



PUBLIC WORKS DEPARTMENT

AGENDA
SPECIAL MEETING
OF THE
CITIZENS STREET OVERSIGHT
COMMITTEE

Monday, April 27, 2015, 7:00 p.m.

El Cerrito City Hall

Hillside Conference Room

10890 San Pablo Avenue

1. Roll Call

2. Comments from the Public

(Speakers are limited to 3 minutes for comment on non-agenda items. Comments related to items appearing on the agenda are taken up during discussion of those items and are subject to the same time limit.)

3. Approval of Minutes

Review and approve minutes from September 30, 2014 Meeting. *(Attachments; Action Requested: Approval)*

4. Review of Fiscal Year 2013–14 Comprehensive Annual Financial Report (Audit) and Agreed Upon Procedures Report

Review the Fiscal Year 2013-14 Audit as it pertains to Measure A and Agreed Upon Procedures Report from City's auditor; Consider approving and signing Annual Report Memorandum to City Council *(Attachments; Action Requested: Approve and sign Annual Report Memorandum to Council)*

5. Discussion on Measure A Expenditure Plan Status Report

Discuss effort needed and possible formats for of a status report to summarize the current Measure A Expenditure Plan and specific Council approval actions for items in the Plan. *(No Attachment; No Action Requested: the Committee will provide comments to staff)*

6. Staff Liaison Reports

- a. 2014-15 Pavement Management Program Update *(No Attachment; No Action Requested)*
- b. Status of 2014-15 work plan *(No Attachment; No Action Requested)*

7. Committee Member Reports

Review Staff/Committee Relations *(No Attachment; No Action Requested)*

8. Election of Committee Officers

Nominate and elect Committee Chair and Vice Chair *(No Attachment; Action Requested: Elect Officers)*

9. Future Agenda Items and Meeting Schedule

Set agenda for next meeting *(No Attachment; Action Requested: Set agenda and confirm date)*

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10. Adjournment

Any writings or documents provided to a majority of the Citizens Street Oversight Committee regarding any item on this agenda will be made available for public inspection in the Public Works Department located at 10890 San Pablo Avenue during normal business hours.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk, (510) 215-4305. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35.102-35.104 ADA Title I).



Draft Summary Minutes

SPECIAL MEETING OF THE CITIZENS STREET OVERSIGHT COMMITTEE

Tuesday, September 30, 2014, 7:00 p.m.

El Cerrito City Hall
Hillside Conference Room
10890 San Pablo Avenue

Call to Order at 7:00 p.m.

1. Roll Call

Present: Chair Thomas Miller, Vice Chair Lynne Kessler, and Committee Members Al Miller, and Matthew Kelly

Absent: Committee Member Elizabeth Oszelcuk

Other Attendees: Yvetteh Ortiz, Staff Liaison, Public Works Director/City Engineer
Nicholas Arzio, Public Speaker

Chair T. Miller asked that the Agenda Item 5c “Presentation on Measure R, the El Cerrito Preservation of Citywide Services Funding Measure, on the November 4, 2014 ballot” be covered under Agenda Item 2 “Comments from the Public (on non-agenda items)” because the subject matter is not part of the business of the Committee. Committee Member A. Miller recommended Agenda Item 5c instead be removed from the Agenda because information on Measure R is available on the City’s website and is being distributed in other ways by the City.

Action taken: Moved and seconded (A. Miller/T. Miller) to removed Agenda Item 5c from the Agenda.

AYES: Chair T. Miller, Vice Chair Kessler, and Committee Member A. Miller

NOES: Committee Member Kelly

ABSTAIN: None

ABSENT: Committee Member Oszelcuk

2. Comments from the Public (on non-agenda items)

None.

3. Approval of Minutes

Committee Member A. Miller indicated that on Page 2 of 8, Paragraph 4, Line 4, the sentence should be corrected to read “on projects not approved by City Council.”

Committee Member A. Miller indicated that on Page 4 of 8, last paragraph under Item 3 – Approval of Minutes, “proceed” should be replaced with “precede.”

Committee Member A. Miller indicated that on first page, under Agenda Item 1 “Roll Call,” that members of the public who spoke at the meeting should be listed.

Chair Miller indicated that on Page 6 of 8, “Public Speakers” paragraph, second sentence, “suppose” should be replaced with “supposed.”

Action taken: Moved and seconded (Kessler/Kelly) to approve minutes as amended.

AYES: Chair T. Miller, Vice Chair Kessler, and Committee Members A. Miller and Kelly

NOES: None

ABSTAIN: None

ABSENT: Committee Member Ozselcuk

4. Review of Fiscal Year 2013 – 2014 Revenues & Expenditures

Staff Liaison Ortiz, for ease of reference, distributed Fiscal Year (FY) 2013-14 materials that had been distributed at previous meetings including excerpts from the FY 2013-14 Budget Book showing the Public Works Department Operating budget and the Capital Improvement Project (CIP) budget, and other documents for individual projects (attached).

Chair T. Miller asked if Measure A funds were being used for the personnel expenses listed in the Agenda attachment. Staff Liaison Ortiz confirmed that these personnel expenses are for City staff who respond to, investigate, and maintain various street items, and that these expenses were approved by City Council as shown on the hand-out labeled as Page 4-25, Attachment E.

Committee Member A. Miller indicated that there have been two phases to the Measure A program with the first phase being when many streets were being repaved and where most of the work was contracted out - the City used consultants and contractors, and City staff expenses related to project management were allowed but the Public Works Director’s expenses for administration of the program were not. He indicated that the second phase is to maintain streets, and therefore includes City public works employees that are working on the streets, and that their salaries are coverable by Measure A. He indicated that the City is using a combination of contractors and City employees at this phase and it looks like a logical distribution between the two.

Vice Chair Kessler indicated that these costs do not appear to be administrative and that it was an administrative cost that the Committee objected to in the past.

Committee Member Kelly inquired if it is acceptable to pay consultants why there a problem with paying City employees when it is probably more cost effective to use City employees.

Staff Liaison Ortiz presented the preliminary list of revenues and expenditures as listed in the attachment for the Agenda Item. She indicated that the numbers are unaudited and that she would highlight any difference with the final audited numbers at the next meeting. She indicated that revenues consist of the Measure A sales tax and fees paid for street restoration when encroachment permit work must be done in streets that are under an excavation moratorium. The latter revenues are much lower than in past years because the excavation moratorium on many streets has expired. Staff Liaison Ortiz indicated that expenditures are for auditor costs, street work by City staff, and capital projects including the Annual Street Improvement Program and other projects. The Annual Street Improvement Program includes miscellaneous repairs and paving, and an operating transfer approved by Council for a previous expenditure.

Committee Member A. Miller requested an explanation regarding the various personnel line items. Staff Liaison Ortiz explained that when an employee's time is charged it is broken out into these various categories including overtime pay, special pay, medical, insurance, workers compensation etc. Committee Member A. Miller asked about the difference between Overtime (OT) Pay and Straight OT Pay. Staff Liaison Ortiz indicated she would report back at next meeting.

Committee Member A. Miller inquired about the operating transfer for the Arlington Blvd. at Brewster Dr. Project. Staff Liaison Ortiz indicated that this was funding that transferred upfront before expenses were incurred as opposed to the transfer for prior expenditures under the Annual Street Improvement Program.

Staff Liaison Ortiz indicated that individual projects include both staff and consultant expenses. The largest project was the 2013-14 Street Improvement Project (C3072), which was partially funded by state grant funds.

Committee Member A. Miller asked whether the City was in position to charge the School District for pavement impacts of their construction projects. Staff Liaison Ortiz indicated that City has and does charge the City's Haul Route Impact Fees to the District per the City's Master Fee Schedule and City staff is also discussing the same with BART.

Staff Liaison Ortiz indicated that the next large construction project is that 2014 Pavement Rehabilitation Project (C3074), which is partially funded by a federal grant and for which design was developed during FY 2013-14.

5. Staff Liaison Reports

a. Review Expenditure Plan approved by City Council in June 2014

Staff Liaison Ortiz presented the Measure A Street Improvements Expenditure Plan approved by the City Council in June 2014 as an advance notice of FY 2014-15 expenditures to be reviewed by the Committee. She reviewed excerpts of the Adopted Biennial Budget for Fiscal Years 2014-15 and 2015-16 as provided in the attachment for the Agenda Item. She indicated that there are estimated revenues of \$2 million including grants, and expenditures of \$1.9 million including personnel and capital. Committee Member Kelly inquired as to why sales tax revenues are decreasing in FY 2014-15. Staff Liaison Ortiz directed him to the first bullet item on Page 54 of the Budget Book which indicates

that sales tax revenues have been subject to adjustment by the Board of Equalization to address Home Depot related corrections.

Committee Member A. Miller inquired regarding the “Transfer out 301” line item. Staff Liaison Ortiz explained that this reflects City Council’s approval of a transfer from the Measure A Fund 211 to the Capital Fund 301. There are none for FY 2014-15 although previous years included \$50K for Arlington/Brewster and \$34K for previous expenses.

Vice Chair Kessler asked about the second bullet item on Page 54 of the Budget Book. Staff Liaison Ortiz indicated that this reflects City staff responding to street requests as previously discussed.

Committee Member A. Miller inquired regarding the last bullet item on Page 54 of the Budget Book and whether a different percentage increase in personnel costs had been assumed in prior years. Staff Liaison Ortiz indicated that this fund forecasting table is new and aims to list primary assumptions.

Committee Member Kelly inquired and Staff Liaison Ortiz confirmed that five percent is a placeholder increase across all City funds.

Chair T. Miller indicated that the Agenda attachments include information that does not pertain to Measure A and so it is too much information to provide to the Committee.

Committee Member A. Miller indicated that these are the source documents that demonstrate City Council actions. Staff Liaison Ortiz indicated in the future she will highlight pertinent Measure A items in the source documents, and for the next meeting would work on a format that would better summarize the source documents for the Committee’s ease of reference.

b. Review work plan for 2014-15

Staff Liaison Ortiz distributed maps (attached) illustrating locations for capital project in the 2014-15 work plan. She discussed the locations for the 2014 Pavement Rehabilitation Project (C3074) and 2014 Patch Paving under the Annual Street Improvement Program. Committee Member A. Miller inquired whether the 2014 Pavement Rehabilitation Project included the section of Colusa just south of Eureka where a natural spring has deteriorated the condition of the pavement. Staff Liaison Ortiz confirmed that this location was included and that a subdrain to redirect spring water had just recently been installed as well. As part of the Annual Street Improvement Program, City staff completes miscellaneous repairs such as the patch paving in locations that are showing localized pavement failure.

Vice Chair Kessler inquired as to the percentage of streets that still need to be repaved after the 2014 Pavement Rehabilitation Project is completed. Staff Liaison Ortiz did not have the exact percentage but confirmed that most of streets had been repaved except for some streets that needed more substantial repair work like Manila where street trees had displaced sidewalks, curbs and gutters. Staff Liaison Ortiz indicated she would provide a percentage at the next meeting.

Chair T. Miller indicated that in earlier years maps that were provided to the Committee were in different colors to show timeframe, and he would prefer to see those maps.

Committee Member A. Miller inquired when the patch paving locations would be completed so as to coordinate with Stege work. Staff Liaison Ortiz indicated the City will develop maps for other streets to be paving in upcoming years and will coordinate with Stege.

Committee Member Kelly asked about the patch paving location near San Pablo and Hill. Staff Liaison Ortiz confirmed that the work was on Hill and that the City was responsible and not Caltrans.

Staff Liaison Ortiz indicated that City staff was working on evaluating requests to determine improvement measures to be installed as part of the Traffic Safety & Management Program.

Public Speaker: Nic Arzio, El Cerrito, inquired as to what type of street tree species caused the damage along Manila Avenue. Staff Liaison Ortiz indicated that she could not name the species but that the species along Manila Avenue is known to have caused problems throughout the City. The existing trees would be replaced with a tree species that is appropriate for the street conditions.

c. Presentation on Measure R, the El Cerrito Preservation of Citywide Services Funding Measure, on the November 4, 2014 ballot

Item removed from Agenda as described under Item 1

6. Committee Member Reports

a. Review Staff/Committee Relations

Chair T. Miller indicated that he asked for this item to be put on the Agenda because he was prevented from communicating with all members of the Committee by the Brown Act so he chose to put his comments in a form of a letter (attached) for the information of the Committee. He suggested that the Committee not read the letter at that time, but rather take it home and think about it.

b. Review Statement to City Council on April 22, 2014

Chair T. Miller stated that Committee Member A. Miller and Vice Chair Kessler were present at the April 22, 2014 meeting when he presented the Annual Report to the City Council and Citizens of El Cerrito. Committee Member Kelly indicated that he was there as well. Chair T. Miller indicated that he raised issues to City Council but that he had gotten no response. Chair T. Miller indicated that he thought it was extremely important as a matter of record that his concerns be documented so he distributed a written copy of his statement to City Council (attached).

7. Review Committee Standing Rules

Chair T. Miller asked whether any of the committee members had items to discuss regarding the Committee Standing Rules. Committee Member Kelly asked a question regarding Rule 11, the sentence beginning “In the event that any member has a question as to the legality of a procedure, that member shall pose that question to the Chair.” He wanted to know why members had to go through the Chair. T. Miller indicated that this was intended to organize the questions that would be asked of the Staff Liaison.

Chair T. Miller distributed a written copy of a proposed new Standing Rule (attached). The rule is regarding transmittal of the proposed agenda to the Chair not less than ten calendar days prior to the schedule date of the subject meeting so that the Chair has sufficient time to revise if necessary.

Committee members discussed the need for the new rule. Committee Members A. Miller and Kelly indicated that they would like to know what staff-recommended items a Chair removed from a proposed agenda. Committee Member A. Miller indicated he would consider adding a rule to this affect in the future.

Committee Member Kelly suggested an amendment to the rule suggested by Chair T. Miller to indicate that any changes made by the Chair be transmitted to staff not less than seven calendar days before the meeting.

Action taken: Moved and seconded (Kelly/A. Miller) to amend Chair T. Miller’s suggested rule as noted above.

AYES: Vice Chair Kessler, and Committee Members A. Miller and Kelly

NOES: Chair T. Miller

ABSTAIN: None

ABSENT: Committee Member Ozselcuk

Action taken: Moved and seconded (Kelly/A. Miller) to add amended rule to Committee Standing Rules.

AYES: Chair T. Miller, Vice Chair Kessler, and Committee Members A. Miller and Kelly

NOES: None

ABSTAIN: None

ABSENT: Committee Member Ozselcuk

8. Future Agenda Items and Meeting Schedule

Chair T. Miller stated that the Committee has regular meetings specified in the Committee Standing Rules. He emphasized that the correct procedure for any departure from Standing Rules of the Committee, such as changes in a meeting date, should be presented to the Chair and the Chair should provide a reasonable response to it.

Committee members discussed the need to hold the regular meeting in November and did not identify any agenda items.

Next meeting is pending completion of the City audit reports and should include the regular meeting items.

Action taken: Moved and seconded (T. Miller/Kessler) to cancel the November meeting of the Committee.

AYES: Chair T. Miller, Vice Chair Kessler, and Committee Member Kelly

NOES: None

ABSTAIN: Committee Members A. Miller

ABSENT: Committee Member Ozselcuk

9. Adjournment

Adjourned at approximately 8:38 pm.

Action taken: Moved and seconded (T. Miller/Kelly) to adjourn.

AYES: Chair T. Miller, Vice Chair Kessler, Committee Members A. Miller and Kelly

NOES: None

ABSTAIN: None

ABSENT: Committee Member Ozselcuk

Street Improvement Fund (211)

This Fund is used to account for proceeds of the Measure A half-cent sales tax approved by El Cerrito voters on February 5, 2008. Expenditures from this Fund are to improve City streets and pay debt service for the bond issuance that funded street improvements for which the Measure A half-cent sales tax is a pledged revenue stream.

Fund Forecast

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Amended	FY 2012-13 Projected	FY 2013-14 Adopted	FY 2014-15 Projected	FY 2015-16 Projected
Starting Balance	\$966,983	(\$77,439)	\$349,773	\$349,773	\$523,985	\$25,301	\$61,144
Revenue	\$2,279,534	\$1,607,920	\$1,425,000	\$1,541,195	\$2,517,000	\$1,533,000	\$1,533,000
Taxes	\$1,378,107	\$1,546,443	\$1,385,000	\$1,505,000	\$1,503,000	\$1,503,000	\$1,503,000
Grants	\$608,443	\$18,730	\$0	(\$3,553)	\$984,000	\$0	\$0
Transfer In (Measure C/J)	\$180,000	\$0	\$0	\$0	\$0	\$0	\$0
Misc Rev	\$112,984	\$42,747	\$40,000	\$39,748	\$30,000	\$30,000	\$30,000
Expenses	\$3,323,956	\$1,180,708	\$1,754,232	\$1,366,983	\$3,015,684	\$1,497,157	\$1,497,157
Personnel	\$80,806	\$9,855	\$0	\$0	\$54,539	\$54,157	\$54,157
Non-Personnel	\$424,592	\$54,826	\$2,000	\$5,175	\$3,000	\$3,000	\$3,000
Capital Projects	\$2,074,522	\$378,445	\$752,232	\$283,808	\$2,133,000	\$700,000	\$700,000
Transfer out (CIP)	\$0	\$0	\$260,000	\$338,000	\$85,145	\$0	\$0
Debt Service	\$744,036	\$737,583	\$740,000	\$740,000	\$740,000	\$740,000	\$740,000
Annual Balance/(Shortfall)	(\$1,044,422)	\$427,212	(\$329,232)	\$174,212	(\$498,684)	\$35,843	\$35,843
Ending Balance/(Shortfall)	(\$77,439)	\$349,773	\$20,541	\$523,985	\$25,301	\$61,144	\$96,987

Revenue Assumptions

- Sales tax revenues are difficult to predict and are therefore projected to remain flat.
- Grants will be programmed in as they become available.

Expenditure Assumptions

- Personnel cost increase of 3% per year.
- Capital projects will be undertaken as funds are available. Significant capital projects are anticipated for FY 2013-14.

ATTACHMENT E

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PUBLIC WORKS DEPARTMENT BUDGET SUMMARY

PUBLIC WORKS DEPARTMENT EXPENDITURES				
ALL FUNDS	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Amended	FY 2013-14 Adopted
Personnel Services	\$ 2,474,790	\$ 2,590,843	\$ 2,855,619	\$ 2,343,027
Purchased Professional & Technical Services	221,614	332,264	607,335	172,900
Purchased Property Services	1,302,110	1,064,469	1,149,106	1,127,500
Other Purchased Services	145,734	169,310	158,600	131,850
Supplies	248,662	239,610	208,550	212,000
Property & Capital	604,194	575,757	413,888	11,000
Other Objects	130,607	317,405	237,391	426,411
Other Financing Uses	657,366	697,007	714,128	723,192
TOTAL EXPENDITURES—ALL FUNDS	\$ 5,785,076	\$ 5,986,666	\$ 6,344,617	\$ 5,147,880
General Fund (101)	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Amended	FY 2013-14 Adopted
Personnel Services	\$ 598,424	\$ 525,324	\$ 435,111	\$ 110,675
Purchased Professional & Technical Services	46,925	84,318	44,229	28,200
Purchased Property Services	262,171	249,417	256,100	170,100
Other Purchased Services	37,948	67,534	54,650	36,950
Supplies	47,201	49,080	42,300	40,300
Property & Capital	4,490	11,189	4,500	6,000
Other Objects	550	-	-	-
Total Expenditures	\$ 997,709	\$ 986,862	\$ 836,890	\$ 392,225
Gas Tax Fund (201)	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Amended	FY 2013-14 Adopted
Personnel Services	\$ 280,723	\$ 365,686	\$ 457,349	\$ 456,492
Purchased Professional & Technical Services	882	839	36,000	36,300
Purchased Property Services	108,156	72,429	80,300	77,300
Other Purchased Services	3,181	-	-	-
Supplies	27,803	21,091	30,000	30,000
Property & Capital	-	385	-	-
Other Financing Uses	99,609	102,597	105,675	108,845
Total Expenditures	\$ 520,353	\$ 563,027	\$ 709,324	\$ 708,937
National Pollution Discharge Elimination System Fund (202)	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Amended	FY 2013-14 Adopted
Personnel Services	\$ 69,887	\$ 130,712	\$ 148,892	\$ 155,485
Purchased Professional & Technical Services	-	7,646	10,000	10,000
Purchased Property Services	161,672	147,115	148,100	152,100
Other Purchased Services	13,638	12,000	22,300	22,300
Supplies	1,103	1,326	5,000	5,000
Other Financing Uses	100,519	103,535	106,641	109,840
Total Expenditures	\$ 346,819	\$ 402,333	\$ 440,933	\$ 454,725
Landscape & Lighting Assessment Fund (203)	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Amended	FY 2013-14 Adopted
Personnel Services	\$ 305,128	\$ 377,247	\$ 425,284	\$ 279,109
Purchased Professional & Technical Services	18,736	23,064	37,000	21,200
Purchased Property Services	695,247	524,143	568,000	680,000
Other Purchased Services	13,235	1,323	900	1,900
Supplies	43,362	50,073	47,500	47,000
Other Financing Uses	134,399	138,431	161,169	146,861
Total Expenditures	\$ 1,210,107	\$ 1,114,281	\$ 1,239,853	\$ 1,176,070
Measure J- Return to Source Fund (204)	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Amended	FY 2013-14 Adopted
Other Purchased Services	\$ 43,134	\$ 42,772	\$ 45,000	\$ 42,700
Other Financing Uses	27,706	28,537	29,393	30,275

Total Expenditures	\$ 70,840	\$ 71,309	\$ 74,393	\$ 72,975
Storm Drain Fund (205)	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Amended	FY 2013-14 Adopter'
Personnel Services	\$ 95,801	\$ 108,603	\$ 118,035	\$ 134,10
Purchased Professional & Technical Services	11,146	11,238	11,300	11,300
Purchased Property Services	29,940	-	15,000	10,000
Other Purchased Services	134	-	-	-
Supplies	2,171	2,035	10,000	10,000
Total Expenditures	\$ 139,192	\$ 121,876	\$ 154,335	\$ 165,402
Street Improvement Fund (211)	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Amended	FY 2013-14 Adopted
Personnel Services	\$ -	\$ -	\$ -	\$ 54,539
Total Expenditures	\$ -	\$ -	\$ -	\$ 54,539
Federal, State & Local Grants Fund (221)	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Amended	FY 2013-14 Adopted
Personnel Services	\$ 2,393	\$ 5,227	\$ -	-
Purchased Professional & Technical Services	94,841	44,634	437,591	-
Purchased Property Services	-	9,356	21,606	-
Other Purchased Services	1,105	1,251	3,500	-
Supplies	27,464	13,178	-	-
Property & Capital	-	-	81,000	-
Other Objects	83,338	95,830	75,708	-
Other Financing Uses	1,750	21,723	-	-
Total Expenditures	\$ 210,891	\$ 191,198	\$ 619,405	\$ 0
Capital Improvement Fund (301)	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Amended	FY 2013-14 Adopted
Personnel Services	\$ 286,910	\$ 253,660	\$ 314,421	\$ 50,405
Other Purchased Services	1,775	-	-	-
Total Expenditures	\$ 288,684	\$ 253,660	\$ 314,421	\$ 50,405
Integrated Waste Management (501)	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Amended	FY 2013-14 Adopted
Personnel Services	\$ 835,524	\$ 824,385	\$ 956,527	\$ 1,102,220
Purchased Professional & Technical Services	49,084	160,525	31,216	65,900
Purchased Property Services	44,924	62,010	60,000	38,000
Other Purchased Services	31,585	44,430	32,250	28,000
Supplies	99,558	102,827	73,750	79,700
Property & Capital	186,888	188,626	328,388	5,000
Other Objects	46,719	221,575	161,683	426,411
Other Financing Uses	293,383	302,184	311,250	327,371
Total Expenditures	\$ 1,587,666	\$ 1,906,562	\$ 1,955,064	\$ 2,072,602
Vehicle/Equipment Replacement (601)	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Amended	FY 2013-14 Adopted
Property & Capital	\$ 412,816	\$ 375,557	-	-
Total Expenditures	\$ 412,816	\$ 375,557	\$ 0	\$ 0

PUBLIC WORKS DEPARTMENT REVENUES

ALL FUNDS	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Amended	FY 2013-14 Adopted
Use of Money & Property	\$ 1,030	\$ 529	\$ 1,000	\$ 250
Intergovernmental Revenues	210,538	211,752	581,714	32,000
Charges for Services	1,933,121	2,014,693	2,084,148	2,205,542
Other Revenue	15,348	37,124	37,000	10,822
Other Financing Sources	-	-	18,585	-
TOTAL REVENUES—ALL FUNDS	\$ 2,160,037	\$ 2,264,098	\$ 2,722,447	\$ 2,248,614
General Fund (101)	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Amended	FY 2013-14 Adopted
Intergovernmental Revenues	\$ 23,180	\$ 32,355	\$ 57,500	\$ 16,000
Charges for Services	187,857	183,753	194,820	190,000
Other Revenue	1,506	6,321	12,000	-

SECTION 12: CAPITAL IMPROVEMENTS

In the same manner that multi-year planning has proven to be beneficial as the City considers the programs and services which are supported by the operating budget, it also is desirable to do multi-year planning for the City's capital needs. Accordingly, when the City Council adopts the operating budget it also adopts a ten-year Capital Improvement Program, with the first year adopted as revenue and expenditure appropriations.

THE CAPITAL PLANNING PROCESS

The Capital Improvement Program (CIP) is a strategy for planning and programming public physical improvements. It includes improvements that are scheduled over the next 10 years. Identifying the City's needs for physical facilities stimulates policy discussion about methods of paying for those needs and for prioritizing amongst the various needs in multiple program areas. The CIP indicates the expected timing and the approximate cost for each project. Adoption of the CIP indicates City Council approval of the projects.

The CIP Budget (CIPB) is an appropriation of the first year expenditures. It includes activities and facilities that are programmed for the next fiscal year but is neither a commitment to a particular project nor a limitation to a particular cost identified in the out years. The only exception are the projects shown as part of the Street Improvement Capital Fund (Fund 211 – Measure A 2008) in **Table 12-3**, which constitute the *Annual Program of Maintenance and Improvement* pursuant to the Measure A Street Improvement Program approved by voters in 2008.

A distinction between the CIP and CIPB is that the one-year CIPB is adopted as a part of the annual operating budget, whereas the longer term CIP does not necessarily have legal significance nor commit the City to a particular expenditure in an out year. The CIP is, essentially, a planning document: it is a basic tool for scheduling anticipated capital projects and capital financing.

The City's Ten-Year CIP is comprised of those projects for which a scope and a cost estimate is available. In some cases, an ongoing program is shown simply as a project, and the specific year-to-year scope is yet to be identified. Funding has been identified where possible, but many projects are included for which no funding has been secured or, at times, identified.

The City's Ten-Year CIP is reviewed and updated each year to reflect changes in priorities, scheduling realities, the availability of funding, and to include such new projects as have been identified over the past year. It can also be amended periodically as new projects or funding sources are identified.

CAPITAL IMPROVEMENT SUMMARY

The CIP currently has 46 identified projects, including 17 active projects that are either in construction or undergoing planning/design. Current year appropriations total \$5.6 million. Similar to recent years, the General Fund is making no significant contribution to the Capital Improvement Program. The largest projects (over \$500,000) in the coming fiscal year include construction of the Ohlone Nature Area & Rain Gardens, Moeser Lane & Ashbury Avenue Pedestrian and Bicycle Corridors Improvements, Central Avenue and Liberty Street Streetscape Improvements, Ohlone Greenway Crossing Improvements Project and at least one, if not two, paving projects. These projects are largely funded through various regional, state and federal grants that have been leveraged with Measure A Street Improvements Funds.

TABLES AND PROJECT INFORMATION SHEETS

A complete list of the projects for which funding is being requested or planned (the CIP) is provided in **Table 12-1**. The projects are arranged by Category (Administration, Facilities, Parks, Streets, etc.) with a column showing the planned Funding Sources (General Fund, Measure A, Grants, etc.) **Table 12-2** provides a detailed summary of the same projects in Table 12-1 arranged by Funding Source instead of Category.

Table 12-3 is a detailed list of all projects that are fiscally active in FY 2013-14 (the CIPB) and their estimated Revenues and Expenses. These projects either have carry-over funds from previous appropriations, are requesting funding for FY 2013-14, or both. They are arranged in the same categories as the ten-year CIP and show new funding, estimated expenditures and life-to-date funding and expenses through June 30, 2014. The category with the largest number of projects is the Streets category, while the only active project in the Facilities category is within the Swim Center Capital Fund.

Following **Table 12-3** are the detailed **Project Information Sheets**. This section includes a sheet for each project in the Ten-Year CIP that contains the following information:

- A Description of the Project with a Discussion of their Need, Service Level, Pertinent Issues, and Status.
- Estimates of operating costs, revenues or other fiscal impacts of the project to the future operations of the City
- Project location, department involved, and the project manager

**TABLE 12-3
CITY OF EL CERRITO**

2013-14 Capital Improvement Program Activity

Description	Project Number	Estimated Revenue					
		General Fund 101	Measure J (CCTA) 204	Street Impr Fund 211	Park In-Lieu 210	Inter-gov'l Revenue	Interest & Other Rev
General Capital Fund (301)							
Administration							
Energy & Water Efficiency Program	C3043	-	-	-	-	-	23,462
Recreation Software Upgrade	n/a	22,600	-	-	-	-	-
Facilities							
None in Fund 301		-	-	-	-	-	-
Parks							
Huber Park Improvements	C3054	-	-	-	-	135,000	-
Creeks & Trails							
Ohlone Nature Area & Rain Gardens	C3067	-	-	-	-	720,000	-
Ohlone Greenway Impr - Blake to Hill	C3069	-	-	-	-	-	-
Streets							
Annual Street Improvement Program	C3027	-	-	35,145	-	-	-
Access Mod (Streets)	C3024	-	35,000	-	-	-	-
Del Norte BART Circulation Study	C4014	-	-	-	-	9,986	-
Ohlone Greenway Major Street Crossin	C3046	-	-	-	-	484,100	-
Moeser & Ashbury Ped/Bike Improver	C3061	-	-	-	-	722,000	-
Central & Liberty Streetscape Improver	C3083	-	-	-	-	875,000	-
Arlington Curve at Brewster Dr Safety	C3071	-	-	50,000	-	47,952	-
		-	-	-	-	-	-
		-	-	-	-	-	-
SUBTOTAL General Capital Fund		22,600	35,000	85,145	-	2,994,038	23,462
Swim Center Capital Fund (206 - Measure A 2001)							
Swim Center Capital Enhancements		-	-	-	-	-	200,000
SUBTOTAL Swim Center Capital Fund		-	-	-	-	-	200,000
Street Improvement Capital Fund (211 - Measure A 2008)							
Annual Paving Project	C3027	-	-	(35,145)	-	-	185,145
Arlington Curve at Brewster Dr Safety	C3071	-	-	(50,000)	-	-	50,000
Traffic Safety & Management Program	C3070	-	-	-	-	-	100,000
State Paving - Prop 1B	C3072	-	-	-	-	354,000	478,000
Federal Paving - OBAG	C3073	-	-	-	-	630,000	311,000
SUBTOTAL Street Impr Fund		-	-	(85,145)	-	984,000	1,124,145
TOTAL Activity		22,600	35,000	-	-	3,978,038	1,347,607

			Estimated Expenditures			Estimated Project Balance
All Prior Years Funding	Budget Year Revenue	Life to Date Funding	All Prior Years Expenditures	Budget Year Expenditures	Life to Date Expenditures	June 30, 2014
25,984	23,462	49,446	35,018	-	35,018	14,428
45,200	22,600	67,800	65,520	10,000	75,520	(7,720)
-	-	-	-	-	-	-
-	135,000	135,000	4,586	130,000	134,586	414
180,000	720,000	900,000	180,000	720,000	900,000	-
487,000	-	487,000	50,000	50,000	100,000	387,000
-	-	-	-	-	-	-
864,754	35,145	899,899	899,899	-	899,899	-
104,590	35,000	139,590	-	139,590	139,590	-
-	9,986	9,986	9,986	-	9,986	-
104,000	484,100	588,100	50,731	537,369	588,100	-
228,000	722,000	950,000	228,000	722,000	950,000	-
405,000	875,000	1,280,000	190,000	1,090,000	1,280,000	-
-	97,952	97,952	10,000	87,952	97,952	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,444,528	3,160,245	5,604,773	1,723,740	3,486,911	5,210,651	
na	200,000	na	na	100,000	na	
-	200,000	-	-	100,000	-	
15,428,219	150,000	15,578,219	15,404,303	150,000	15,554,303	23,916
-	-	-	-	-	-	-
100,000	100,000	200,000	89,524	110,476	200,000	-
-	832,000	832,000	50,000	782,000	832,000	-
-	941,000	941,000	-	941,000	941,000	-
15,528,219	2,023,000	17,551,219	15,543,827	1,983,476	17,527,303	23,916
17,972,747	6,383,245	23,155,992	17,267,567	6,570,387	22,737,954	

Jan 27 2014
CSOC
Packet

Attachment C

Summary of Measure A Non-Pavement Projects

<u>Project</u>	<u>Date</u>	<u>Page</u>	<u>Meas A \$\$</u>	<u>Other \$\$</u>	<u>TOTAL</u>
Moeser-Ashbury	FY 11 Budget	4-15	30,000	977,000	
	2/5/13	4-16	78,000		1,085,000
Traffic Safety & Mgt Program	8/21/12	4-22	100,000		
	FY 14 Budget	4-28	100,000		200,000
Central-Liberty	11/20/12	4-29	160,000	1,020,000	
	5/7/13	4-36	100,000		1,280,000
Arlington Safety	FY 14 Budget	4-43	50,000	238,000	288,000
TOTAL Non-Pavement			618,000	2,235,000	2,853,000
TOTAL Pavement			14,800,000	2,800,000	17,600,000
TOTAL All Measure A			15,418,000	5,035,000	20,453,000

The above projects are listed chronologically in order of the first Council action for each project.

The following pages contain documents supporting the Council actions shown above. The page numbers are listed for each action.

4-14

FY 2010-11

Table 12-3 (continued)

Description	Project Number	Estimated Revenue					Interest & Other Rev
		General Fund	Measure C	RDA	Park In-Lieu	Inter-gov'l Revenue	
		101	204	Various	210		
Swim Center Capital Fund (206 - Measure A 2001)							
Swim Center Capital Enhancements		-	-	-	-	-	50,000
SUBTOTAL Swim Center Capital Fund		-	-	-	-	-	50,000
Park-in-Lieu Fund (210)							
Central Park Playground		-	-	-	-	-	5,000
SUBTOTAL Swim Center Capital Fund		-	-	-	-	-	5,000
Street Improvement Capital Fund (211 - Measure A 2008)							
City-Funded Projects	C3027	-	180,000	-	-	924,000	490,000
Federally-Funded Projects	varies	-	-	-	-	500,000	105,000
Moesser-Ashbury Bike-Ped	lbd	-	-	-	-	-	30,000
SUBTOTAL Street Impr Fund	C3061	-	180,000	-	-	1,424,000	625,000
Integrated Waste Capital Fund (501)							
New Recycling Center		-	-	-	-	-	2,840,000
SUBTOTAL Integrated Waste Capital		-	-	-	-	-	2,840,000
Redevelopment 2004 Series A Bond Fund (811)							
Facilities Improvements		-	-	-	-	-	-
SUBTOTAL Swim Center Capital Fund		-	-	-	-	-	-
TOTAL Activity		\$0	\$235,000	\$0	\$5,000	\$7,371,980	\$3,549,300



AGENDA BILL

Agenda Item No. 5(B)

Date: February 5, 2013
To: El Cerrito City Council
From: Jerry Bradshaw, Public Works Director / City Engineer
Yvetteh Ortiz, Engineering Manager
Subject: Moeser Lane and Ashbury Avenue Pedestrian and Bicycle Corridor Improvements Project, City Project No. C-3061, Federal Project No. RSTP-5239 (018)

ACTION REQUESTED

Adopt a resolution approving the following actions:

- 1) Approve plans for the Moeser Lane and Ashbury Avenue Pedestrian and Bicycle Corridor Improvements Project;
- 2) Accept all submitted bids;
- 3) Amend the Capital Improvement Program to appropriate an amount not to exceed \$78,000 of Measure A Street Improvement Funds for the Moeser Lane and Ashbury Avenue Pedestrian and Bicycle Corridor Improvements Project; and
- 4) Authorize the City Manager to execute a contract in the amount of \$803,221.36 with Golden Bay Construction, Inc. and to approve change orders in an amount not to exceed \$96,386 (12%) for the construction of the Moeser Lane and Ashbury Avenue Pedestrian and Bicycle Corridor Improvements Project.

BACKGROUND

The Moeser Lane and Ashbury Avenue Pedestrian and Bicycle Corridor Improvements Project will close sidewalk gaps, install pedestrian safety measures, and install bicycle facilities along two key routes in El Cerrito. In December 2009, the El Cerrito City Council approved Resolution 2009-79 authorizing the application for federal and state funds from the State Transportation Improvement Program - Transportation Enhancement (STIP-TE) Program for construction of this project. The City was subsequently awarded a grant in the amount of \$977,000.

The El Cerrito Circulation Plan for Bicyclists and Pedestrians and ADA Transition Plan place high priorities on the Moeser Lane and Ashbury Avenue corridors. Additionally, a Citywide Pedestrian Safety Assessment conducted by the Institute of Transportation Studies Technology Transfer Program (UC Berkeley) highlighted the necessity for improvements along these corridors, and recommended improvements consistent with those to be installed by the City. Combined, these two corridors provide access to the following facilities: Community Center, Contra Costa Civic Theater, Cerrito Vista Park,

4-16

Portola Middle School, Prospect Sierra School, El Cerrito High School, Harding Elementary School and Albany High School. Students, parents, and others frequently bike and walk between these facilities. Completion of these two corridors will also provide important connections to regionally significant routes including San Pablo Avenue and the Ohlone Greenway, and two BART Stations.

The specific project improvements are described below.

New Sidewalk and Curb Ramps

Ashbury Avenue - New four feet wide sidewalk and curb ramps will be added on the west side of Ashbury Avenue between Waldo Avenue and Moeser Lane.

Moeser Lane - New four feet wide sidewalk and curb ramps will be added to the north and south sides of Moeser Lane from Shevlin Drive to Terrace Drive. On the south side of Moeser Lane, between Sea View Drive and Shevlin Drive, new four feet wide decomposed granite walkway will be added. Decomposed granite was used in this segment at the request of PG&E who has superior property rights.

Pedestrian Safety Measures

Ashbury Avenue at Moeser Lane - New intersection bulb-outs are added along the frontage of the Community Center and at the south-west corner of the intersection.

Ashbury Avenue at Stockton Avenue – The existing raised island on the south side of the intersection is reconstructed to provide wheelchair accessibility and a pedestrian refuge area.

Ashbury Avenue at Hotchkiss Avenue – A pedestrian refuge area is provided within a new four feet wide raised median island at the south leg of the intersection.

Ashbury Avenue at Eureka Avenue (north) – A pedestrian refuge area is provided within a new four feet wide raised median island at the north leg of the intersection.

Ashbury Avenue at Eureka Avenue (south) – The existing sidewalk at the south-east corner fronting El Cerrito High School is reconstructed, reducing the length of the pedestrian crosswalk at the east leg of the intersection. The existing median on Eureka Avenue is reconstructed with standard curb improvements and a crosswalk is marked on the north leg of the intersection where none exists now.

Ashbury Avenue at Lincoln Avenue – A new raised crosswalk is added across Ashbury Avenue at the south leg of the intersection servicing El Cerrito High School.

Ashbury Avenue at C Street – New intersection bulb-outs are added at the north-west corner fronting Harding Elementary School and at the east side of the intersection. Also, the raised median island is reconstructed to provide wheelchair and pedestrian accessibility.

Ashbury Avenue at A Street/Lynn Avenue – A new raised crosswalk is added across Ashbury Avenue at the south leg of the intersection. Also, the raised median island is reconstructed to provide wheelchair and pedestrian accessibility.

Bicycle Facilities

Ashbury Avenue – From Moeser Lane to Fairmount Avenue, a Class III bikeway (signs and striping indicating shared use of an existing vehicular travel lane) will be provided. From Fairmount Avenue to the South City Limits, a Class II bikeway (signs and striping indicating a dedicated bike lane adjacent to an existing vehicular travel lane) will be provided.

Moeser Lane – From San Pablo Avenue to Pomona Avenue, a Class II bikeway will be provided.

A general meeting soliciting public input on the project was held in April 2011. A smaller block meeting was held in May 2011 with neighbors of the 900 Block of Norvell Street to address concerns regarding the new sidewalk on the west side of Ashbury Avenue between Waldo Lane and Moeser Lane. Given the varying conditions along the block and comments received at the block meeting, City staff revised the proposed sidewalk design to provide a safe and convenient path for pedestrians, a more direct and accessible path for persons with disabilities, and at the same time address resident concerns about security and privacy along their back fences.

ANALYSIS

Six bids were received on January 23, 2013 with the following results:

<u>Name</u>	<u>Location</u>		<u>Bid</u>
Golden Bay Construction, Inc.	Hayward	\$	803,221.36
J.J.R. Construction, Inc.	San Mateo	\$	870,770.00
Redgwick Construction Company, Inc.	Newark	\$	892,099.20
Ghilotti Bros., Inc.	San Rafael	\$	898,217.50
FBD Vanguard Construction, Inc.	Livermore	\$	906,913.87
Sposeto Engineering, Inc.	Livermore	\$	1,049,373.00
Engineer's Estimate		\$	850,000.00

The low bid of \$803,221.36 is approximately 5.5% below the engineer's estimate of \$850,000.

Staff recommends award of the project to Golden Bay Construction, Inc.

FINANCIAL CONSIDERATIONS

This project is included in the current Capital Improvement Program. The primary funding for this project is provided by a Federal Transportation Enhancement (STIP-TE) Grant of \$977,000 with an initial allocation of \$30,000 of Measure A funds for a total original funding budget of \$1,007,000. The expenditure budget below shows a shortfall of \$78,392.93. Staff had alerted the Council to the recent erratic nature of construction bids as we braced ourselves for very large bid results. Our engineer's estimate had been adjusted somewhat to that reality, so staff is pleased to see this come in under the latest estimate. All things considered, staff believes the low bid to be a good value worthy of full funding. As with other recent road projects, staff is recommending an additional appropriation of Measure A funds of up to \$78,000 to fully fund the project. Measure A began the fiscal year with a surplus of approximately \$350,000. There is sufficient funding available in Measure A for this appropriation without diminishing the annual paving program.

Staff is also recommending change orders slightly above the usual 10% level (12% or \$96,386) in order to allow for some modest design enhancements to the work around the medians on lower Moeser to correct some road crown and drainage issues.

	<u>Full Funding Budget</u>
Design	\$63,300.00
Construction	\$803,221.36
Construction Contingency (12%)	\$96,386.00
Const Mgt/Admin	\$122,430.00
Total	\$1,085,397.92
Surplus (Shortfall)	(\$78,397.93)

Reviewed by:



 Scott Hanin, City Manager

Attachment:

1. Accompanying Resolution

RESOLUTION 2013 – 01

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL CERRITO AWARDING A
CONTRACT IN THE AMOUNT OF \$803,221.36 WITH GOLDEN BAY CONSTRUCTION, INC.
FOR THE CONSTRUCTION OF THE MOESER LANE AND ASHBURY AVENUE
PEDESTRIAN AND BICYCLE CORRIDOR IMPROVEMENTS PROJECT

CITY PROJECT NO. C-3061

WHEREAS, the City Council previously authorized bids for this project as part of the Capital Improvement Program; and

WHEREAS, the project was advertised for bids on November 30, 2012 and on December 10 and 17, 2012 and six bids were received on January 23, 2013; and

WHEREAS, the lowest responsive, responsible bidder was Golden Bay Construction, Inc. whose total bid, in the amount of \$803,221.36, was 5.5 percent below the Engineer's Estimate; and

WHEREAS, Measure A Street Improvement funds are eligible for roadway projects such as this.

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of El Cerrito approves the following:

- 1) Approve plans for the Moeser Lane and Ashbury Avenue Pedestrian and Bicycle Corridor Improvements Project;
- 2) Accept all submitted bids;
- 3) Amend the Capital Improvement Program to appropriate an amount not to exceed \$78,000 of Measure A Street Improvement Funds from the Annual Street Improvement Program to the Moeser Lane and Ashbury Avenue Pedestrian and Bicycle Corridor Improvements Project; and
- 4) Authorize the City Manager to execute a contract in the amount of \$803,221.36 with Golden Bay Construction, Inc. and to approve change orders in an amount not to exceed \$96,386 (12%) for the construction of the Moeser Lane and Ashbury Avenue Pedestrian and Bicycle Corridor Improvements Project.

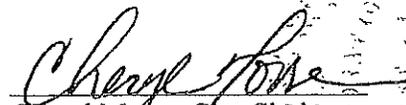
BE IT FURTHER RESOLVED that this Resolution shall become effective immediately upon passage and adoption.

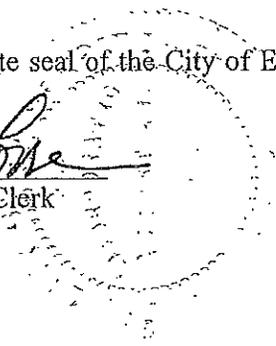
I CERTIFY that at a regular meeting on February 5, 2013 the City Council of the City of El Cerrito passed this Resolution by the following vote:

AYES: Councilmembers Abelson, Benassini, Bridges, Friedman and Mayor Lyman
NOES: None
ABSENT: None

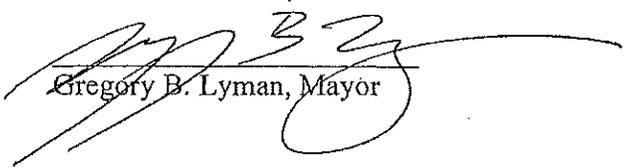
* * * * *

IN WITNESS of this action, I sign this document and affix the corporate seal of the City of El Cerrito on February 7, 2013.


Cheryl Morse, City Clerk



APPROVED:


Gregory B. Lyman, Mayor

CITY OF EL CERRITO

2014 PAVEMENT REHABILITATION PROGRAM

ARLINGTON BOULEVARD - VILLA NUEVA DR. TO ARBOR DR.
CENTRAL AVENUE - SANTA CLARA AVE. TO SAN PABLO AVE.
COLUSA AVENUE - TERRACE DR. TO ERROL DR.
FAIRMOUNT AVENUE - RICHMOND ST. TO COLUSA AVE.
MANILA AVENUE - KEARNY ST. TO RICHMOND ST.

CITY PROJECT NO. C3074
FEDERAL NO. RSTP - 5239 (024)

UTILITY LEGEND

SYMBOL	DESCRIPTION
○ SDMH	STORM DRAIN MANHOLE
○ SSMH	SANITARY SEWER MANHOLE
○ SSCO	SANITARY SEWER CLEANOUT
○ ELEC	ELECTRICAL MANHOLE
○ MH	WATER VALVE
● WM	WATER METER
▲ HYD	FIRE HYDRANT
■	BLUE HYDRANT MARKER
● GV	GAS VALVE
■	CATCH BASIN
⋈ JP	UTILITY JUNCTION POLE
★ SL	STREET LIGHT
⊕ TS	TRAFFIC SIGNAL
⊙	CORE SAMPLE LOCATION
---	EDGE OF INLAY
---	RIGHT OF WAY / LOT LINE
□ DET	DETECTOR VAULT
○ MON	MONUMENT
■	DETECTABLE WARNING SURFACE (TRUNCATED DOMES)
— SD —	STORM DRAIN
— SS —	SANITARY SEWER
— W —	WATER LINE
— G —	GAS LINE
— E —	ELECTRICAL LINE
— E-OH —	OVERHEAD ELECTRICAL LINE
— COMM —	COMMUNICATION LINE

CONSTRUCTION LEGEND

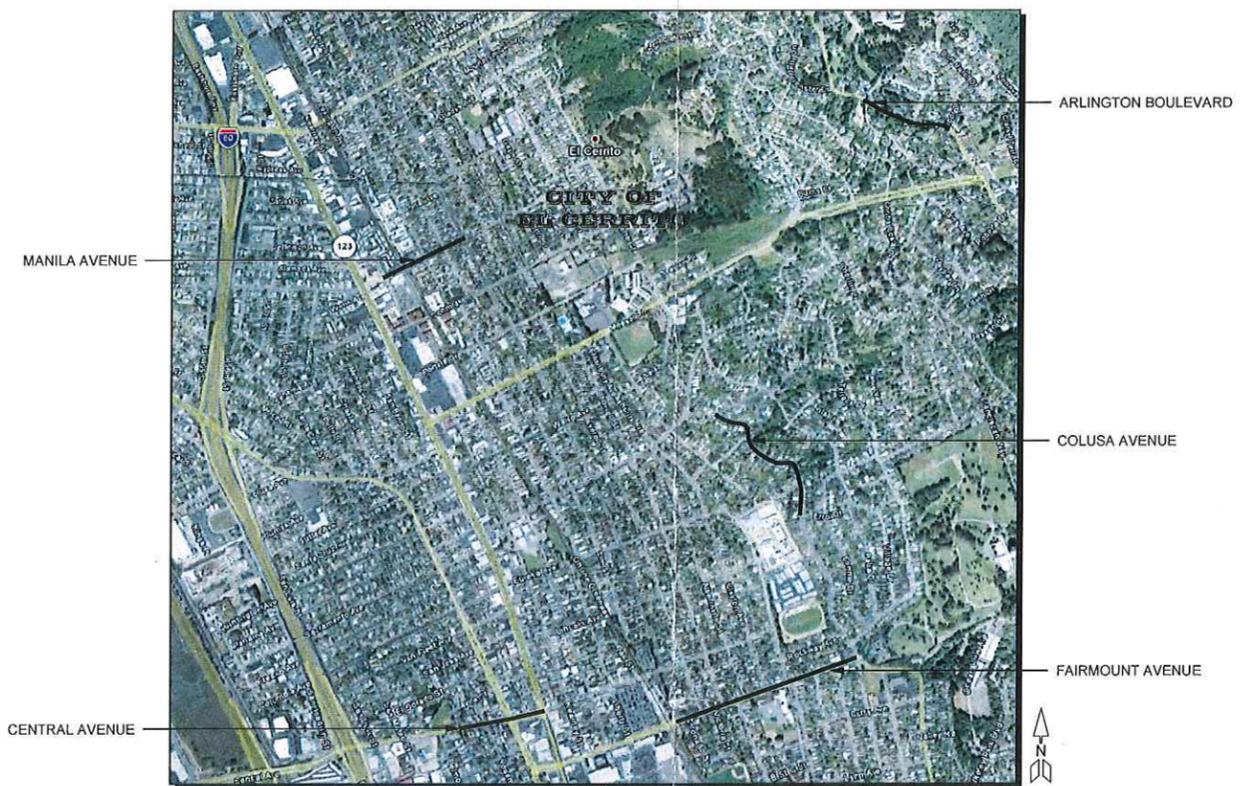
	2' DGAC OVERLAY		POST MILLING DIGOUT
	2' DGAC INLAY		DETAIL NUMBER
	PERCENT SLOPE SWALE		SHEET NUMBER

ABBREVIATIONS

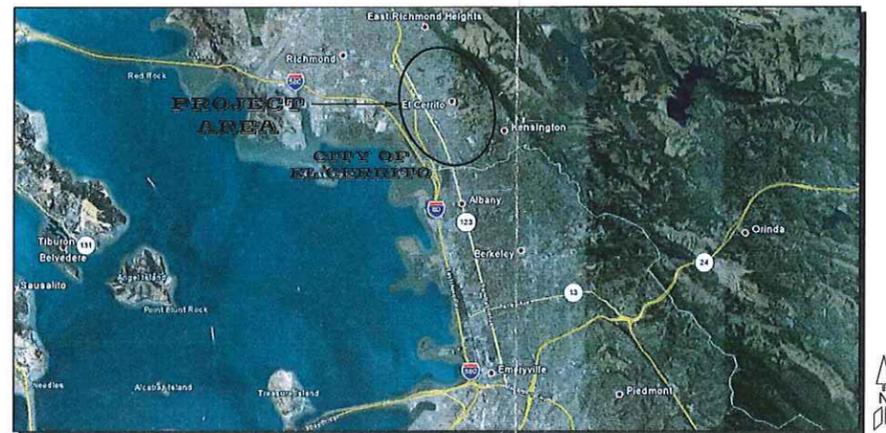
CB	CATCH BASIN
DWY	DRIVEWAY
EX or (E)	EXISTING
HYD	FIRE HYDRANT
RIM	MANHOLE RIM ELEVATION
SS	SANITARY SEWER
SSCO	SANITARY SEWER CLEANOUT
SSMH	SANITARY SEWER MANHOLE
SD	STORM DRAIN
SDMH	STORM DRAIN MANHOLE
SL	STREET LIGHT
THP	THERMOPLASTIC
TS	TRAFFIC SIGNAL
TYP	TYPICAL
JP	UTILITY JUNCTION POLE
W	WATER LINE
WM	WATER METER
WW	WATER VALVE
(W)	WHITE
(Y)	YELLOW

SHEET INDEX

SHEET	CONTENTS
1	TITLE SHEET
2	NOTES
3	GENERAL SITE LAYOUT PLAN
4	TYPICAL CROSS SECTIONS
5	STREET PLAN - ARLINGTON BOULEVARD
6	STREET PLAN - CENTRAL AVENUE
7	STREET PLAN - COLUSA AVENUE
8	STREET PLAN - COLUSA AVENUE
9	STREET PLAN - FAIRMOUNT AVENUE
10	STREET PLAN - FAIRMOUNT AVENUE
11	STREET PLAN - MANILA AVENUE
12	STRIPING PLAN - ARLINGTON BOULEVARD
13	STRIPING PLAN - CENTRAL AVENUE
14	STRIPING PLAN - COLUSA AVENUE
15	STRIPING PLAN - FAIRMOUNT AVENUE
16	STRIPING PLAN - MANILA AVENUE
17	DETAILS
18	DETAILS



LOCATION MAP
NTS



VICINITY MAP
NTS

APPROVED:	PROJECT ENGINEER:	CITY ENGINEER:	REVISIONS
YVETTEH ORTIZ, P.E.	YVETTEH ORTIZ, P.E.	YVETTEH ORTIZ, P.E.	NO. DESCRIPTION
			BY DATE

THE CITY OF EL CERRITO
 PUBLIC WORKS DEPT.
 10890 SAN PABLO AVENUE
 EL CERRITO, CA 94530-2323
 (510) 215-4300 tel. (510) 215-4319 fax
 www.el-cerrito.org

2014 PAVEMENT REHABILITATION PROGRAM
 ARLINGTON BLVD., CENTRAL AVE.,
 COLUSA AVE., FAIRMOUNT AVE.
 AND MANILA AVE.
 CITY PROJECT NO. C3074 FEDERAL NO. RSTP - 5239 (024)

DESIGNED: GA	SV
DRAWN: GA	SV
CHECKED: GA	SV
PROJECT NO: C3074	
DATE: 08.08.14	
SCALE: NONE	

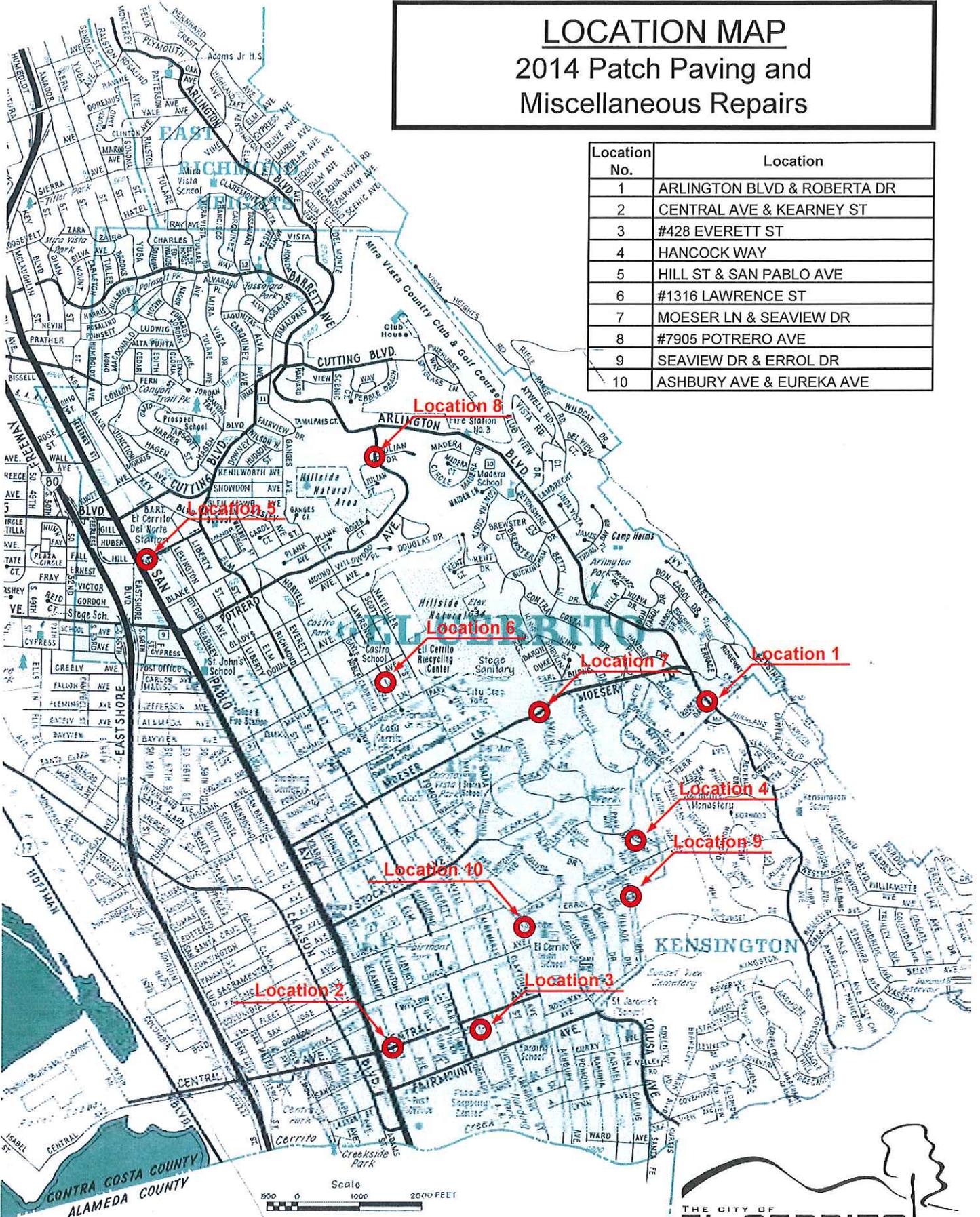
YVETTEH ORTIZ, P.E. CE NO. 62368
 INTERIM PUBLIC WORKS DIRECTOR
 CITY OF EL CERRITO



LOCATION MAP

2014 Patch Paving and Miscellaneous Repairs

Location No.	Location
1	ARLINGTON BLVD & ROBERTA DR
2	CENTRAL AVE & KEARNEY ST
3	#428 EVERETT ST
4	HANCOCK WAY
5	HILL ST & SAN PABLO AVE
6	#1316 LAWRENCE ST
7	MOESER LN & SEAVIEW DR
8	#7905 POTRERO AVE
9	SEAVIEW DR & ERROL DR
10	ASHBURY AVE & EUREKA AVE



**Portion of Map Reproduced with permission of the El Cerrito Chamber of Commerce



Thos. N. Miller

2700 Tulare Avenue
El Cerrito, California 94530-1439
Telephone: 510-233-1047
FAX: 510-233-2720
e-mail: schwabbi@aol.com

Chair of the El Cerrito Street Oversight Committee

To: All Committee Members,

9/30/14

About a week before the City Council meeting of 4/22/14 I received a phone call from Ms. Ortiz seeking to confirm that I would sign and present the Committee Report she had prepared to the City Council meeting scheduled for 4/22/14.

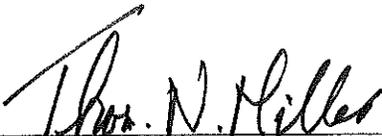
Inasmuch as this would be the first non-unanimous Report in the history of the Committee I requested that the words "Split Vote" be inserted into the text. This request was responded to in a most vitriolic manner to the effect that if I did not sign the Report as written she would demand that the Vice Chair do so and if the Vice Chair refused she would go one by one to Committee Members requesting that they sign the Report and that if no Member would sign the Report she would present it to the City Council herself.

It was immediately apparent to me that the forgoing diatribe revealed a total ignorance of the relationship between the Committee and the City Staff Liaison as set forth in the relevant Ordinances and past history of the Committee. It was also apparent that the issue would only precipitate consequences disproportionate to the importance of my simple request so I withdrew my request, signed the Report and presented it as written to the City Council on 4/22/14.

The forgoing experience indicates that City Staff has the mindset that the Committee is subservient to City Staff whereas it is my understanding that the reverse is the case. I believe that this situation should be brought to the attention of the Committee and I take this means of doing so.

In confirmation of the above opinion I call your attention to the fact that Staff totally ignored our Standing Rules as to the times of our meetings and scheduled the meeting today without requesting the permission of the Chair to do so, in fact delegating the function to some unknown employee who apparently was quiet uncertain which way the wind was blowing. This is only a small indicator of things to come if the Committee does not clarify matters.

As your Chair I believe that I have not been shown the respect that is due, not to me personally, but as to the representative of this Committee and hence the entire Committee. What is to be done is up to the Committee as a whole. I am bound by duty to be the messenger.



Thomas N. Miller

THE LAST TIME I SPOKE TO THE CITY COUNCIL WAS BACK IN 2007 WHEN MEASURE A WAS BEING PROPOSED AND I SPOKE IN FAVOR OF IT. AFTER I SPOKE I REMEMBER THE NOW MAYOR COMMENTING TO THE EFFECT THAT EVERYBODY SEEMED TO BE IN FAVOR OF THIS MEASURE.

I CONTINUED TO VIGOROUSLY SUPPORT MEASURE A AND ATTENDED EVERY PUBLIC PRESENTATION ADVOCATING ITS PASSAGE. AFTER MEASURE A PASSED I THOUGHT THAT I SHOULD VOLUNTEER TO SERVE ON THE OVERSIGHT COMMITTEE AND WAS DULY APPOINTED. I HAVE BEEN ON THAT COMMITTEE EVER SINCE.

THERE WAS NO PROBLEM UNTIL AT OUR SEPTEMBER 2013 MEETING WE BECAME AWARE THAT ONE HUNDRED THOUSAND DOLLARS OF MEASURE A MONEY HAD BEEN DIVERTED TO NON STREET PROJECTS IN AUGUST 2012, THIRTEEN MONTHS AGO.

SINCE THAT TIME IT HAS BECOME APPARENT THAT MEASURE A IS BADLY FLAWED IF VIEWED FROM THE PERSPECTIVE OF THE VOTER.

FLAW #1: THERE IS NO SUNSET CLAUSE EVEN THOUGH THIS WAS A MEASURE TO ADDRESS A SPECIFIC LIMITED MATTER AND NOTHING ELSE.

FLAW #2: THE BALLOT LANGUAGE WHICH IS WHAT THE VOTERS LOOK AT IS CONTRADICTED BY THE ENABLING ORDINANCE.

FLAW #3: THE BALLOT LANGUAGE CLEARLY STATES THAT AN OVERSIGHT COMMITTEE SHALL OVERSEE RELATED MATTERS. INSTEAD OF THAT WHAT WE HAVE NOW IS NOT AN OVERSIGHT COMMITTEE BUT A HINDSIGHT COMMITTEE WITH NO RELEVANCE.

ALTHOUGH THERE MAY BE NO QUESTION BUT THAT ALL THAT HAS BEEN DONE IS ENTIRELY LEGAL THERE IS A VERY LARGE QUESTION AS TO WHETHER THIS IS WHAT THE VOTERS VOTED FOR AND DOES TRANSPARENCY REALLY PREVAIL IN OUR CITY GOVERNMENT. ???

4/22/14



STAFF REPORT

Date: November 4, 2013
To: El Cerrito Citizen Street Oversight Committee
From: Jerry Bradshaw, Public Works Engineer, Staff Liaison
Yvettch Ortiz, Public Works Director/City Engineer, Staff Liaison
Subject: Discussion of Measure A Funds Used for Non-Pavement Projects

The Committee has requested an agenda item to discuss the use of Measure A Funds for non-pavement items such as traffic and safety improvements and streetscapes. On the following pages are various documents that provide background on the appropriate use of Measure A funds.

Measure A was an ordinance put before the voters in February 2008. The ballot asked the following question:

"The El Cerrito Pothole Repair, Local Street Improvement and Maintenance Measure. To improve neighborhood streets; enhance road safety citywide by fixing potholes; maintaining, repairing and repaving streets; sealing cracks; improving handicap ramps, crosswalks, bicycle lanes; and maintaining road markings and signage, shall the City of El Cerrito incur debt to immediately begin and accelerate street improvements, paid by establishing a dedicated one-half cent sales tax used exclusively for street improvements, with citizens' oversight and independent audits of expenditure?"

Attached documents are as follows:

1. Ordinance (pages 4-3 to 4-11) – This ordinance modified two sections of the El Cerrito Municipal Code:
 - a. Section 4.60 was added establishing the sales tax, describing the mechanisms for its collection (sub-sections 010 through 140), detailing how the proceeds could be used (sub-section 150), and requiring an independent audit;
 - b. Section 2.04.320 as added establishing a Citizen Street Oversight Committee.
2. Measure A Expenditure Plan as required by the Ordinance. (pages 4-12 to 4-14)

4-1

Item 7

Thos. N. Miller

2700 Tulare Avenue
El Cerrito, California 94530-1439
Telephone: 510-233-1047
FAX: 510-233-2720
e-mail: schwabbi@aol.com

Proposed new Standing rule of the El Cerrito Street Oversight Committee

"The proposed Agenda for any upcoming Committee Meeting shall be transmitted to the Committee Chair so as to arrive not less than ten (10) calendar days prior to the scheduled date of that meeting."

These are excerpts from the Comprehensive Annual Financial Report. The full report is posted on the City's website at:
<http://www.el-cerrito.org/ArchiveCenter/ViewFile/Item/2171>



Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2014

10890 San Pablo Ave. El Cerrito, CA 94530
www.el-cerrito.org

CITY OF EL CERRITO
Comprehensive Annual Financial Report
For the Year Ended June 30, 2014

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CITY OF EL CERRITO
Comprehensive Annual Financial Report
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February 24, 2015

To the Citizens of the City of El Cerrito
and the Honorable Mayor and Members of
the City Council:

I hereby submit this Comprehensive Annual Financial Report (CAFR) of the City of El Cerrito for the fiscal year ended June 30, 2014. 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 are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. We have included all disclosures necessary to enable the reader to gain an understanding of the City's financial activities. This transmittal letter is intended to be read in conjunction with the Management Discussion and Analysis (MD&A) and the Financial Statements.

REPORTING ENTITY

The City of El Cerrito provides a full range of services, including police and fire protection; building permits and inspections; parks and recreation facilities and services, planning and environmental services, construction and maintenance of streets, public buildings, and other infrastructure and operation of a state of the art Recycling Center. The activities of several legally separate entities are included in the City's financial statements. The City serves as the reporting body for these entities, including the City of El Cerrito Employees' Pension Plan, the Municipal Services Corporation and the El Cerrito Public Financing Authority. The City is financially accountable for these entities since the City Council serves as the separate Board of Directors for each entity and City staff has operational responsibility for the activities of each entity. All of these entities are included in the City's financial statements as part of the reporting entity.

CITY PROFILE

The City of El Cerrito is located across the Bay from the City of San Francisco in an area locally referred to as the East Bay. The City consists of about 3.9 square miles and has approximately 24,000 residents. El Cerrito is part of the West Contra Costa Unified School District (WCCUSD) which also serves other West County Communities. In El Cerrito, WCCUSD operates one early intervention preschool, three public elementary schools, one public middle school, and one public high school. The City has a variety of green spaces for public enjoyment including 32 acres of developed park grounds, over 100 acres of open space in the hillside natural area, a 2.7-mile multi-use trail known as the Ohlone Greenway, school recreation facilities, the privately owned Mira Vista Country Club (127 acres), and Boy Scouts of America's Camp Herms (18 acres). A portion of the Sunset View Cemetery and the City's eastern boundary are contiguous with the East Bay Regional Park District's Wildcat Canyon Regional Park (about 2,600 acres). El Cerrito also has a regional office of the California Department of Motor Vehicles, two Bay Area Rapid Transit (BART) Stations, a major regional shopping center, five banks, seventeen churches and some of the most spectacular views of four Bay Area bridges, San Francisco and the surrounding area.

ECONOMIC CONDITION AND FUTURE OUTLOOK

Providing the community with exemplary services remains a top priority for the City. Striking the balance between maintaining and improving services while achieving long term financial stability has continued to be a challenge with a Citywide business vacancy rate of close to 10%, reduced reserves and increasing costs. The City is still dealing with the financial impact of dissolution of the El Cerrito Redevelopment Agency, cost increases and some revenues that have not increased at the anticipated levels, but the overall climate seems to be stabilizing. The impact of property value reductions in prior years seems to be recovering and El Cerrito recently experienced its highest median housing price exceeding the median pre-recession levels.

El Cerrito's retail base consists of a regional shopping center, the El Cerrito Plaza, smaller retail nodes in the Del Norte area, a successful car dealership, and infill retail along the San Pablo Avenue corridor. Sales taxes remained strong, however, a misallocation of tax with a neighboring city resulted in a year end correction of \$1.3 million in FY 2012-13. Without this correction in FY 2013-14, sales tax remained stable and the City saw a slight increase over the prior years.

The outlook for sales tax remains optimistic as the residents of El Cerrito recently approved the extension of Measure R, the City's local sales tax at the one percent sales tax rate for twelve years. The new sales tax rate goes into effect on April 1, 2015 and is expected generate approximately \$1.4 million annually in future years. This funding will assist with maintaining City services, improving others over time and help to gradually restore the City's General Fund reserve over the next several years.

MAJOR INITIATIVES AND ACCOMPLISHMENTS

The City continues to struggle with reduced staff and financial constraints. However, even with these limitations, the City continued to provide high quality services with a focus on long term viability and accomplish many noteworthy projects across departments. Significant selected accomplishments for the year includes:

- Secured a grant of \$3.5 million that will be used to complete Ohlone Greenway and Pedestrian Safety Improvements
- Received 11 “Best of Contra Costa County” Awards from Parents’ Press Magazine for the City’s camps, childcare programs and special events
- Broadened our hiring and volunteerism through our EC Stars High School Internship Program, expanded Police Explorer Program, 2nd Police Citizens Academy and the identification of eight new Volunteers in Police Service recruits
- Implemented a Tree Maintenance Agreement that reduced per tree costs by half while pruning twice as many trees
- Received Homeland Security grants for a new fire ladder truck, new Automatic Cardiac Compression Devices and rescue equipment in the amount of just over \$1 million.
- Added a 2nd K-9 and handler to expand our Police capabilities
- Installed solar panels on many city buildings to reduce energy costs
- Launched online business license renewals for FY 2014-15

FINANCIAL INFORMATION

Accounting System

The City’s accounting and budgeting records for general government operations are maintained on a modified accrual basis, with the revenues being recorded when available and measurable, and expenditures being recorded when the service or goods are received and the liabilities are incurred. Accounting and budgeting for the City’s proprietary funds are maintained on the accrual basis. Capital Assets are recorded in accordance within financial reporting standards.

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 taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been met.

The City maintains an internal control structure designed to provide reasonable assurance that the City's assets are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgeting Controls

The City of El Cerrito maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the general fund, special revenue funds, capital projects funds, debt service funds, and proprietary funds are included in the annual appropriated budget. The level of budgetary control (that is the level at which expenditures cannot legally exceed the appropriated amount) is at the fund level. Only the City Council has the authority to create or modify total appropriations of any fund, subject to only the appropriations limits established by State law. The City Council approved various supplemental appropriations during the year. The statements and schedules included in the financial section of this report indicate that the City continued to meet its responsibility for sound financial management.

OTHER INFORMATION

Independent Audit

The City Council selects an independent certified public accounting firm to perform a required annual audit of the City's financial records and transactions. Such an audit is also required through covenants related to the City's bonded indebtedness. The City has contracted with Maze & Associates, an independent auditor, to perform the audit and prepare the financial section of this report.

Awards

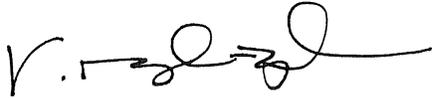
The City has once again been awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA) for its FY 2012-13 comprehensive annual financial report (CAFR). This is the tenth year that the City has received the award for the CAFR. In order to be awarded a Certificate of Achievement, 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.

Acknowledgments

The preparation of this Comprehensive Annual Financial Report was made possible by the dedicated efforts of staff Citywide and our audit firm, Maze & Associates.

I would like to thank the City Manager, the Mayor and the City Council for their outstanding leadership and ongoing commitment to the El Cerrito community.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'L. Malek-Zadeh', with a long horizontal flourish extending to the right.

Lisa Malek-Zadeh
Finance Director /City Treasurer

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council
City of El Cerrito, California

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of El Cerrito (City) as of and for the year ended June 30, 2014, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. These 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, the business-type activities, each major fund, and the aggregate remaining fund information 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

Redevelopment Agency Dissolution

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 El Cerrito Redevelopment Agency was dissolved and its assets turned over to and liabilities assumed by Successor Agencies effective February 1, 2012. Certain transactions undertaken by the El Cerrito 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.

In fiscal 2011 and 2012, pursuant to a cooperation agreement and assignment and assumption agreements, the former Redevelopment Agency transferred \$12,550,551 of assets to the of El Cerrito Municipal Services Corporation, a component unit of the City. ABx1 26 and AB 1484 contain provisions that such transfers are subject to a review by the State Controller's Office. According to Health and Safety Code 34167.5, if such an asset transfer did occur during that period and the government agency that received the assets is not contractually committed to a third party for the expenditure or encumbrance of those assets, to the extent not prohibited by state and federal law, the Controller shall order the available assets to be returned to the Successor Agency. As of June 30, 2014, assets totaling \$10,279,207, comprised of current assets of \$4,752,073 and capital assets of \$5,527,134, were held by the Municipal Services Corporation, but the City, Successor Agency and the Municipal Services Corporation are in litigation with the State Controller as to whether the Corporation is subject to this provision of the Health and Safety Code. The State Controller's Office has completed its asset transfer review of the former Agency and released its final report in July 2014. The final report indicates the former Redevelopment Agency made unallowable transfers to the Municipal Services Corporation in fiscal years 2011 and 2012 totaling \$12,550,551, consisting of cash of \$2,382,232, land held for redevelopment of \$4,634,789 and capital assets of \$5,533,530. These transfers were also deemed unallowable by the Department of Finance as discussed below, disputed by the City, Successor Agency and Corporation, and subject to litigation as discussed below. Therefore, the amount, if any of assets that may be required to be returned to the Successor Agency cannot be determined at this time.

Prior to the Redevelopment Agency dissolution, the Agency Board approved various agreements which obligated it to repay certain advances from the Agency's Low and Moderate Income Housing Fund to make payments required by the State to the Educational Revenue Augmentation Fund (ERAF) and Supplemental ERAF from tax increment revenue received. The advance was assumed as a receivable by the City as Housing Successor, and the advance is now payable to the City's Low and Moderate Income Housing Asset Fund. Repayment of these agreements is subject to certain administrative procedures and review and approval by the California Department of Finance and/or the Oversight Board, and as a result the time frame for repayment by the Successor Agency from redevelopment property tax is not determinable at this time.

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. The DDR for cash balances in the Low and Moderate Income Housing Fund indicated that there were no balances available for distribution to the affected taxing entities. In April 2013, the State Department of Finance (DOF) completed its review of this DDR and concurred with its findings. In June 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 \$1,981,989. In addition, the DOF demanded the City reverse \$10,168,319 of property conveyances executed in fiscal year 2012 and a payment of \$400,243 of bond proceeds to the Municipal Services Corporation. The City, Successor Agency and Municipal Services Corporation are disputing the adjustment and demand in litigation against the DOF.

Also as discussed in Note 14, prior to its dissolution, the Redevelopment Agency obligated certain Redevelopment funds pursuant to a cooperation agreement with the City that was partially assigned to the Municipal Services Corporation. Subsequent to dissolution, the cooperation agreement was rejected by the DOF. The Successor Agency and DOF 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 continues to believe the transactions are valid and the City, Successor Agency and Municipal Services Corporation have included this matter in the litigation against DOF.

On September 3, 2014, the Court ruled against the City, Successor Agency and Municipal Services Corporation regarding the transfers and the cooperation agreement. The City, Successor Agency and Municipal Services Corporation have appealed the decision, as discussed in Note 15.

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.

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

General Fund Cash and Fund Balance and Other Fund Cash Balances

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplate continuation of the City as a going concern. However, as of June 30, 2014, the General Fund's unrestricted cash balance was only \$1, unassigned fund balance represents available fund balance and equates to approximately 14 days of General Fund expenditures, and expenditures in fiscal year 2014 exceeded revenues by \$259,883. In addition, the Capital Improvement Fund and other Non-Major Governmental Funds had borrowed \$1,719,334 from the General Fund and other funds, including the Integrated Waste Management Enterprise Fund. As a result of the interfund borrowing, City-wide, the City has a total of only \$40,384 of unrestricted cash as of June 30, 2014. Although the City continues to issue Tax Revenue Anticipation Notes to supplement cash temporarily during the fiscal year, if deficit spending continues, it reduces the likelihood that the City will be able to continue as a going concern.

The emphasis of this matter 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 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mane & Associates

Pleasant Hill, California
February 24, 2015

CITY OF EL CERRITO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 8 – LONG-TERM DEBT (Continued)

B. 2006 Lease Revenue Bonds

On November 1, 2006 the El Cerrito Public Financing Authority issued Series 2006 Lease Revenue Bonds in the amount of \$9,610,000 at 3.60%-5.00% interest. The proceeds from the sale of the Bonds were used for the construction of a new City Hall. Rental revenues from the City to the Authority are pledged for the repayment of these Bonds. Principal and interest payments are due semi-annually each June 1 and December 1 through 2036.

C. 2012 Lease Revenue Refunding Bonds

On September 26, 2012, the El Cerrito Public Financing Authority issued Lease Revenue Refunding Bonds, Series 2012, in the original principal amount of \$2,516,500 at 1.960% interest to provide for the refunding of the City's outstanding 2002 Swim Center Lease Revenue Bonds. Principal payments are due annually on September 1, with interest payments payable semi-annually on March 1 and September 1 through September 1, 2020. Parcel tax revenues are pledged for the repayment of these Bonds. If parcel tax revenues are insufficient to pay the annual principal and interest payments on the bonds the City has covenanted to use General Fund revenues.

D. Sales Tax Revenue Bonds

On May 20, 2008, the El Cerrito Public Financing Authority issued \$11,750,000 original principal amount of 2008 Sales Tax Revenue Bonds at 4.40%-4.75% interest. The proceeds from the sale of the Bonds will be used for the City's street maintenance and improvement program following the recommendations and priorities established annually by the City Council and Citizens' Oversight Committee. Principal payments are due annually on May 1, with interest payments payable semi-annually on May 1 and November 1 through May 1, 2037. Street Improvement Sales Tax revenues are pledged for the repayment of these bonds. Projected revenues are expected to provide coverage over debt service of 1.75 over the life of the bonds. The total principal and interest remaining to be paid on the bonds is \$16,984,766. For fiscal year 2014, Street Improvement Sales Tax Revenues amounted to \$1,453,527 which represented coverage of 1.96 over the debt service of \$740,152.

E. 2012 Recycling Facility Revenue Refunding Bonds

On September 19, 2012, the El Cerrito Public Financing Authority issued Recycling Facility Revenue Refunding Bonds in the original principal amount of \$3,405,600 at 2.36% interest to provide for the refunding and retirement of the City's outstanding Recycling Center Lease Purchase Agreement and related Site Lease. Principal and interest payments are due quarterly on July 1, October 1, January 1, and April 1, through October 1, 2025. Repayment of these bonds is from charges for services received by the Integrated Waste Management Enterprise Fund.

CITY OF EL CERRITO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 9 – 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, the Finance Director, and may be changed at the discretion of the City Council or its designee. This category includes encumbrances; nonspendables, when it is the City’s intent to use proceeds or collections for a specific purpose, and residual fund balances, if any, of Special Revenue, Capital Projects and Debt Service Funds which have not been restricted or committed.

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.

C. Fund Deficits

The following funds had fund balance or net position deficits as of June 30, 2014:

Fund	Amount
Capital Improvement Capital Projects Fund	\$1,047,538
Gas Tax Special Revenue Fund	25,515
Storm Drain Capital Projects Fund	92,646
Street Improvement Capital Projects Fund	222,657
Successor Agency Private Purpose Trust Fund	17,058,661

The deficits are expected to be eliminated by future revenues of each fund.

CITY OF EL CERRITO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 12 – CERRITO THEATER LEASE

In July 2009, the former Redevelopment Agency executed a five year lease with Pleasantown Motion Picture Company LLC. (tenant) for the Cerrito Theater. In March 2011, the former Redevelopment Agency conveyed ownership of the Theater to the Corporation, subject to the landlord rights and responsibilities under the lease, with a covenant that the Corporation will continue to operate the Theater as a movie theater and restaurant. Under the terms of the lease, the ownership of the Theater and property remains with the landlord at the end of the lease term, therefore, the lease is considered an operating lease.

The tenant is obligated to remit monthly base rent of \$4 thousand starting in March 2010, increased each year as specified in the lease. In addition, the tenant is to pay the property tax and assessments, certain maintenance expenses as defined in the lease, and a percentage of rent of 5 percent of calendar year gross receipts from the Theater and restaurant in excess of \$960 thousand, as adjusted for increases in the Consumer Price Index.

NOTE 13 – COMMITMENTS AND CONTINGENCIES

A. *Litigation*

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

B. *Repayment of Excess Sales Tax Allocations to the State and State Demand*

The State Board of Equalization (BOE) completed two separate reviews related to the allocation of sales taxes between the City of El Cerrito and the City of Richmond for one commercial property that borders both cities. The review dates back to fiscal year 2006.

In April 2013, the BOE found that the Street Improvement district tax revenues had been over allocated by \$292,357 from fiscal year 2009 through 2013, and the June 2013 remittance was reduced in that amount.

In October 2013, the BOE found that the City's historical sales tax revenues had been over allocated by \$2,499,975 and would withhold that amount from the December 2013 remittance. This finding did not include any adjustments for the sales tax sharing agreement the City has with the City of Richmond and payments that had been made by the City under that agreement in the current and prior fiscal years. The City had requested documentation from the BOE to support its calculation and obtained an extension to April 30, 2014 for the opportunity to appeal the decision while management reviews BOE's methodology and calculations. The BOE did not withhold the amount from the December remittance, pending the City's review and potential appeal.

In October 2014, the BOE rescinded the demand letters and agreed to implement the sales tax sharing agreement between the cities with regard to sales taxes. The BOE indicated that it will not implement an agreement regarding district taxes, so the cities are preparing a separate agreement to address maintaining the 70% - 30% split of district taxes after the BOE begins administering the sales tax sharing agreement.

CITY OF EL CERRITO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 13 – COMMITMENTS AND CONTINGENCIES (Continued)

The City recalculated the historical actual allocations of sales and district taxes for the commercial property to each City for fiscal years 2006 to 2014 and the sales tax sharing payments during that period and determined that the City owed the City of Richmond \$1,291,582. The BOE and the City of Richmond agreed that the City will repay the amount due from future sales tax revenues, and \$253,720 was paid during the fourth quarter of fiscal year 2014. Therefore, the City has recorded an accrued liability in the amount of \$1,037,862 that is included in the Statement of Net Position.

C. *Purchase and Sale Agreement for Open Space Property*

In July 2013, the City entered into a purchase and sale agreement with Trust for Public Land (TPL) through which TPL would purchase approximately 7.6 acres of open space property adjacent to the Hillside Natural Area for conservation and recreation purposes from the current owner for \$475,000 and hold the property until December 17, 2014 to allow time for public grant and private fundraising to take place on behalf of the City. The agreement was amended in December 2014 to extend the closing of escrow to no later than January 31, 2015, followed by a second amendment in January 2015 to extend the closing of escrow to no later than February 27, 2015. Concurrent with the purchase and sale agreement, the City entered into a Professional Services Agreement with TPL to provide all property acquisition-related services and for fundraising services including leading the solicitation of public grant funds and supporting a private fundraising campaign to be led by the Trail Trekkers, a local non-governmental organization working to improve and expand the City's trails and pathways. Through the Professional Services Agreement, TPL commits to helping the City raise more than \$250,000 in matching funds, or its \$100,000 fee is reduced to \$75,000. If less than \$250,000 in matching funds are raised, TPL proposes to split only the private matching funds.

As of February 24, 2015, the private fundraising stands at approximately \$100,000; secured grants include \$251,525; and the remainder will be funded by East Bay Regional Park District Measure WW grant funding up to \$261,475, although the final amount will be less due to the success of the private fundraising.

D. *Encumbrances*

The City uses an encumbrance system as an extension of normal budgetary accounting for governmental funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. 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. Outstanding encumbrances at year-end are automatically reappropriated for the following year. Unencumbered and unexpended appropriations lapse at year-end. Encumbrances outstanding as of June 30, 2014 were: \$53,108 in the General Fund, \$829,379 in the Capital Improvements Fund and \$3,031,402 in the Nonmajor Governmental Funds.

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

CAPITAL PROJECTS FUNDS

STORM DRAIN

This fund accounts for assessments collected and funds expended for the maintenance and upgrade of the storm drains.

MEASURE J

This fund accounts for the portion of the half-cent County-wide sales tax levied to fund transportation improvements to local streets.

STREET IMPROVEMENT

This fund is used to account for the street maintenance and improvement projects funded by the 2008 Sales Tax Revenue Bonds.

DEBT SERVICE FUNDS

STORM DRAIN

This fund accounts for principal and interest payments on the Storm Drain Revenue Bonds.

PUBLIC FINANCING AUTHORITY

This fund accounts for principal and interest payments on the Lease Revenue Bonds.

CITY OF EL CERRITO
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2014

SPECIAL REVENUE FUNDS				
Gas Tax Fund	Landscape and Lighting Assessment Fund	Measure A Parcel Tax Fund	National Pollution Discharge Elimination System Fund	Asset Seizure Fund
Assets				
Cash and investments with fiscal agent				
Accounts receivable	\$15,666	\$291		
Due from other governments	109,355	9,945		
Due from other funds		105,805	\$28,014	\$206,973
Total Assets	<u>\$125,021</u>	<u>\$116,041</u>	<u>\$435,359</u>	<u>\$28,014</u>
Liabilities				
Accounts payable	\$11,819	\$68,769	\$4,000	
Accrued liabilities				
Due to other funds	123,051			
Deposits payable				\$57,381
Total Liabilities	<u>134,870</u>	<u>68,769</u>	<u>4,000</u>	<u>57,381</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - accounts receivable	15,666			
Unavailable revenue - due from other governments				
Total deferred inflows of resources	<u>15,666</u>			
Fund Balances				
Restricted for:				
Debt Service				
Street Improvements		47,272		
Transportation Projects				
Public Safety - Police				149,592
Public Safety - Vehicle Abatement				
Park and Recreation		\$435,359		
Storm Drains			24,014	
Public Art				
Unassigned	(25,515)			
Total fund balances (deficits)	<u>(25,515)</u>	<u>47,272</u>	<u>435,359</u>	<u>24,014</u>
Total liabilities and fund balances	<u>\$125,021</u>	<u>\$116,041</u>	<u>\$435,359</u>	<u>\$28,014</u>

SPECIAL REVENUE FUNDS

CAPITAL PROJECTS FUNDS

Vehicle Abatement Fund	Park In Lieu Fund	Public Art Fund	City Housing Trust Fund	Storm Drain Fund	Measure J Fund	Street Improvement Fund
					\$50	
					409,923	\$640,384
<u>\$197,055</u>	<u>\$12,001</u>	<u>\$48,094</u>	<u>\$15,734</u>			<u>62,898</u>
<u>\$197,055</u>	<u>\$12,001</u>	<u>\$48,094</u>	<u>\$15,734</u>		<u>\$409,973</u>	<u>\$703,282</u>
					\$477	\$639,082
				\$92,646	343,873	28,811
			<u>\$15,734</u>			
			<u>15,734</u>	<u>92,646</u>	<u>344,350</u>	<u>667,893</u>
						<u>258,046</u>
						<u>258,046</u>
					65,623	
<u>\$197,055</u>	<u>\$12,001</u>	<u>\$48,094</u>		<u>(92,646)</u>		<u>(222,657)</u>
<u>197,055</u>	<u>12,001</u>	<u>48,094</u>		<u>(92,646)</u>	<u>65,623</u>	<u>(222,657)</u>
<u>\$197,055</u>	<u>\$12,001</u>	<u>\$48,094</u>	<u>\$15,734</u>		<u>\$409,973</u>	<u>\$703,282</u>

(Continued)

CITY OF EL CERRITO
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2014

DEBT SERVICE FUNDS			
	Storm Drain Fund	Public Financing Authority Fund	Totals
Assets			
Cash and investments with fiscal agent		\$1,530,791	\$1,530,791
Accounts receivable			16,007
Due from other governments			1,169,607
Due from other funds			1,111,933
Total Assets		\$1,530,791	\$3,828,338
Liabilities			
Accounts payable		\$1,080	\$725,227
Accrued liabilities			28,811
Due to other funds			559,570
Deposits payable			73,115
Total Liabilities		1,080	1,386,723
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - accounts receivable			15,666
Unavailable revenue - due from other governments			258,046
Total deferred inflows of resources			273,712
Fund Balances			
Restricted			
Debt Service		1,529,711	1,529,711
Street Improvements			47,272
Transportation Projects			65,623
Public Safety - Police			149,592
Public Safety - Vehicle Abatement			197,055
Park and Recreation			447,360
Storm Drains			24,014
Public Art			48,094
Unassigned			(340,818)
Total fund balances (deficits)		1,529,711	2,167,903
Total liabilities and fund balances		\$1,530,791	\$3,828,338

CITY OF EL CERRITO
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 Fund	Landscape and Lighting Assessment Fund	Measure A Parcel Tax Fund	National Pollution Discharge Elimination System Fund	Asset Seizure Fund
Revenues:					
Taxes and assessments		\$771,235	\$439,477		
Use of money and property			36		\$5,879
Intergovernmental revenues	\$728,806	75,027		\$309,957	
Charges for services					
Other					
Total revenues	<u>728,806</u>	<u>846,262</u>	<u>439,513</u>	<u>309,957</u>	<u>5,879</u>
Expenditures:					
Current:					
General Government			11,764		
Public works	555,360	999,501		241,450	
Recreation		140,657			
Community development					
Public safety					13,030
Capital outlay			141,198		
Debt service:					
Principal					
Interest and fiscal agent fees					
Total expenditures	<u>555,360</u>	<u>1,140,158</u>	<u>152,962</u>	<u>241,450</u>	<u>13,030</u>
Excess (deficiency) of revenues over (under) expenditures	<u>173,446</u>	<u>(293,896)</u>	<u>286,551</u>	<u>68,507</u>	<u>(7,151)</u>
Other Financing Sources (Uses):					
Transfers in	454,000	545,000		111,000	
Transfers (out)	<u>(653,845)</u>	<u>(146,861)</u>	<u>(377,027)</u>	<u>(109,840)</u>	
Total other financing sources (uses)	<u>(199,845)</u>	<u>398,139</u>	<u>(377,027)</u>	<u>1,160</u>	
Net changes in fund balances	(26,399)	104,243	(90,476)	69,667	(7,151)
Fund Balances (Deficits) - July 1, 2013	<u>884</u>	<u>(56,971)</u>	<u>525,835</u>	<u>(45,653)</u>	<u>156,743</u>
Fund Balances (Deficits) - June 30, 2014	<u><u>(\$25,515)</u></u>	<u><u>\$47,272</u></u>	<u><u>\$435,359</u></u>	<u><u>\$24,014</u></u>	<u><u>\$149,592</u></u>

SPECIAL REVENUE FUNDS

CAPITAL PROJECTS FUNDS

Vehicle Abatement Fund	Park In Lieu Fund	Public Art Fund	City Housing Trust Fund	Storm Drain Fund	Measure J Fund	Street Improvement Fund
\$17 40,832	\$1	\$5		\$697,930	\$536,108	\$1,453,527 26
					13,240	7,745
40,849	1	5		697,930	549,348	1,461,298
				171,350	26,715 87,935	52,781
						998,625
				171,350	114,650	1,051,406
40,849	1	5		526,580	434,698	409,892
				(780,793)	(369,550)	(830,626)
				(780,793)	(369,550)	(830,626)
40,849	1	5		(254,213)	65,148	(420,734)
156,206	12,000	48,089		161,567	475	198,077
<u>\$197,055</u>	<u>\$12,001</u>	<u>\$48,094</u>		<u>(\$92,646)</u>	<u>\$65,623</u>	<u>(\$222,657)</u>

(Continued)

CITY OF EL CERRITO
 BUDGETED NON-MAJOR FUNDS
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2014

	Street Improvement Fund			City Housing Trust Fund		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
Revenues:						
Taxes and assessments	\$1,500,000	\$1,453,527	(\$46,473)			
Use of money and property	3,000	26	(2,974)			
Intergovernmental	984,000		(984,000)	\$2,860,000		(2,860,000)
Charges for services						
Other	30,000	7,745	(22,255)			
Total Revenues	<u>2,517,000</u>	<u>1,461,298</u>	<u>(1,055,702)</u>	<u>2,860,000</u>		<u>(2,860,000)</u>
Expenditures:						
Current:						
General government						
Public works	54,539	52,781	1,758			
Recreation						
Community development				2,860,000		2,860,000
Public safety						
Capital outlay	2,146,600	998,625	1,147,975			
Debt service :						
Principal payments						
Interest and fiscal fees						
Total Expenditures	<u>2,201,139</u>	<u>1,051,406</u>	<u>1,149,733</u>	<u>2,860,000</u>		<u>2,860,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>315,861</u>	<u>409,892</u>	<u>94,031</u>			
Other Financing Sources (Uses):						
Transfers in						
Transfers (out)	(825,145)	(830,626)	(5,481)			
Total other financing sources (uses)	<u>(825,145)</u>	<u>(830,626)</u>	<u>(5,481)</u>			
Net Change in Fund Balances	<u>(\$509,284)</u>	<u>(420,734)</u>	<u>\$88,550</u>			
Fund Balances (Deficits) - July 1, 2013		<u>198,077</u>				
Fund Balances (Deficits) - June 30, 2014		<u>(\$222,657)</u>				

**INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED UPON PROCEDURES
FOR THE CITY OF EL CERRITO
MASTER INSTALLMENT SALE AGREEMENT
COMPLIANCE WITH BOND COVENANTS
FOR THE 2008 SALES TAX REVENUE BONDS
FOR THE YEAR ENDED JUNE 30, 2014**

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**INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED UPON PROCEDURES
FOR THE CITY OF EL CERRITO
MASTER INSTALLMENT SALE AGREEMENT
COMPLIANCE WITH BOND COVENANTS
FOR THE 2008 SALES TAX REVENUE BONDS**

Honorable Mayor and Members
of the City Council
City of El Cerrito, California

We have performed the procedures described below, which were agreed to by the City of El Cerrito solely to assist you with respect to determining compliance with the Master Installment Sale Agreement for the 2008 Sales Tax Revenue Bonds between the City and the Financing Authority for the year ended June 30, 2014. Activity for the 2008 Sales Tax Revenue Bonds is reported in the City's Comprehensive Annual Financial Report in the Street Improvement Capital Projects Fund and the Public Financing Authority Debt Service Fund. Management is responsible for the accounting records. This agreed upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of the City. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and findings are as follows:

1. We obtained the Master Installment Sale Agreement (Agreement) between the City and the Financing Authority dated June 1, 2008.

2. We obtained a copy of Chapter 4.60 of the City's Municipal Code (Pothole Repair and Local Street Improvement and Maintenance and Use Transaction Tax).

3. We obtained the general ledger account activity summary for the fiscal year for Fund 211 (Street Improvement Fund) and summarized the expenditures for the fiscal year into the following categories, pursuant to Chapter 4.60 of the Municipal Code:

Maintenance and Improvement (Including Project Management, Engineering Costs, and Construction Services) - by Project:

C3027 - Street Resurfacing 2007, 2013-14 Pavement Rehab Program	\$102,037 (A)
C3061 - Moeser-Ashbury Avenue Pedestrian and Bike Program	105,232
C3070 - Traffic Safety and Management Program	38,075
C3071 - Arlington Blvd. and Brewster Drive Intersection Safety Improvements	50,000 (B)
C3072 - 2013 Street Improvement Program (SLPP)	698,716
C3074 - 2013-14 Pavement Rehabilitation Program - OBAG	88,216 (C)
Public Works Personnel Salaries and Benefits - Non-Project Related	52,869
Debt Service	745,481
Administrative Costs:	
Annual Agreed Upon Procedures Report	1,400
Other Administrative Costs	<u>6</u>
Total Expenditures and Transfers Out	<u><u>\$1,882,032</u></u>

(A) Includes transfer out to the Capital Improvement Capital Projects Fund of \$35,145 to fund fiscal year 2008 expenditures on project C3027. Expenditures on the project through the year ended June 30, 2008 had exceeded project funding in that amount. Although that phase of the project started prior to the February 2008 approval of the Pothole Repair and Local Street Improvement and Maintenance and Use Transaction Tax, City Council approved funding the project deficit in fiscal year 2014.

(B) Includes transfer out to the Capital Improvement Capital Projects Fund of \$50,000. \$17,462 of the funds were expended on project C3071 during fiscal year 2014, and \$32,538 remained unspent as of June 30, 2014.

(C) Project C3074 was not included in the list of Fund 211 projects in the Original 2014 Budget. City staff indicated that project C3073 (Busby Property Acquisition) was included in the Fund 211 budget in error and it instead should have been project C3074 (2013-14 Pavement Rehabilitation Program - OBAG).

4. We obtained documentation of compliance with provisions of Section 2.02 of the Agreement – Revenue Fund; Pledge of Revenues:

a. Were principal and interest payments made from the Revenue Fund for all parity obligations?

i. Principal and interest payments for the 2008 Sales Tax Revenue Bonds were made from the Revenue Fund. The City does not have any parity obligations outstanding at June 30, 2014.

- b. Were excess revenue funds (after the payment of parity obligations) used for the payment of any supplemental or subordinate obligations?
 - i. Not applicable – the City does not have any supplemental or subordinate obligations outstanding at June 30, 2014.
 - c. Revenues cannot be used for termination payments unless specific conditions are met as defined in 2.02(B)(1) – were any termination payments made with pledged revenues?
 - i. No termination payments were made during the fiscal year.
5. Section 2.03 of the Agreement – Improvement Fund – requires that the proceeds be used for acquisition and construction of the Projects (or to reimburse the City for costs paid by it) including the payment of interest on the Obligations upon receipt of a sequentially numbered “Request of the City” filed with the City Manager (see Attachment A to the Agreement). Therefore we:
- a. Obtained a listing of the City Council-approved Expenditure Plan for the fiscal year (projects included in the capital improvement budget for Fund 211 – the Street Improvement Fund). We noted that there were no budget amendments for the Fund for the fiscal year.

The projects approved for Fund 211 (the Street Improvement Fund) in Table 12-2 of the 2013-2023 Capital Improvement Plan include:

- C3027/C3072/C3073 – Street Improvement Program
- C3061 – Moeser & Ashbury Ped/Bike Improvements
- C3063 – Central & Liberty Streetscape Improvements
- C3071 – Arlington Curve at Brewster Drive Safety Improvements
- C3070 – Traffic Safety & Management Program

City staff indicated that project C3073 (Busby Property Acquisition) was included in the Fund 211 (the Street Improvement Fund) budget in error and it instead should have been project C3074 (2013-14 Pavement Rehabilitation Program - OBAG).

- b. Selected a sample of ten expenditures (and transfers out) totaling \$1,408,474 charged to Fund 211 (the Street Improvement Fund) during the fiscal year, out of total capital improvement expenditures (and transfers out) of \$1,882,032.
- c. Tested the above samples to determine that they were made in accordance with the City’s purchasing policy.
- d. Determined that the samples were related to a City Council-approved expenditure (5a above). One of the transfers out was related to the prefunding of a project being constructed by the City and \$32,538 of the funds remained unspent and held by the City’s Capital Improvement Capital Projects Fund as of June 30, 2014.
- e. Determined that the samples tested were related to street improvement, maintenance, associated debt service or administrative costs, pursuant to Chapter 4.60 of the Municipal Code.

6. Section 3.01 of the Agreement -- Parity Obligations – We inquired as to whether the City issued any parity obligations during the fiscal year, and if yes, obtained documentation that the City complied with provisions of this Section.
 - a. The City did not issue any parity obligations during fiscal year 2014.
7. Section 3.02 of the Agreement – Subordinate Obligations – We inquired as to whether the City issued any subordinate obligations during the fiscal year, and if yes, obtained documentation that the City complied with the provisions of this Section.
 - a. The City did not issue any subordinate obligations during fiscal year 2014.
8. Section 3.03 of the Agreement – Execution of Supplemental Installment Sale Agreements (other than the First Supplement) – We inquired as to whether the City executed any supplemental installment sales agreements during the fiscal year, and if yes, obtained documentation that the City complied with the provisions of this Section.
 - a. The City did not execute any supplemental installment sales agreements during fiscal year 2014.
9. Section 4 of the Agreement – Covenants of the City – Based on the testing above, we obtained documentation of the City’s compliance with the provisions of this Section which generally require that the City pay its bills timely and use the proceeds in accordance with the definition of “Project” above, and complete the Projects in a timely manner.
 - a. It appears that the City paid its bills timely and used the proceeds in accordance with the Agreement. Four Projects were completed during the fiscal year, but not all Projects were complete as of the end of the fiscal year.
10. Section 5 of the Agreement – Events of Default and Remedies – We inquired as to whether any of the Events of Default, as defined in the Section, occurred during the fiscal year. If yes, we obtained documentation that the revenues were applied in the manner set forth in this Section.
 - a. No Events of Default, as defined in the Section, occurred during the fiscal year.
11. Section 6 of the Agreement – Discharge of Obligations – This Section is applicable only if the City pays all of the Obligations (debt to the Authority), therefore, we would obtain documentation of compliance with this Section if the City has repaid all of the Obligations during the fiscal year.
 - a. The City did not pay all of the debt to the Authority during the fiscal year.

12. Section 7.01 of the Agreement – Liability Limited to Revenues – We inquired as to whether the City advanced funds for payment of the Obligations other than from the Revenues. Revenues, as defined in the Agreement include the Sales Tax Add-On Revenues and interest earned from the investment of those funds. If yes, we would obtain documentation that the City was reimbursed from the Revenues as defined in the Agreement. (Other subsections of Section 7 do not appear to be of compliance significance, therefore only this covenant is being included in the agreed upon procedures).
 - a. The City made payments of the Obligations only from the Revenues during the fiscal year. The City did not advance funds for payment of the Obligations during the fiscal year.
13. We obtained a confirmation of Sales Tax Add-On Revenues for the fiscal year from the State Controller’s Office to reconcile to the revenues recorded in the general ledger in the Street Improvement Capital Projects Fund (Fund 211).
 - a. The State Controller’s Office confirmation reconciled to the general ledger total in the Street Improvement Capital Projects Fund of \$1,453,527 .

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or internal controls. 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 and use of the City; however, this restriction is not intended to limit the distribution of this report, which is a matter of public record.



Pleasant Hill, California
February 24, 2015

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DRAFT

Date: April 27, 2015
To: El Cerrito City Council
From: Citizen Street Oversight Committee
Subject: Annual Report to City Council and Citizens of El Cerrito

On this date, the Citizen Street Oversight Committee met to review expenditures of revenue collected pursuant to Chapter 4.60 of the El Cerrito Municipal Code to determine whether such funds were expended for the purposes specified in the current Street Repair and Maintenance Expenditure Plan. The expenditures reviewed were reported for Fiscal Year 2013-14, and were summarized in the City's Comprehensive Annual Financial Report. Further, the Committee reviewed the Agreed Upon Procedures Report issued by the City's independent auditors, Maze and Associates, which indicated that nothing came to their attention that caused them to believe that the City had failed to comply with the terms, covenants and conditions of the Master Installment Sale Agreement related to the bond issue. The Committee also reviewed a detailed list of vendors to whom the expenditures were made.

By a vote of _____ to _____ as indicated below, the Committee found that the expenditures were an appropriate use of the Pothole and Local Street Improvement and Maintenance Transactions and Use Tax. The Committee is hereby reporting their findings to the City Council and the citizens of the City of El Cerrito pursuant to Section 2.04.320 C of the El Cerrito Municipal Code.

AYES:
NOES:
ABSENT: