sharing Employers**

- Government-wide and accrual basis of accounting financial statements: A cost-sharing employer that does not have a special funding situation is required to recognize a liability for its **proportionate** share of the net pension liability (of all employers for benefits provided through the pension plan)—the collective net pension liability. An employer's proportion is required to be determined on a basis that is consistent with the manner in which contributions to the pension plan are determined, and consideration should be given to separate rates, if any, related to separate portions of the collective net pension liability. The use of the employer's projected long-term contribution effort as compared to the total projected long-term contribution effort of all employers as the basis for determining an employer's proportion is encouraged.
- A cost-sharing employer is required to recognize pension expense and report deferred outflows of resources and deferred inflows of resources related to pensions for its proportionate shares of collective pension expense and collective deferred outflows of resources and deferred inflows of resources related to pensions.
- In addition, the effects of (1) a change in the employer's proportion of the collective net pension liability and (2) differences during the measurement period between the employer's contributions and its proportionate share of the total of contributions from employers included in the collective net pension liability are required to be determined. These effects are required to be recognized in the employer's pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan (active employees and inactive employees). The portions of the effects not recognized in the employer's pension expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to pensions. Employer contributions to the pension plan subsequent to the measurement date of the collective net pension liability also are required to be reported as deferred outflows of resources related to pensions.

**CITY OF OAKLEY  
MEMORANDUM ON INTERNAL CONTROL**

**STATUS OF PRIOR YEAR  
SCHEDULE OF OTHER MATTERS**

**GASB 68 - Accounting and Financial Reporting for Pensions (an amendment of GASB 27)  
(Continued)**

- In governmental fund financial statements, the cost-sharing employer's proportionate share of the collective net pension liability is required to be recognized to the extent the liability is normally expected to be liquidated with expendable available financial resources. Pension expenditures should be recognized equal to the total of (1) amounts paid by the employer to the pension plan and (2) the change between the beginning and ending balances of amounts normally expected to be liquidated with expendable available financial resources.
  
- Notes to financial statements of cost-sharing employers include descriptive information about the pension plans through which the pensions are provided. Cost-sharing employers should identify the discount rate and assumptions made in the measurement of their proportionate shares of net pension liabilities, similar to the disclosures about those items that should be made by single and agent employers. Cost-sharing employers, like single and agent employers, also should disclose information about how their contributions to the pension plan are determined.
  
- This Statement requires cost-sharing employers to present in required supplementary information 10-year schedules containing (1) the net pension liability and certain related ratios and (2) if applicable, information about statutorily or contractually required contributions, contributions to the pension plan, and related ratios.

## REQUIRED COMMUNICATIONS

To the City Council of  
the City of Oakley, California

We have audited the financial statements of the City of Oakley as of and for the year ended June 30, 2014 and have issued our report thereon dated December 15, 2014. Professional standards require that we communicate to you the following information related to our audit under generally accepted auditing standards.

### Significant Audit Findings

#### *Accounting Policies*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by City of Oakley are described in Note 1 to the financial statements.

The following pronouncements became effective, but did not have a material effect on the financial statements:

#### **GASB 70 - *Accounting and Financial Reporting for Nonexchange Financial Guarantees***

Some governments extend financial guarantees for the obligations of another government, a not-for-profit entity, or a private entity without directly receiving equal or approximately equal value in exchange (a nonexchange transaction). As a part of this nonexchange financial guarantee, a government commits to indemnify the holder of the obligation if the entity that issued the obligation does not fulfill its payment requirements. Also, some governments issue obligations that are guaranteed by other entities in a nonexchange transaction. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees.

This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The amount of the liability to be recognized should be the discounted present value of the best estimate of the future outflows related to the guarantee expected to be incurred. When there is no best estimate but a range of the estimated future outflows can be established, the amount of the liability to be recognized should be the discounted present value of the minimum amount within the range.

### ***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. However, the dissolution of the former Redevelopment Agency had a material impact to the financial statements of the City and its component units:

As discussed in Note 15 to the financial statements, the State enacted laws which dissolved Redevelopment Agencies effective January 31, 2012. The laws also require the Successor Agency to the former Redevelopment Agency to complete two Due Diligence Reviews (DDR) to determine the amount of the remaining assets that should be transferred by the City to the Successor Agency or by the Successor Agency to the County for distribution to the affected taxing entities. In August 2013, the State Department of Finance (DOF) completed its review of the DDR of the Low and Moderate Housing Fund's cash balance available for allocation to the affected taxing entities. The DDR indicated assets totaling \$1,956 were to be returned, but that amount was adjusted by the DOF to \$537,576. The Successor Agency complied with a portion the DOF's determination by transmitting a payment of \$71,556 to the County Auditor-Controller in August 2013, but the City disputed the remaining balance due of \$466,020. In October 2013, the DOF completed its review of the DDR of all other funds of the former Redevelopment Agency. The DDR indicated there were no assets available for allocation to the affected taxing entities, but that amount was adjusted by the DOF to \$952,264. The City disputed the adjustments.

Also as discussed in Note 15, prior to the Redevelopment Agency dissolution, the City, acting under a Cooperation Agreement with the Agency, approved a loan agreement which obligated certain Redevelopment funds. The loan agreement was rejected by the Department of Finance (Department). The City and Department have met and conferred to settle the matter and the Department determined that it is not an enforceable obligation of the Successor Agency at this time. Management continued to believe this transaction was valid and filed a lawsuit against the Department related to this matter and the DDR adjustments.

The City entered into a settlement agreement in July 2014 with the State Department of Finance and the Contra Costa County Auditor-Controller to resolve the disputes discussed above. With the execution of the settlement agreement, the litigation was dismissed on July 23, 2014. Under the terms of the settlement agreement, the City agrees to transfer \$1,450,500 to the Successor Agency that represents the value of the Development and Disposition Agreement related to the Manuel's Five Star Restaurant, Inc., less \$124,500 for the administrative allowance and bond administration expenses previously withheld by the Department of Finance. With the transfer of funds, the City will acquire all rights and interest in the DDA and the associated loan receivable from Manuel's Five Star Restaurant, Inc. will be transferred from the Successor Agency to the City.

After the transfer of funds from the City to the Successor Agency, the Successor Agency is to remit \$1,418,284 to the County Auditor-Controller that represents the total of the amounts remaining in the Low and Moderate Housing Fund DDR (\$466,020) and the DDR of all other funds (\$952,264). The Successor Agency remitted the payments on August 14, 2014, and the Department of Finance issue the Successor Agency a Finding of Completion on August 15, 2014.

In addition, the City agreed that it will not pursue the repayment from the Successor Agency of the housing related advance to the former Redevelopment Agency discussed in Note 15A, and will not seek payment from the Successor Agency for City administration of certain housing programs.

### ***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 estimate affecting the City's financial statements were:

*Estimated Fair Value of Investments:* As of June 30, 2014, the City held approximately \$38.9 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, 2014. These fair values are not required to be adjusted for changes in general market conditions occurring subsequent to June 30, 2014.

*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.

### ***Disclosures***

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was the disclosure of the Redevelopment Agency Dissolution and litigation in Note 15 to the financial statements. See discussion above regarding the unsettled law and highly contingent nature of these matters.

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, except for the entries to convert the modified accrual entries in the Successor Agency Private-Purpose Trust Fund to full accrual entries as discussed in comment 2014-01 of the Memorandum on Internal Control, and the City's post-closing adjustments to record the fiscal year's capital assets activity.

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 15, 2014.

### ***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 governmental unit'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

With respect to the supplementary information accompanying the financial statements, 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.

With respect to the required supplementary information accompanying the financial statements, we 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 did not express an opinion nor 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.

The Introductory and Statistical Sections included as part of the Comprehensive Annual Financial Report have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we did not express an opinion nor provide any assurance on them.

\*\*\*\*\*

This report 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.

*Maye & Associates*

Pleasant Hill, CA  
December 15, 2014

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HELPING OUR CLIENTS SUCCEED

**Accountancy Corporation**  
3478 Buskirk Avenue, Suite 215  
Pleasant Hill, CA 94523



## STAFF REPORT

**Date:** Tuesday, January 13, 2015  
**To:** Bryan H. Montgomery, City Manager  
**From:** Kevin Rohani, Public Works Director/City Engineer  
**SUBJECT:** Resolution Naming Parcel A of Subdivision 8955, Phase II  
"Catamaran Park"

Approved and Forwarded to City Council:

  
Bryan H. Montgomery, City Manager

### **Background and Analysis**

Shea Homes is the developer of the Summer Lakes neighborhood south of Cypress Road and east of Bethel Island Road. Subdivision 8955 is the third final map associated with the project and includes Parcel A and Parcel B, which is dedicated for public park purposes. Parcel A is a 0.59 acre parcel park on the West side of Manresa Shore Lane and adjacent to the lake. Parcel B is a .20 acre greenbelt walkthrough to the park.

Shea Homes is preparing the construction documents for the park and greenbelt and intends to start construction in the coming months. The original park name "North Lakeside Park" was assigned by Shea Homes to more easily identify the proposed park site for submitting documents and plans to the County and the City. Since a Lakeside Park already exists, City Staff suggested that Shea Homes propose an alternative name for the park.

Based on a recommendation from Shea Homes, the name "Catamaran Park" emerged and is being proposed for consideration. The park name is in line with the City's adopted Facilities Naming Policy (attached), and Staff supports naming the park "Catamaran Park".

### **Fiscal Impact**

There is no budgetary impact to this policy decision. The cost to incorporate the permanent park name into a park sign is included in the Shea Homes contract to design and build the park.

### **Recommendation**

Staff recommends that the Council adopt the resolution formally naming the park portion of Parcel A of Subdivision 8955 "Catamaran Park".

### **Attachments**

- 1) Resolution
- 2) Vicinity Map
- 3) City Facilities Naming Policy

RESOLUTION NO. \_\_-15

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OAKLEY  
NAMING PARCEL A OF SUBDIVISION 8955, PHASE II  
"CATAMARAN PARK"**

**WHEREAS**, Shea Homes is the developer of Summer Lakes which includes Subdivision 8955, Phase II;

**WHEREAS**, Parcel A and Parcel B of Subdivision 8955 have been dedicated to the City of Oakley for public park and landscape purposes;

**WHEREAS**, in February 2007 the City Council approved a City Facilities Naming Policy; and

**WHEREAS**, the use of geographic identifiers to aid the public in locating City facilities is preferred, but it is not possible in this instance; and

**WHEREAS**, Shea Homes has utilized and recommended lake or nautical related park names in Phase II park developments.

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED**, that the City Council of the City of Oakley hereby names the dedicated park Parcel A of Subdivision 8955, Phase II, as "Catamaran Park".

PASSED AND ADOPTED by the City Council of the City of Oakley at a meeting held on the 13<sup>th</sup> of January, 2015 by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTENTIONS:

APPROVED:

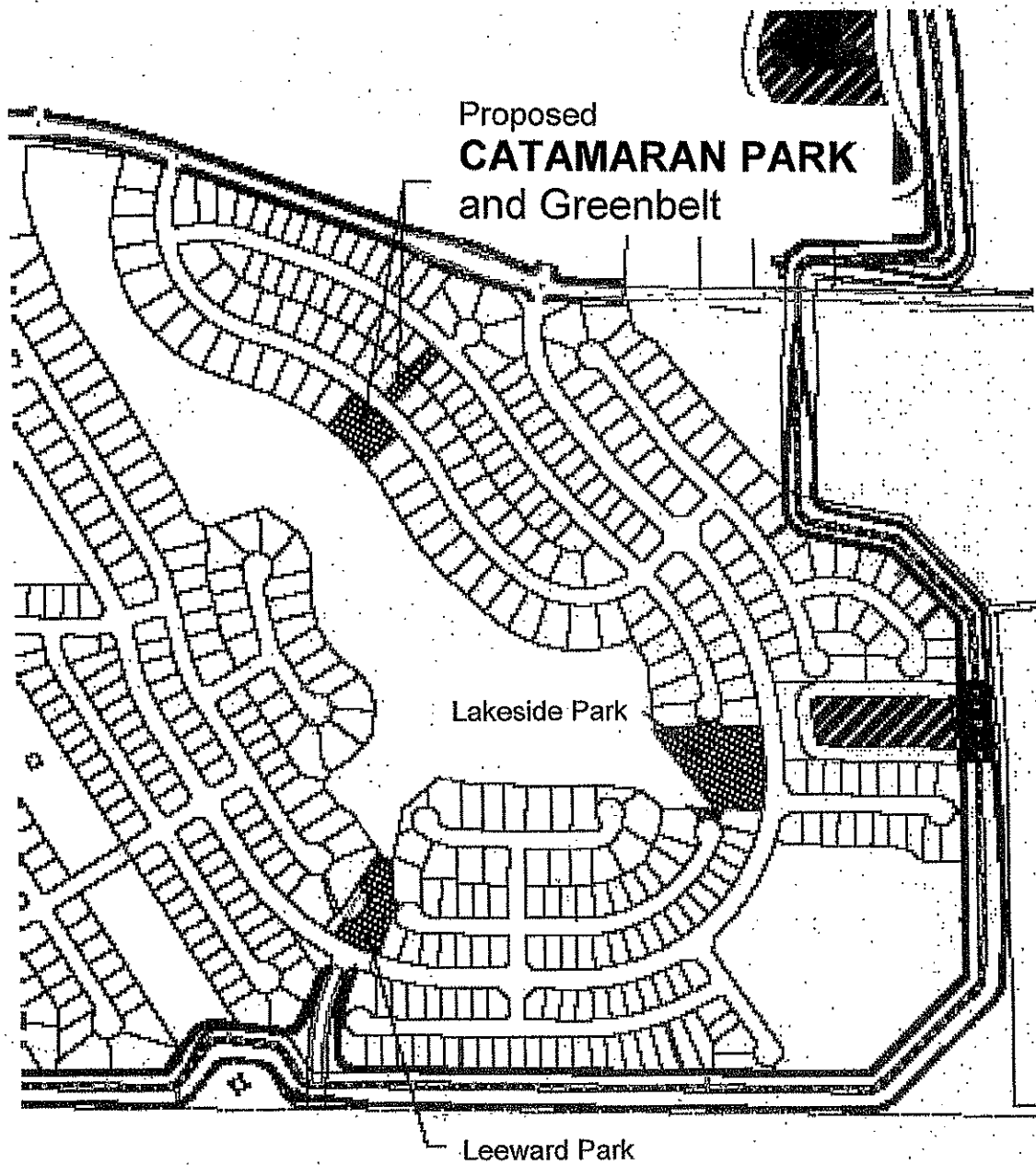
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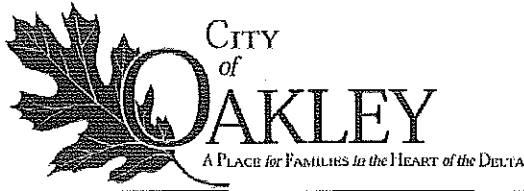
\_\_\_\_\_  
Doug Hardcastle, Mayor

\_\_\_\_\_  
Libby Vreonis, City Clerk

\_\_\_\_\_  
Date

# SUMMER LAKE SUBDIVISION, Phase II





## **CITY FACILITIES NAMING POLICY**

*Approved February 26, 2007*

### **PURPOSE:**

To provide guidelines and procedures for naming of City Facilities and Parks.

### **DEFINITIONS:**

*City Facilities:* Any facility, park or property owned, controlled and/or maintained by the City to conduct City business or City-sponsored activities, including developed areas, undeveloped areas and designated open spaces.

### **PROCEDURE:**

City staff will coordinate the generation of potential names and forward them to the City Manager. The City Manager will provide recommendation(s) regarding the proposed name(s) to the City Council for its consideration and the City Council shall have final approval.

### **POLICY:**

- 1) Naming shall be of such that it would provide an easy and recognizable reference to the facility and be compatible to the area in which the facility is located.
- 2) Naming based on a geographic location should reflect the well-known geographic name of the area within which the facility is located, the street adjacent to the facility, or other acceptable identification with the consideration of specific place, neighborhood, subdivision, or well-confirmed cultural or historical significance.
- 3) Naming based on a person or family should be done only for an individual (or family) that has had a clearly positive and significant impact or contribution to the City, State or Country. (This could include significant donors to the facility or previous property owners). Names should be avoided that would cause undue contention or concern.
- 4) Naming should take into account the names of other facilities (public or private) so as to not duplicate or utilize a name that could be readily confused by others, particularly emergency response personnel.





## STAFF REPORT

Approved and Forwarded to City Council:

  
Bryan H. Montgomery, City Manager

**Date:** Tuesday, January 13, 2015  
**To:** Bryan H. Montgomery, City Manager  
**From:** Kevin Rohani, Public Works Director/City Engineer  
**SUBJECT:** Approve the formation of City of Oakley Community Facilities District 2015-1 (Emerson Ranch Maintenance) ("CFD"), hold a Public Hearing and Special Landowner Election, Declare the Results of the Election and Introduce an Ordinance to Levy a Special Tax for the CFD

### **Background and Analysis**

On September 14, 2010, the City Council approved Resolution 107-10 to subdivide the Emerson Ranch property into 567 single family parcels and one 22.88 acre commercial parcel through Vesting Tentative Map 9032. In 2013, Resolution 35-13 approved an amendment to the Emerson Ranch Final Development Plan to make minor modifications to the internal street circulation, park configuration, and lot sizes.

The Emerson Ranch property is located on the northwest corner of East Cypress Road and Sellers Avenue. Emerson Ranch, when completed, will include a new 5 acre public park, street lighting, a storm water detention basin, trails, and roadside and median landscaping. This development will require a financing mechanism to fund the annual costs of operating and maintaining these facilities as well as community parks and the regional parks.

On December 9, 2014 by Resolution 127-14, (the "Resolution of Intention"), the City Council declared its intention to establish the CFD to provide funding for administration of the CFD and the operation and maintenance of neighborhood parks and street lighting, community parks, neighborhood landscaping, regional parks and storm water facilities.

A complete list of authorized services (the "Authorized Services") was approved in the Resolution of Intention, and is included in Attachment 1 – Community Facilities District Report and Attachment 2 - Resolution of Formation.

The Resolution of Intention included a proposed rate and method of apportionment of the special tax (the "Rate and Method") and set the City Council meeting of January 13, 2015 as the time and place for the required public hearing to allow public input regarding the formation of the CFD. The Notice of Public hearing was published in the East County Times on December 15, 2014. The boundary map for the CFD was recorded with the Contra Costa County Recorder's office as required (Exhibit B to Attachment 1).

The proposed CFD includes one existing parcel, which is currently owned by Brookfield Homes. Following the creation of the CFD, the levy of the special tax can be levied in Fiscal Year 2015-16 if necessary.

Based on an estimate of the costs to be incurred by the City for providing the services for the CFD, the RMA establishes a "Maximum Special Tax" for Fiscal Year 2014-15 of \$1,291.00 per residential parcel. The funds collected and used for services associated with the CFD will be tracked and can only be used for the Authorized Services. The RMA provides that the Maximum Special Tax will escalate on July 1 of each year by the Consumer Price Index – All Urban Consumers (San Francisco-Oakland-San Jose, CA) (from February) with a minimum annual increase of 3.00% percent and a maximum annual increase of 5.00% percent. Each year, the City will determine whether it needs to levy a greater amount than it levied in the previous year, subject in all cases to the Maximum Special Tax.

The specific format that must be followed for the formation of the CFD No. 2015-1 includes the following steps. Following the opening of the public hearing, any comments from the public are to be solicited and heard by Council. After taking the public testimony, the hearing would be closed and Council is requested to consider the attached 2 Resolutions.

1. Resolution No. 2015-\_\_\_ which is a Resolution of Formation that approves the formation of Communities Facilities District 2015-1 (Attachment 2);
2. Resolution No. 2015-\_\_\_ which is a Resolution Calling the Special Landowner Election (Attachment 3);

Should the above resolutions be adopted by Council, the landowner special election would then be conducted and Brookfield Homes is the only landowner and qualified elector within the district at this time; therefore, Brookfield Homes' ballot will be opened and the vote tallied by the City Clerk at the Council meeting. Following the vote, and assuming the election is successful, Council is requested to consider the following:

1. Resolution No. 2015 - \_\_\_ which is a Resolution Declaring the Results of the Special Landowner Election (Attachment 4); and
2. Introduction of Ordinance No. \_\_\_\_\_ which is an Ordinance establishing the Levy of the Special Tax (Attachment 5).

Should Council adopt the resolution and introduce the ordinance, the City Clerk would subsequently record the Notice of Special Tax Lien with the Contra Costa County Recorder's office. A second reading of the ordinance would be scheduled for the January 27, 2015 City Council Meeting. Final publication of the ordinance would then take place on January 28, 2015, completing the formation of CFD No. 2015-1.

### **Fiscal Impact**

Development of the Emerson Ranch project will require a funding mechanism to maintain neighborhood parks, community parks, regional parks, street lighting, landscaping, and storm water detention facilities. CFD No. 2015-1 is a financing mechanism that will authorize an annual Special Tax to be levied to pay for these services.

### **Recommendation**

Staff recommends that the City Council adopt the following 3 Resolutions and introduce 1 ordinance:

1. Resolution No. 2015-\_\_\_ which is a Resolution of Formation that approves the formation of Communities Facilities District 2015-1 (CFD);
2. Resolution No. 2015-\_\_\_ which is a Resolution calling the Special Landowner Election;
3. Resolution No. 2015 - \_\_\_ which is a Resolution declaring the results of the Special Landowner Election; and
4. Ordinance No. \_\_\_\_\_ which is an Ordinance establishing the Levy of the Special Tax.

### **Attachments**

- 1) Community Facilities District Report;
  - a. Exhibit A – Description of Proposed Services;
  - b. Exhibit B - Boundary Map; and
  - c. Exhibit C - Cost Estimate.
- 2) Resolution of Formation;
  - a. Exhibit A – Description of Services; and
  - b. Exhibit B – Rate and Method of Apportionment of Special Tax.
- 3) Resolution of Calling the Special Landowner Election;
  - a. Exhibit A – Official Ballot Special Tax Election.
- 4) Resolution Declaring Results of Special Landowner Election and Directing Recording of Notice of Special Tax Lien; and
- 5) Ordinance Levying Special Taxes.

**City of Oakley  
Community Facilities District No. 2015-1  
(Emerson Ranch Maintenance)**

**COMMUNITY FACILITIES DISTRICT REPORT**

**CONTENTS**

Introduction

- A. Description of Services
- B. Proposed Boundaries of the Community Facilities District
- C. Cost Estimate

\*\*\*\*\*

EXHIBIT A - Description of the Proposed Services

EXHIBIT B - Boundary Map

EXHIBIT C - Cost Estimate

**City of Oakley  
Community Facilities District No. 2015-1  
(Emerson Ranch Maintenance)**

**INTRODUCTION**

On December 9, 2014, the Oakley City Council adopted a "Resolution of Intention to Establish Community Facilities District" (the "Resolution of Intention"), stating its intention to form the City of Oakley Community Facilities District No. 2015-1 (Emerson Ranch Maintenance) (the "CFD") pursuant to the Mello-Roos Community Facilities Act of 1982, Sections 53311 et. seq., California Government Code (the "Act") to finance certain municipal services (the "Services") by levying special taxes (the "Special Taxes") in the area of the CFD.

In the Resolution of Intention, the Council expressly ordered the preparation of a written report (the "Report"), for the CFD containing the following:

1. A description of the Services by type which will be required to adequately meet the needs of the CFD; and
2. An estimate of the fair and reasonable cost of the Services included therewith.

For particulars, reference is made to the Resolution of Intention for the CFD, as previously approved and adopted by the Council.

**NOW, THEREFORE**, the undersigned does hereby submit the following data:

**A. DESCRIPTION OF SERVICES.** A general description of the proposed services is set forth in Exhibit "A" attached hereto and hereby made a part hereof.

**B. PROPOSED BOUNDARIES OF THE COMMUNITY FACILITIES DISTRICT.** The proposed boundaries of the CFD are those properties and parcels in which special taxes may be levied to pay for the costs and expenses of the Services. The proposed boundaries of the CFD are described on the map of the CFD on file with the City Council, to which reference is hereby made.

**C. COST ESTIMATE.** The cost estimate for the Services for the District is set forth in Exhibit "C" attached hereto and hereby made a part hereof.

Dated as of December 9, 2014

For and on behalf of the City Manager of the  
City of Oakley

By: \_\_\_\_\_



## EXHIBIT A

### CITY OF OAKLEY Community Facilities District No. 2015-1 (Emerson Ranch Maintenance)

#### 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:

#### Neighborhood Parks & Street Lighting

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 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.

#### 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.

#### Neighborhood Landscaping

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.

## 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.

## 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**

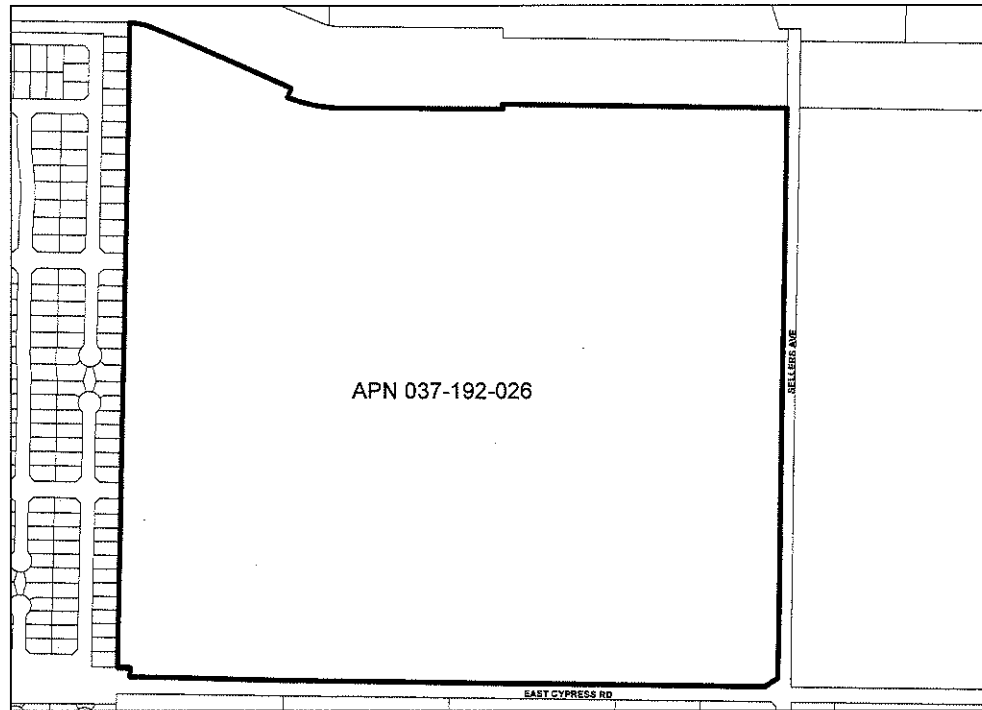
**City of Oakley  
Community Facilities District No. 2015-1  
(Emerson Ranch Maintenance)**

**BOUNDARY MAP**


Reference is hereby made to the map on file in the office of the City Clerk for a description of the boundaries of the CFD.




PROPOSED BOUNDARY MAP  
CITY OF OAKLEY COMMUNITY FACILITIES DISTRICT No. 2015-1  
(EMERSON RANCH MAINTENANCE)  
CITY OF OAKLEY  
COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA




FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF OAKLEY THIS  
11<sup>th</sup> DAY OF December, 2014.

  
LIBBY VREONIS, CITY CLERK  
CITY OF OAKLEY  
CONTRA COSTA COUNTY  
STATE OF CALIFORNIA



I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES  
OF CITY OF OAKLEY COMMUNITY FACILITIES DISTRICT No. 2015-1, CITY  
OF OAKLEY, COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA, WAS  
APPROVED BY THE CITY COUNCIL OF THE CITY OF OAKLEY, AT A REGULAR  
MEETING THEREOF, HELD ON THE 9<sup>th</sup> DAY OF December, 2014, BY  
ITS RESOLUTION No. 127-14.

  
LIBBY VREONIS, CITY CLERK  
CITY OF OAKLEY  
CONTRA COSTA COUNTY  
STATE OF CALIFORNIA

FILED THIS 17<sup>th</sup> DAY OF December, 2014, AT THE HOUR OF 12:32  
P.M. IN BOOK 85 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES  
DISTRICTS AT PAGE 11, DOCUMENT No. 14-223159 IN THE OFFICE  
OF THE COUNTY RECORDER IN CONTRA COSTA COUNTY, STATE OF CALIFORNIA.

  
JOSEPH CAPICCIOLA, Deputy  
COUNTY RECORDER  
CONTRA COSTA COUNTY  
STATE OF CALIFORNIA

**Legend**

-  PROPOSED DISTRICT BOUNDARY
-  PARCELS

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  
NUMBER 037-192-026.

## EXHIBIT C

### City of Oakley Community Facilities District No. 2015-1 (Emerson Ranch Maintenance)

#### Cost Estimate

Neighborhood Park & Street Lighting Maintenance			
Item	Quantity	Cost/Unit	Annual Cost
<b>Neighborhood Parks</b>			
Neighborhood Park - In-Tract Parcel 'B' (exterior to pond)	5.04 Acre	\$14,000.00/Acre	\$70,560.00
			<b>\$70,560.00</b>
<b>Street Lights</b>			
Street Lights (LS2A-100w)-decorative in tract (assumed 1 light/3 homes)	189	\$250.31/Light	\$47,308.83
Street Lights Cobra along Cypress Road (assumed 1 light/200')	10	\$250.31/Light	\$2,503.11
Street Lights Cobra along Sellers Avenue (assumed 1 light/200')	13	\$250.31/Light	\$3,128.89
			<b>\$52,940.83</b>
			<b>\$123,500.83</b>
<b>Incidental Costs</b>			
Consultant for Special Tax Levy			\$1,254.25
County Collection Fees (\$350 plus \$1/parcel)			\$216.64
City Administration			\$3,420.67
		TOTAL ALL INCIDENTALS:	<b>\$4,891.56</b>
<b>Reserve Funds</b>			
Operating Reserve Fund (up to 50% of total to carry from July 1 to Jan 1)			\$0.00
Capital Reserve Fund (25% of Maintenance)			\$30,875.21
		TOTAL ALL RESERVES:	<b>\$30,875.21</b>
		TOTAL ANNUAL COST:	<b>\$159,267.60</b>
TOTAL ANNUAL COST PER SINGLE FAMILY HOME			<b>\$270.00</b>

Community Park Maintenance			
Item	Quantity	Cost/Unit	Annual Cost
<b>Community Parks</b>			
Contribution to Future Community Parks	6.90 Acre	\$14,000.00/Acre	\$96,600.00
			<b>\$96,600.00</b>
			<b>\$96,600.00</b>
<b>Incidental Costs</b>			
Consultant for Special Tax Levy			\$977.35
County Collection Fees (\$350 plus \$1/parcel)			\$168.81
City Administration			\$2,665.50
		TOTAL ALL INCIDENTALS:	<b>\$3,811.66</b>
<b>Reserve Funds</b>			
Operating Reserve Fund (up to 50% of total to carry from July 1 to Jan 1)			\$31,756.54
Capital Reserve Fund (25% of Maintenance)			\$24,150.00
		TOTAL ALL RESERVES:	<b>\$55,906.54</b>
		TOTAL ANNUAL COST:	<b>\$156,318.20</b>
TOTAL ANNUAL COST PER SINGLE FAMILY HOME			<b>\$265.00</b>

Neighborhood Landscape Maintenance			
Item	Quantity	Cost/Unit	Annual Cost
<b>Landscaping Parcels (Purple)</b>			
Landscaping - In-Tract Parcel 'A'	1.70 Acre	\$14,000.00/Acre	\$23,800.00
Landscaping - In-Tract Parcel 'A'	1.70 Acre	\$14,000.00/Acre	\$23,800.00
Landscaping - In-Tract Parcel 'C'	0.13 Acre	\$14,000.00/Acre	\$1,820.00
Landscaping - In-Tract Parcel 'D'	0.05 Acre	\$14,000.00/Acre	\$700.00
Landscaping - In-Tract Parcel 'E'	0.03 Acre	\$14,000.00/Acre	\$420.00
Landscaping - In-Tract Parcel 'F'	0.21 Acre	\$14,000.00/Acre	\$2,870.00
Landscaping - In-Tract Parcel 'G'	0.02 Acre	\$14,000.00/Acre	\$280.00
Landscaping - In-Tract Parcel 'I'	0.10 Acre	\$14,000.00/Acre	\$1,330.00
Landscaping - In-Tract Parcel 'J'	0.05 Acre	\$14,000.00/Acre	\$700.00
Landscaping - In-Tract Parcel 'L'	0.10 Acre	\$14,000.00/Acre	\$1,330.00
Landscaping - In-Tract Parcel 'M'	0.05 Acre	\$14,000.00/Acre	\$700.00
Landscaping - In-Tract Parcel 'N'	0.02 Acre	\$14,000.00/Acre	\$280.00
Landscaping - In-Tract Parcel Amberwind Cir W Side (N of Riverrock Dr)	0.03 Acre	\$14,000.00/Acre	\$350.00
Landscaping - In-Tract Parcel Amberwind Cir E Side (N of Riverrock Dr)	0.03 Acre	\$14,000.00/Acre	\$350.00
Landscaping - In-Tract Parcel extending betw Parcels 'E' & 'J' behind Sellers Ave landscaping	0.15 Acre	\$14,000.00/Acre	\$2,030.00
<b>Landscaping Street Frontages (Red)</b>			
Landscaping - In-Tract Emerson Ranch Wy W Side (20' wide w/5' side walk)	0.25 Acre	\$14,000.00/Acre	\$3,500.00
Landscaping - In-Tract Shearwater Wy S Side, E of Emerson Ranch Wy	0.02 Acre	\$14,000.00/Acre	\$280.00
Landscaping - In-Tract Shearwater Wy S Side, betw Emerson Ranch Wy & Winddrift Wy	0.11 Acre	\$14,000.00/Acre	\$1,540.00
Landscaping - In-Tract Shearwater Wy E Side, betw Winddrift Wy & Riverrock Dr	0.04 Acre	\$14,000.00/Acre	\$560.00
Landscaping - In-Tract Shearwater Wy E Side, betw Willowrun Wy & Riverrock Dr	0.11 Acre	\$14,000.00/Acre	\$1,540.00
Landscaping - In-Tract Shearwater Wy around Park	0.50 Acre	\$14,000.00/Acre	\$7,000.00
Landscaping - In-Tract Hansford Wy E Side	0.10 Acre	\$14,000.00/Acre	\$1,400.00
Landscaping - In-Tract Riverrock Dr Entrance S Side	0.02 Acre	\$14,000.00/Acre	\$280.00
Landscaping - In-Tract Riverrock Dr Entrance N Side	0.02 Acre	\$14,000.00/Acre	\$280.00
Landscaping - Cypress Road N Side (25' wide w/ 8' side walk along project frontage) W of entrance	0.50 Acre	\$14,000.00/Acre	\$7,000.00
Landscaping - Sellers Ave W Side (30' wide w/ 8' side walk along project frontage) (residential)	0.12 Acre	\$14,000.00/Acre	\$1,680.00
<b>Landscaping Medians (Green)</b>			
Landscaping - In-Tract Emerson Ranch Wy Median	0.23 Acre	\$14,000.00/Acre	\$3,220.00
Landscaping - Cypress Road Median (west of entrance only)	0.35 Acre	\$14,000.00/Acre	\$4,900.00
Landscaping - Sellers Ave Median (south of entrance only)	0.30 Acre	\$14,000.00/Acre	\$4,200.00
			<b>\$98,140.00</b>
<b>Fencing</b>			
Masonry Wall adjacent Parcel 'H'	6,560 sq. ft.	\$0.10/Sq. Ft.	\$656.00
Masonry Wall Cypress Ave N Side	4,400 sq. ft.	\$0.10/Sq. Ft.	\$440.00
Fence adjacent Parcel 'A'	3,600 sq. ft.	\$0.10/Sq. Ft.	\$360.00
Fence Cypress Ave N Side (by Cul-de-sacs)	16,800 sq. ft.	\$0.10/Sq. Ft.	\$1,680.00
			<b>\$3,136.00</b>
		<b>TOTAL ALL MAINTENANCE:</b>	<b>\$101,276.00</b>
<b>Incidental Costs</b>			
Consultant for Special Tax Levy			\$1,024.66
County Collection Fees (\$350 plus \$1/parcel)			\$176.99
City Administration			\$2,794.52
		<b>TOTAL ALL INCIDENTALS:</b>	<b>\$3,996.17</b>
<b>Reserve Funds</b>			
Operating Reserve Fund (up to 50% of total to carry from July 1 to Jan 1)			\$16,261.83
Capital Reserve Fund (25% of Maintenance)			\$25,319.00
		<b>TOTAL ALL RESERVES:</b>	<b>\$41,580.83</b>
		<b>TOTAL ANNUAL COST:</b>	<b>\$146,853.00</b>
		<b>TOTAL ANNUAL COST PER SINGLE FAMILY HOME</b>	<b>\$259.00</b>

<b>Neighborhood Landscape Maintenance (COMMERCIAL)</b>			
<u>Item</u>	<u>Quantity</u>	<u>Cost/Unit</u>	<u>Annual Cost</u>
<b>Landscaping Parcels</b>			
Landscaping - In-Tract Parcel 'K' (assumed maintained by Commercial Site)	0.07 Acre	\$14,000.00/Acre	\$910.00
<b>Landscaping Street Frontages</b>			
Landscaping - In-Tract Emerson Ranch Wy E Side (20' wide w/5' side walk) - maintained by Commercial	0.09 Acre	\$14,000.00/Acre	\$1,225.00
Landscaping - Cypress Road N Side (25' wide w/ 8' side walk along project frontage) E of entrance (commercial)	0.19 Acre	\$14,000.00/Acre	\$2,678.90
Landscaping - Sellers Ave W Side (30' wide w/ 8' side walk along project frontage) (commercial)	0.22 Acre	\$14,000.00/Acre	\$3,061.10
	0.56 Acre		\$7,875.00
	<b>TOTAL ALL MAINTENANCE:</b>		<b>\$7,875.00</b>
<b>Reserve Funds</b>			
Operating Reserve Fund (50% of total to carry from July 1 to Jan 1)			\$0.00
Capital Reserve Fund (25% of Maintenance)			\$1,968.75
	<b>TOTAL ALL RESERVES:</b>		<b>\$1,968.75</b>
	<b>TOTAL ANNUAL COST:</b>		<b>\$9,843.75</b>
<b>TOTAL ANNUAL COST PER ACRE OF COMMERCIAL:</b>			<b>\$1,968.75</b>

<b>Regional Park Maintenance</b>			
<u>Item</u>	<u>Quantity</u>	<u>Cost/Unit</u>	<u>Annual Cost</u>
<b>Community Parks</b>			
Contribution to Future Regional Parks	3.25 Acre	\$14,000.00/Acre	\$45,500.00
			\$45,500.00
<b>Incidental Costs</b>			
Consultant for Special Tax Levy			\$460.35
County Collection Fees (\$350 plus \$1/parcel)			\$79.51
City Administration			\$1,255.49
	<b>TOTAL ALL INCIDENTALS:</b>		<b>\$1,795.35</b>
<b>Reserve Funds</b>			
Operating Reserve Fund (up to 50% of total to carry from July 1 to Jan 1)			\$12,115.25
Capital Reserve Fund (25% of Maintenance)			\$11,375.00
	<b>TOTAL ALL RESERVES:</b>		<b>\$23,490.25</b>
	<b>TOTAL ANNUAL COST:</b>		<b>\$70,785.60</b>
<b>TOTAL ANNUAL COST PER SINGLE FAMILY HOME</b>			<b>\$120.00</b>

<b>Stormwater Maintenance</b>			
<u>Item</u>	<u>Quantity</u>	<u>Cost/Unit</u>	<u>Annual Cost</u>
<b><u>Maintenance Costs</u></b>			
Lake Maintenance	5.38 Acre	\$4,500.00/Acre	\$24,210.00
Wetland Treatment Filters and Planters	1 LS	\$4,000.00	\$4,000.00
Storm Drain Inlets	7 Each	\$1,000.00/Acre	\$7,000.00
Aeration & Circulation Pumps	1 LS	\$3,000.00	\$3,000.00
Water Quality Monitoring & Reporting	1 LS	\$10,000.00	\$10,000.00
Pump Station Maintenance	510 Hours	\$60.00/Hour	\$30,600.00
Generator Starts & Testing	24 Hours	\$200.00/Hour	\$4,800.00
Outfall Maintenance & Inspection	1 LS	\$3,000.00	\$3,000.00
			<b>\$86,610.00</b>
<b><u>Operation Costs</u></b>			
Power for Irrigation Pumps	1,800 Hours	\$2.69	\$4,842.00
Power for Storm Water Pumps	46 Hours	\$26.85	\$1,235.10
Mechanical Equipment Operations	130,000 Kw-hrs	\$0.10	\$13,000.00
			<b>\$19,077.10</b>
<b><u>Repair/replacement (motors, seals, controls, etc)</u></b>			
Subtotal	1 LS	\$30,000.00	\$30,000.00
			<b>\$30,000.00</b>
<b><u>Levee Operations &amp; Maintenance</u></b>			
Mow, Clean, Minor Repairs, etc.	1 LS	\$11,000.00	\$11,000.00
Facility Elevation Inspection	1 LS	\$3,000.00	\$3,000.00
Rodent Control	1 LS	\$3,000.00	\$3,000.00
Storm Patrol	1 LS	\$2,000.00	\$2,000.00
			<b>\$19,000.00</b>
<b><u>Replacement costs (pumps, liner)</u></b>			
Liner, life cycle = 20 years	1 LS	\$100,000.00	\$5,000.00
Storm Water Pumps life cycle = 15 years	3 Each	\$75,000.00	\$15,000.00
			<b>\$20,000.00</b>
<b>TOTAL ALL MAINTENANCE:</b>			<b>\$174,687.10</b>
<b><u>Incidental Costs</u></b>			
Consultant for Special Tax Levy			\$1,767.39
County Collection Fees (\$350 plus \$1/parcel)			\$305.28
City Administration (15%)			\$4,820.17
<b>TOTAL ALL INCIDENTALS:</b>			<b>\$6,892.84</b>
<b><u>Reserve Funds</u></b>			
Operating Reserve Fund (up to 50% of total to carry from July 1 to Jan 1)			\$23,010.33
Capital Reserve Fund (25% of Maintenance)			\$43,671.78
<b>TOTAL ALL RESERVES:</b>			<b>\$66,682.10</b>
<b>TOTAL ANNUAL COST:</b>			<b>\$248,262.04</b>
<b>TOTAL ANNUAL COST PER SINGLE FAMILY HOME</b>			<b>\$377.00</b>

**RESOLUTION NO. 15-\_\_**

**RESOLUTION OF FORMATION OF COMMUNITY FACILITIES DISTRICT**

**CITY OF OAKLEY  
Community Facilities District No. 2015-1  
(Emerson Ranch Maintenance)**

**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 adopted a resolution entitled "Resolution of Intention to Establish Community Facilities District" (the "Resolution of Intention"), stating its intention to form "City of Oakley Community Facilities District No. 2015-1 (Emerson Ranch Maintenance)" (the "CFD") 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**, the Resolution of Intention, incorporating a map of the proposed boundaries of the CFD and stating the services to be provided and the rate and method of apportionment of the special tax to be levied within the CFD to pay for the services, is on file with the City Clerk and the provisions thereof are incorporated herein by this reference as if fully set forth herein;

**WHEREAS**, on this date, this Council held a noticed public hearing as required by the Act and the Resolution of Intention relative to the proposed formation of the CFD;

**WHEREAS**, at the hearing all interested persons desiring to be heard on all matters pertaining to the formation of the CFD, the services to be provided therein and the levy of such special tax were heard and a full and fair hearing was held;

**WHEREAS**, at the hearing evidence was presented to this Council on such matters before it, including a special report (the "Report") as to the services to be provided through the CFD and the costs thereof, a copy of which is on file with the City Clerk, and this Council at the conclusion of said hearing is fully advised in the premises;

**WHEREAS**, written protests with respect to the formation of the CFD, the furnishing of specified types of services and the rate and method of apportionment of the special taxes have not been filed with the City Clerk by 50% or more of the registered voters residing within the territory of the CFD or property owners of one-half or more of the area of land within the CFD and not exempt from the proposed special taxes.

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED**, as follows:

- 1. Recitals Correct.** The foregoing recitals are true and correct.

2. **No Majority Protest.** The proposed special tax to be levied within the CFD has not been precluded by majority protest pursuant to section 53324 of the Act.

3. **Prior Proceedings Valid.** All prior proceedings taken by this City Council in connection with the establishment of the CFD and the levy of the special tax have been duly considered and are hereby found and determined to be valid and in conformity with the Act.

4. **Name of CFD.** The community facilities district designated "City of Oakley Community Facilities District No. 2015-1 (Emerson Ranch Maintenance)" of the City is hereby established pursuant to the Act.

5. **Boundaries of CFD.** The boundaries of the CFD, as set forth in the map of the CFD heretofore recorded in the Contra Costa County Recorder's Office on December 17th, at 12:32 p.m., in the Book of Maps of Assessment and Community Facilities Districts as Document No. 14-223659, are hereby approved, are incorporated herein by reference and shall be the boundaries of the CFD.

6. **Description of Services.** The type of public services proposed to be financed by the CFD and pursuant to the Act shall consist of those items shown in Exhibit A hereto and by this reference incorporated herein (the "Services").

7. **Special Tax.**

a. Except to the extent that funds are otherwise available to the CFD to pay for the Services, a special tax (the "Special Tax") sufficient to pay the costs thereof, secured by the recordation of a continuing lien against all non-exempt real property in the CFD, is intended to be levied annually within the CFD, and collected in the same manner as ordinary *ad valorem* property taxes or in such other manner as may be prescribed by this Council.

b. The proposed rate and method of apportionment of the Special Tax among the parcels of real property within the CFD, in sufficient detail to allow each landowner within the proposed CFD to estimate the maximum amount such owner will have to pay, are shown in Exhibit B attached hereto and hereby incorporated herein.

8. **Increased Demands.** It is hereby found and determined that the Services are necessary to meet increased demands placed upon local agencies, including the City, as the result of development occurring in the CFD. The Services are in addition to those provided in the territory of the CFD as of the date hereof and will not supplant services already available within the territory of the CFD as of the date hereof.

9. **Responsible Official.** The City Manager of the City of Oakley (or a designee of the City Manager), City Hall, 3231 Main Street, Oakley, CA 94561, telephone number (925) 625-7007, is the officer of the City who will be responsible for

preparing annually a current roll of the levy of the Special Tax obligations by assessor's parcel number and who will be responsible for estimating future levies of the Special Tax.

**10. Tax Lien.** Upon recordation of a notice of special tax lien pursuant to Section 3114.5 of the California Streets and Highways Code, a continuing lien to secure each levy of the Special Tax shall attach to all nonexempt real property in the CFD and this lien shall continue in force and effect until the Special Tax obligation is prepaid and permanently satisfied and the lien canceled in accordance with law or until collection of the Special Tax by the City ceases.

**11. Appropriations Limit.** In accordance with the Act, the annual appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, of the CFD is hereby preliminarily established at \$10,000,000 and such appropriations limit shall be submitted to the voters of the CFD as hereafter provided. The proposition establishing such annual appropriations limit shall become effective if approved by the qualified electors voting thereon and shall be adjusted in accordance with the applicable provisions of the Act and the Constitution.

**12. Election.** Pursuant to the provisions of the Act, the proposition of the levy of the Special Tax and the proposition of the establishment of the appropriations limit specified above shall be submitted to the qualified electors of the CFD at an election the time, place and conditions of which election shall be as specified by a separate resolution of this Council.

**13. 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 13<sup>th</sup> of January, 2015 by the following vote:

:  
AYES:  
NOES:  
ABSTENTIONS:  
ABSENT:

**APPROVED:**

\_\_\_\_\_  
Doug Hardcastle, Mayor

**ATTEST:**

\_\_\_\_\_  
Libby Vreonis, City Clerk

\_\_\_\_\_  
Date

## EXHIBIT A

### CITY OF OAKLEY Community Facilities District No. 2015-1 (Emerson Ranch Maintenance)

#### 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:

#### Neighborhood Parks & Street Lighting

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 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.

#### 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.

#### Neighborhood Landscaping

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.

### 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.

### 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. 2015-1 (Emerson Ranch Maintenance)

#### RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

Special Taxes in the City of Oakley Community Facilities District No. 2015-1 (Emerson Ranch Maintenance) (the "CFD" or "CFD No. 2015-1") 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 of the property in CFD No. 2015-1, 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. 2015-1, unless a separate Rate and Method of Apportionment of Special Tax is adopted for such annexation area.

#### **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. 2015-1: 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. 2015-1, 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. 2015-1 for any other administrative purposes of CFD No. 2015-1, including attorney's fees, costs associated with

annexations to CFD No. 2015-1, 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. 2015-1 as set forth in the documents adopted by the Council when CFD No. 2015-1 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. 2015-1”** means the City of Oakley Community Facilities District No. 2015-1 (Emerson Ranch Maintenance).

**“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 Parcel”** means for each Fiscal Year, all Assessor Parcels designated by the County Assessor with a County Land Use Code of Commercial. 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.

**“Commercial Parcel – In Compliance”** this definition only applies for the purpose of calculating the annual neighborhood landscape 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 for which the Property Owner of the Commercial Parcel has notified the City in writing by the preceding February 1<sup>st</sup> that it wishes to 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 Parcel to be defined as a Commercial Parcel – In Compliance, all Commercial Parcels within CFD No. 2015-1 must also be defined as Commercial Parcel – In Compliance.

**“Commercial Parcel – Out of Compliance”** this definition only applies for the purpose of calculating the annual neighborhood landscape 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 for which the Property Owner of the Commercial Parcel has not notified the City in writing by the preceding February 1<sup>st</sup> that it wishes to 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 not maintained its Parcel’s frontage landscaping in previous Fiscal Years to City Landscape Maintenance Standards. In addition, if any Commercial Parcel is defined as a Commercial Parcel – Out of Compliance, then all Commercial Parcels within CFD No. 2015-1 will also be defined as Commercial Parcel – Out of Compliance.

**“Commercial Unit”** means an individual building structure for commercial uses as defined per the County Assessor.

**“Council”** means the City Council of the City of Oakley, acting as the legislative body for CFD No. 2015-1.

**“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 by the City for construction of a Residential Unit or a Commercial Unit 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 residential 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.

**“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.

**“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. 2015-1 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. 2015-1 that is encumbered by an unmanned utility easement making impractical its utilization for other than the purpose set forth in the easement.

**“Residential Parcel”** means, for each Fiscal Year, all Assessor Parcels designated by the County Assessor with a County Land Use Code of Residential. 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.

**“Residential Unit”** means an individual building structure for 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.

**“Special Tax”** means any tax levied within CFD No. 2015-1 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: Neighborhood Park & Street Lighting Maintenance Tax, Community Park Maintenance Tax, Neighborhood Landscape Maintenance Tax, Regional Park 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. 2015-1 that are not exempt from the Special Tax pursuant to law or Section E herein.

**“Undeveloped Property”** means, in any Fiscal Year, all Parcels of Taxable Property in CFD No. 2015-1 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. 2015-1. 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. 2015-1 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 2014-15 Maximum Special Tax for each Special Tax Component for all Parcels of Developed Property shall be as shown in Table 1 below:

<b>Table 1: Developed Property</b>		
<b>Special Tax Component</b>	<b>Land Use Classification</b>	<b>FY 2014-15 Maximum Tax</b>
Neighborhood Park & Street Lighting Maintenance Tax	Residential Parcel	\$270.00 per Parcel
Neighborhood Park & Street Lighting Maintenance Tax	Commercial Parcel	\$270.00 per Acre
Community Park Maintenance Tax	Residential Parcel	\$265.00 per Parcel
Community Park Maintenance Tax	Commercial Parcel	\$265.00 per Acre
Neighborhood Landscape Maintenance Tax	Residential Parcel	\$259.00 per Parcel
Neighborhood Landscape Maintenance Tax	Commercial-In Compliance Parcel	\$0.00 per Acre
Neighborhood Landscape Maintenance Tax	Commercial-Out of Compliance Parcel	\$1,968.75 per Acre
Regional Park Maintenance Tax	Residential Parcel	\$120.00 per Parcel
Regional Park Maintenance Tax	Commercial Parcel	\$120.00 per Acre
Stormwater Maintenance Tax	Residential Parcel	\$377.00 per Parcel
Stormwater Maintenance Tax	Commercial Parcel	\$1,508.00 per Acre

**2. Undeveloped Property** - The Fiscal Year 2014-15 Maximum Special Tax for each Special Tax Component for all Parcels of Undeveloped Property shall be as shown in Table 2 below:

<b>Table 2: Undeveloped Property</b>		
<b>Special Tax Component</b>	<b>Land Use Classification</b>	<b>FY 2014-15 Maximum Tax</b>
Neighborhood Park & Street Lighting Maintenance Tax	Residential Parcel	\$2,575.00 per Acre
Neighborhood Park & Street Lighting Maintenance Tax	Commercial Parcel	\$270.00 per Acre
Community Park Maintenance Tax	Residential Parcel	\$1,264.00 per Acre
Community Park Maintenance Tax	Commercial Parcel	\$132.50 per Acre
Neighborhood Landscape Maintenance Tax	Residential Parcel	\$2,470.00 per Acre
Neighborhood Landscape Maintenance Tax	Commercial-In Compliance Parcel	\$0.00 per Acre
Neighborhood Landscape Maintenance Tax	Commercial-Out of Compliance Parcel	\$1,968.75 per Acre
Regional Park Maintenance Tax	Residential Parcel	\$572.00 per Acre
Regional Park Maintenance Tax	Commercial Parcel	\$60.00 per Acre
Stormwater Maintenance Tax	Residential Parcel	\$3,596.00 per Acre
Stormwater Maintenance Tax	Commercial Parcel	\$1,508.00 per Acre

### **3. Escalation of Maximum Special Tax**

On July 1, 2015, 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. 2015-1 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. 2015-1, 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, 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. SAMPLE SPECIAL TAX CALCULATION**

Set forth below is an example of the calculation of the Special Tax, based on a Fiscal Year 2014-15 calculation.

- 1) Calculate the Fiscal Year 2014-15 Special Tax Requirement for each Special Tax Component. Assume the Fiscal Year 2014-15 Special Tax Requirement for each Special Tax Component is as shown in Table 3 below:

Table 3 - Annual Requirement	
Special Tax Component	FY 2014-15 Special Tax Requirement
Neighborhood Park & Street Lighting Maintenance Tax	\$50,000.00
Community Park Maintenance Tax	\$20,000.00
Neighborhood Landscape Maintenance Tax	\$57,290.00
Regional Park Maintenance Tax	\$17,010.00
Stormwater Maintenance Tax	\$160,000.00
Total	\$304,300.00

- 2) For Fiscal Year 2014-15 assume that all of the Taxable Parcels within the boundaries of the CFD are classified as shown in Table 4 below:

Table 4: Taxable Parcels		
Parcel Classifications	No. of Parcels	Acreage
<i>Developed Parcels</i>		
Residential Parcel	210	N/A
Commercial Parcel	1	5.00
<i>Undeveloped Parcels</i>		
Residential Parcel	357	37.00
Commercial Parcel	1	17.88

3) Calculate the Fiscal Year 2014-15 Maximum Special Tax for each Taxable Parcel for each Special Tax Component separately as shown in Table 5 below.

Table 5: Maximum Special Tax for Taxable Parcels				
Parcel Classification	No. of Parcels	Acreage	FY 2014-15 Maximum Special Tax Rate	FY 2014-15 Maximum Special Tax
<b>Neighborhood Park &amp; Street Lighting Maintenance Tax</b>				
<i>Developed Parcels</i>				
Residential Parcel	210	N/A	\$270.00 per Parcel	\$56,700.00
Commercial Parcel	1	5.00	\$270.00 per Acre	\$1,350.00
<i>Undeveloped Parcels</i>				
Residential Parcel	357	37.00	\$2,575.00 per Acre	\$95,275.00
Commercial Parcel	1	17.88	\$270.00 per Acre	\$4,827.60
Neighborhood Park & Street Lighting Subtotal				\$158,152.60
<b>Community Park Maintenance Tax</b>				
<i>Developed Parcels</i>				
Residential Parcel	210	N/A	\$265.00 per Parcel	\$55,650.00
Commercial Parcel	1	5.00	\$265.00 per Acre	\$1,325.00
<i>Undeveloped Parcels</i>				
Residential Parcel	357	37.00	\$1,264.00 per Acre	\$46,768.00
Commercial Parcel	1	17.88	\$132.50 per Acre	\$2,369.10
Community Park Maintenance Subtotal				\$106,112.10
<b>Neighborhood Landscape Maintenance Tax</b>				
<i>Developed Parcels</i>				
Residential Parcel	210	N/A	\$259.00 per Parcel	\$54,390.00
Commercial-In Compliance Parcel	0	0.00	\$0.00 per Acre	\$0.00
Commercial-Out of Compliance Parcel	1	5.00	\$1,968.75 per Acre	\$9,843.75
<i>Undeveloped Parcels</i>				
Residential Parcel	357	37.00	\$2,470.00 per Acre	\$91,390.00
Commercial-In Compliance Parcel	0	0.00	\$0.00 per Acre	\$0.00
Commercial-Out of Compliance Parcel	1	17.88	\$1,968.75 per Acre	\$35,201.25
Neighborhood Landscape Maintenance Subtotal				\$190,825.00
<b>Regional Park Maintenance Tax</b>				
<i>Developed Parcels</i>				
Residential Parcel	210	N/A	\$120.00 per Parcel	\$25,200.00
Commercial Parcel	0	5.00	\$120.00 per Acre	\$600.00
<i>Undeveloped Parcels</i>				
Residential Parcel	357	37.00	\$572.00 per Acre	\$21,164.00
Commercial Parcel	0	17.88	\$60.00 per Acre	\$1,072.80
Regional Park Maintenance Subtotal				\$48,036.80
<b>Stormwater Maintenance Tax</b>				
<i>Developed Parcels</i>				
Residential Parcel	210	N/A	\$377.00 per Parcel	\$79,170.00
Commercial Parcel	0	5.00	\$1,508.00 per Acre	\$7,540.00
<i>Undeveloped Parcels</i>				
Residential Parcel	357	37.00	\$3,596.00 per Acre	\$133,052.00
Commercial Parcel	0	17.88	\$1,508.00 per Acre	\$26,963.04
Stormwater Subtotal				\$246,725.04
Annual Total				\$749,851.54

- 4) Levy each Special Tax Component Proportionately on each Taxable Parcel of Developed Property up to 100% of the Maximum Special Tax until the amount levied is equal to the Special Tax Requirement for the Special Tax Component as shown in Table 6 below.

Table 6: Applied Special Tax for Taxable Parcels						
Parcel Classification	No. of Parcels	Acreage	FY 2014-15 Maximum Special Tax Rate		FY 2014-15 Maximum Special Tax	FY 2014-15 Applied Special Tax
<b>Neighborhood Park &amp; Street Lighting Maintenance Tax</b>						
<i>Developed Parcels</i>						
Residential Parcel	210	N/A	\$270.00	per Parcel	\$56,700.00	\$48,837.21
Commercial Parcel	1	5.00	\$270.00	per Acre	\$1,350.00	\$1,162.79
<i>Undeveloped Parcels</i>						
Residential Parcel	357	37.00	\$2,575.00	per Acre	\$95,275.00	\$0.00
Commercial Parcel	1	17.88	\$270.00	per Acre	\$4,827.60	\$0.00
				Total	\$158,152.60	\$50,000.00
<b>Community Park Maintenance Tax</b>						
<i>Developed Parcels</i>						
Residential Parcel	210	N/A	\$265.00	per Parcel	\$55,650.00	\$19,534.88
Commercial Parcel	1	5.00	\$265.00	per Acre	\$1,325.00	\$465.12
<i>Undeveloped Parcels</i>						
Residential Parcel	357	37.00	\$1,264.00	per Acre	\$46,768.00	\$0.00
Commercial Parcel	1	17.88	\$132.50	per Acre	\$2,369.10	\$0.00
				Total	\$106,112.10	\$20,000.00
<b>Neighborhood Landscape Maintenance Tax</b>						
<i>Developed Parcels</i>						
Residential Parcel	210	N/A	\$259.00	per Parcel	\$54,390.00	\$48,510.37
Commercial-In Compliance Parcel	0	0.00	\$0.00	per Acre	\$0.00	\$0.00
Commercial-Out of Compliance Parcel	1	5.00	\$1,968.75	per Acre	\$9,843.75	\$8,779.63
<i>Undeveloped Parcels</i>						
Residential Parcel	357	37.00	\$2,470.00	per Acre	\$91,390.00	\$0.00
Commercial-In Compliance Parcel	0	0.00	\$0.00	per Acre	\$0.00	\$0.00
Commercial-Out of Compliance Parcel	1	17.88	\$1,968.75	per Acre	\$35,201.25	\$0.00
				Total	\$190,825.00	\$57,290.00
<b>Regional Park Maintenance Tax</b>						
<i>Developed Parcels</i>						
Residential Parcel	210	N/A	\$120.00	per Parcel	\$25,200.00	\$16,614.42
Commercial Parcel	1	5.00	\$120.00	per Acre	\$600.00	\$395.58
<i>Undeveloped Parcels</i>						
Residential Parcel	357	37.00	\$572.00	per Acre	\$21,164.00	\$0.00
Commercial Parcel	1	17.88	\$60.00	per Acre	\$1,072.80	\$0.00
				Total	\$48,036.80	\$17,010.00
<b>Stormwater Maintenance Tax</b>						
<i>Developed Parcels</i>						
Residential Parcel	210	N/A	\$377.00	per Parcel	\$79,170.00	\$79,170.00
Commercial Parcel	1	5.00	\$1,508.00	per Acre	\$7,540.00	\$7,540.00
<i>Undeveloped Parcels</i>						
Residential Parcel	357	37.00	\$3,596.00	per Acre	\$133,052.00	\$60,940.40
Commercial Parcel	1	17.88	\$1,508.00	per Acre	\$26,963.04	\$12,349.60
				Total	\$246,725.04	\$160,000.00
					\$749,851.54	\$304,300.00

- 5) Because the amount levied on Developed Property in Fiscal Year 2014-15 was equal, for each Special Tax Component, to the related Special Tax Requirement, it would not be necessary to levy the Special Tax on Undeveloped Property.

**H. TERM OF THE SPECIAL TAX**

The Special Tax shall be levied in perpetuity as necessary to pay the Special Tax Requirement.

**I. REPEAL OF THE SPECIAL TAX**

CFD No. 2015-1 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. 2015-1. 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. 2015-1, 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.

**J. 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. 15-\_\_

RESOLUTION CALLING SPECIAL LANDOWNER ELECTION  
FOR COMMUNITY FACILITIES DISTRICT

CITY OF OAKLEY  
Community Facilities District No. 2015-1  
(Emerson Ranch Maintenance)

**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 "City of Oakley Community Facilities District No. 2015-1 (Emerson Ranch Maintenance)" (the "CFD"), defining the public services (the "Services") to be provided by the CFD, 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"); and

**WHEREAS**, pursuant to the provisions of the Resolution of Formation, the propositions of the levy of the special tax and the establishment of the appropriations limit shall be submitted to the qualified electors of the CFD as required by the provisions of the Act.

**NOW THEREFORE, BE IT RESOLVED AND ORDERED**, as follows:

**1. Issues Submitted.** Pursuant to the Act, the issues of the levy of the special tax and the establishment of the appropriations limit shall be submitted to the qualified electors (as defined below) of the CFD at an election called therefor as provided below.

**2. Qualified Electors.** This Council hereby finds that fewer than 12 persons have been registered to vote within the territory of the CFD for each of the ninety (90) days preceding the close of the public hearings heretofore conducted and concluded by this Council for the purposes of these proceedings. Accordingly, and pursuant to Section 53326 of the Act, this Council finds that, for these proceedings, the qualified electors are the landowners within the CFD and that the vote shall be by such landowners or their authorized representatives, each having one vote for each acre or portion thereof such landowner owns in the CFD as of the close of the public hearing.

**3. Conduct of Election.** This Council hereby calls a special election to consider the issues described in section 1 above, which election shall be held on January 13, 2015, and the results thereof canvassed at the meeting of this Council on

January 13, 2015. The City Clerk is hereby designated as the official to conduct the election and to receive all ballots until the close of business on the election date. It is hereby acknowledged that the Clerk has on file the Resolution of Formation, a map of the boundaries of the CFD, and a sufficient description to allow the Clerk to determine the electors of the CFD. Pursuant to Section 53327 of the Act, the election shall be conducted by messenger or mail-delivered ballot pursuant to Section 4000 of the California Elections Code, except that Sections 53326 and 53327 of the Act shall govern for purposes of determining the date of the election.

**4. Ballot.** As authorized by Section 53353.5 of the Act, the issues described in section 1 above shall be combined into a single ballot measure, the form of which as attached hereto as Exhibit "A" is hereby approved. The City Clerk is hereby authorized and directed to cause a ballot, in substantially the form of Exhibit "A," to be delivered to each of the qualified electors of the CFD. Each ballot shall indicate the number of votes to be voted by the respective landowner to which the ballot pertains. Each ballot shall be accompanied by all supplies and written instructions necessary for the use and return of the ballot. The envelope to be used to return the ballot shall be enclosed with the ballot, have the return postage prepaid, and contain the following: (a) the name and address of the landowner, (b) a declaration, under penalty of perjury, stating that the voter is the owner of record or authorized representative of the landowner entitled to vote and is the person whose name appears on the envelope, (c) the printed name, signature and address of the voter, (d) the date of signing and place of execution of the declaration pursuant to clause (b) above, and (e) a notice that the envelope contains an official ballot.

**5. Waivers.** This Council hereby further finds that the provisions of Section 53326 of the Act requiring a minimum of 90 days following the adoption of the Resolution of Formation to elapse before the special election are for the protection of the qualified electors of the CFD. There is on file with the Clerk a written waiver executed by all of the qualified electors of the CFD allowing for a shortening of the time for the special election to expedite the process of formation of the CFD and waiving any requirement for notice, analysis and arguments in connection with the election. Accordingly, this Council finds and determines that the qualified electors have been fully apprised of and have agreed to the shortened time for the election and waiver of analysis and arguments, and have thereby been fully protected in these proceedings. This Council also finds and determines that the City Clerk has concurred in the shortened time for the election. Analysis and arguments with respect to the ballot measures are hereby waived, as provided in Section 53327 of the Act.

**6. Accountability.** Under Section 50075.1 of the Government Code, the following accountability provisions shall apply to the special taxes: (a) the provision of the Services and the incidental costs thereof, all as defined in the Resolution of Formation, shall constitute the specific single purpose; (b) the proceeds shall be applied only to the specific purposes identified in (a) above; (c) there shall be created special account(s) or funds(s) into which the proceeds shall be deposited; and (d) there shall be



caused to be prepared an annual report if required by Section 50075.3 of the Government Code.

7. **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 13<sup>th</sup> of January, 2015 by the following vote:

AYES:  
NOES:  
ABSTENTIONS:  
ABSENT:

**APPROVED:**

\_\_\_\_\_  
Doug Hardcastle, Mayor

**ATTEST:**

\_\_\_\_\_  
Libby Vreonis, City Clerk

\_\_\_\_\_  
Date

**EXHIBIT A**

**CITY OF OAKLEY  
Community Facilities District No. 2015-1  
(Emerson Ranch Maintenance)**

**OFFICIAL BALLOT  
SPECIAL TAX ELECTION**

This ballot is for a special, landowner election. You must return this ballot in the enclosed postage paid envelope to the office of the City Clerk of the City of Oakley no later than the hour of 6:30 p.m. on Tuesday, January 13, 2015, either by mail or in person. The City Clerk's office is located at 3231 Main Street, Oakley, California.

To vote, mark a cross (X) on the voting line after the word "YES" or after the word "NO". All marks otherwise made are forbidden. All distinguishing marks are forbidden and make the ballot void.

If you wrongly mark, tear, or deface this ballot, return it to the City Clerk of the City of Oakley and obtain another.

**BALLOT MEASURE:** Shall the City of Oakley be authorized to annually levy a special tax solely on lands within the City of Oakley Community Facilities District No. 2015-1 (Emerson Ranch Maintenance) (the "CFD") in accordance with the rate and method contained in the Resolution of Formation of the CFD adopted by the City Council of the City on January 13, 2015, commencing in the City's fiscal year 2015-16, to pay for the municipal services for the CFD and to pay the costs of the City in administering the CFD, and shall the annual appropriations limit of the CFD be established in the amount of \$10,000,000?

**YES:** \_\_\_\_\_

**NO:** \_\_\_\_\_

By execution in the space provided below, you also confirm your written waiver of the time limit pertaining to the conduct of the election and any requirement for analysis and arguments with respect to the ballot measure.

Number of acres: 140.25

Number of Votes: 141

Property Owner: Brookfield Emerson  
Land LLC, a Delaware limited liability  
company

---

Authorized Representative

RESOLUTION NO. 15-\_\_

RESOLUTION DECLARING RESULTS OF SPECIAL LANDOWNER ELECTION AND  
DIRECTING RECORDING OF NOTICE OF SPECIAL TAX LIEN

CITY OF OAKLEY  
Community Facilities District No. 2015-1  
(Emerson Ranch Maintenance)

**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 "City of Oakley Community Facilities District No. 2015-1 (Emerson Ranch Maintenance)" (the "CFD"), 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 provisions of the Resolution of Formation and pursuant to a resolution entitled "Resolution Calling Special Landowner Election for Community Facilities District" (the "Election Resolution") 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 provisions of the Act.

**WHEREAS**, pursuant to the terms of the Election Resolution, which are by this reference incorporated herein, the special election has been held and the City Clerk has on file a Canvass and Statement of Results of Election, (the "Canvass") a copy of which is attached hereto as Exhibit A; and

**WHEREAS**, this Council has been informed of the Canvass, finds it appropriate and wishes to complete its proceedings for the CFD.

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED**, as follows:

1. **Recitals.** The foregoing recitals are all true and correct.
2. **Issues Presented.** The issues presented at the special election were the levy of a special tax within the CFD and the approval of an annual appropriations limit of not to exceed \$10,000,000, all pursuant to the Resolution of Formation.
3. **Canvass and Issues Approved.** The Council hereby approves the Canvass and finds that it shall be a permanent part of the record of its proceedings for

the CFD. Pursuant to the Canvass, the issues presented at the special election were approved by the qualified electors of the CFD by more than two-thirds of the votes cast at the special election.

**4. Proceedings Approved.** Pursuant to the voter approval, the CFD is hereby declared to be fully formed with the authority to levy the special taxes and to have the established appropriations limit, all as heretofore provided in these proceedings and in the Act. It is hereby found that all prior proceedings and actions taken by this Council with respect to the CFD were valid and in conformity with the Act.

**5. Notice of Tax Lien.** The City Clerk is hereby directed to complete, execute and cause to be recorded in the office of the County Recorder of the County of Contra Costa a notice of special tax lien in the form required by the Act, such recording to occur no later than fifteen (15) days following adoption of this resolution by the Council

**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 13<sup>th</sup> of January, 2015 by the following vote:

AYES:  
NOES:  
ABSTENTIONS:  
ABSENT:

**APPROVED:**

\_\_\_\_\_  
Doug Hardcastle, Mayor

**ATTEST:**

\_\_\_\_\_  
Libby Vreonis, City Clerk

\_\_\_\_\_  
Date

EXHIBIT A

CANVASS AND STATEMENT OF RESULT OF ELECTION

CITY OF OAKLEY  
Community Facilities District No. 2015-1  
(Emerson Ranch Maintenance)

I hereby certify that on January 13, 2015, I canvassed the returns of the election held on January 13, 2015, in the City of Oakley Community Facilities District No. 2015-1 (Emerson Ranch Maintenance) and the total number of ballots cast in such District and the total number of votes cast for and against the measure are as follows and the totals as shown for and against the measure are full, true and correct:

	<u>Qualified Landowner Votes</u>	<u>Votes Cast</u>	<u>YES</u>	<u>NO</u>
City of Oakley Community Facilities District No. 2015-1 (Emerson Ranch Maintenance) Special Tax Election, January 13, 2015.	141	_____	_____	_____

**BALLOT MEASURE:** Shall the City of Oakley be authorized to annually levy a special tax solely on lands within the City of Oakley Community Facilities District No. 2015-1 (Emerson Ranch Maintenance) (the "CFD") in accordance with the rate and method contained in the Resolution of Formation of the CFD adopted by the City Council of the City on January 13, 2015, commencing in the City's fiscal year 2015-16, to pay for the municipal services for the CFD and to pay the costs of the City in administering the CFD, and shall the annual appropriations limit of the CFD be established in the amount of \$10,000,000?

YES: \_\_\_\_\_

NO: \_\_\_\_\_

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND on January 13, 2015.

By: \_\_\_\_\_  
City Clerk  
City of Oakley



## ORDINANCE NO. 15-\_\_

AN ORDINANCE OF THE CITY OF OAKLEY LEVYING SPECIAL TAX WITHIN  
COMMUNITY FACILITIES DISTRICTCITY OF OAKLEY  
Community Facilities District No. 2015-1  
(Emerson Ranch Maintenance)SECTION 1. FINDINGS

A. On December 9, 2014, this Council adopted a resolution entitled "Resolution of Intention to Establish Community Facilities District" (the "Resolution of Intention"), and has conducted proceedings (the "Proceedings") to establish "City of Oakley Community Facilities District No. 2015-1 (Emerson Ranch Maintenance)" (the "CFD") pursuant to the Mello-Roos Community Facilities Act, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act") to finance certain municipal services (the "Services") as provided in the Act;

B. Pursuant to notice as specified in the Act, and as part of the Proceedings, the Council has held a public hearing under the Act relative to the determination to proceed with the formation of the CFD and the rate and method of apportionment of the special tax ("Special Tax") to be levied within the CFD to finance the Services, and at such hearing all persons desiring to be heard on all matters pertaining to the formation of the CFD and the levy of the Special Tax were heard, substantial evidence was presented and considered by this Council and a full and fair hearing was held;

C. Upon the conclusion of the hearing, this Council adopted its "Resolution of Formation of Community Facilities District" (the "Resolution of Formation"), pursuant to which it completed the Proceedings for the establishment of the CFD, the authorization of the levy of the Special Tax within the CFD and the calling of an election within the CFD on the propositions of levying the Special Tax and establishing an appropriations limit within the CFD, respectively; and

D. On January 13, 2015, a special election was held among the landowner voters within the CFD at which such voters approved such propositions by the two-thirds vote required by the Act, which approval has been confirmed by resolution of this Council.

SECTION 2. By the passage of this Ordinance, the Council hereby authorizes and levies the Special Tax within the CFD pursuant to the Act, at the rate and in accordance with the rate and method of apportionment of Special Tax set forth in the Resolution of Formation which rate and method is by this reference incorporated herein. The Special Tax is hereby levied commencing in fiscal year 2015-16 and in each fiscal year thereafter to pay for the Services for the CFD, as contemplated by the Resolution of Formation and the Proceedings and all costs of administering the CFD.

SECTION 3. The City's Finance Manager or designee, or an employee or consultant of the City, is hereby authorized and directed each fiscal year to determine the specific Special Tax to be levied for the next ensuing fiscal year for each parcel of real property within the CFD, in the manner and as provided in the Resolution of Formation.

SECTION 4. Exemptions from the levy of the Special Tax shall be as provided in the Resolution of Formation and the applicable provisions of the Act. In no event shall the Special Tax be levied on any parcel within the CFD in excess of the maximum Special Tax specified in the Resolution of Formation.

SECTION 5. All of the collections of the Special Tax shall be used as provided in the Act and in the Resolution of Formation, including, but not limited to, the payment of costs of the Services, the payment of the costs of the City in administering the CFD, and the costs of collecting and administering the Special Tax.

SECTION 6. The Special Tax shall be collected in the same manner as ordinary ad valorem taxes are collected and shall have the same lien priority, and be subject to the same penalties and the same procedure and sale in cases of delinquency as provided for ad valorem taxes; provided, however, that the Council may provide for other appropriate methods of collection by resolution(s) of the Council. In addition, the provisions of Section 53356.1 of the Act shall apply to delinquent Special Tax payments. The Finance Manager of the City is hereby authorized and directed to provide all necessary information to the auditor/tax collector of the County of Contra Costa in order to effect proper billing and collection of the Special Tax, so that the Special Tax shall be included on the secured property tax roll of the County of Contra Costa for fiscal year 2015-16 and for each fiscal year thereafter until no longer required to pay for the Services or until otherwise terminated by the City.

SECTION 7. If for any reason any portion of this ordinance is found to be invalid, or if the Special Tax is found inapplicable to any particular parcel within the CFD, by a court of competent jurisdiction, the balance of this ordinance and the application of the Special Tax to the remaining parcels within the CFD shall not be affected.

SECTION 8. The Mayor shall sign this Ordinance and the City Clerk shall cause the same to be published immediately after its passage at least once in a newspaper of general circulation circulated in the City.

SECTION 9. This Ordinance shall take effect 30 days from the date of final passage.

The foregoing Ordinance was adopted at a regular meeting of the City Council of the City of Oakley held on the 13th day of January, 2015, by Councilmember \_\_\_\_\_ who moved its adoption and passage, which motion being duly seconded by Councilmember \_\_\_\_\_ was upon voice vote carried and ordered posted by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

**APPROVED:**


\_\_\_\_\_  
Doug Hardcastle, Mayor

**ATTEST:**

\_\_\_\_\_  
City Clerk



## STAFF REPORT

**Date:** January 13, 2015  
**To:** City Council  
**From:** Bryan Montgomery, City Manager   
Dwayne Dalman, Economic Development Manager

**SUBJECT:** Resolution consenting to the assignment of the Lease Agreement between the City and Republic of Cake, LLC to Byrnes Enterprise, LLC, doing business as Mr. Pickles Sandwich Shop at the property located at 3080 Main St. in Oakley.

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### Background and Analysis

In February of 2013, the City entered into a lease agreement with Republic of Cake, LLC (ROC) for the retail building located at 3080 Main Street (Lease Agreement and First Amendment are attached). Sales activity started strong and continued for several months; however, more recently some reduction in sales has taken place. This, combined with health concerns of one of the principals, has led ROC to the decision to sell the business. ROC contracted with a well-known restaurant broker and discussions have taken place with various interested parties. City staff also publicized and distributed notice of the impending availability of the space.

To assist with the marketing of the location, the City Council approved on December 9, 2014 a Second Amendment to the Lease Agreement that broadened the potential uses of the space. The relevant language of the Second Amendment is that *"The premises are leased to Lessee for the purpose of a food establishment that may offer some or all of the following: baked goods, desserts, sandwiches, salads, soup, ice cream, cookies, smoothies, wine and spirits tastings, barbecue or specialty food dining, coffee, tea, bottled water, soda, and milk and for no other purpose without the written consent of the Lessor."*

There has been significant interest expressed in the location with three potential users expressing the most interest and making proposals to the broker: a sandwich shop, a specialty ice cream business, and a barbecue restaurant. All of these uses comply with the Downtown Specific Plan and comply with the use language mentioned above; however, the sandwich shop has provided the offer most acceptable to the owners of the current tenant, Republic of Cake, LLC.

The owner of the proposed sandwich shop is Byrnes Enterprise, LLC who does business as Mr. Pickles Sandwich Shop. Byrnes has an existing location on 4049 Lone Tree Way in Antioch. This location is doing well and Byrnes can be

considered as an experienced and successful operator. Republic of Cake, LLC is desirous to assign the Lease Agreement to Byrnes and is requesting the City's consent.

It is important to note that the Lease Agreement is currently month-to-month and Byrnes has reasonably requested that a long-term lease agreement be in place before he commences operations. The proposed deal points for that long-term lease are as follows:

- 5-year lease agreement
- \$1,550 rent per month, increasing 3% per year (This amount is a within Staff's estimate of "market" rate for Oakley - \$1.50 to \$1.75/sq.ft.)
- Payment of monthly Common Area Maintenance charges in addition to rent (currently about \$200/month)
- \$3,200 security deposit
- Though not likely due to rules of the Mr. Pickles franchise, tenant agrees to work with City Staff on the possibility of the location being used for evening wine tastings after 8:30pm – most likely on just the weekends.

If the Council agrees to consent to the Assignment, these terms (as may be modified during this meeting's discussion and still agreeable to Byrnes) would be incorporated into a formal lease agreement document on the January 27, 2014 City Council Meeting agenda for your final consideration.

#### **Fiscal Impact**

Continued lease revenue - currently \$1,333 per month plus some percentage rent as annual gross revenues exceed \$175,000. (Of course, other revenues are derived directly and indirectly from the economic activity of continued business operations at the site). The terms of the eventual long-term lease may be slightly different, but no less than the current lease revenue is expected or recommended.

#### **Recommendation**

Adopt a resolution consenting to the assignment of the Lease Agreement between the City and Republic of Cake, LLC to Byrnes Enterprise, LLC, doing business as Mr. Pickles Sandwich Shop. Further, the City Council directs Staff to prepare a long-term lease agreement with the terms mentioned herein.

#### **Attachment**

1. Resolution
2. Assignment Agreement
3. Original Lease Agreement with Republic of Cake, LLC
4. First Amendment to Lease Agreement

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE OAKLEY CITY COUNCIL APPROVING  
THE AGGREMENT CONSENTING TO THE ASSIGNMENT OF THE LEASE  
AGREEMENT BETWEEN THE CITY OF OAKLEY AND THE REPUBLIC OF  
CAKE, LLC, TO BYRNES ENTERPRISE, LLC, FOR THE PROPERTY  
LOCATED AT 3080 MAIN STREET, OAKLEY, CALIFORNIA**

**BE IT RESOLVED** by the City Council hereby approves the Agreement consenting to the assignment of the Lease Agreement between the City and Republic of Cake, LLC., to Byrnes Enterprise, LLC, doing business as Mr. Pickles Sandwich Shop, a true and accurate copy of which is attached hereto, and authorizes the City Manager to sign Agreement on behalf of the City.

The foregoing resolution was adopted at a regular meeting of the City Council a held on the 13<sup>th</sup> day of January, 2015, 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:

\_\_\_\_\_  
Doug Hardcastle, Mayor

ATTEST:

\_\_\_\_\_  
Libby Vreonis, City Clerk

\_\_\_\_\_  
Date

**AGREEMENT CONSENTING TO THE ASSIGNMENT OF  
THE LEASE AGREEMENT BETWEEN THE CITY OF OAKLEY AND  
REPUBLIC OF CAKE, LLC TO BYRNES ENTERPRISE, LLC**

This Agreement Consenting to the Assignment of a certain lease agreement for property located at 3080 Main Street in Oakley, California, is made and effective this \_\_\_\_\_ day of \_\_\_\_\_, 2015, by and between the City of Oakley, a municipal corporation (hereinafter referred to as "City"), Republic of Cake, LLC ("the Assignor"), and Byrnes Enterprise, LLC, doing business as Mr. Pickles Sandwich Shop ("the Assignee").

**RECITALS**

- A. On August 27, 2013, the City entered into a lease agreement with Republic of Cake, LLC for a City-owned commercial retail building located at 3080 Main Street in Oakley, a copy of said lease agreement is attached hereto as Exhibit A.
- B. Section 15 of the lease agreement provides for the potential assignment of the lease agreement and that the City shall not "unreasonably withhold" approval of such an assignment.
- C. Republic of Cake, LLC desires to transfer and assign to Byrnes Enterprise, LLC all rights and interest in the lease agreement.
- D. Byrnes Enterprise, LLC desires to accept all the terms and conditions of the lease agreement and to assume all corresponding responsibilities of the Republic of Cake, LLC that are set forth in the lease agreement.
- E. City has determined that Byrnes Enterprise, LLC has the financial and institutional capacity to meet the terms and conditions of the lease agreement.

**AGREEMENTS**

**IN WITNESS WHEREOF**, City as landlord, Republic of Cake as Assignor, and Byrnes Enterprise, LLC as Assignee, each in consideration of the mutual promises, conditions and covenants herein contained, agree as follows:

**Section 1.** Republic of Cake, LLC transfers and assigns to Byrnes Enterprise, LLC all of its rights and interest in the lease agreement for the City-owned property located at 3080 Main Street, effective January 31, 2015.

**Section 2.** Effective January 31, 2015 Byrnes Enterprise, LLC accepts all the terms and conditions of the lease agreement and assumes all corresponding responsibilities of the Republic of Cake, LLC that are set forth in the lease agreement.

**Section 3.** City consents to the assignment as described herein and hereby agrees to enter into a mutually agreeable long-term lease with Assignee, as mentioned in the lease agreement.

**IN WITNESS WHEREOF**, the parties have executed this Assignment as of the day and year first above written.

**CITY:**

CITY OF OAKLEY, a public body corporate and politic

By \_\_\_\_\_  
Bryan H. Montgomery, City Manager

**ATTEST:**

\_\_\_\_\_  
Libby Vreonis, City Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
William R. Galstan, Special Counsel

**ASSIGNOR:**

Republic of Cake, LLC

By \_\_\_\_\_  
Peter McNiff, Owner

By \_\_\_\_\_  
Chih Chung Fang, Owner

**ASSIGNEE:**

Byrnes Enterprise, LLC  
dba Mr. Pickles Sandwich Shop

By \_\_\_\_\_  
William Byrnes, Owner



**LEASE AGREEMENT**  
**3080 Main Street, Oakley, California**

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**LEASE AGREEMENT**  
**3080 Main Street, Oakley, California 94561**

This Lease Agreement ("Lease"), by and between the Successor Agency to the Oakley Redevelopment Agency and the City of Oakley, a municipal corporation ("Lessor"), and Peter McNiff and Chih-Chung Fang, individually and dba Republic of Cake, LLC, hereinafter collectively designated as ("Lessee"), is made on the following terms and conditions:

*Recitals*

- A. The City of Oakley and the Successor Agency to the Oakley Redevelopment Agency, collectively herein "CITY" is the owner of that real property located at 3080 Main Street, Oakley, California.

The CITY has created, approved and is intending to record a parcel map or a lot line adjustment to create a separate legal parcel encompassing the commonly described property listed in paragraph A and as set forth as parcel "B" on the map attached hereto as Exhibit "A". This will be the property that is the subject of this Lease and is referred to as APN 037-200-011, "the property".

- B. Lessee has submitted a bid proposal pursuant to the terms of the Oakley Municipal Code for the lease of the property. The bid proposal is attached hereto, marked Exhibit "B" and is made a part of this agreement hereto in its entirety.
- C. The property was acquired by Lessor with the use of funding from the Oakley Redevelopment Agency. Because of law adopted by the State of California, the Oakley Redevelopment Agency has been disbanded and its rights and obligations assumed by the Successor Agency to the Oakley Redevelopment Agency. The Successor Agency is charged with disposing of real property acquired with redevelopment funding, as directed by the Oversight Board of the Successor Agency to the Oakley Redevelopment Agency and the Department of Finance. The Department of Finance has not approved Lessor to dispose of or retain the property at this time. Lessor shall enter into a short-term lease with Lessee as it awaits the determination of the Department of Finance. Should the Department of Finance determine

**LEASE AGREEMENT**  
**3080 Main Street, Oakley, California**

---

Lessor may retain the property, Lessor may enter into a long-term lease, including options, with Lessee.

*Agreement*

Now, therefore, the parties agree as follows:

1. **DESCRIPTION.** Lessor hereby leases unto Lessee, and Lessee hereby leases from Lessor, on the terms and conditions hereinafter set forth, those certain premises hereinafter referred to as the "leased premises" and described as follows:

Those certain premises located at 3080 Main Street, Oakley, California,  
(Assessor's Parcel Number 037-200-011)

2. **TERM.** The term of this Lease shall be month-to month, commencing on the 1<sup>st</sup> day of November 2013. Lessor shall have the right to terminate this Lease prior to expiration of this term upon 60 days written notice to Lessor, as provided for herein.

a. **Short-Term lease.** This Lease begins as a month-to-month tenancy. Payment of rent and CAM (Common Area Maintenance) charges are waived until Lessee begins retail sales at the property, which date shall be confirmed by letter addressed from one party to the other.

b. **Long-Term Lease.** Lessor intends to enter into a long-term lease period with Lessee upon the State Department of Finance determining that the Lessor is not required to dispose of the property. Such event shall be documented in a letter from one party to the other. The consummation of the long-term lease shall be conditioned and contingent upon the following:

- a) Approval of the State Department of Finance for Lessor to retain the property;
- b) Lessee's adherence to the terms and conditions of this Lease, including timely payment of all rent and CAM charges;
- c) Lessee's successful business performance and desire to enter into the long-term lease.

**LEASE AGREEMENT**  
**3080 Main Street, Oakley, California**

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If the above conditions are satisfied, the parties intend to create a lease period with two five-year options. Any provisions specific to the long-term lease shall be approved by both parties and reduced to writing.

3. **RENT AND COMMON AREA MAINTENANCE CHARGES.** The rent for the leased premises shall be the sum of one dollar per square foot and will increase by two and one half percent (2.5%) on the 1<sup>st</sup> day of September each year. The base rent will be **ONE THOUSAND THREE HUNDRED DOLLARS AND NO/100 (\$1,300.00)** per month, payable in advance, commencing on the **1<sup>st</sup> day of November, 2013,** and on the 1<sup>st</sup> day of every month thereafter.

- a. **Percentage Rent.** Lessee agrees to pay Lessor basic rent combined with percentage rent. For years 1-5, the breakpoint will be set at \$175,000 with a percentage rent of 5.0% to be paid on all gross revenue over \$175,000. In years 6-10, the breakpoint will increase to \$200,000 with the percentage rent remaining at 5.0% on all gross revenue over \$200,000.
- b. The common area maintenance ("CAM") charges, that include operating costs, taxes, special assessment and charges further defined in Paragraphs 7, 8 and 14 of this Lease, shall also be payable on the 1<sup>st</sup> day of every month. Lessee shall pay Lessor as a monthly estimated amount of \$0.50 per foot per month for the initial five year lease term or **SIX HUNDRED FIFTY DOLLARS AND NO/100 (\$650.00)** for the CAM charges. Periodically, but not more frequent than after each calendar quarter, Lessor shall prepare statements of costs allocable to the lease premises and send those statements to Lessee. Lessee agrees to pay within thirty (30) days of the date of the statements, any amounts allocable that were not paid, if any. Lessor agrees to reimburse Lessee within thirty (30) days for any CAM payments in excess of the amounts allocable, if any.

Rent and CAM charges payments shall be mailed or hand-delivered to:

City of Oakley  
Attn: Finance Director  
3231 Main Street

**LEASE AGREEMENT**  
**3080 Main Street, Oakley, California**

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Oakley, CA 94561

If Lessee becomes the fee owner of the property in the future, it will enter into a Common Area Maintenance Agreement with the City for the ongoing maintenance of the common area on terms similar to the above CAM charges, or will participate in a Parking District on similar terms and conditions.

4. **SECURITY DEPOSIT:** Lessor holds a deposit in the amount of ONE THOUSAND THREE HUNDRED DOLLARS AND NO/100 (\$1,300.00), as security for the full and faithful performance by Lessee of all terms, conditions, and covenants of this Lease.

Upon termination of this Lease, the Lessor may use any portion of the security deposit as may be reasonably necessary to remedy Lessee's defaults of the provisions of this Lease Agreement, including, but not limited to, payment of unpaid rent due under paragraph 2 of this Lease, cleaning of the Premises, repair of damage, or for storage of personal property which has been abandoned by Lessee. Any remaining portion of the security deposit after such deduction shall be mailed to Lessee at Lessee's last known address.

5. **TENANT IMPROVEMENT PARTICIPATION.** Lessor shall build-out the facility, including all fixed in place equipment such as plumbing, restrooms, hood with make-up and exhaust systems, grease trap/collector, electrical, HVAC, sewer system, built-in customer counter and all other fixed equipment at an amount not to exceed \$220,000, unless this additional funding is provided. Lessee shall provide all removable equipment (ovens, refrigerators, furniture, point of sale system, etc.) at Lessee's own expense.

6. **LIQUIDATED DAMAGES.** In the event Lessor is forced to dispose of the property, Lessor agrees to reimburse the Lessee up to an amount equal to any tenant improvements made and equipment purchased, not to exceed \$55,000, unless Lessee agrees to continue with the Lease on substantially the same terms and conditions as the current Lease with the new owner, the Lessee is not injured and the Lessee does not lose its investment in the tenant improvements.

7. **DELINQUENT RENT AND LATE CHARGES:** If any rent and accompanying CAM charges are not paid to the Lessor within ten (10) days after due date of the 1<sup>st</sup> of the month, a late charge of TWO-HUNDRED FIFTY DOLLARS AND

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**3080 Main Street, Oakley, California**

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NO/100 (\$250) shall be added to the payment and the total sum shall become immediately due and payable to Lessor. Failure to pay within twenty (20) days after the due date will incur an additional late charge of THREE-HUNDRED FIFTY DOLLARS AND NO/100 (\$350) which shall be added to the payment and the total sum shall become immediately due. Failure to pay rent and accompanying CAM charges, and any late charges mentioned herein within thirty (30) days after the due date will immediately terminate this Lease.

In the event that Lessee shall become delinquent in paying Lessor any payment due pursuant to this Lease, Lessee shall pay to Lessor interest on said unpaid balance at a rate of one and one-half percent (1½%) per month, from the date said rent, accompanying CAM charges and late charges were due and payable until paid.

**8. USE:** The premises are leased to Lessee for the purpose of a bakery, offering cupcakes, ice cream cookie sandwiches, coffee, tea, bottled water, soda, and milk, and for no other purpose without the written consent of the Lessor. Lessee shall not leave the premises unoccupied or vacant, but shall conduct and carry on only the type of business specifically set forth herein, keep in stock a line of merchandise of such size, character and quality as is reasonably designed to produce the maximum amount of gross sales and revenues, maintain an adequate sales force to serve all customers properly, and operate such business in an efficient and diligent manner at all times during the term of this Lease. Said business shall be kept open continuously each day of the week during the hours customary for business of like character, generally recognized holidays excepted. Lessee agrees to expand business hours to meet customer demand.

**9. COMMON AREAS:** The Lessor reserves the right to regulate the use of areas and facilities which are available for use by the general public or Lessor's other lessees and designees, for ingress and egress, for service and loading areas and for parking, whether within or without the area of the leased premises described above. Lessee agrees that the maintenance and use of such areas by the Lessee, its employees, agents, customers and invitees, shall be in common with others, as Lessor may from time to time permit. The manner in which the said common areas and facilities shall be maintained, and the expenditures for maintenance shall be at the sole discretion of Lessor and the use of such areas and facilities shall be subject to such reasonable regulations and changes as Lessor shall make from time to time.

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No part of any parking area adjoining the premises is leased hereunder, but Lessor agrees that the parking area shall be available to be used by customers of Lessee along with customers of other tenants of the shopping center. Lessee, its employees and agents shall park their automobiles in such a place or places as shall be designated by Lessor. Lessee agrees that upon written notice from Lessor, it will, within five days, furnish the automobile license numbers of its cars and the cars of all its employees and agents.

**10. UTILITIES, SERVICES AND OPERATING COST.** Any utilities and services individually metered to Lessee or supplied individually to Lessee shall be paid directly by Lessee at Lessee's sole cost and expense. In addition, Lessee agrees to pay to Lessor, Lessee's proportional share of the cost of such items and services as Lessor may deem appropriate to good order, protection, condition and repair of the shipping center and which may be provided in common with other tenants of the building of which the leased premises are a part and may include, but shall not be limited to: (a) parking lot paving, sweeping, lighting, striping, drainage and maintenance and the cost to have abandoned vehicles removed from the shipping center; (b) maintenance, repair and replacement of and utilities to operate heating and air conditioning systems if the same are provided centrally, (c) maintenance and lighting of the shipping center signs; (d) water and sewage; (e) garbage and trash removal; (f) business permit fees, parking or occupancy taxes and charges assessed against the shipping center by governmental agencies; (g) fire, casualty, public liability, rental and other insurance in amounts and covering hazards deemed appropriate by Lessor; (h) cleaning and painting of exterior walls and removal of graffiti; (i) cleaning and lighting of walkways and common areas; (j) gardening and maintenance of planted areas and weed abatement; (k) security guards, inspectors and parking lot attendants; and (l) seasonal decorations. Lessee's share of costs for these services shall be paid to Lessor as set forth in Paragraph 3.

If individual heating or air conditioning units or any other equipment and fixtures are provided to Lessee, Lessee shall pay the full cost of operating, maintaining, replacing and repairing same during the term hereof.

**11. ALTERATIONS AND REPAIRS.** Lessee shall make no alterations of or additions to either the interior or exterior of the said premises without the written consent of Lessor. Any such additions to or alterations of the premises

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shall be made at the expense of the Lessee, and any such alterations of or additions to the premises, including any locks, bolts or security grating and hardware, shall become at once a part of the realty and belong to Lessor. Lessee, at Lessee's sole cost, is responsible for all repairs and maintenance of the lease premises and shall keep and maintain said premises and appurtenances and every part thereof, including but not limited to the store front, exterior walls, doors, roof, plumbing, sewers, plate glass and other glazing, duct work, electrical wiring and lights, sign fixtures, canopies and sidewalks adjacent to the premises, floors, ceilings, fire sprinkler systems and the entire interior of the premises in good and sanitary order, condition and repair, making replacements as necessary. Lessee hereby waives all right to make repairs at the expense of Lessor as provided in Section 1942 of the Civil Code of the State of California, and all rights provided for by Section 1941 of said Civil Code. If, during the term of this Lease, in the judgment of Lessor, the Lessee shall fail to keep and maintain the premises in any respect required by this Paragraph, Lessor may do anything necessary to correct the problem by restoring the good and sanitary order and condition, or make the repair, provided that the Lessee shall have failed to correct such problem or make such repair within fifteen (15) days after receipt of notice from Lessor. Any amounts expended by Lessor to correct such problem or make such repair shall be deemed to be additional rental and is payable as such on the next day upon which rent becomes due.

By entry hereunder, Lessee accepts the premises in their present order, condition and repair and agrees on the last day of said term or sooner termination of this Lease, to surrender unto Lessor said premises with the said appurtenances in the same condition as when received, reasonable use and wear thereof excepted. Lessee understands that Lessor makes no representations or warranties as to the physical or mechanical qualities of the premises. Any costs at the outset necessary to make the leased premises tenantable shall be borne by the Lessee.

**12. TRADE FIXTURES.** Subject to the provisions of this Agreement, Lessee at Lessee's expense may install in or on the leased premises such fixtures, equipment, furniture and property as it may consider advisable for the conduct of its business, provided that any such installation shall not cause any material damage to the improvements on the leased premises. Lessee shall remove all unattached, movable furniture, trade fixtures and store equipment installed on the leased premises by Lessee and the same shall be removed by Lessee at or before the expiration or termination of this Lease, or any renewal term hereof, and if

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damage is caused by such removal, Lessee agrees to repair such damage at its own cost forthwith.

**13. FREE FROM LIENS.** Lessee shall keep the leased premises and the property in which the leased premises are situated free from any liens arising out of any work performed, materials furnished, or obligations incurred by or for Lessee.

**14. COMPLIANCE WITH GOVERNMENTAL REGULATIONS.** Lessee shall, at its sole cost and expense, comply with all of the requirements of all County, Municipal, State and Federal authorities now in force, or which may hereafter be in force, pertaining to the leased premises, and shall faithfully observe in the use of the premises all County, Municipal, State and Federal laws now in force or which may hereafter be in force. The judgment of any court of competent jurisdiction, or the admission of Lessee in any action or proceeding against Lessee, whether Lessor be party thereto or not, that Lessee has violated any such laws in the use of the premises, shall be conclusive of that fact as between Lessor and Lessee.

**15. ASSIGNMENT OR SUBLETTING.** Lessee shall not assign this Lease, nor any right hereunder, nor sublet the premises, nor any part thereof, without the Lessor's prior written consent of the assignment or subletting after reviewing the proposed tenant's business background, creditworthiness and financial conditions which written consent shall not be unreasonably withheld by Lessor. Lessor's consent to any assignment shall be withheld in the event there shall be any change or modification of the use of the premises from that stipulated in Paragraph 4 above. Upon any assignment or subletting, the parties agree that the base rent stipulated in Paragraph 3 above shall be increased to the market rent determined by survey of the rent then being asked for similar vacant premises in the area, but in no event shall the new base rent be less than the base rent payable for the last full month immediately preceding the assignment or subletting. Lessor's consent to any one assignment or subletting, shall not constitute a waiver of any subsequent assignment or subletting requirements as set forth in this Agreement. Any assignment or subletting without the Lessor's consent shall, at the option of the Lessor, be voidable and be deemed a breach of this Lease. In the event of any assignment or subletting, it is understood that Lessee shall not be relieved of any liability or performance of any term of this Lease.



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**16. TAXES AND ASSESSMENTS.**

**16.1 PERSONAL PROPERTY AND TRADE FIXTURES.** Lessee shall be liable for all taxes and assessments levied against personal property and trade fixtures or improvements placed by or for Lessee in, on or about the leased premises. If any such taxes or assessments on Lessee's personal property or trade fixtures or improvements are levied against the Lessor or Lessor's property, and if Lessor pays the same, which Lessor shall have the right to do regardless of the validity of such levy, of if the assessed value of Lessor's property is increased by the inclusion therein of the value placed upon such personal property or improvements of Lessee, and if Lessor pays the taxes and assessments based on such increased assessment, which Lessor shall have the right to do, regardless of the validity thereof, Lessee, upon demand, shall, as the case may be, repay to Lessor the taxes and assessments so levied against Lessor, or the proportion of such taxes and assessments resulting from such increases in the assessment.

**16.2 PROPERTY TAXES AND ASSESSMENTS.** Lessee agrees to pay Lessor Lessee's proportional share as defined in paragraph 7 of the total taxes and special assessments upon the whole of the land and building and parking lot, upon and within which, the leased premises are situated. A statement of the taxes and special assessments for each year shall be prepared by Lessor and a copy thereof furnished to Lessee, and Lessor's good faith computation of Lessee's prorata share of said taxes and assessments for the year shall be final and binding on all parties. The taxes and assessments due from Lessee for the first and last years of the lease term shall be prorated so as to include only those portions of the taxable years which are part of the lease period. If property taxes are cancelled following Lessor's acquisition of the property, Lessee shall pay any possessory interest tax levied by Contra Costa County.

**17. ADVERTISEMENTS AND SIGNS.** Lessee shall not place or permit to be placed any sign, marquee, lettering, decoration, advertising, light or awning on the outside of the leased premises or on the inside of the said premises if the same be visible from the outside of the leased premises, without the written consent of Lessor. Lessee agrees that all signs shall be conformity with dimensions and color schemes designated by Lessor. Lessee, upon request of Lessor, shall immediately remove any sign or decoration which Lessee has placed or permitted to be placed in, on or about the premises and which, in the opinion of Lessor, is objectionable

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or offensive, and if Lessee fails so to do, Lessor may enter upon the leased premises and remove the same. Lessee agrees not to use a phonograph, loud speaker or other sound equipment audible from the outside of the premises without the prior written consent of Lessor. Lessee shall comply with all sign requirements as set forth in the Oakley Municipal Code.

**18. LESSEE'S INSURANCE.** During the term of this Lease, Lessee at its own cost and expense, shall procure from reliable insurance satisfactory to Lessor, and keep in full force and effect at all times during this Lease term, a public liability and property damage insurance policy in amounts of not less than the following: Bodily injury liability - \$1,000,000 each person, \$1,000,000 each occurrence; property damage liability - \$500,000 each occurrence. Said policy shall cover injuries to and/or death of all persons and loss of or damage to property (including loss of use) occasioned by or arising from or out of the acts or omissions of Lessee, its agents and/or employees and/or the condition of the premises. Such insurance shall expressly inure to the benefit of Lessor, its agent or employees, for liability arising or alleged to have arisen from such acts or omission on the leased premises or the operations of Lessee or anyone directly or indirectly employed by Lessee. Said insurance policy shall name both Lessor and Lessee as insureds, with a copy of said policy being furnished directly to Lessor.

Lessee is to obtain a written obligation on the part of the insurance carriers to notify Lessor in writing at least ten (10) days prior to any cancellation or expiration without renewal thereof, and Lessee agrees if it does not keep said insurance in full force and effect the Lessor may take out the necessary insurance and pay the premium, and the repayment thereof shall be deemed to be a part of the rental and is payable as such on the next day upon which rent becomes due.

The Lessee shall, at its sole cost and expense, comply with any and all recommendations and requirements pertaining to the leased premises of any insurance organization or company in connection with the maintenance of fire and public liability insurance covering the leased premises and the shopping center.

**19. WASTE.** The Lessee shall not commit, or suffer to be committed, any waste upon the leased premises or any public or private nuisance.

**20. PROHIBITED USES.** Lessee shall not use the leased premises for, or carry on or permit upon said leased premises, any offensive, unlawful, noisy or

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dangerous trade, business, manufacture or occupation, or any nuisance or anything against the public policy. Lessee shall not conduct or permit any auction sale, sidewalk sale or parking lot sale to be held in or about the leased premises, although outdoor seating for Lessee's customers is allowed with a seating plan approved by Lessor. Lessee shall not solicit business, distribute handbills, store its equipment or merchandise or erect any signs, planters or other barriers on any sidewalk, in the parking lot, or in any common area, without the written permission of the City Manager.

**21. ENTRY BY LESSOR.** Lessee shall permit the Lessor and its designees to enter into and upon the leased premises after reasonable notice is given to Lessee, who shall not unreasonably withhold such permission, (a) to inspect the premises; (b) to make repairs, alterations or additions (with such materials as Lessor may deem necessary therefore) to the leased premises, the building of which the leased premises form a part, or any property owned or controlled by Lessor; (c) to post notices of non-liability for alterations, additions or repairs; (d) to place upon the property in which the said leased premises are located any usual or ordinary "For Sale" signs, and to show any prospective purchasers the leased premises; (e) to place upon said leased premises any usual or ordinary "To Let" or "To Lease" signs, at any time within ninety (90) days prior to the expiration of this Lease, in which case Lessee shall allow prospective lessees or applicants to enter and examine said leased premises during the said last ninety (90) days; and (f) for any other lawful purposes. In all instances of emergency, entry by Lessor, its designees or its invitees, Lessee waives any claim to damages or any rebate of rent for any loss of occupation or quiet enjoyment of the leased premises, including loss of business, occasioned by such entry.

**22. INDEMNIFICATION OF LESSOR.** Lessee, as a material part of the consideration to be rendered to Lessor, hereby waives all claims against Lessor for damages to goods, merchandise or property of Lessee in, upon or about said premises and for injuries to persons in or about said premises, from any cause arising at any time, and Lessee will hold Lessor exempt and harmless from any damage or injury to any person, or to the goods, merchandise or property of any person, occurring in, upon or about the leased premises, sidewalks or parking areas adjacent thereto, from any cause arising at any time during the term of this Lease or any extension hereof. Lessee agrees that if Lessor is involuntarily made a party defendant to any litigation concerning this Lease or the demised leased premises, for any reason other than because of any act or omission of Lessor, then

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Lessee shall hold Lessor harmless from all liability by reason thereof, including reasonable attorney's fees incurred by Lessor in such litigation and all taxable court costs.

**23. INSOLVENCY.** The following shall constitute a breach of this Lease by Lessee: (a) the insolvency of the Lessee; (b) the commencement of any bankruptcy proceedings whether begun by or against the Lessee; (c) the appointment of a receiver to take possession of all or substantially all of the assets of Lessee; (d) an assignment by Lessee for the benefit of creditors.

**24. NOTICES.** Any notice, demand or communication under or in connection with this Lease may be served by either party upon the other by personal service, or by mailing the same by registered mail in the United States Post Office, postage thereon fully prepaid, and directed to Lessor at 3231 Main Street, Oakley, California 94561 and may, likewise, be served on Lessee by personal service, or by mailing the same, addressed to lessee at 3080 Main Street, Oakley, California 94561 whether or not Lessee has departed from, abandoned or vacated said leased premises. Either Lessor or Lessee may change its address by notifying the other party in writing as to such new address as may be desired used and which same shall continue as the address until further written notice.

**25. TIME IS OF THE ESSENCE.** Time is hereby expressly declared to be of the essence of this Lease and of all the covenants, agreements, conditions and obligations herein contained.

**26. NON-WAIVER OF BREACH.** The waiver by Lessor of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such terms, covenants or conditions or any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by Lessor shall not be deemed to be a waiver of any receding breach by Lessee of any term, covenant or condition of this Lease, regardless of Lessor's knowledge of such preceding breach at the time of acceptance of such rent.

**27. EFFECT OF EXERCISE OF PRIVILEGE BY LESSOR.** The exercise of any right or option or privilege hereunder by Lessor shall not exclude Lessor from exercising any and all other rights, privileges, and options hereunder and Lessor's failure to exercise any right, option or privilege nor shall it relieve Lessee from

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Lessee's part to be performed hereunder nor from damage or other remedy for failure to perform or meet the obligations of this Lease.

**28. VACATING OR ABANDONMENT OF PREMISES.** Lessee shall not vacate or abandon the leased premises any time during the lease term; and if Lessee shall abandon, vacate or surrender said leased premises, or be dispossessed by process of law, or otherwise, any personal property belonging to the Lessee and left on the leased premises shall be deemed to be abandoned, at the option of the Lessor, except such property as may be mortgaged to the Lessor, if any.

**29. SURRENDER OF LEASE NOT MERGER.** The voluntary or other surrender of this Lease by the Lessee, or a mutual cancellation thereof, shall not work a merger, and shall, at the option of the Lessor, terminate all of the existing subleases or subtenancies.

**30. DESTRUCTION OF PREMISES.** In the event of total destruction of the building in which the said leased premises are situated during the said term, from fire or other catastrophe, this Lease shall terminate. In the event of a partial destruction from any such causes, the Lessor shall forthwith restore the premises provided such restoration can be made within thirty (30) days under the laws and regulations of federal, state, county and municipal authorities, and materials and labor are available for such repairs, but such partial destruction shall in no way annul or void this Lease, except that Lessee shall be entitled to a proportionate deduction of rent while such restoration is being made, such proportionate deduction to be based upon the extent to which the making of such restoration shall interfere with the business carried on by Lessee in said leased premises. If such restoration cannot be made in thirty (30) days, Lessor may, at its option, make same within a reasonable time, this Lease continuing in full force and effect and the rent to be proportionately abated as in this paragraph provided. In the event that the Lessor does not so elect to make such restoration which cannot be made in thirty (30) days or a reasonable time, or such restoration cannot be made under such laws and regulations, or materials and labor are not available for such restoration within such time, this Lease may be terminated at the option of either party. In respect to any partial destruction which Lessor is obligated to restore or may elect to restore under the terms of this paragraph, the provisions of Section 1932, Subdivision 2, and of Section 1933, Subdivision 4, of the Civil Code of the State of California, are waived by the Lessee. In the event that the leased premises may be destroyed to the extent of more than 33-1/3% (thirty three and one-third

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percent) of the replacement cost thereof, the Lessor may elect to terminate this Lease. In any case that Lessor should elect or be obligated to restore or rebuild because of destruction as provided herein, Lessor's obligation shall be limited to the basic building, store front and interior work originally provided by Lessor at the inception of this Lease; Lessee shall fully repair or replace its own alterations and improvements, exterior signs, trade fixtures, equipment, display cases and other installations originally installed by Lessee at its expense.

**31. REMEDIES OF LESSOR OR DEFAULT.** This Lease is made upon the express condition that if default be made in the payment of the rent above reserved, or any part thereof, or if Lessee falls or neglects to perform, meet or observe any of Lessee's obligations hereunder, or if Lessee shall abandon or vacate said leased premises, Lessor or the legal representative of Lessor, at any time thereafter, without notice or demand, may lawfully declare said term ended, and re-enter the said demised premises, or any part thereof, either with or without process of law, and expel, remove and put out Lessee or any person or persons occupying said leased premises and may remove all personal property therefrom, and store the same in a public warehouse at the cost of and on account of Lessee, using such force as may be necessary to again repossess and enjoy said leased premises as before this demise, without prejudice to any remedies which might otherwise be used for arrears of rent or preceding breach of covenant or condition, and without liability to any person for damages sustained by reason of such removal. Lessor may likewise, at Lessor's option, but at the cost of Lessee, and in addition to any other remedies which Lessor may have upon such default or failure or neglect and without notice to Lessee, petition the Superior Court of the State of California for and be entitled as a matter of right to the appointment of a receiver and said court may appoint such receiver and vest in him such powers and authority as may be necessary or proper to fully protect all the rights herein granted or reserved to Lessor. Any such receiver may take possession of any personal property belonging to the Lessee and used in the conduct of the business then being carried on by the Lessee in the said leased premises, and may use the same in conducting such business on the leased premises, without compensation to the Lessee.

Should Lessor elect to re-enter, as herein provided, or should it take possession pursuant to legal proceedings or pursuant to any notice provided for by law, it may, in addition to any other remedies Lessor may have upon such default, failure or neglect, either terminate this Lease or it may from time to time, without

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terminating this Lease, relet the said leased premises, or any part thereof, for such term or terms and at such rental or rentals and upon such other terms and conditions as Lessor, in its sole discretion, may deem advisable, with the right to make alterations and repairs to said leased premises. Rentals received by Lessor from such reletting shall be applied: First, to the payment of any indebtedness, other than rent, due hereunder from Lessee to Lessor; second, to the payment of rent due and unpaid hereunder; third, to the payment of any cost of such reletting, including commissions; fourth, to the payment of the cost of any alterations and repairs to the leased premises; and the residue, if any shall be held by Lessor and applied in payment of future rent as the same may become due and payable hereunder. Should such rentals received from such reletting during any month be less than that agreed to be paid during the month by Lessee hereunder, then Lessee shall pay such deficiency to Lessor. Such deficiency shall be calculated and paid monthly.

No such re-entry or taking possession of said leased premises by Lessor shall be construed as an election on its part to terminate this Lease unless a written notice of such intention be given to Lessee or unless the termination thereof be decreed by a court of competent jurisdiction. Notwithstanding any such reletting without termination, Lessor may at any time thereafter elect to terminate this Lease for such previous breach. Should Lessor at any time terminate this Lease for any breach, in addition to any other remedy it may have, it may recover from Lessee all damages it may incur by reason of such breach, including the worth at the time of any award of damages of the excess, if any, of the amount of rent reserved in this Lease for the balance of the term and charges equivalent to rent for the remainder of the stated term, and including the cost of recovering the leased premises over that which Lessee proves could reasonably have been avoided, pursuant to Section 1951.2 of the Civil Code of California. No notice of the exercise of any election given Lessor herein need be sent to Lessee.

**32. SUBORDINATION.** Lessee covenants that this Lease is and shall be at all times subject and subordinate to the liens of any mortgage or mortgages, deed of trust or deeds of trust now existing or which Lessor, or any subsequent owner of the demised premises shall make hereafter covering said premises, and to any and all advances made or to be made thereunder, and to the interest thereon and to any and all renewals thereof. Lessee covenants to execute, acknowledge, and deliver upon request, all documents demanded by Lessor to subordinate this Lease to any such indebtedness as herein provided.

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**33. WAIVER OF RELOCATION BENEFITS:** Lessee acknowledges that the term of this Lease is month-to-month and Lessor reserves the right to terminate this Lease for any reason with sixty (60) days notice to Lessee.

Lessee warrants and represents to Lessor that Lessee does not have nor shall Lessee claim any right to relocation benefits under any provision of any State of California or federal law and Lessee knowingly waives the right to make any claim against the Lessor for relocation benefits in the event Lessor elects to terminate this Agreement for any reason or at the expiration of the Lease term. Lessee further warrants and represents that he has no other right or claim to compensation arising out of or connected with the acquisition of the leased premises by the Lessor and agrees never to assert such a claim. Lessee does not waive relocation benefits only in the event the leased premises is voluntarily rehabilitated or demolished by Lessor or subject to enforcement of building or health codes by a public entity, as set forth in California Government Code section 7265.3.

**34. BINDING ON SUCCESSORS.** The covenants and conditions herein contained shall, subject to the provisions as to assignment and subletting, apply to and bind the heirs, successors, executors, administrators and assigns of all the parties hereto.

**35. DEFINED TERMS.** The words "Lessor" and "Lessee" as used herein shall include the plural as well as the singular. Words used in masculine gender include the feminine and neuter. If there be more than one Lessor or Lessee the obligations hereunder imposed upon Lessor or Lessee shall be joint and several. The marginal heading or titles to the paragraphs of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

**36. COSTS OF SUIT.** In the event that it becomes necessary or advisable for either party hereto to file suit against the other party to enforce any rights hereunder, the successful party in such lawsuit shall be entitled to a reasonable attorney's fee, to be taxed as costs in such suit or to be fixed by the Court in any such suit.

**37. WAIVER OF SUBROGATION.** As long as their respective insurers so permit, Lessor and Lessee mutually waive for themselves and their respective insurers, their respective rights of recovery against each other for any loss insured



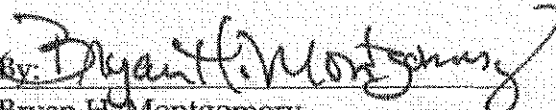
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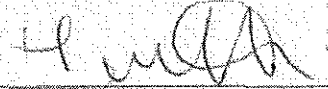
by fire, extended coverage and other property insurance policies, existing for the benefit of the respective parties, but solely to the extent of the amount of insurance proceeds received by the insured party. Each party shall obtain any available endorsements to evidence compliance with the above waiver.

IN WITNESS WHEREOF, the parties hereunto set their hands in duplicate, the day and year first hereinabove written.


**LESSOR**  
*City of Oakley, a municipal corporation*

By:   
Bryan H. Montgomery  
City Manager

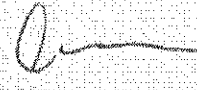
**LESSEE**  
*Individually dba as Republic of Cake, LLC*

By:  8/27/13  
Peter McNiff  
Owner


**ATTEST:**

By:   
Libby Vreonis  
City Clerk

**LESSEE**  
*Individually dba as Republic of Cake, LLC*

By:  8/27/13  
Chih-Chung Fang  
Owner

**APPROVED AS TO FORM**

By:   
William R. Galstan  
Special Counsel

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**3080 Main Street, Oakley, California**

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**AMENDMENT TO THE LEASE AGREEMENT**  
**3080 Main Street, Oakley, California 94561**

This Amendment to the Lease Agreement ("Lease"), by and between the Successor Agency to the Oakley Redevelopment Agency and the City of Oakley, a municipal corporation ("Lessor"), and Peter McNiff and Chih-Chung Fang, individually and dba Republic of Cake, LLC, hereinafter collectively designated as ("Lessee"), is made on the following terms and conditions:

*Recitals*

- A. The City of Oakley and the Successor Agency to the Oakley Redevelopment Agency, collectively herein "CITY" is the owner of that real property located at 3080 Main Street, Oakley, California also referred to as APN 037-200-011, "the property."
- B. On February 26, 2013, CITY approved the Lease Agreement with Lessee pursuant to the bid proposal submitted by Lessee.
- C. Section 5 of the Lease Agreement provided for the CITY to participate in the tenant improvements and other needed improvements to the property in the amount of \$220,000.
- D. Lessee has subsequently completed the design for and received bids for the construction of these improvements. The cost of the design and construction is now estimated to be \$290,000.

Lessee has made a request that the Lease Agreement be amended to increase the CITY's participation in the tenant and other needed improvements by an amount up to \$290,000

*Amendment to Agreement*

**Now, therefore, the parties agree as follows:**

- 1. Section 5 of the Lease Agreement between CITY and Lessee, approved by the City Council February 26, 2013, is amended to increase the CITY's participation in the design and construction of the tenant and other needed improvements by \$70,000, for a total up to \$290,000.

**LEASE AGREEMENT**  
**3080 Main Street, Oakley, California**

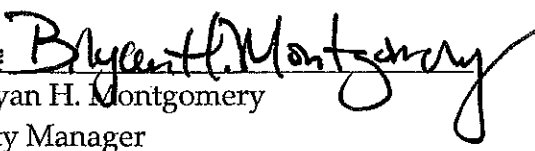
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2. All other terms and conditions of the Lease Agreement remain unamended and shall be in full force and effect.

IN WITNESS WHEREOF, the parties hereunto set their hands in duplicate, the day and year first hereinabove written.


**LESSOR**

*City of Oakley, a municipal corporation*


By:   
Bryan H. Montgomery  
City Manager

**LESSEE**

*Individually dba as Republic of Cake, LLC*


By:  8/27/13  
Peter McNiff  
Owner

**ATTEST:**


By:   
Libby Vreonis  
City Clerk

**LESSEE**

*Individually dba as Republic of Cake, LLC*

By:  8/27/13  
Chih-Chung Fang  
Owner

**APPROVED AS TO FORM**

By:   
William R. Galstan  
Special Counsel



Agenda Date: 01/13/2015  
Agenda Item: 7.2

## MEMORANDUM

Date: December 18, 2014  
To: Bryan H. Montgomery, City Manager  
From: Libby Vreonis, City Clerk  
Subject: Oakley City Council Committee Appointments

Approved and Forwarded to  
City Council

  
Bryan H. Montgomery, City Manager

**FOR CONSIDERATION AT THE MEETING TO BE HELD JANUARY 13, 2015**

### Summary and Background

Each year after the Oakley City Council reorganizes, the City Council reviews the previous year City Council Committee Appointment List for possible revisions. Attached are two versions of the 2014 list (one is sorted by Councilmember in alphabetical order; the other is sorted by agency/committee in alphabetical order).

### Fiscal Impact

None.

### Recommendation

Staff recommends that the City Council review and update the attached list and adopt a resolution approving the updated list.

### Attachments

- 1) City Council Committee Appointment List-Alphabetical Order by Councilmember
- 2) City Council Committee Appointment List-Alphabetical Order by Agency/Committee
- 3) Resolution Approving the 2015 City Council Committee Appointment List

## Committee Appointments Sorted by Council Member

Burgis, Diane		Ad Hoc Downtown Planning Work Group
Burgis, Diane	1yr	League of California Cities, Voting
Burgis, Diane		East Bay Division of the League, Voting
Burgis, Diane		Oakley Inter-Agency Committee (Public School Liaison)
Burgis, Diane		Delta Protection Agency
Burgis, Diane		Habitat Conservation Plan Executive Committee/HCP Conservancy, Alternate
Burgis, Diane		You, Me, We = Oakley!
Hardcastle, Doug		TRANSPLAN (PC Rep)
Hardcastle, Doug		Oakley Inter-Agency Committee (Public School Liaison)
Hardcastle, Doug		You, Me, We = Oakley!
Hardcastle, Doug	1yr	Delta 6 (East County Mayors and Managers Meeting), Alternate
Hardcastle, Doug	1yr	ABAG, Alternate
Hardcastle, Doug	1yr	Contra Costa County Mayors' Conference, Alternate
Pope, Randy		Habitat Conservation Plan Executive Committee/HCP Conservancy
Pope, Randy		Ad Hoc Ag Conservation Committee
Pope, Randy		Iron House Sanitary District/Diablo Water District (Liaison)
Pope, Randy	1yr	Delta 6 (East County Mayors and Managers Meeting)
Pope, Randy	1yr	ABAG, Voting
Pope, Randy	1yr	Contra Costa County Mayors' Conference
Pope, Randy	1yr	East Bay Leadership Council (formerly Contra Costa Council)
Pope, Randy		East Contra Costa Fire Protection District Board
Rios, Carol		Tri Delta Transit
Rios, Carol	1 yr	League of California Cities, Alternate
Romick, Kevin		TRANSPLAN/ECCRFFA/St. Route 4 Bypass Authority/EPAC
Romick, Kevin		Ad Hoc Downtown Planning Work Group
Romick, Kevin		Tri Delta Transit
Romick, Kevin		TRANSPLAN
Romick, Kevin		Ad Hoc Ag Conservation Committee
Romick, Kevin		Oversight Board to the Successor Agency to the Oakley Redevelopment Agency

Revised: 2014

## Committee Appointments Sorted by Agency/Committee

Hardcastle, Doug	1yr	ABAG, Alternate
Pope, Randy	1yr	ABAG, Voting
Pope, Randy		Ad Hoc Ag Conservation Committee
Romick, Kevin		Ad Hoc Ag Conservation Committee
Burgis, Diane		Ad Hoc Downtown Planning Work Group
Romick, Kevin		Ad Hoc Downtown Planning Work Group
Hardcastle, Doug	1yr	Contra Costa County Mayors' Conference, Alternate
Pope, Randy	1yr	Contra Costa County Mayors' Conference
Pope, Randy	1yr	Delta 6 (East County Mayors and Managers Meeting)
Hardcastle, Doug	1yr	Delta 6 (East County Mayors and Managers Meeting)
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Pope, Randy	1yr	East Bay Leadership Council (formerly Contra Costa Council)
Pope, Randy		East Contra Costa Fire Protection District Board
Pope, Randy		Habitat Conservation Plan Executive Committee/HCP Conservancy
Burgis, Diane		Habitat Conservation Plan Executive Committee/HCP Conservancy, Alternate
Pope, Randy		Iron Sanitary District/Diablo Water District (Liaison)
Rios, Carol	1yr	League of California Cities, Alternate
Burgis, Diane	1yr	League of California Cities, Voting
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Hardcastle, Doug		TRANSPLAN
Romick, Kevin		TRANSPLAN
Romick, Kevin		TRANSPLAN/ECCRFFA/St. Route 4 Bypass Authority/EPAC
Rios, Carol		Tri Delta Transit
Romick, Kevin		Tri Delta Transit
Burgis, Diane		You, Me, We = Oakley!
Hardcastle, Doug		You, Me, We = Oakley!

Revised: 2014

RESOLUTION NO. \_\_\_\_\_-15

**RESOLUTION OF THE OAKLEY CITY COUNCIL APPROVING THE  
2015 CITY COUNCIL COMMITTEE APPOINTMENT LIST**

**BE IT RESOLVED** by the City Council of the City of Oakley that the attached 2015 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 13<sup>th</sup> day of January, 2015, 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:

\_\_\_\_\_  
Doug Hardcastle, Mayor

ATTEST:

\_\_\_\_\_  
Libby Vreonis, City Clerk

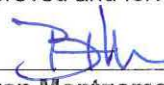
\_\_\_\_\_  
Date



## MEMORANDUM

Date: January 13, 2015  
To: Bryan Montgomery, City Manager  
From: Dwayne Dalman, Economic Development Manager  
Project: **Economic Development Program Update**

Approved and forwarded to City Council

  
Bryan Montgomery,  
City Manager

### Summary and Background

On a semi-annual basis, staff will provide the City Council with an update on the Economic Development program. The update is designed to inform the Council on the progress made in the program over the previous six months and the anticipated direction for the program during the upcoming six months. The attached presentation outlines the progress made to date on the five goals of the 2014-15 Economic Development Work Plan and the planned steps for moving the program forward.

### Attachments

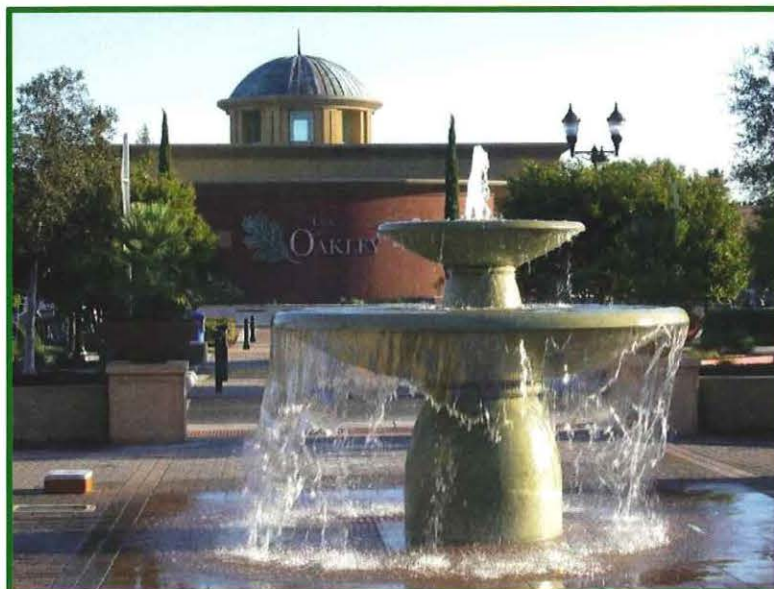
1. 2014 - 15 Economic Development Work Plan





**City of  
Oakley  
Economic                      2014 - 2015  
Development  
Work Plan**

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## *Executive Summary*




The City of Oakley has experienced steady growth since its incorporation in 1999 and many steps have been taken to help with the overall economic development of the community. Along with the dozens and dozens of capital projects and other programs to foster economic development over the last 14 years, there have been some specific policy documents developed: In 2002, the City adopted an Economic Development General Plan Element; In 2009, the City completed an Economic Development Assessment; and in 2010, the City adopted an Economic Development Work Plan.

In 2014, the City created and funded a full-time Economic Development Manager and a shared Senior Planner/Economic Development Analyst position as a commitment to further accelerate the Economic Development growth of the City. The following Economic Development Work Plan outlines the main goals of the effort with corresponding elements and time-frames. The Work Plan's key goals and elements were adapted from the 2010/11 Work Plan in order to meet the current needs of the community and businesses in Oakley.


The Work Plan Goals are shown as follows:


1. Prepare the City of Oakley to be a competitive location for the attraction of new business opportunities and investment in the community
2. Create a comprehensive marketing program
3. Provide tools and resources to help existing Oakley businesses grow and succeed
4. Facilitate new business opportunities and new investment in the community
5. Improve the look and feel of the City while maintaining its small town character


# Goals

 Prepare the City of Oakley to be a competitive location for the attraction of new business opportunities and investment in the community

 Create a comprehensive marketing program

 Provide tools and resources to help existing Oakley businesses grow and succeed

 Facilitate new business opportunities and new investment in the community

 Improve the look and feel of the City while maintaining its small town character

## ***Goal # 1***

### ***Prepare the City of Oakley to be a competitive location for the attraction of new businesses and new investment***

A proactive approach to Economic Development involves laying the groundwork to prepare for the attraction of new businesses and new investment in the community. The first step in this process involves identifying sites that have the most potential for new development or for the expansion/location of existing businesses. Maintaining an inventory and marketing these sites will allow for increased visibility from the development and business community.

While some buildings and properties will be closer to “ready to go,” others will need improvements in order to realize their highest potential. The development of an incentive package will provide an opportunity for property owners to partner with the City in improving their properties.

#### **❖ Implementation Elements**

- Update the inventory of sites for new development
  - Partner to promote DuPont property
- Identify and maintain inventory of existing space for expansion/location
- Create and maintain listing on web page/ flyers
- Develop incentive package to promote new investment in the community
  - Downtown Revitalization Loan Program
  - Development Impact Fee Reduction for Commercial Projects
- Partner with Building, Planning & Code Enforcement to coordinate and streamline development and permit activities

## *Goal # 2*

### *Create a comprehensive marketing program*

With the groundwork completed of preparing the City to be a competitive location, a marketing program is needed to “spread the word” of Oakley as a desirable location for new businesses and new investment. The marketing program will highlight Oakley’s advantages through printed materials and on the Economic Development webpage.

#### ❖ **Implementation Elements**

- Create printed materials that promote the City to new investment.  
Materials to include the following:
  - City promotional piece
  - Demographics
  - Traffic Counts
  - Development site flyers
- Update the Economic Development pages on the City’s website
- Improve the Client tracking system

## *Goal # 3*

### *Provide tools and resources to help existing Oakley businesses grow and succeed*

A majority of new jobs created in a community comes from the expansion of existing businesses. Providing the tools and resources that existing Oakley businesses need to grow and expand is crucial to the Economic Development effort.

#### **❖ Implementation Elements**

- Enhance relationships with the business community and business provider partners
  - Annual business survey
  - Company visit outreach program
  - Strengthen partnership with Oakley Chamber of Commerce, Contra Costa Small Business Development Center and the Workforce Development Board
- Provide tools to promote local businesses
- Provide tools to strengthen local businesses
- Implement an Oakley Entrepreneur Development Program
  - 10-week Entrepreneur Business Plan Training
  - Consolidated Business Plan Forums
  - Workshop Series
  - One-on-one business consulting

## *Goal # 4*

### *Facilitate new business opportunities and new investment in the community*

Attracting new development and new businesses to the City is a key component of any Economic Development program. Preparing the City (Goal #1) and marketing the City (Goal #2) will pave the way for success in attracting new businesses and investment. Attraction activities center on the land that will be developed or the existing buildings that will house a new business/tenant. Identifying real estate with the most potential involves outreaching and developing relationships with realistic and motivated property owners. In addition outreach and relationships with the development and brokerage community is a key component for attraction efforts.

#### **❖ Implementation Elements**

- Identify real estate with most development potential
- Identify, develop and strengthen relationships with realistic and motivated property owners
- Further develop outreach efforts to development and brokerage community
- Partner with DuPont owners/consultants to further new investment
- Partner with regional organizations/initiatives

## ***Goal # 5***

### ***Improve the look and feel of the City while maintaining its small town character***

The “*look and feel*” or “*sense of place*” are key elements that the Economic Development program will work to convey in its attraction efforts. However, while Oakley continues to grow as a new city, there are key business corridors that do not convey the image and vision that Oakley is working towards. Attracting new investment to the City and retaining existing businesses is linked to the image that the City conveys. Economic Development efforts will work to improve the look and feel of key commercial corridors, while still maintaining the small town character that Oakley does not want to lose in the push for new growth.

#### **❖ Implementation Elements**

- Identify business corridor improvement and priority areas for revitalization
  - Identify funding sources for infrastructure improvements
  - Explore Business Improvement District or Property Improvement District for key commercial corridors
  - Develop Downtown Revitalization Loan Program to facilitate new investment in the downtown area

