

# CITY OF NEWARK CITY COUNCIL

37101 Newark Boulevard, Newark, CA 94560-3796 • 510-578-4266 • E-mail: [city.clerk@Newark.org](mailto:city.clerk@Newark.org)

City Administration Building  
7:30 p.m.  
City Council Chambers

## AGENDA

Thursday, January 11, 2018

### CITY COUNCIL:

Alan L. Nagy, Mayor  
Michael K. Hannon, Vice Mayor  
Luis L. Freitas  
Sucy Collazo  
Mike Bucci

### CITY STAFF:

John Becker  
City Manager  
  
Terrence Grindall  
Assistant City Manager  
  
Susie Woodstock  
Administrative Services Director  
  
Sandy Abe  
Human Resources Director  
  
Soren Fajeau  
Public Works Director  
  
Michael Carroll  
Police Chief  
  
David Zehnder  
Recreation and Community  
Services Director  
  
David J. Benoun  
City Attorney  
  
Sheila Harrington  
City Clerk

*Welcome* to the Newark City Council meeting. The following information will help you understand the City Council Agenda and what occurs during a City Council meeting. Your participation in your City government is encouraged, and we hope this information will enable you to become more involved. The Order of Business for Council meetings is as follows:

- |                                     |                         |
|-------------------------------------|-------------------------|
| A. ROLL CALL                        | I. COUNCIL MATTERS      |
| B. MINUTES                          | J. SUCCESSOR AGENCY     |
| C. PRESENTATIONS AND PROCLAMATIONS  | TO REDEVELOPMENT AGENCY |
| D. WRITTEN COMMUNICATIONS           | K. ORAL COMMUNICATIONS  |
| E. PUBLIC HEARINGS                  | L. APPROPRIATIONS       |
| F. CITY MANAGER REPORTS             | M. CLOSED SESSION       |
| G. CITY ATTORNEY REPORTS            | N. ADJOURNMENT          |
| H. ECONOMIC DEVELOPMENT CORPORATION |                         |

Items listed on the agenda may be approved, disapproved, or continued to a future meeting. Many items require an action by motion or the adoption of a resolution or an ordinance. When this is required, the words **MOTION**, **RESOLUTION**, or **ORDINANCE** appear in parenthesis at the end of the item. If one of these words does not appear, the item is an informational item.

The attached *Agenda* gives the *Background/Discussion* of agenda items. Following this section is the word *Attachment*. Unless "none" follows *Attachment*, there is more documentation which is available for public review at the Newark Library, the City Clerk's office or at [www.newark.org](http://www.newark.org). Those items on the Agenda which are coming from the Planning Commission will also include a section entitled *Update*, which will state what the Planning Commission's action was on that particular item. *Action* indicates what staff's recommendation is and what action(s) the Council may take.

**Addressing the City Council:** You may speak once and submit written materials on any listed item at the appropriate time. You may speak once and submit written materials on any item **not** on the agenda during **Oral Communications**. To address the Council, please seek the recognition of the Mayor by raising your hand. Once recognized, come forward to the lectern and you may, but you are not required to, state your name and address for the record. Public comments are limited to five (5) minutes per speaker, subject to adjustment by the Mayor. Matters brought before the Council which require an action may be either referred to staff or placed on a future Council agenda.

No question shall be asked of a council member, city staff, or an audience member except through the presiding officer. No person shall use vulgar, profane, loud or boisterous language that interrupts a meeting. Any person who refuses to carry out instructions given by the presiding officer for the purpose of maintaining order may be guilty of an infraction and may result in removal from the meeting.



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## AGENDA

Thursday, January 11, 2018

- A. ROLL CALL
- B. MINUTES
  - B.1 Approval of Minutes of the City Council meetings of December 7 and 14, 2017. (MOTION)
- C. PRESENTATIONS AND PROCLAMATIONS
  - C.1 Commending Sergeant Ray Hoppe on his retirement. (COMMENDATION)
- D. WRITTEN COMMUNICATIONS
  - D.1 Notice of the Planning Commission approval of a conditional use permit to allow a fitness gym, GFY CrossFit, in a building at 36601 Newark Boulevard, Suite #77. The property is zoned Community Mixed Use - from Deputy Community Development Director Interiano. (REVIEW OPTIONAL)
  - D.2 Notice of Planning Commission's decision to uphold the Community Development Director's denial of a single-family design review change of exterior building material from siding to stucco at 8215 Thornton Avenue - from Associate Planner Mangalam. (REVIEW OPTIONAL)
- E. PUBLIC HEARINGS
  - E.1 Hearing to consider an amendment to the Master Fee Schedule to add an Improvement Plan Review by Outside Consulting Firm by Applicant Request Fee - from Administrative Services Director Woodstock. (RESOLUTION)
  - E.2 Hearing to introduce an ordinance to repeal and replace Title 17 ("Zoning") of the Newark Municipal Code and rezone properties by adopting the Official Zoning Map - from Deputy Community Development Director Interiano. (INTRODUCTION OF ORDINANCE)

**F. CITY MANAGER REPORTS**

(It is recommended that Items F.1 through F.3 be acted on simultaneously unless separate discussion and/or action is requested by a Council Member or a member of the audience.)

**CONSENT**

- F.1 Approval of Local Debt Policy – from Administrative Services Director Woodstock. (RESOLUTION)**
  
- F.2 Authorization for the City Manager to sign Task Order No.1 with Heller Manus Architects for additional architectural services for the renovation of the existing library under the original Newark Civic Center Contractual Services Agreement, Project 1188 – from Chief Building Official/City Architect Collier. (RESOLUTION)**
  
- F.3 Acceptance of the Annual Report on Newark Development Impact Fees for Fiscal Year 2016-2017 in accordance with Government Code Section 66006(b) – from Assistant City Manager Grindall. (MOTION)**

**NONCONSENT**

- F.4 Acceptance of the Comprehensive Annual Financial Report (CAFR) for the period ending June 30, 2017 – from Administrative Services Director Woodstock. (MOTION)**
  
- F.5 Amendment of the 2016-2018 Biennial Budget and Capital Improvement Plan for Fiscal Year 2017-2018 for Budget Revisions – from Administrative Services Director Woodstock. (RESOLUTION)**

**G. CITY ATTORNEY REPORTS**

**H. ECONOMIC DEVELOPMENT CORPORATION**

**I. CITY COUNCIL MATTERS**

**J. CITY COUNCIL ACTING AS THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY**

**K. ORAL COMMUNICATIONS**

**L. APPROPRIATIONS**

**Approval of Audited Demands for the City Council meeting of January 11, 2018. (MOTION)**

**M. CLOSED SESSION**

**M.1 Closed session pursuant to Government Code Section 54957  
Public Employee Performance Evaluation  
Title: City Manager.**

**M.2 Conference with Labor Negotiator  
Government Code Section 54957.6  
Agency Designated Representative: Mayor Nagy  
Unrepresented employee: City Manager**

**N. ADJOURNMENT**

Pursuant to Government Code 54957.5: Supplemental materials distributed less than 72 hours before this meeting, to a majority of the City Council, will be made available for public inspection at this meeting and at the City Clerk's Office located at 37101 Newark Boulevard, 5<sup>th</sup> Floor, during normal business hours. Materials prepared by City staff and distributed during the meeting are available for public inspection at the meeting or after the meeting if prepared by some other person. Documents related to closed session items or are exempt from disclosure will not be made available for public inspection.

For those persons requiring hearing assistance, please make your request to the City Clerk two days prior to the meeting.



# CITY OF NEWARK CITY COUNCIL

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City Administration Building  
6:00 p.m.  
City Council Chambers

## Minutes

Thursday, December 7, 2017

### A. ROLL CALL

Mayor Nagy called the meeting to order at 6:00 p.m. Present were Council Members Hannon, Collazo, Freitas, and Vice Mayor Bucci.

### B. Presentation of revised design proposal for the new Civic Center

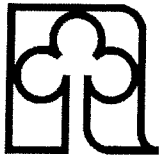
Representatives from Heller Manus Architects, McClaren, Wilson and Lawrie, Safdie, Rabines Architects, and Thuilot Associates presented their revised designs incorporating comments that were received at the previous presentation and subsequent meetings with staff (presentation on file with the City Clerk).

Council comments included: make the community room in the library dividable for multiple uses, ensure police parking fencing is secure, provide large scale samples of the exterior materials for Council review of colors, add a thank you to the future home of the civic center sign, ensure enough electrical outlets in the plaza for events, the Carl Pierce Memorial Tree Lighting annual event will need adequate space for the public, Council wants to provide input on the artwork, ensure enough seating throughout the civic center, move the speaker podium in the Council Chambers to the middle of the room so the speaker faces the City Council.

Angie Reyes stated that she liked the stain glass reuse. She suggested a stain glass feature in the Council Chambers, the need for bulletin boards for public notices, incorporating more technology at City Hall, and possibly selling bricks in front of the library as a fundraiser for the Newark Library League.

### C. ADJOURNMENT

At 7:14 p.m., Mayor Nagy adjourned the meeting.



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City Administration Building  
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## Minutes

Thursday, December 14, 2017

### A. ROLL CALL

Mayor Nagy called the meeting to order at 7:30 p.m. Present were Council Members Hannon, Collazo, and Freitas.

Vice Mayor Bucci was noted absent.

### B. MINUTES

#### B.1 Approval of Minutes of the City Council meetings of November 7 and 9, 2017. **MOTION APPROVED**

Council Member Collazo moved, Council Member Hannon seconded, to approve the Minutes of the regular City Council meeting. The motion passed, 4 AYES, 1 ABSENT.

### C. PRESENTATIONS AND PROCLAMATIONS

#### C.1 Commending Volunteer Reserve Police Officer Bruce Howcroft for 40 years of volunteer service.

Mayor Nagy presented the commendation to Bruce Howcroft who has volunteered since 1977 as a Volunteer Reserve Police Officer for the Newark Police Department.

### D. WRITTEN COMMUNICATIONS

#### D.1 An Architectural and Site Plan Review, for 3 new advanced manufacturing buildings located at 7200, 7300, and 7400 Gateway Boulevard and finding that an additional environmental review is not required. **RESOLUTION NOS. 10720 - 10721**

Assistant City Manager Grindall gave the staff report recommending approval. Panattoni Development Company, Inc. has submitted an application for a two-story advanced manufacturing project consisting of 3 buildings that will include 249,919 square feet of manufacturing, 135,408 square feet of warehousing, and 26,000 square feet of office area.

Council Member Hannon complimented staff for expanding the public noticing for this project and suggested expanding noticing for future high impact projects.

Tim Shaler, Panattoni Development Company, stated that he read the resolutions and agreed to the conditions.

Council Member Hannon moved, Council Member Collazo seconded to, by resolutions: (1) find that ASR-17-14, an Architectural and Site Plan Review, submitted by Panattoni Development Company, Inc., to allow for 3 new advanced manufacturing buildings at 7200, 7300, and 7400 Gateway Boulevard (APNs 537-853-54, 537-853-55, 537-853-56) does not require additional environmental review as provided for in Section 21166 of the California Environmental Quality Act; and (2) approve ASR-17-14, an Architectural and Site Plan Review for 3 new advanced manufacturing buildings at 7200, 7300, and 7400 Gateway Boulevard (APNs 537-853-54, 537-853-55, 537-853-56). The motion passed, 4 AYES, 1 ABSENT.

## **E. PUBLIC HEARINGS**

## **F. CITY MANAGER REPORT**

City Manager Becker requested the removal of item F.7.

Council Member Collazo moved, Council Member Hannon seconded, to approve Consent Calendar Items F.1 through F.6, that the resolutions be numbered consecutively, and that reading of the titles suffice for adoption of the resolutions and ordinance. The motion passed, 4 AYES, 1 ABSENT.

## **CONSENT**

- F.1 Second reading and adoption of an Ordinance amending Chapter 2.16 (Disaster Council) of the Newark Municipal Code to conform with the California Office of Emergency Services requirements. ORDINANCE NO. 502**
- F.2 Approval of an agreement for participation in the Alameda County Operational Area Emergency Management Organization. RESOLUTION NO. 10722**
- F.3 Approval of the 2018 Local Appointments List. MOTIONS (3) APPROVED**

- F.4 **Authorization for the purchase a 2018 Dodge Caravan SE as replacement vehicle for the Police Department from Fremont CDJR and outfitting by Telepath. RESOLUTION NO. 10723**
- F.5 **Approval of partial release of security for Tract 8212 (Classic 36120 Ruschin, L.P.), a residential subdivision at 36120 Ruschin Drive. RESOLUTION NO. 10724**
- F.6 **Recalculation of the Fiscal Year 2017-2018 Appropriations Limit. RESOLUTION NO. 10725**

**NONCONSENT**

- F.7 **Acceptance of the Annual Report on Newark Development Impact Fees for Fiscal Year 2016-2017 in accordance with Government Code Section 66006(b).**

City Manager Becker stated that additional expenditure information needs to be added to the report. Staff will update the report and place this on the next City Council meeting agenda.

**G. CITY ATTORNEY REPORTS**

- G.1 **Authorizing the creation of the Pooled Liability Assurance Network Joint Powers Authority (“PLAN JPA”) for Risk Management Services and execution of the joint powers agreement. RESOLUTION NO. 10726**

City Attorney Benoun stated that the City of Newark is self-insured for general liability through the Association of Bay Area Governments Pooled Liability Assurance Network (ABAG PLAN). As a result of the merger of ABAG and MTC and a desire to reduce costs, the ABAG PLAN will need to form a new Joint Powers Authority so that another source can provide administration services for the pool.

Council Member Freitas moved, Council Member Collazo seconded to by resolution, approve and authorize the execution of the Pooled Liability Assurance Network (“PLAN) Joint Exercise of Powers Agreement. The motion passed, 4 AYES, 1 ABSENT.

**H. ECONOMIC DEVELOPMENT CORPORATION**

**I. CITY COUNCIL MATTERS**



**1.1 Reappointment of Eric Hentschke to the Alameda County Mosquito Abatement District. RESOLUTION NO. 10727**

Mayor Nagy recommended the two year reappointment of Eric Hentschke to the Alameda County Mosquito Abatement District.

Council Member Collazo moved, Council Member Hannon seconded to, by resolution, approve the reappointment of Eric Hentschke to the Alameda County Mosquito Abatement District, for a term to expire on January 31, 2020. The motion passed, 4 AYES, 1 ABSENT.

**1.2 Approving 2 percent merit increase for City Attorney David J. Benoun. RESOLUTION NO. 10728**

City Attorney Benoun stepped down from the dias. Special Counsel Brian Libow joined the dias to serve as legal counsel for this agenda item.

Mayor Nagy recommended that the City Council approve a 2 percent salary increase for City Attorney Benoun.

Council Member Collazo moved, Council Member Hannon seconded to, by resolution, approve a 2 percent merit increase for David J. Benoun as City Attorney. The motion passed, 4 AYES, 1 ABSENT.

City Attorney Benoun returned to the dias.

**1.3 Appointment of Mayor Pro Tempore and authorization for the Mayor Pro Tempore to sign and endorse checks, warrants, and other instruments MOTION APPROVED RESOLUTION NO. 10729**

Mayor Nagy nominated Council Member Hannon as Vice Mayor.

Council Member Freitas moved, Council Member Collazo seconded to (1) by motion, appoint Council Member Hannon as Mayor Pro Tempore; and (2) by resolution, authorize the new Mayor Pro Tempore to sign and endorse checks, warrants, and other instruments. The motion passed, 4 AYES, 1 ABSENT.

**1.4 Appointments of City Council Members to agencies, boards, commissions, and committees. RESOLUTION NO. 10730**

Mayor Nagy stated that the City Council Member appointments would remain the same for the upcoming year. The assignments for 2018 are as follows:

Alameda County Fire Advisory Commission

Council Members Bucci and Collazo – delegate and alternate

Alameda County Library Advisory Commission	Council Members Collazo and Mayor Nagy – delegate and alternate
Alameda-Contra Costa Transit District Policy Advisory Committee	Council Members Bucci and Hannon – delegates
Alameda County Transportation Commission	Council Members Freitas and Collazo – delegate and alternate
Alameda County Waste Management Authority Board/Stopwaste.org	Council Members Hannon and Freitas – delegate and alternate
Association of Bay Area Governments (ABAG)	Council Member Bucci and Mayor Nagy – delegate and alternate
Community Development Advisory Committee	Mayor Nagy and Council Member Freitas – delegates
Dumbarton Rail Policy Advisory Committee	Mayor Nagy and Council Member Bucci – delegate and alternate
Newark City Council –Board of Education	Council Members Hannon and
Liaison Committee	Collazo – delegates
Tri-City Elder Coalition	Mayor Nagy - delegate
Senior Citizen Standing Advisory Committee	Mayor Nagy delegate and chairperson
Southern Alameda County Geographic Information System Authority	Mayor Nagy - delegate Council Member Bucci – alternate
Tri-City Waste Facility Financing Hannon – Authority delegates	Mayor Nagy and Council Member

Vice Mayor Hannon moved, Council Member Collazo seconded, by resolution, to approve the appointments to the various agencies, boards, commissions, and committees. The motion passed, 4 AYES, 1 ABSENT.

Mayor Nagy congratulated Manny Deserpa, Ray Hoppe, and Kelly Hess on their retirements from City service.

Council Member Freitas congratulated Vice Mayor Hannon on his appointment as Vice Mayor. He commended Vice Mayor Bucci on a job well done.

Council Member Collazo wished everyone a Merry Christmas, a Happy New Year, and to Shop Newark.

**J. CITY COUNCIL ACTING AS THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY**

**K. ORAL COMMUNICATIONS**

**L. APPROPRIATIONS**

**Approval of Audited Demands for the City Council meeting of December 14, 2017. MOTION APPROVED**

City Clerk Harrington read the Register of Audited Demands: Check numbers 112804 to 113130

Council Member Freitas moved, Council Member Collazo seconded, to approve the Register of Audited Demands. The motion passed, 4 AYES, 1 ABSENT.

**M. CLOSED SESSION**

**N. ADJOURNMENT**

Mayor Nagy adjourned the meeting at 8:04 p.m.

**C.1 Commending Sergeant Ray Hoppe on his retirement. (COMMENDATION)**

**Background/Discussion** – Sergeant Ray Hoppe is retiring after 19 years of distinguished service to the Newark Police Department, A commendation will be presented at the City Council.

**D.1 Notice of the Planning Commission approval of a conditional use permit to allow a fitness gym, GFY CrossFit, in a building at 36601 Newark Boulevard, Suite #77. The property is zoned Community Mixed Use - from Deputy Community Development Director Interiano. (REVIEW OPTIONAL)**

**Background/Discussion** – Mr. Fred Camacho has submitted an application to allow a GFY CrossFit gym at 36601 Newark Boulevard, Suite #77. The request for a fitness gym in the Community Mixed Use district (CMU) requires a conditional use permit.

The shopping center is home to various retail and restaurant uses. The shopping center is bordered by office and commercial uses across Newark Boulevard and residential uses to the rear or west of the shopping center.

GFY CrossFit gym is a functional fitness gym that offers group training sessions. The programming promotes general physical preparedness using a mix of gymnastics, weightlifting, bodyweight movements, jump roping, indoor rowing, and indoor biking all performed at high intensity.

All training will be limited to the interior of the gym. Due to the fitness class schedule, the number of attendees at any given time will be limited and staff does not expect any parking issues that would require additional spaces than what the shopping center already provides. A copy of the interior proposed layout of unit #77 is attached. There is no signage proposed at this time. The general hours of operation will be 6 a.m.-8 p.m. Monday-Friday, 10 a.m.-11 a.m. Saturday, and closed on Sunday.

**CEQA-** This project is categorically exempt from the California Environmental Quality Act (CEQA) per section 15301, Class 1, existing facilities.

**Update-** On December 12, 2017, the Planning Commission held a Public Hearing and approved the Conditional Use Permit to allow a fitness gym by a vote of 4-0-1 (Otterstetter absent).

**Attachments**

**Action** – This item is review optional.

RESOLUTION NO. 1951

RESOLUTION APPROVING U-17-16, A CONDITIONAL USE PERMIT, TO ALLOW FOR A FITNESS GYM INSIDE AN EXISTING BUILDING LOCATED AT 36601 NEWARK BOULEVARD (APN: 92A-900-1-2).

WHEREAS, Mr. Fred Camacho has filed with the Planning Commission of the City of Newark application for U-17-16, a conditional use permit, to allow for a fitness gym inside an existing building located at 36601 Newark Boulevard.

PURSUANT to the Municipal Code Section 17.72.060, a public hearing notice was published in The Tri City Voice on November 28, 2017 and mailed as required, and the Planning Commission held a public hearing on said application at 7:30 p.m. on December 12, 2017 at the City Administration Building, 37101 Newark Boulevard, Newark, California.

WHEREAS, the public hearing was scheduled for December 12, 2017; and

WHEREAS, pursuant to Chapter 17.72 (Use Permits), Section 17.72.070 (Action by Planning Commission), the Planning Commission hereby makes the following findings:

1. That the proposed location of the conditional use is in accord with the purposes of the zoning title and the purposes of the district in which the site is located;
2. That the proposed location of the conditional use and the conditions under which it would be operated or maintained will not be detrimental to the public health, safety or welfare, or materially injurious to properties or improvements in the vicinity;
3. That the proposed conditional use will comply with each of the applicable provisions of Chapter 17.72 (Use Permits).

NOW, THEREFORE, BE IT RESOLVED that the Planning Commission hereby approves this application as shown on Exhibit A, subject to compliance with the following conditions:

Planning Division

- a) No outside areas shall be used for fitness training.
- b) Prior to opening, the applicant shall submit written evidence of Republic Services, Inc.'s approval.

- c) The site and its improvements shall be maintained in a neat and presentable condition, to the satisfaction of the Community Development Director. This shall include, but not be limited to, repainting surfaces damaged by graffiti and site clean-up. Graffiti removal/repainting and site clean-up shall occur on a continuing, as needed basis. Any vehicle or portable building brought on the site shall remain graffiti free.
- d) The staff shall direct patrons to park their vehicles nearest to the subject location in the parking lot and shall not park in the adjacent residential neighborhood.

Fire Department

- e) Fire inspection is required prior to occupancy.

Building Department

- f) A permit shall be required if any interior or site improvements are made.

General

- g) All proposed changes from approved exhibits shall be submitted to the Community Development Director who shall decide if they warrant Planning Commission and City Council review and, if so decided, said changes shall be submitted for the Commission's and Council's review and decision. The applicant shall pay the prevailing fee for each additional separate submittal of project exhibits requiring Planning Commission and/or City Council review and approval.
- h) If any condition of this conditional use permit be declared invalid or unenforceable by a court of competent jurisdiction, this conditional use permit shall terminate and be of no force and effect, at the election of the City Council on motion.
- i) The applicant hereby agrees to defend, indemnify, and save harmless the City of Newark, its Council, boards, commissions, officers, employees and agents, from and against any and all claims, suits, actions, liability, loss, damage, expense, cost (including, without limitation, attorneys' fees, costs and fees of litigation) of every nature, kind or description, which may be brought by a third party against, or suffered or sustained by, the City of Newark, its Council, boards, commissions, officers, employees or agents to challenge or void the permit granted herein or any California Environmental Quality Act determinations related thereto.
- j) In the event that any person should bring an action to attack, set aside, void or annul the City's approval of this project, the applicant shall defend, indemnify and hold harmless the City and/or its agents, officers and employees from any claim, action, or proceeding against the City and/or its agents, officers and employees with counsel selected by the applicant (which shall be the same counsel used by applicant) and reasonably approved by the City. Applicant's obligation to defend, indemnify and hold harmless the City

and/or its agents, officers and employees shall be subject to the City's compliance with Government Code Section 66474.9.

- k) The Conditions of Project Approval set forth herein may include certain fees, dedication requirements, reservation requirements and other exactions. Pursuant to Government Code Section 66020(d)(1), these Conditions constitute written notice of a statement of the amount of such fees, and a description of the dedications, reservations and other exactions. The applicant is hereby further notified that the 90-day approval period in which the applicant may protest these fees, dedications, reservations and other exactions, pursuant to Government Code Section 66020(a), has begun. If the applicant fails to file a protest within this 90-day period complying with all of the requirements of Section 66020, the applicant will be legally barred from later challenging such exactions.

The Commission makes the findings prescribed in Newark Municipal Code Section 17.72.070, and directs a Notice of Decision be mailed to the applicant and filed with the City Clerk pursuant to Newark Municipal Code Section 17.72.080.

This Resolution was introduced at the Planning Commission's December 12, 2017 meeting by Vice-Chairperson Bridges, seconded by Commissioner Aguilar, and passed as follows:

AYES: Aguilar, Bridges, Fitts and Nillo.

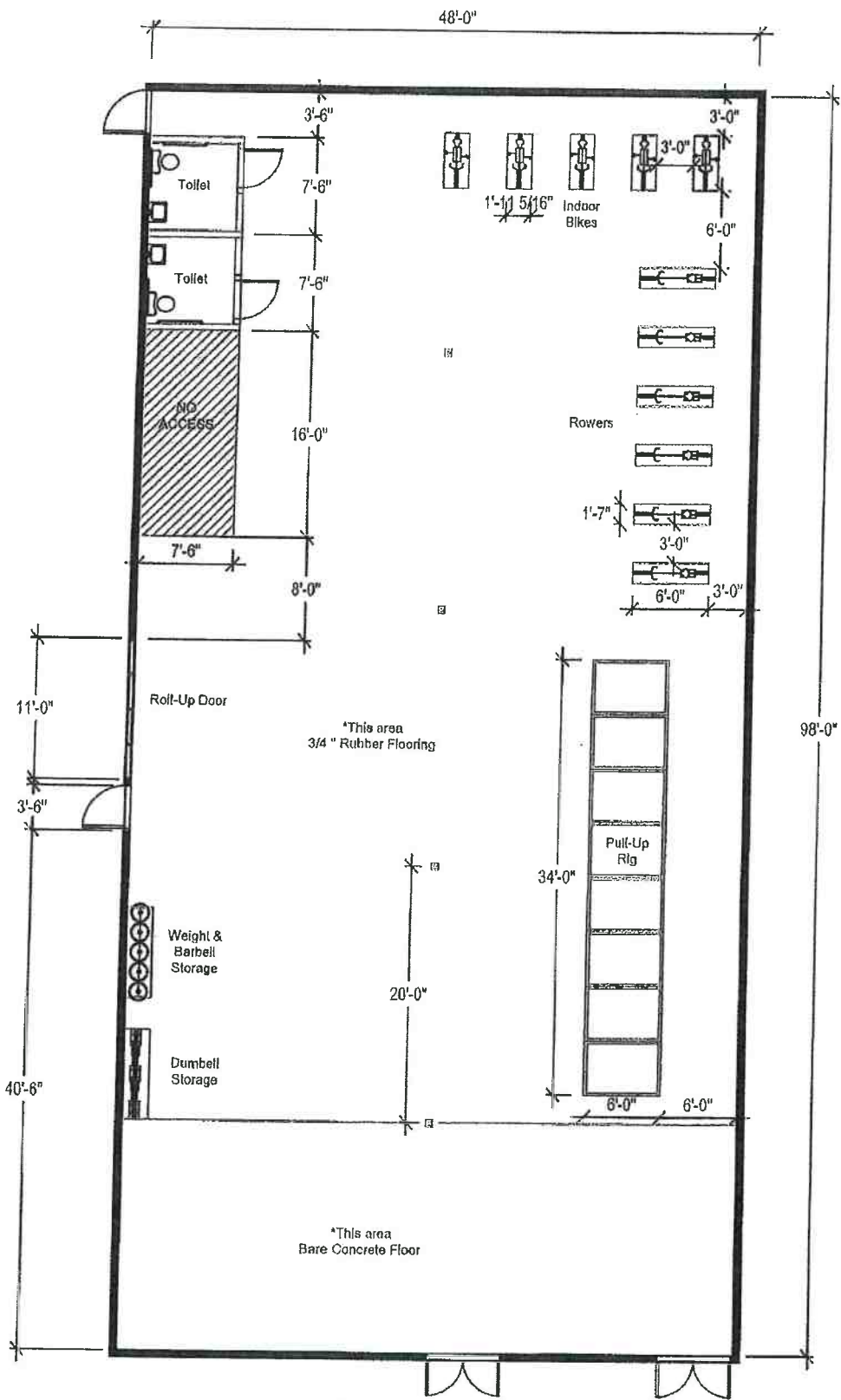
NOES: None.

ABSENT: Otterstetter.

s/Terrence Grindall  
TERRENCE GRINDALL, Secretary

s/Bernie Nillo  
BERNIE NILLO, Chairperson



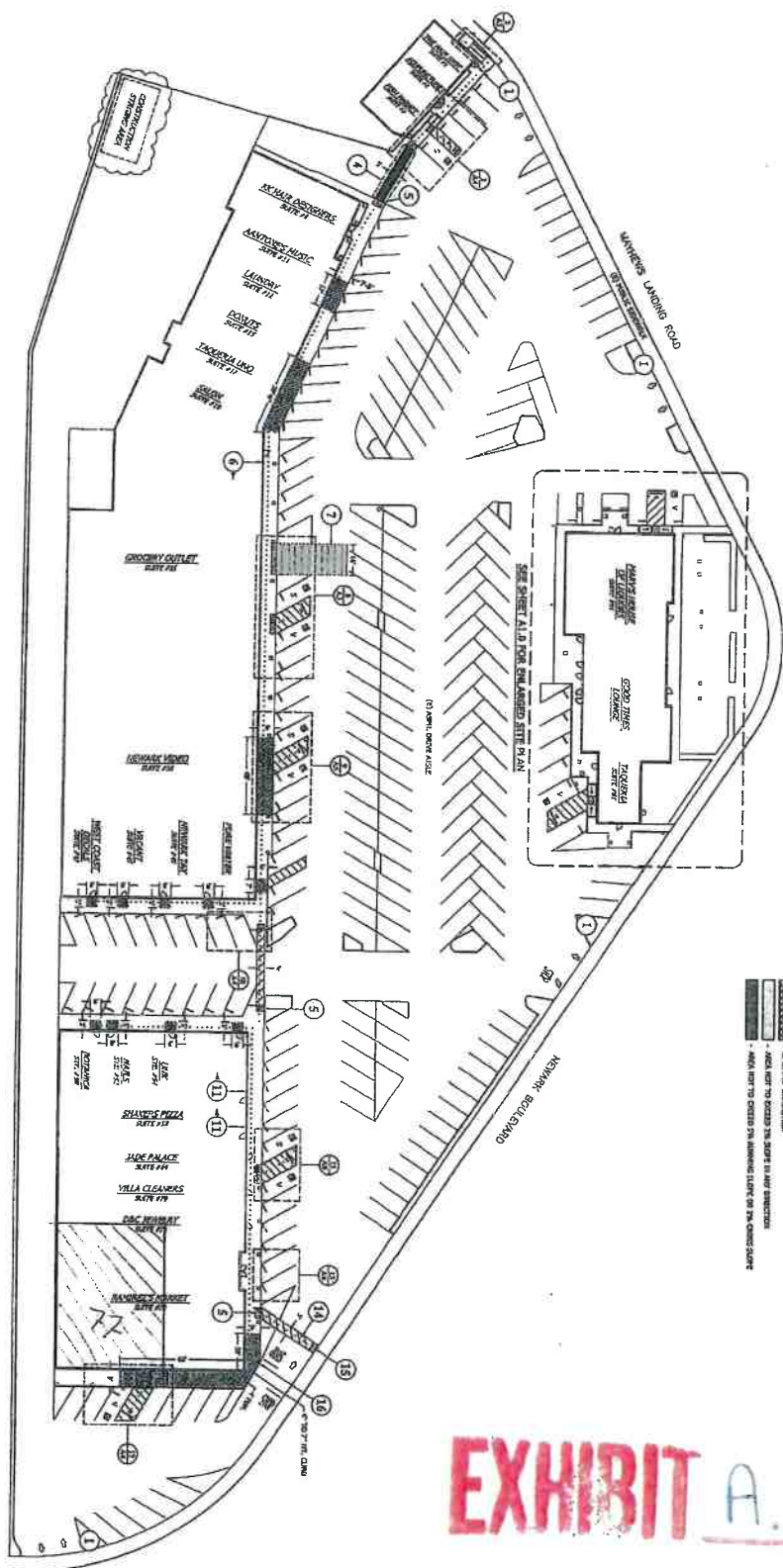


**EXHIBIT** A.1

Scale: 1/8" = 1'-0"

- NOTES:**
1. ALL WORK SHALL BE IN ACCORDANCE WITH THE CURRENT EDITIONS OF THE CALIFORNIA BUILDING CODE (CBC) AND THE CALIFORNIA ACCESSIBILITY STANDARDS (CAS).
  2. ALL WORK SHALL BE IN ACCORDANCE WITH THE CURRENT EDITIONS OF THE CALIFORNIA ELECTRICAL CODE (CEC) AND THE CALIFORNIA MECHANICAL CODE (CMC).
  3. ALL WORK SHALL BE IN ACCORDANCE WITH THE CURRENT EDITIONS OF THE CALIFORNIA PLUMBING CODE (CPC) AND THE CALIFORNIA GAS CODE (CGC).
  4. ALL WORK SHALL BE IN ACCORDANCE WITH THE CURRENT EDITIONS OF THE CALIFORNIA FIRE CODE (CFC) AND THE CALIFORNIA SAFETY CODE (CSC).
  5. ALL WORK SHALL BE IN ACCORDANCE WITH THE CURRENT EDITIONS OF THE CALIFORNIA ENVIRONMENTAL HEALTH AND SAFETY CODE (EH&S).
  6. ALL WORK SHALL BE IN ACCORDANCE WITH THE CURRENT EDITIONS OF THE CALIFORNIA LABOR CODE (CLC) AND THE CALIFORNIA WAGE ORDER (CWO).
  7. ALL WORK SHALL BE IN ACCORDANCE WITH THE CURRENT EDITIONS OF THE CALIFORNIA LABOR RELATIONS ACT (LRA) AND THE CALIFORNIA EMPLOYMENT RELATIONS ACT (ERA).
  8. ALL WORK SHALL BE IN ACCORDANCE WITH THE CURRENT EDITIONS OF THE CALIFORNIA LABOR CODE REGULATIONS (LCR) AND THE CALIFORNIA WAGE ORDER REGULATIONS (CWR).
  9. ALL WORK SHALL BE IN ACCORDANCE WITH THE CURRENT EDITIONS OF THE CALIFORNIA LABOR CODE REGULATIONS (LCR) AND THE CALIFORNIA WAGE ORDER REGULATIONS (CWR).
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  15. ALL WORK SHALL BE IN ACCORDANCE WITH THE CURRENT EDITIONS OF THE CALIFORNIA LABOR CODE REGULATIONS (LCR) AND THE CALIFORNIA WAGE ORDER REGULATIONS (CWR).
  16. ALL WORK SHALL BE IN ACCORDANCE WITH THE CURRENT EDITIONS OF THE CALIFORNIA LABOR CODE REGULATIONS (LCR) AND THE CALIFORNIA WAGE ORDER REGULATIONS (CWR).

- NOTES:**
1. THE PROPERTY OWNER SHALL BE RESPONSIBLE FOR THE GENERAL MAINTENANCE OF ALL ACCESSIBILITY FEATURES AND FOR THE REPAIR AND REPLACEMENT OF ANY DAMAGED OR DEFECTIVE ACCESSIBILITY FEATURES.
  2. THE PROPERTY OWNER SHALL BE RESPONSIBLE FOR THE MAINTENANCE OF ALL ACCESSIBILITY FEATURES AND FOR THE REPAIR AND REPLACEMENT OF ANY DAMAGED OR DEFECTIVE ACCESSIBILITY FEATURES.
  3. THE PROPERTY OWNER SHALL BE RESPONSIBLE FOR THE MAINTENANCE OF ALL ACCESSIBILITY FEATURES AND FOR THE REPAIR AND REPLACEMENT OF ANY DAMAGED OR DEFECTIVE ACCESSIBILITY FEATURES.



- CONSTRUCTION NOTES:**
1. ALL WORK SHALL BE IN ACCORDANCE WITH THE CURRENT EDITIONS OF THE CALIFORNIA BUILDING CODE (CBC) AND THE CALIFORNIA ACCESSIBILITY STANDARDS (CAS).
  2. ALL WORK SHALL BE IN ACCORDANCE WITH THE CURRENT EDITIONS OF THE CALIFORNIA ELECTRICAL CODE (CEC) AND THE CALIFORNIA MECHANICAL CODE (CMC).
  3. ALL WORK SHALL BE IN ACCORDANCE WITH THE CURRENT EDITIONS OF THE CALIFORNIA PLUMBING CODE (CPC) AND THE CALIFORNIA GAS CODE (CGC).
  4. ALL WORK SHALL BE IN ACCORDANCE WITH THE CURRENT EDITIONS OF THE CALIFORNIA FIRE CODE (CFC) AND THE CALIFORNIA SAFETY CODE (CSC).
  5. ALL WORK SHALL BE IN ACCORDANCE WITH THE CURRENT EDITIONS OF THE CALIFORNIA ENVIRONMENTAL HEALTH AND SAFETY CODE (EH&S).
  6. ALL WORK SHALL BE IN ACCORDANCE WITH THE CURRENT EDITIONS OF THE CALIFORNIA LABOR CODE (CLC) AND THE CALIFORNIA WAGE ORDER (CWO).
  7. ALL WORK SHALL BE IN ACCORDANCE WITH THE CURRENT EDITIONS OF THE CALIFORNIA LABOR RELATIONS ACT (LRA) AND THE CALIFORNIA EMPLOYMENT RELATIONS ACT (ERA).
  8. ALL WORK SHALL BE IN ACCORDANCE WITH THE CURRENT EDITIONS OF THE CALIFORNIA LABOR CODE REGULATIONS (LCR) AND THE CALIFORNIA WAGE ORDER REGULATIONS (CWR).
  9. ALL WORK SHALL BE IN ACCORDANCE WITH THE CURRENT EDITIONS OF THE CALIFORNIA LABOR CODE REGULATIONS (LCR) AND THE CALIFORNIA WAGE ORDER REGULATIONS (CWR).
  10. ALL WORK SHALL BE IN ACCORDANCE WITH THE CURRENT EDITIONS OF THE CALIFORNIA LABOR CODE REGULATIONS (LCR) AND THE CALIFORNIA WAGE ORDER REGULATIONS (CWR).
  11. ALL WORK SHALL BE IN ACCORDANCE WITH THE CURRENT EDITIONS OF THE CALIFORNIA LABOR CODE REGULATIONS (LCR) AND THE CALIFORNIA WAGE ORDER REGULATIONS (CWR).
  12. ALL WORK SHALL BE IN ACCORDANCE WITH THE CURRENT EDITIONS OF THE CALIFORNIA LABOR CODE REGULATIONS (LCR) AND THE CALIFORNIA WAGE ORDER REGULATIONS (CWR).
  13. ALL WORK SHALL BE IN ACCORDANCE WITH THE CURRENT EDITIONS OF THE CALIFORNIA LABOR CODE REGULATIONS (LCR) AND THE CALIFORNIA WAGE ORDER REGULATIONS (CWR).
  14. ALL WORK SHALL BE IN ACCORDANCE WITH THE CURRENT EDITIONS OF THE CALIFORNIA LABOR CODE REGULATIONS (LCR) AND THE CALIFORNIA WAGE ORDER REGULATIONS (CWR).
  15. ALL WORK SHALL BE IN ACCORDANCE WITH THE CURRENT EDITIONS OF THE CALIFORNIA LABOR CODE REGULATIONS (LCR) AND THE CALIFORNIA WAGE ORDER REGULATIONS (CWR).
  16. ALL WORK SHALL BE IN ACCORDANCE WITH THE CURRENT EDITIONS OF THE CALIFORNIA LABOR CODE REGULATIONS (LCR) AND THE CALIFORNIA WAGE ORDER REGULATIONS (CWR).



**ACCESSIBILITY UPGRADES  
 OLD TOWN CENTER  
 36601 NEWARK BOULEVARD  
 NEWARK, CA 94560**

**ADA COMPLIANCE**  
 CONSULTANT'S INC.  
 1001 RIVER ROAD, SUITE 200  
 NEWARK, CA 94560  
 PHONE: (925) 251-2116  
 FAX: (925) 251-2117  
 WWW.CONSULTANTSINC.COM

**PROJECT INFORMATION**  
 CHRISTOPHER T. TAYLOR  
 ACCESSIBILITY INSPECTOR  
 ICC CERTIFIED #242199-237  
 CASP CERTIFIED #746

1	Final Design/Title	1/11/2020
2	Revised/Issue	
3	Revised/Issue	
4	Revised/Issue	
5	Revised/Issue	
6	Revised/Issue	
7	Revised/Issue	
8	Revised/Issue	
9	Revised/Issue	
10	Revised/Issue	
11	Revised/Issue	
12	Revised/Issue	
13	Revised/Issue	
14	Revised/Issue	
15	Revised/Issue	
16	Revised/Issue	
17	Revised/Issue	
18	Revised/Issue	
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20	Revised/Issue	
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22	Revised/Issue	
23	Revised/Issue	
24	Revised/Issue	
25	Revised/Issue	
26	Revised/Issue	
27	Revised/Issue	
28	Revised/Issue	
29	Revised/Issue	
30	Revised/Issue	

**PAGE TITLE**  
 SITE PLAN

**SCALE**  
 NOT TO SCALE

**DATE**  
 1/11/2020

**BY**  
 AT

**NOTICE OF DECISION  
PLANNING COMMISSION  
CITY OF NEWARK, CALIFORNIA**

12/12/17  
12/12/17  
12/12/17

Application No.: U-17-16

Meeting Date: December 12, 2017

Submitted by: Fred Camacho

Request: Hearing to consider U-17-16, a Conditional Use Permit to allow a fitness gym, GFY CrossFit, in an existing building located at 36601 Newark Boulevard, Suite #77 (APN: 092A-0900-001-02).

At its meeting of December 12, 2017, the Planning Commission approved Resolution 1951, approving U-17-16, a Conditional Use Permit to allow a fitness gym, GFY CrossFit, in an existing building located at 36601 Newark Boulevard, Suite #77.

December 14, 2017

Mailing date of this Notice of Decision to the applicant.

December 14, 2017

Filing date of this Notice of Decision with the City Clerk.


January 11, 2018

Date of City Council meeting at which the City Clerk will present this Notice of Decision.

This Notice of Decision is hereby prepared pursuant to Section 17.72.080 of the Newark Municipal Code that on December 12, 2017, the City of Newark Planning Commission approved Resolution 1951 as described in this Notice of Decision.

APPEAL PROCEDURE: (Appeal Fee - \$100)

An appeal to the decision may be made to the City Council by filing a written Notice of Appeal with the City Clerk within seven (7) days after the mailing date of this Notice of Decision. Such Notice of Appeal shall clearly and concisely set forth the grounds upon which the appeal is based. If the appeal is made by the applicant, the Notice of Appeal shall be filed in duplicate and the City Clerk shall immediately forward one copy to the Community Development Director. If the appeal is taken by someone other than the applicant, the Notice of Appeal shall be filed in triplicate and the City Clerk shall immediately forward one copy to the applicant and one copy to the Community Development Director.

  
\_\_\_\_\_  
Art Interiano  
Deputy Community Development Director

**D.2 Notice of Planning Commission's decision to uphold the Community Development Director's denial of a single-family design review change of exterior building material from siding to stucco at 8215 Thornton Avenue – from Associate Planner Mangalam. (REVIEW OPTIONAL)**

**Background/Discussion** – Keshni and Satish Kumar, property owners at 8215 Thornton Avenue, filed an application for a single-family design review (SFDR), for a change in the exterior building material from siding to stucco to their single-family home which is under construction. The subject site is on the north side of Thornton Avenue between Spruce Street and Laurel Street and abuts August Schilling Elementary School. The property is zoned R-6000 (Low Density Residential) and has Low-Density Residential General Plan designation.

Per Newark Municipal Code Section 17.16.206, all new single-family residences, second-story additions and exterior modifications to existing single-family residences shall be reviewed and acted upon by the Community Development Director.

The applicants initially filed for a single-family design review for a new home on November 11, 2015 and were approved for the same on December 17, 2015. On July 7, 2017, the property owners applied for another SFDR for an additional two-car garage to their house. Staff approved the application with the condition that the elevations are enhanced by adding architectural features and siding will be used as exterior building material on front and side elevations. Subsequent to this approval, the property owners requested to modify the elevations by changing exterior building material from siding to stucco and applied for another SFDR on November 20, 2017.

Most of the houses in the surrounding neighborhood are single story with few exceptions. The subject house under construction is two stories and appears very bulky in its size and context. The siding material will help break down the bulkiness of this home and enhance the architectural elements of the house. Staff also studied various homes throughout the City including both stucco and siding as exterior building material for comparison.

Keeping in mind the guidelines of SFDR of Newark Municipal Code, “to promote orderly, attractive and harmonious development, the preservation of the visual character of Newark...” and other considerations, the Community Development Director denied the request to change the exterior building material to stucco.

As per Section 17.26.206(G) of Newark Municipal Code, notice of the Community Development Director's denial was sent to the applicants on November 29, 2017. The applicants appealed staff's decision to the Planning Commission.

The Planning Commission considered the matter on December 12, 2017. After a lengthy discussion on the item, the Planning Commission ultimately decided that siding was an architectural feature that would reduce the massing of the large house and agreed to uphold the decision of the Community Development Director. Commissioner Nillo voted in opposition due

to concerns about the durability of siding material. The applicants did not submit an appeal of the Planning Commission's decision.

**CEQA** – One single-family residence, is categorically exempt from the California Environmental Quality Act per Section 15303, class 3 (a).

**Attachment**

**Action** – This is a review optional item.

RESOLUTION NO. 1953

RESOLUTION UPHOLDING COMMUNITY DEVELOPMENT DIRECTOR'S DECISION TO DENY A SINGLE-FAMILY DESIGN REVIEW (SFDR2017-017) FOR CHANGE OF EXTERIOR BUILDING MATERIAL AT 8215 THORNTON AVENUE

WHEREAS, Satish and Keshni Kumar, has filed an application with the planning division of the City of Newark for a single-family design review (SFDR2017-017) for a change in the exterior building material from siding to stucco to a single-family home under construction at 8215 Thornton Avenue.

PURSUANT to Municipal Code Section 17.16.206(E), the Community Development Director acted upon the application and notice of denial of single-family design review was sent to the applicants. The applicants then filed for an appeal; and

PURSUANT to Municipal Code Section 17.48.120, the planning commission shall have jurisdiction to hear and decide appeals.

NOW, THEREFORE, BE IT RESOLVED that the Planning Commission hereby upholds the decision of the Community Development Director to deny the single-family design review.

This Resolution was introduced at the Planning Commission's December 12, 2017 meeting by Commissioner Fitts, seconded by Commissioner Aguilar, and passed as follows:

AYES: Aguilar, Bridges and Fitts.

NOES: Nillo.

ABSENT: Otterstetter.

s/Terrence Grindall  
TERRENCE GRINDALL, Secretary

s/Bernie Nillo  
BERNIE NILLO, Chairperson

11/30/17

To: Appeals Team

We are the property owners of the address 8215 Thornton Ave appealing the denial of the design review letter we received today for a new SFDR replacing siding with stucco.

We are appealing to the design review for stucco our home instead of siding with reasons below:

We were very pleased with Sofia, Mangalam and Art, Interiano, for proposing/suggesting/changes they made to our home, which we implemented in the 2<sup>nd</sup> new drawing and it got approved.

However, upon 2<sup>nd</sup> review the stucco suits with the suggested arch front windows which complement the entire house. We understand regarding aligning the vision for the city of Newark is important, I believe for new constructions, stucco has been predominantly the choice of the Newark community.

Reasons:

1. Modern kind of development, not violating any city codes or dimensions.
2. Ninety percent of houses in old Newark are Stucco, which were done at different times with may be different vision, this does not sound like a policy/guideline that cannot be changed.
3. New developments will bring a wave of new ideas among surrounding neighborhood to update their homes as well.
4. The maintenance/price/beauty and noise reduction (Busy Street and adjacent school) Stucco is far more favorable, as surrounded neighborhood.
5. The proposed plan is in accordance of city code planning requirement and set back.
6. 10 Neighbors within 100 feet have agreed/signed the no object agreement for stucco.

May we humbly request for city to please take a look at our stucco plan, allow us to build our dream home? Satish and I have worked extremely hard to build our dream home, spending huge amount of money, we beg you to please allow us stucco not siding.

We have lived in Newark for 27 years and hoping my kids and grandkids will dream bigger and help make Newark the most desirable city to live in.

Please contact us with any questions at- 510-290-5564

[Email-skfloorcovering@hotmail.com](mailto:Email-skfloorcovering@hotmail.com)

Sincerely

Satish/Keshni Kumar

Sincerely,



**EXHIBIT** Ap1



**CITY OF NEWARK, CALIFORNIA**

37101 Newark Boulevard • Newark, California 94560-3796 • (510) 578-4000 • FAX (510) 578-4306

November 29, 2017

Keshni and Satish Kumar  
8215 Thornton Avenue  
Newark, CA 94560

**SUBJECT: PROPOSED CHANGE TO AN APPROVED SINGLE FAMILY DESIGN REVIEW AT 8215 THORNTON AVENUE-- CITY FILE NO. SFDR2017-017**

Your Single-Family Design Review (SFDR) application is denied. Previously, Single Family Design Review with City File No. SFDR2017-010 for the property at 8215 Thornton Avenue was approved with siding on front and side elevations. The decision was based on maintaining and enhancing the visual character of Newark. However, the applicant applied for a new SFDR replacing siding with stucco.

An appeal of the Community Development Director's decision requires payment of a \$100 fee and submittal of a letter specifying the reason(s) for the appeal. The appeal will be acted on by the Planning Commission. The appeal letter and fee should be sent to the City of Newark, 37101 Newark Boulevard, Newark, CA 94560, Attn.: Planning Division. The City must receive the letter and fee no later than 5:00 p.m., Saturday, December 9, 2017.

Please contact Ms. Sofia Mangalam, Associate Planner, if you have any questions. She can be reached at (510) 578-4242 or via email at [sofia.mangalam@newark.org](mailto:sofia.mangalam@newark.org).

Sincerely,

Terrence Grindall

Community Development Director/Assistant City Manager

**EXHIBIT** Ap2





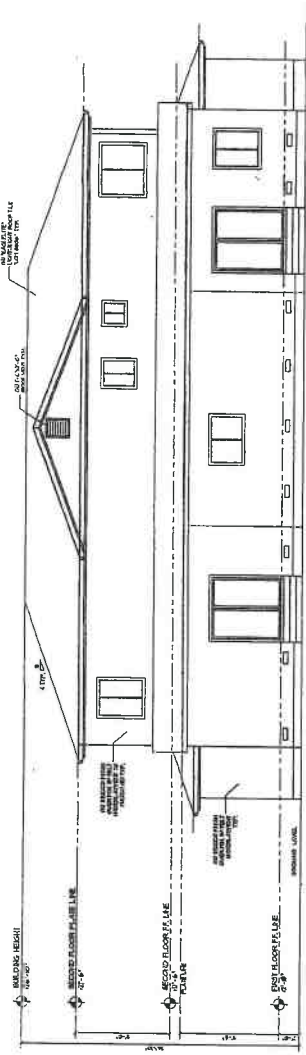
SFDR2017-017: Location Map

**EXHIBIT** A03

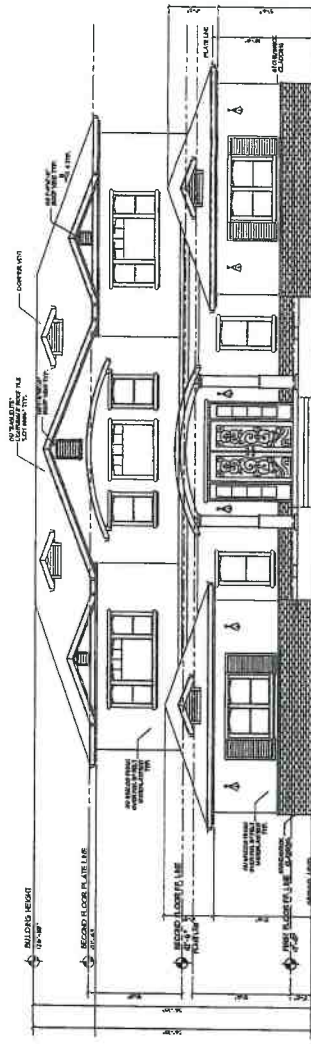
Legend  
Subject Site: 8215 Thornton Avenue

PROJECT TITLE: <b>RESIDENTIAL NEW HOUSE</b> 8215 THORNTON AVENUE NEWARK, CALIFORNIA	DATE: 08/17/2016 DRAWN BY: JX CHECKED BY: JX SCALE: A2 SHEET NO. 0215
--	---

S.F.D.R. 2017 - 014  
**EXHIBIT A04**



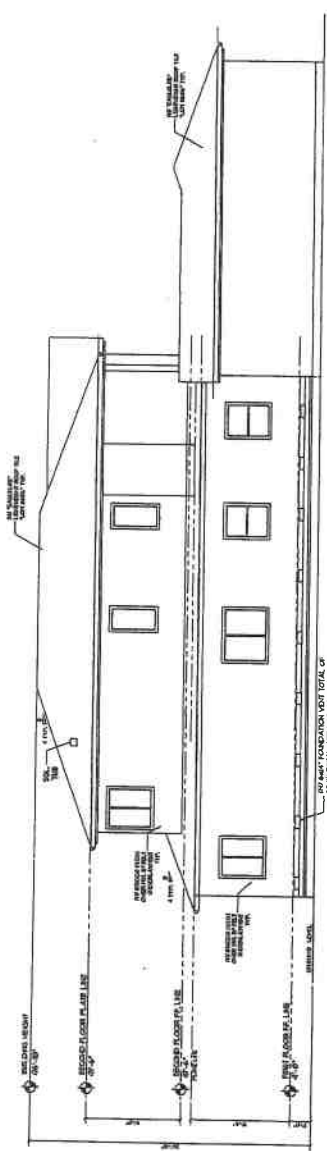
2 REAR ELEVATION PLAN  
SCALE: 3/16" = 1'-0"



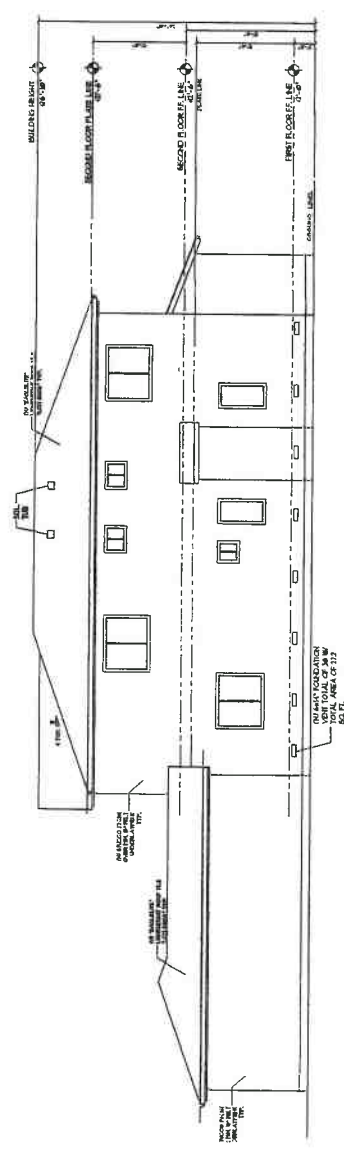
1 FRONT ELEVATION PLAN  
SCALE: 3/16" = 1'-0"

SFD12017-017

**EXHIBIT A2.1**



2 SOUTH SIDE ELEVATION PLAN  
 A2.1 SCALE: 3/16" = 1'-0"



1 NORTH SIDE ELEVATION PLAN  
 A2.1 SCALE: 3/16" = 1'-0"

INNOVATION CONSTRUCTION  
 642 HESTER STREET, SAN LEANDRO CA 94577  
 PH: 510.777.0077 FAX: 510.777.0285

CONTRACTOR

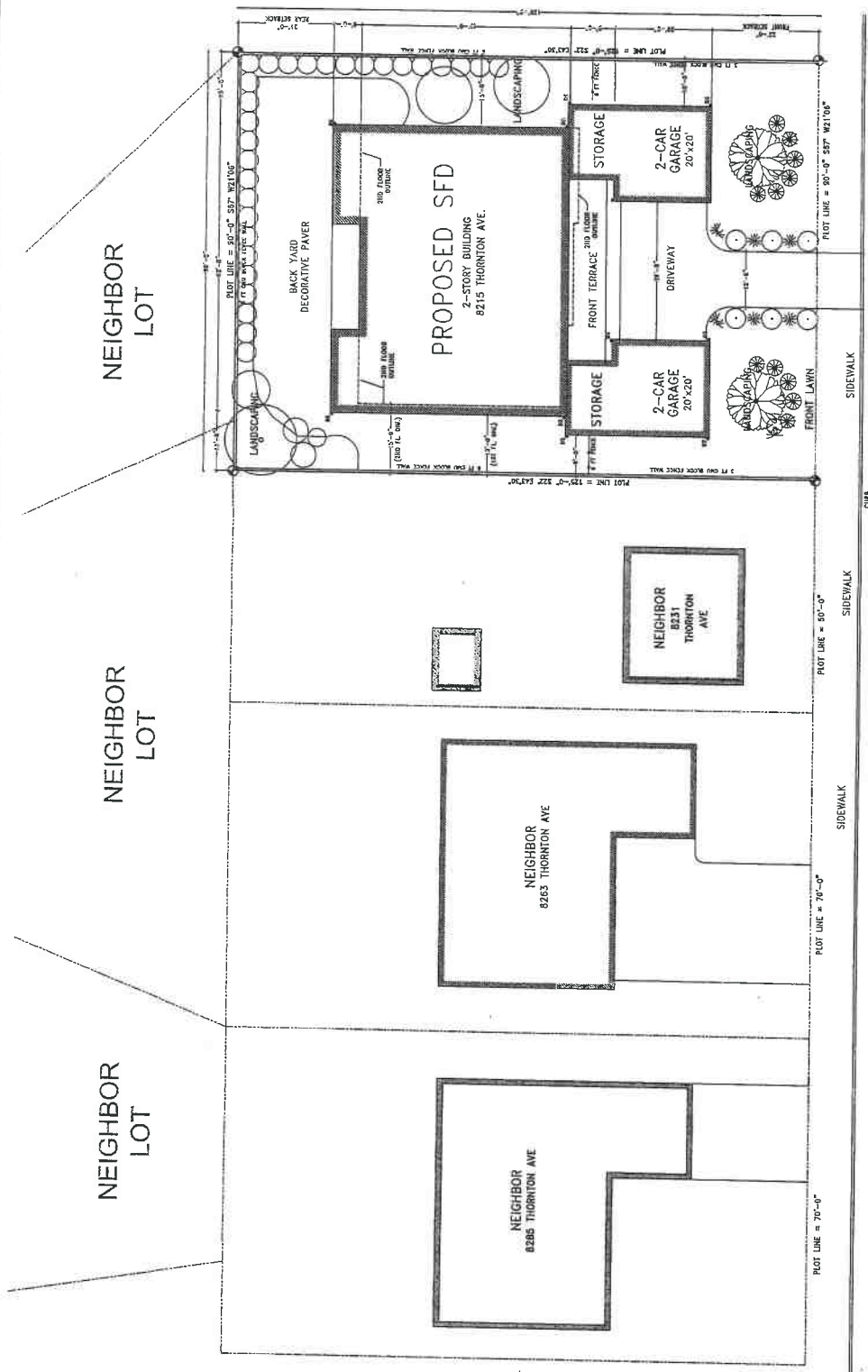
RESIDENTIAL NEW CONSTRUCTION  
 8215 THORNTON AVE, NEWARK

PROJECT

SHEET: SITE PLAN

A0.1

(Approved) Final Submission  
 08-11-2014



SFOR2017-010

THORNTON AVE



EXHIBIT App

1 PROPOSED SITE PLAN  
 A0.1 SCALE: 1/32" = 1'-0"

INNOVATION CONSTRUCTION  
 64 WESTER STREET, NEW LONDON, CT 06101  
 TEL: 860.777.8977 FAX: 860.777.8982

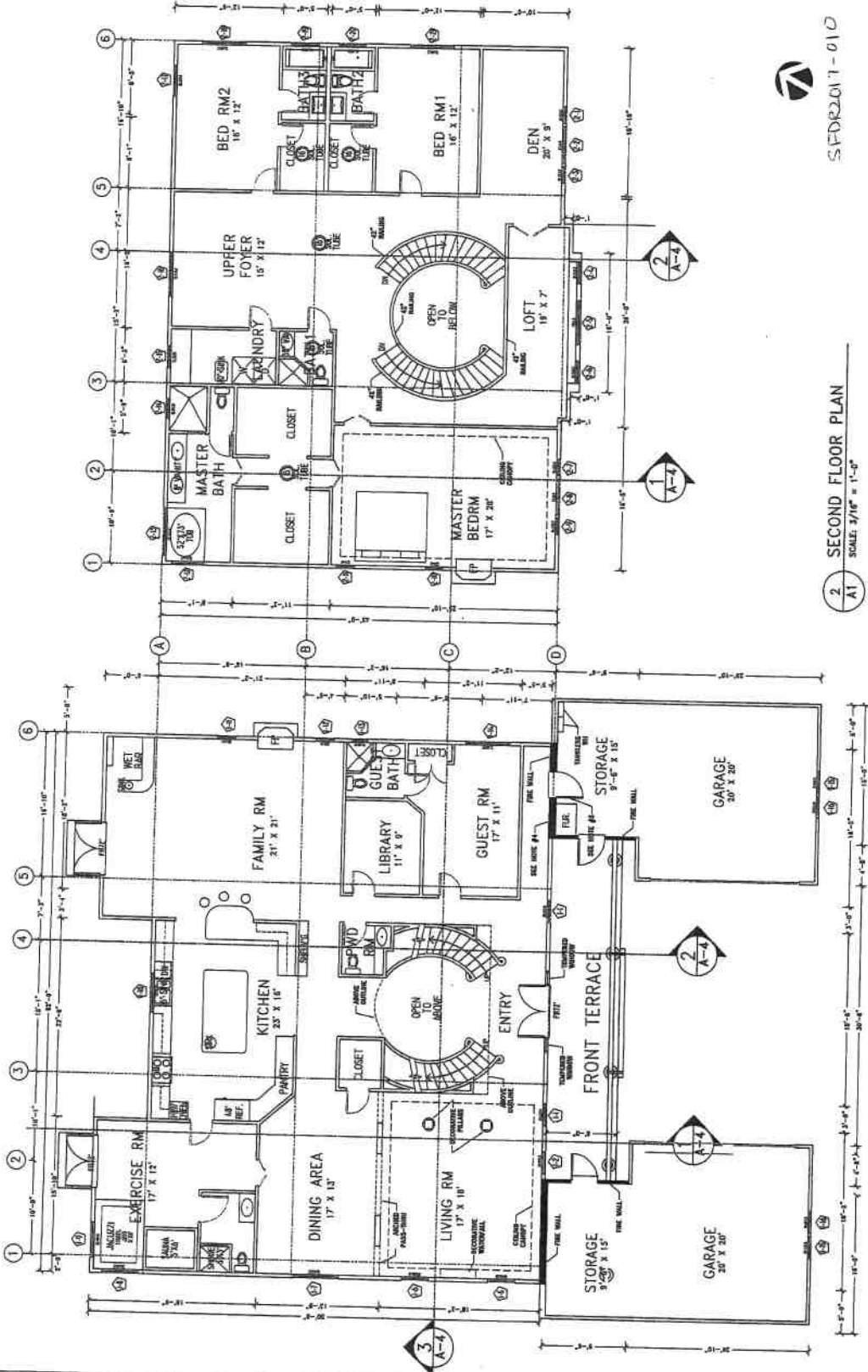
CONTRACTOR

RESIDENTIAL NEW CONSTRUCTION  
 8215 THORNTON AVE, NEWARK

PROJECT

SHEET: FLOOR PLANS

AI



SECTION 1-010

2 SECOND FLOOR PLAN  
 A1 SCALE: 3/16" = 1'-0"

- NOTE:
- FOR WINDOW DETAILS AND NOTES, SEE WINDOW SCHEDULE ON SHEET A1.
  - GLAZING AT WINDOW HEAD TO ENTRY DOOR SHALL BE TEMPERED, ORC, 8004.J2.
  - SOLID CORE, 1 1/2" THICK OR 50 MIN. FIRE RATED DOOR WITH MINIMUM 1 1/2" MIN. THICK GLASS AND GLASS PENETRATING THE WALLS ON CEILING SEPARATING THE DWELLING FROM THE GARAGE SHALL BE 1 1/2" MIN. THICK GLASS (0.48 IN) SHEET STEEL OR OTHER APPROVED MATERIAL AND SHALL HAVE NO OPENING INTO THE GARAGE.

EXHIBIT A-7

1 FIRST FLOOR PLAN  
 A1 SCALE: 3/16" = 1'-0"

INNOVATION CONSTRUCTION  
 142 WESTER STREET, SAN LEANDRO CA 94577  
 TEL. 510.771.0177 FAX. 510.771.1888

CONTRACTOR

RESIDENTIAL NEW CONSTRUCTION  
 8215 THORNTON AVE, NEWARK

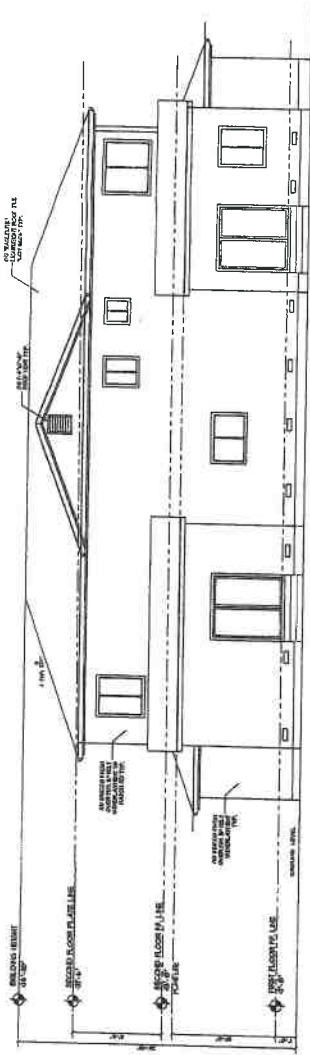
PROJECT

SHEET : ELEVATIONS

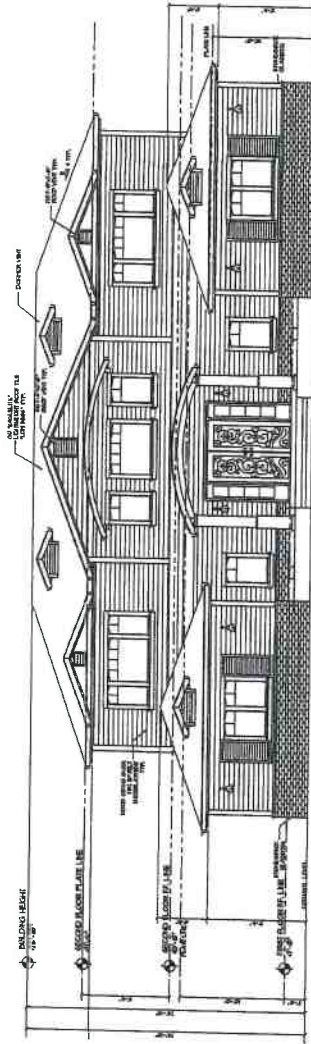
A2

SFDR2017-010

EXHIBIT AP8



2 REAR ELEVATION PLAN  
 A2 SCALE: 3/16" = 1'-0"



1 FRONT ELEVATION PLAN  
 A2 SCALE: 3/16" = 1'-0"

INNOVATION CONSTRUCTION  
 62 WESTER STREET, SHELTON, CT 06487  
 PH. 860.277.1877 FAX. 860.277.1888

CONTRACTOR

RESIDENTIAL NEW CONSTRUCTION  
 8215 THORNTON AVE, NEWARK

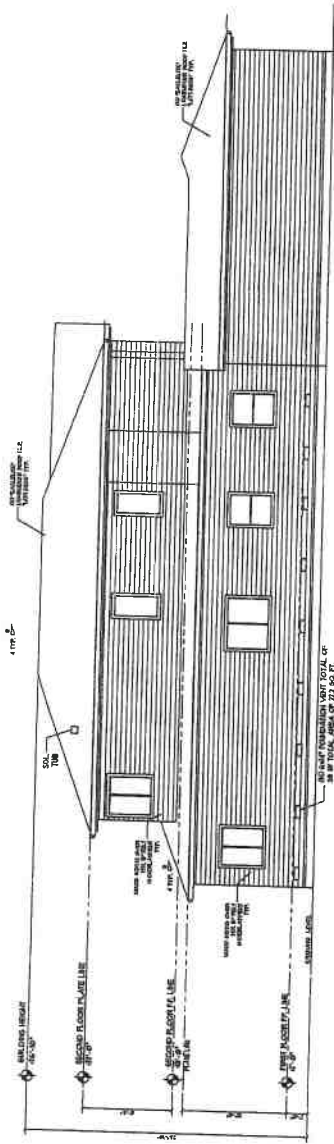
PROJECT

SHEET : ELEVATIONS

A2.1

SFD2017-010

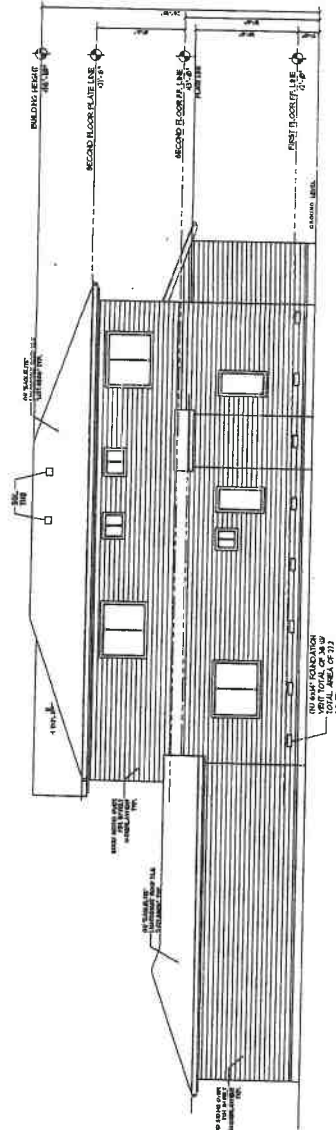
EXHIBIT App9



2 SOUTH SIDE ELEVATION PLAN

SCALE: 3/16" = 1'-0"

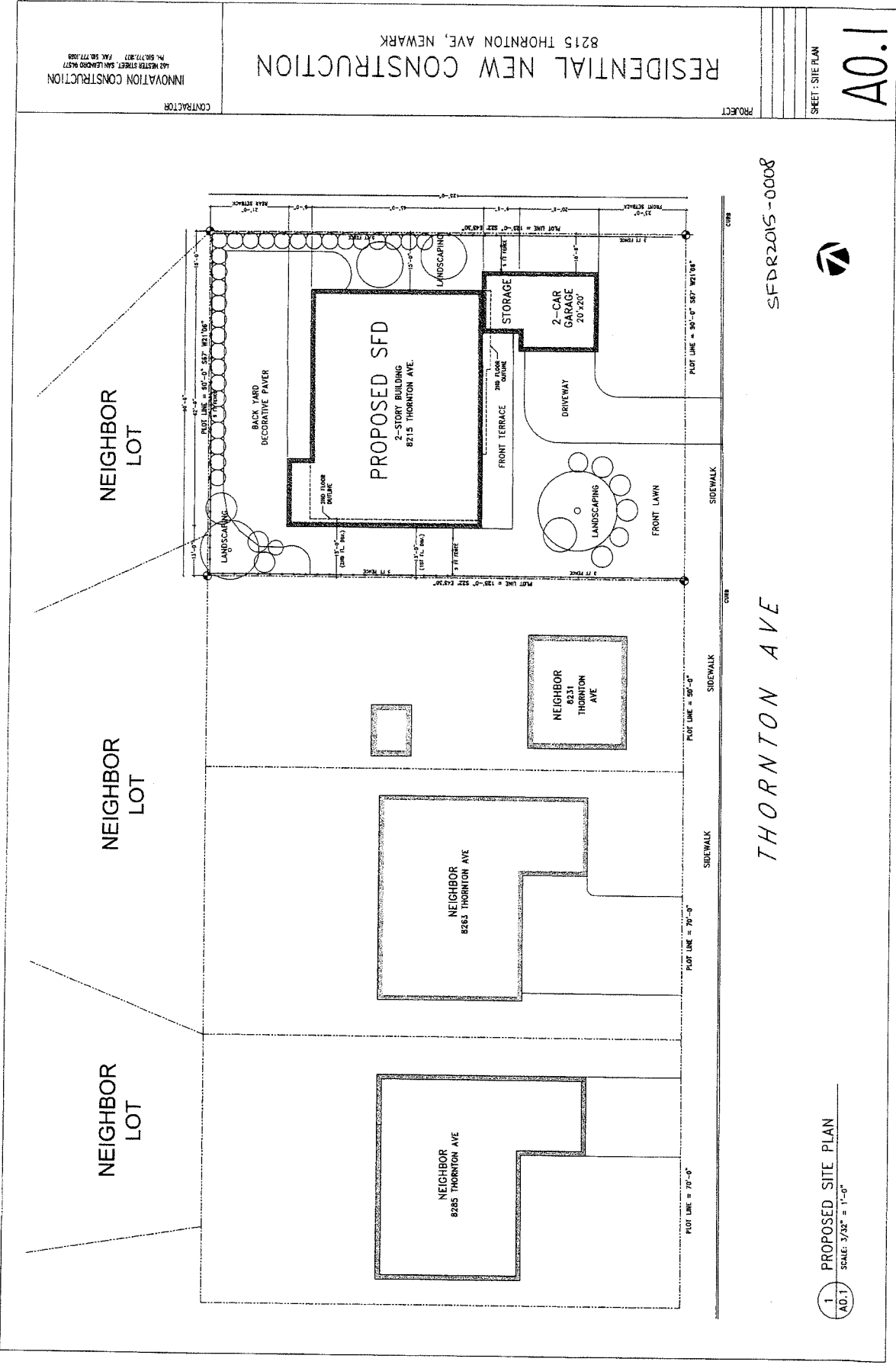
A2.1



1 NORTH SIDE ELEVATION PLAN

SCALE: 3/16" = 1'-0"

A2.1



CONTRACTOR  
 INNOVATION CONSTRUCTION  
 40 WESTER STREET, SUITE 2000  
 NEWARK, NJ 07102  
 TEL: 973.777.8577 FAX: 973.777.8588

RESIDENTIAL NEW CONSTRUCTION  
 8215 THORNTON AVE, NEWARK

PROJECT

SFD R2015-0008

SHEET - SITE PLAN

A0.1



THORNTON AVE

1 PROPOSED SITE PLAN  
 SCALE: 3/32" = 1'-0"

EXHIBIT A p 10



INNOVATION CONSTRUCTION  
 442 WESTER STREET, SAN LEANDRO CA 94377  
 TEL: 510.777.9577 FAX: 510.777.0084

RESIDENTIAL NEW CONSTRUCTION  
 8215 THORNTON AVE, NEWARK

PROJECT

S&P 22/21/15-0008

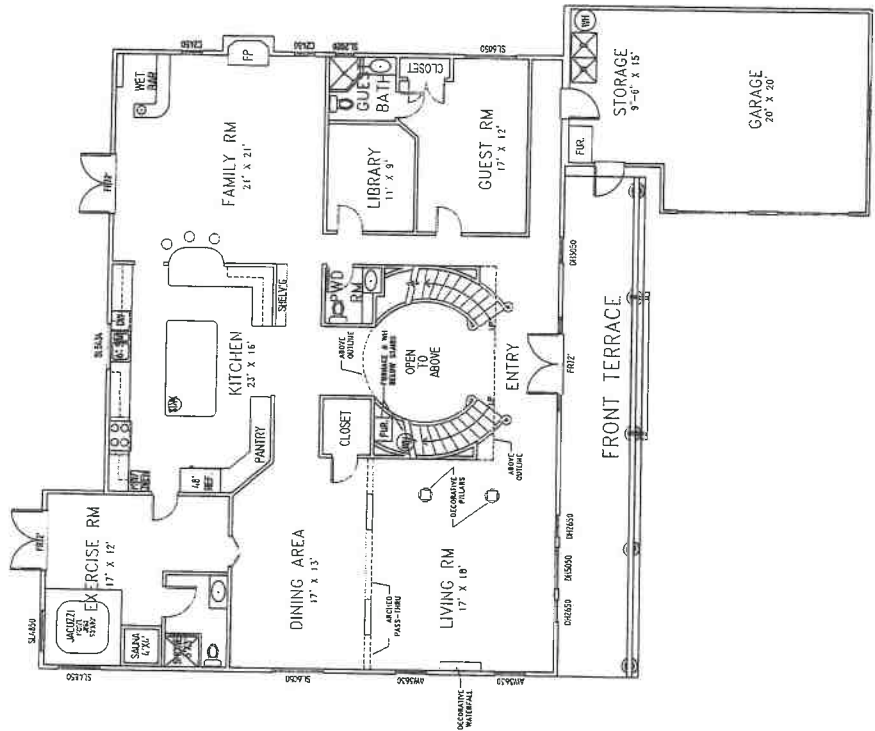
SHEET : FLOOR PLANS

AI

EXHIBIT A-11

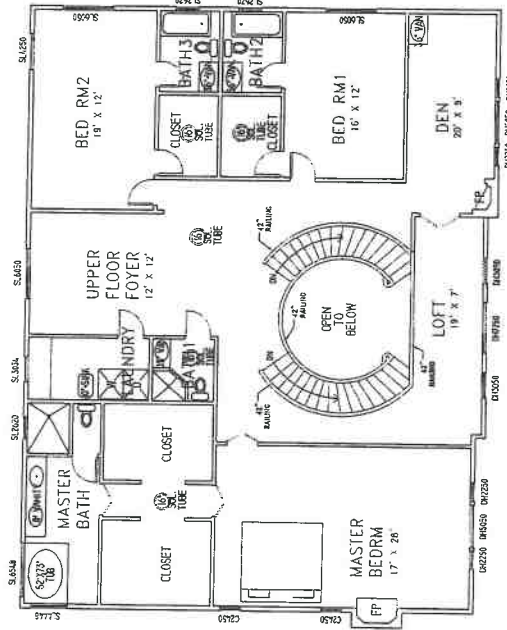
2 SECOND FLOOR PLAN  
 SCALE: 3/16" = 1'-0"

AI



1 FIRST FLOOR PLAN  
 SCALE: 3/16" = 1'-0"

AI



AI

INNOVATION CONSTRUCTION  
 400 HESTER STREET, SAN LEANDRO 94577  
 PH: 510.271.8877 FAX: 510.271.9887

CONTRACTOR

RESIDENTIAL NEW CONSTRUCTION  
 8215 THORNTON AVE, NEWARK

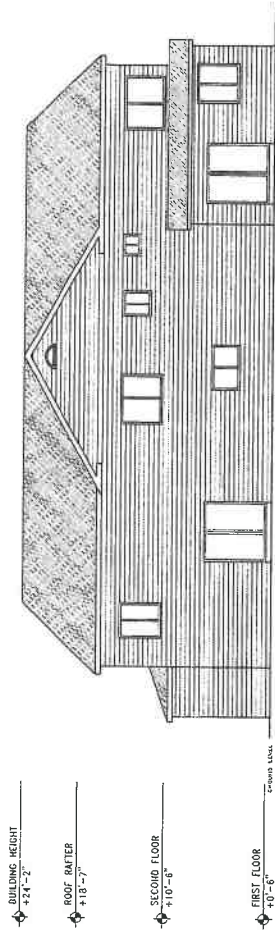
PROJECT

S: EDC2015-0008

SHEET : ELEVATIONS

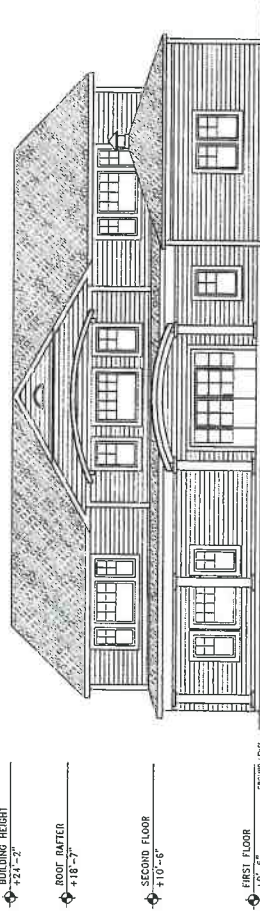
A2

EXHIBIT A p12



BUILDING HEIGHT +24'-2"  
 ROOF RAFTER +19'-7"  
 SECOND FLOOR +10'-5"  
 FIRST FLOOR +0'-6"  
 FINISH GRADE

2 REAR ELEVATION PLAN  
 SCALE: 3/16" = 1'-0"



BUILDING HEIGHT +24'-2"  
 ROOF RAFTER +18'-7"  
 SECOND FLOOR +10'-5"  
 FIRST FLOOR +0'-6"  
 FINISH GRADE

1 FRONT ELEVATION PLAN  
 SCALE: 3/16" = 1'-0"

LEGEND:

- SHINGLE ROOF
- SIDING

INNOVATION CONSTRUCTION  
 642 HESTER STREET, SAKLEMANO 06427  
 PH. 508.773.0277 FAX. 508.773.0283

CONTRACTOR

RESIDENTIAL NEW CONSTRUCTION  
 8215 THORNTON AVE, NEWARK

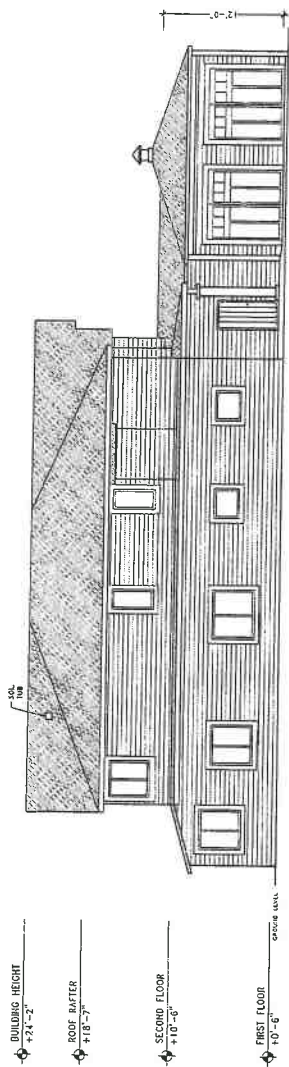
PROJECT

SHEET: ELEVATIONS

A2.1

S.F. 020205 - 00008

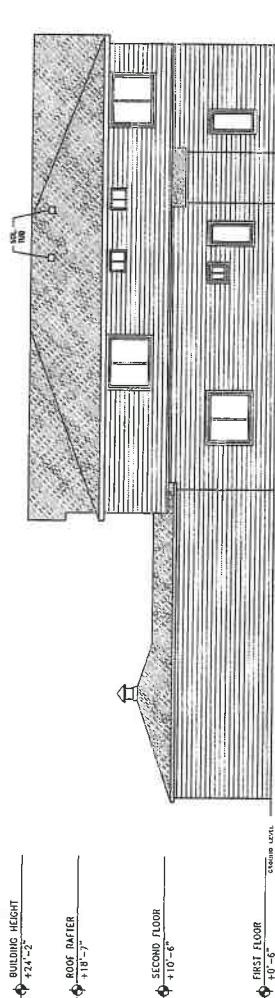
EXHIBIT A113



2 SOUTH SIDE ELEVATION PLAN

SCALE: 3/16" = 1'-0"

A2.1



1 NORTH SIDE ELEVATION PLAN

SCALE: 3/16" = 1'-0"

A2.1

LEGEND:

- SHINGLE ROOF
- SIDING

**NOTICE OF DECISION  
PLANNING COMMISSION  
CITY OF NEWARK, CALIFORNIA**

2017-12-14  
11:11 AM  
10/17/17

Application No.: SFDR2017-017

Meeting Date: December 12, 2017

Submitted by: Keshni and Satish Kumar  
8215 Thornton Avenue  
Newark, CA 94560

Request: Appeal of Community Development Director's decision to deny application number SFDR2017-017, a single-family design review, for change of exterior building material from siding to stucco at 8215 Thornton Avenue (APN: 092A-0462-125-00).


At its meeting of December 12, 2017, the Planning Commission approved Resolution 1953, upholding Community Development Director's decision to deny a single-family design review (SFDR2017-017) for change of exterior building material at 8215 Thornton Avenue.

- |                          |  |
|--------------------------|--|
| <u>December 14, 2017</u> | Mailing date of this Notice of Decision to the applicant.                                  |
| <u>December 14, 2017</u> | Filing date of this Notice of Decision with the City Clerk.                                |
| <u>January 11, 2018</u>  | Date of City Council meeting at which the City Clerk will present this Notice of Decision. |

This Notice of Decision is hereby prepared pursuant to Section 17.48.120 of the Newark Municipal Code that on December 12, 2017, the City of Newark Planning Commission approved Resolution 1953 as described in this Notice of Decision.

**APPEAL PROCEDURE: (Appeal Fee - \$100)**

An appeal to the decision may be made to the City Council by filing a written Notice of Appeal with the City Clerk within seven (7) days after the mailing date of this Notice of Decision. Such Notice of Appeal shall clearly and concisely set forth the grounds upon which the appeal is based. If the appeal is made by the applicant, the Notice of Appeal shall be filed in duplicate and the City Clerk shall immediately forward one copy to the Community Development Director. If the appeal is taken by someone other than the applicant, the Notice of Appeal shall be filed in triplicate and the City Clerk shall immediately forward one copy to the applicant and one copy to the Community Development Director.

  
\_\_\_\_\_  
SOFIA MANGALAM  
Associate Planner

**E.1 Hearing to consider an amendment to the Master Fee Schedule to add an Improvement Plan Review by Outside Consulting Firm by Applicant Request Fee – from Administrative Services Director Woodstock. (RESOLUTION)**

**Background/Discussion** – The City’s Master Fee Schedule (MFS) is reviewed annually in June of each year using an analysis of both direct and indirect costs for the delivery of certain City programs and services. A new service has been identified since the last review and is being proposed to add to the existing MFS.

This addition would be to the Development Enterprise Fund, Section B, as follows:

020-0000	3150 (50%) 3670 (50%)	f. Improvement plan review by outside consulting firm upon request by applicant (in addition to standard review and inspection fees above)	Actual Cost
----------	--------------------------	--	----------------

This addition will allow an applicant to request improvement plan review by an outside consulting firm. An applicant would be charged the full cost of the consulting services in addition to any other fees already required for the plan review.

**Action** - It is recommended that the City Council, by resolution, amend the Master Fee Schedule for Fiscal Year 2017-2018 to add a new fee for improvement plan review by outside consulting firms upon applicant request.

RESOLUTION NO.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
NEWARK AMENDING THE 2017-2018 MASTER FEE  
SCHEDULE TO ADD A NEW FEE FOR IMPROVEMENT  
PLAN REVIEW BY OUTSIDE CONSULTING FIRMS UPON  
APPLICANT REQUEST

WHEREAS, the City Council of the City of Newark is authorized to prescribe and establish fees in regard to services or functions performed by the City for the public in a governmental and proprietary capacity; and

WHEREAS, the City Council of the City of Newark has, from time to time, established fees by resolution for services as authorized pursuant to the Newark Municipal Code, most recently on June 22, 2017, by Resolution No. 10658;

NOW, THEREFORE, BE IT RESOLVED that the City Council does hereby amend only those portions of the City of Newark Master Fee Schedule as set forth below:

Development Enterprise Fund, Section B:

020-0000	3150 (50%) 3670 (50%)	f. Improvement plan review by outside consulting firm upon request by applicant (in addition to standard review and inspection fees above)	Actual Cost
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**E.2 Hearing to introduce an ordinance to repeal and replace Title 17 (“Zoning”) of the Newark Municipal Code and rezone properties by adopting the Official Zoning Map – from Deputy Community Development Director Interiano.**

**(INTRODUCTION OF ORDINANCE)**

**Background/Discussion** – An ordinance is being proposed to repeal and replace the City’s Zoning Code and adopt a new Official Zoning Map. The existing Zoning Code has been in place since 1965. The comprehensive examination of the Zoning Code began in 2016 with the objective to provide a Zoning Code which is clear, concise, and easy to navigate. The draft language provides a clear decision-making and review process in addition to incorporating new planning terms, concepts and best practices. The goal has also been to provide a zoning code which attracts quality investment and improves the quality of life of Newark’s residents.

The draft includes the following sections as described below:

- Division I- General Provisions
- Division II- Base and Overlay Districts
- Division III- Citywide Regulations
- Division IV- Administration and Permits
- Division V- Terms & Definitions

The following sections were modified based on feedback received at the City Council work session held on November 7, 2017:

- Industrial Districts (Division II, Section 17.09.030)-Increase rear setback for Business Technology Park district.
- All Districts (Division III, Section 17.17.120(B)(2)(a))-The City may require additional trash and recycling service if needed.
- Window Signs (Division III, Section 17.25.090(H))-Window sign coverage limited to 25% of windows.
- Parking Standards (Division III, Section 17.23.050)-Removed language allowing Parking In-Lieu Fee Program and motorcycle reduction program. In addition, all reductions in parking standards shall require a Minor Use Permit.
- Public Notices (Division IV, Section 17.34.070(a)&(b) & 17.31.060(A)(2)) -Increase the notification radius for design review of Residential and Non-Residential districts. Increase notification radius for discretionary approvals.
- Communication Towers (Division III, Section 17.26.250(3)(a))-Increased allowed height by 15 feet above zoning district height limit.
- Non-Conforming Uses (Division III, Section 17.22.110)-Clarifying language for Class I, non-conforming uses shall not require a Conditional Use Permit if reopened, resumed or re-established during the 10-year abandonment period.

In addition, the city’s Official Zoning Map will be updated to conform with the most updated City approved projects and made consistent with the current General Plan.

**Update-**The Planning Commission reviewed the final draft version of the Zoning Code on December 12, 2017 and recommended City Council approval of an Ordinance amending Title 17 (Zoning) of the Newark Municipal code to repeal and replace Title 17, including the update of the City's Official Zoning Map. The Planning Commission had previously held two workshops on the draft Zoning Code in June and September of 2017.

**CEQA-** The Zoning Code update is an implementation of the General Plan and all zoning map changes are consistent with the General Plan, the Environmental Impacts of the Zoning Code update have already been addressed through the General Plan Environmental Impact Report (State Clearing House No. 2013012052). The ordinance before the Council includes this finding.

### **Attachments**

**Action** – It is recommended that City Council introduce an ordinance repealing and replacing Title 17 (Zoning) of the Newark Municipal Code in order to update the Newark Zoning Code, Rezone Districts and Properties and add a new Zoning Map.



ORDINANCE NO.

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NEWARK REPEALING AND REPLACING TITLE 17 ("ZONING") OF THE NEWARK MUNICIPAL CODE IN ORDER TO UPDATE THE NEWARK ZONING CODE, REZONE DISTRICTS AND PROPERTIES, AND ADD A NEW ZONING MAP.

The City Council of the City of Newark does hereby ordain as follows:

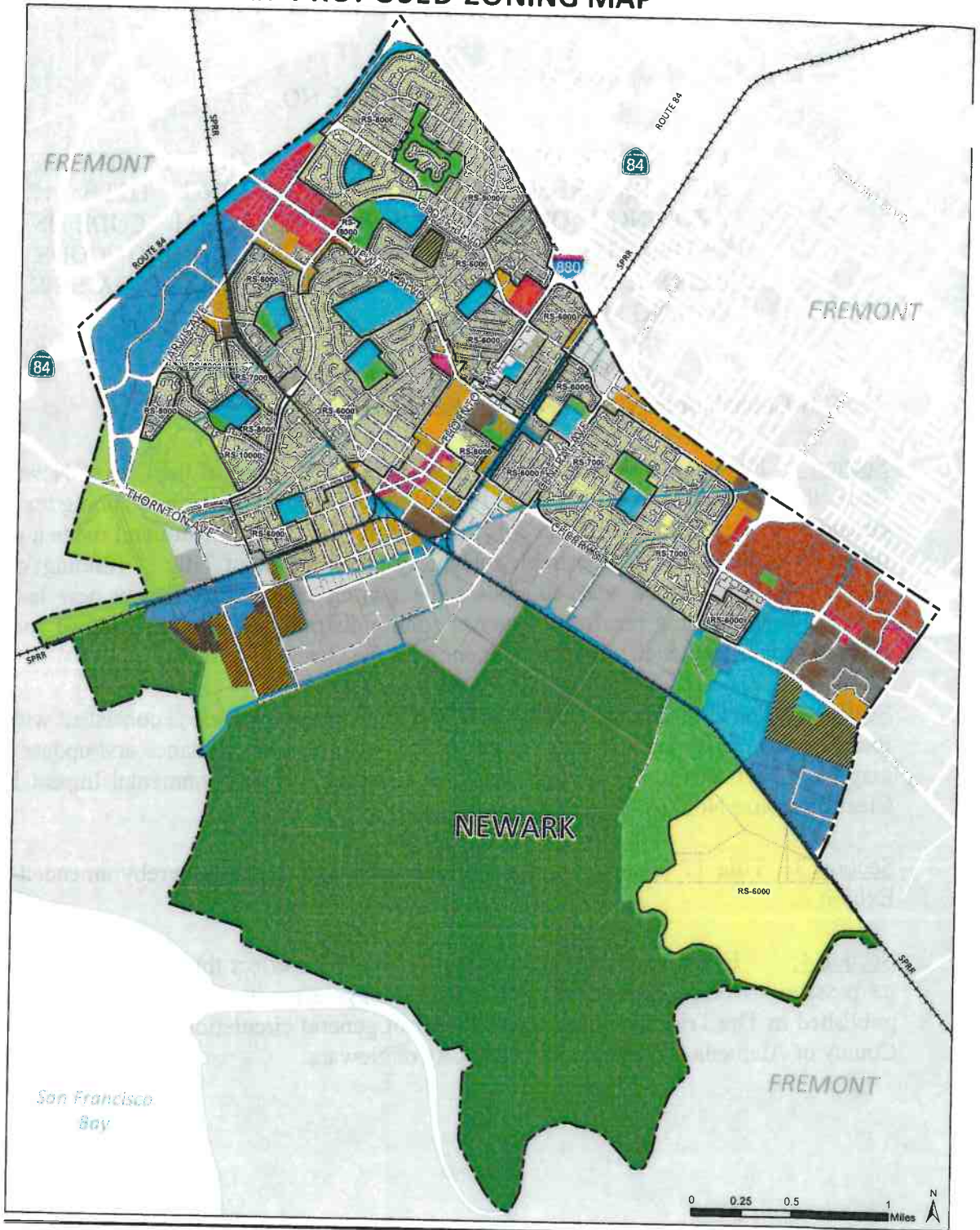
Section 1: Pursuant to Section 17.80.070 of Title 17 (Zoning) of the City of Newark Municipal Code, the City Council of the City of Newark does hereby find that the zoning text amendments embodied in this ordinance as set forth in Exhibit A, attached hereto and made a part hereof by reference, is necessary and desirable to achieve the purposes of Title 17 (Zoning) of the Newark Municipal Code, which seek to update the zoning code with entirely new language which includes best planning practices, renames zoning districts, updates an outdated zoning map and rezones properties which were inconsistent with the General Plan.

Section 2: The City Council hereby finds that the new zoning code is consistent with the General Plan and any environmental impacts associated with the new ordinance and update to the zoning map have been evaluated through the 2013 General Plan Environmental Impact Report (State Clearing House No. 2013012052).

Section 3: Title 17 (Zoning) of the Newark Municipal Code is hereby amended as shown in Exhibit A.

Section 4: Effective Date. This ordinance shall take effect thirty (30) days from the date of its passage. Before expiration of fifteen (15) days after its passage, this ordinance shall be published in The Tri-City Voice, a newspaper of general circulation published and printed in the County of Alameda and circulated in the City of Newark.

# CITY OF NEWARK PROPOSED ZONING MAP



## ZONING DISTRICTS

- RS: Residential Single Family
- RL: Residential Low Density
- RM: Residential Medium Density
- RH: Residential High Density
- NC: Neighborhood Commercial
- CC: Community Commercial
- RC: Regional Commercial
- CMU: Commercial Mixed Use
- CR: Commercial Retail

- PO: Professional Office
- BTP: Business and Technology Park
- LI: Limited Industrial
- GI: General Industrial
- PF: Public Facilities
- TS: Transit Station
- OS: Open Space
- PK: Park
- RP: Resource Production

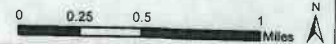
## OVERLAY DISTRICTS

- FBC: Form Based Code

## MAP FEATURES

- City Boundary

Sources: City of Newark  
RRM Design Group  
10.27.17



**F.1 Approval of Local Debt Policy – from Administrative Services Director Woodstock. (RESOLUTION)**

**Background/Discussion** – Senate Bill 1029 requires that local agencies adopt a comprehensive written debt management policy pursuant to the recommendations of the Government Finance Officers Associations (GFOA). The City is committed to fiscal sustainability by employing long-term financial planning efforts, maintaining appropriate reserve levels and employing prudent practices in governance, management and budget administration, and financial reporting. The attached Local Debt Policy is intended to improve the quality of decisions, assist with the determination of the structure of the debt issuance, identify policy goals, demonstrate a commitment to long-term financial planning and complies with Senate Bill 1029.

**Action** - It is recommended that the City Council, by resolution, approve the City's Local Debt Policy.

RESOLUTION NO.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
NEWARK APPROVING THE CITY'S LOCAL DEBT POLICY

BE IT RESOLVED by the City Council of the City of Newark that the following Local Debt Policy is hereby set forth as follows:

**TITLE: CITY OF NEWARK - LOCAL DEBT POLICY**

A. PURPOSE

The purpose of this local Debt Policy (“Policy”) is to establish guidelines and parameters for the effective governance, management and administration of debt and other financing obligations issued by the City of Newark and its related entities (such as the Newark Public Financing Authority).

As used in this Policy, “City” shall mean the City of Newark and/or its related entities, as the context may require. As used in this Policy, “debt: shall be interpreted broadly to mean bonds, notes, certificates of participation, financing leases or other financing obligations, but the use of such term in this Policy shall be solely for convenience and shall not be interpreted to characterized any such obligation as an indebtedness or debt within the meaning of any constitutional debt limitation. This policy shall apply to all debt issued or sold to third party lenders or investors and does not pertain to City internal interfund borrowings or any employee benefit obligations.

B. BACKGROUND

The City is committed to fiscal sustainability by employing long-term financial planning efforts, maintaining appropriate reserves levels and employing prudent practices in governance, management and budget administration and financial reporting.

Debt levels and their related annual costs are important long-term obligations that must be managed within available resources. A disciplined thoughtful approach to debt management includes polices that provide guidelines for the City to manage its collective debt program in line with those resources. Therefore, the objective of this policy is to provide written guidelines and restrictions concerning the amount and type of debt and other financing obligations issued by the City and its related entities and the ongoing management of the debt portfolio.

This Policy is intended to improve the quality of decisions, assist with the determination of the structure of the debt issuance, identify policy goals, demonstrate a commitment to long-term financial planning and comply with SB 1029. Adherence to a local debt policy signals to rating agencies and the capital markets that a government is well managed and should meet its obligations in a timely manner.

C. CONDITIONS AND PURPOSES OF DEBT ISSUANCE

## **1. Acceptable Conditions for the Use of Debt**

The City believes that prudent amounts of debt can be an equitable and cost-effective means of financing major infrastructure and capital asset and projects needs of the City. Debt will be considered to finance such projects if:

- a) The project has been, or will be, included in the City's capital improvement plan or has otherwise been coordinated with the City's planning goals and objectives.
- b) The project can be financed with debt not exceeding the term specified in Section E.1 of this Policy, to assure that long-term debt is not issued to finance projects with a short useful life.
- c) It is the most cost-effective funding means available to the City, taking into account cash flow needs and other funding alternatives.
- d) It is fiscally prudent and meets the guidelines of this Policy. Any consideration of debt financing shall consider financial alternatives, including pay-as-you-go funding, proceeds derived from development or redevelopment of existing land and capital assets owned by the City, and use of the existing or future cash reserves, or combinations thereof.

## **2. Acceptable Uses of Debt and Proceeds of Debt**

The primary purpose of debt is to finance one of the following:

- a) The City will consider long-term financing for the acquisition, substantial refurbishment, replacement, or expansion of capital assets (including but not limited to land improvements, infrastructure projects, equipment and water rights) for the following purposes:
  - I. Acquisition and or improvement of land, right-of-way or long-term easements.
  - II. Acquisition of a capital asset with a useful life of three or more years.
  - III. Construction or reconstruction of a facility.
  - IV. Although not the primary purpose of the financing effort, project reimbursables that include project planning design, engineering and other preconstruction efforts; project-associated furniture fixtures and equipment; capitalized interest (prefunded interest), original issue discount, underwriter's discount, and other costs of issuance.
- b) Refunding, refinancing, or restructuring debt (including without limitation the refinancing or advance funding of City pension obligations), subject to refunding objectives and parameters discussed in Section G.

## **3. Short-Term Debt**

- a) In the event of temporary shortfalls in cash flow for City operation costs due to timing of receipt of revenues and the lack of cash on hand to cover temporary deficit, the City may consider interim or cash flow financing, such as anticipation notes or bank line of credits. In compliance with applicable state law, any such notes shall be payable either (i) not later than the last day of the fiscal year in which it is issued, or (ii) during the fiscal year succeeding the fiscal year in which issued, but in no event

later than 15 months after the date of issue, and only if such note is payable only from revenue received or accrued during the fiscal year in which it was issued.

- b) Short-term debt may be used to finance short-lived capital projects, such as lease purchase financing or equipment.
- c) Prior to issuance of any short-term debt, a reliable revenue source shall be identified for repayment of the debt.

#### **4. Internal Control Procedures Concerning Use of Proceeds of Debt**

One of the City's priorities in the management of debt is to assure that the proceeds of the debt will be directed to the intended use for which the debt has been issued. In furtherance of this priority, the following procedures shall apply:

- a) The Administrative Services Department – Finance Division shall retain, for the applicable period specified in Section H.4. of this policy, a copy of each annual report filed with the California Debt and Investment Advisory Commission (“CDIAC”) pursuant to Section 8855(k) of the California Government Code concerning (1) debt authorized during the applicable reporting period (whether issued or not), (2) debt outstanding during the reporting period, and (3) the use during the reporting period of proceeds of issued debt.
- b) In connection with the preparation of each annual report to be filed with CDIAC pursuant to Section 8855(k) of the California Government Code, the Finance Division shall keep a record of the original intended use for which the debt has been issued and indicate whether the proceeds spent during the applicable one-year reporting period for such annual report comport with the intended use (at the time of original issuance or as modified pursuant to the following sentence). If a change in intended use has been authorized subsequent to the original issuance of the debt, the Finance Division shall indicate in the record when the change in use was authorized and whether the City Council, City Manager, or another City official has authorized the change in intended use. The Administrative Service Director or his or her designee shall report apparent deviations from the intended use in debt proceeds to the City Manager for further discussion, and if the City Manager determines appropriate in consultation with legal counsel (which may be bond counsel, of applicable, or the City Attorney), to the City Council.
- c) If the debt has been issued to finance a capital project and the project timeline or scope of project has changed in a way that all or a portion of the debt proceeds cannot be expended on the original project, the Administrative Services Director shall consult with the City Manager and legal counsel as to available alternatives for the expenditures of the remaining debt proceeds (including prepayment of debt).

#### **D. TYPE OF FINANCING INSTRUMENTS; AFFORDABILITY AND PLANNING POLICIES**

The City recognizes that there are numerous types of financing structures and funding sources available, each with specific benefits, risks, and costs. All potential funding sources are reviewed by management within the context of this Policy and the overall portfolio to ensure that any financial product or structure is consistent with the City's objectives. Regardless of what financing structure(s) is utilized, due diligence review must be performed for each transaction, including the

quantification of potential risks and benefits, and analysis of the impact on City creditworthiness and debt affordability and capacity.

Prior to the issuance of debt or other financing obligations to finance a project, the City will carefully consider the overall long-term affordability of the proposed debt issuance. The City shall not assume more debt or other financing obligations without conducting an objective analysis of the City's ability to assume and support additional debt service payments. The City will consider its long-term revenue and expenditure trends, the impact on operational flexibility and the overall measures of affordability and will strive to achieve and or maintain debt levels consistent with its current operating and capital needs.

1. **General Fund-Supported Debt** – General Fund Supported Debt generally include Certificates of Participation (“COPs”) and Lease Revenue Bonds (“LRBs”) which are lease obligations that are secured by a lease-back arrangement between the City and another public entity. Typically, the City appropriates available General Fund moneys to pay the lease payments to the other public entity and, in turn, the public entity uses such lease payments received to pay debt service on the bonds or COPs.

General Fund Supported Debt may also include bonds issued to refund obligations imposed by law, such as judgments (judgment obligation bonds (“JOBs”) or unfunded accrued actuarial liabilities for pension plans (pension obligation bonds (“POBs”)).

These obligations do not constitute indebtedness under the state constitutional debt limitation and, therefore, are not subject to voter approval.

The City may enter into operating leases and lease purchase agreements on an as-needed basis without voter approval. Lease terms are typically three to ten years.

Payments to be made under valid leases are payable only in the year in which use and occupancy of the leased property is available, and lease payments may not be accelerated as a default remedy. Lease financing requires the fair market rental value of the leased property to be equal to or greater than the required debt service or lease payments. The lessee (the City) is obligated to include in its Annual Budget and appropriate the rental payments that are due and payable during each fiscal year the lessee has use of the leased property.

The City should strive to maintain its net General Fund-backed annual debt service at or less than 8% of available annually budgeted revenue. This ratio is defined as the City's annual debt service requirements on General Fund Supported Debt (including, but not limited to, COPs, LRBs, JOBs and POBs) compared to total annual General Fund Revenues net of interfund transfers out.

2. **Revenue Bonds** – Long-term obligations payable solely from specific special fund sources, in general, are not subject to a debt limitation. Examples of such long-term obligations include those which are payable from a special fund consisting of restricted revenues or user

fees (Enterprise Revenues) and revenues derived from the system of which the project being funded is a part.

In determining the affordability of proposed revenue bonds, the City will perform an analysis comparing projected annual net revenues (exclusive of depreciation which is a non-cash related expense) to estimated annual debt service. The City should strive to maintain an annual coverage ratio of 110% (or such higher coverage ratio included in the City's existing financing documents), using historical and/or projected net revenues to cover annual debt service for bonds. To the extent necessary, the City shall undertake proceedings for a rate increase to cover both operations and debt service costs, and create debt service reserve funds to maintain the required coverage ratio.

3. **Special Districts Financing** – The City's special districts primarily consist of 1913/1915 Act Assessment Districts ("Assessment Districts"). The City will consider requests for special district formation and debt issuance when such requests address a public need or provide a public benefit. Each application will be considered on a case by case basis, and the Finance Department may not recommend a financing if it is determined that the financing could be detrimental to the debt position of the best interest of the City.
4. **General Obligation Bonds** - Notwithstanding their name, General Obligation Bonds are not general obligations of the City, but instead they are payable from and secured by a dedicated, voter-approved property tax override rate (i.e., a property tax in excess of the 1% basic ad valorem property tax rate which has received the approving two-thirds vote of the City's electorate). While the dedicated revenue stream to repay the debt makes General Obligation Bonds an attractive option, additional considerations for this financing mechanism include the time and expense of an election, the possibility that the electorate will not approve the ballot measure, and the legal bonding capacity limit of the assessed value of all taxable property within the City.
5. **Conduit Debt**- Conduit financing provides for the issuance of securities by a government agency to finance a project of a third party, such as a non-profit organization or other private entity. The City may sponsor conduit financings for those activities that have a general public purpose and are consistent with the City's overall service and policy objectives. Unless a compelling public policy rationale exists, such conduit financings will not in any way pledge the City's faith and credit.

## E. STRUCTURE OF DEBT

1. **Term of debt** – In keeping with Internal Revenue Service regulations for tax-exempt financing obligations, the weighted average maturity of the debt should not exceed 120 percent of the weighted average useful life of the facilities or projects to be financed, unless specific circumstances exist that would mitigate the extension of time to repay the debt and it would not cause the City to violate any covenants to maintain the tax-exempt status of such debt, if applicable.



2. **Rapidity of Debt Payment; Level Payment** – To the extent practical, bonds will be amortized on a level repayment basis, and revenue bonds will be amortized on a level repayment basis considering the forecasted available pledged revenues to achieve the lowest rates possible. Bond repayments should not increase on an annual basis in excess of 2% without a dedicated and supporting revenue funding stream.

Accelerated repayment schedules reduce debt burden faster and reduce total borrowing costs. The Administrative Services Department will amortize debt through the most financially advantageous debt structure and to the extent possible, match the City's projected cash flow to the anticipated debt service payments. "Backloading" of debt service will be considered only when one or more of the following occur:

- a) Natural disasters or extraordinary or unanticipated external factors make payments on the debt in early years prohibitive.
  - b) The benefits derived from the debt issuance can clearly be demonstrated to be greater in the future than in the present.
  - c) Such structuring is beneficial to the aggregate overall debt payment schedule or achieves measurable interest savings.
  - d) Such structuring will allow debt service to more closely match projected revenues, whether due to lower project revenues during the early years of the project's operation, inflation escalators in the enterprise user rates, or other quantifiable reasons.
3. **Serial Bonds, Term Bonds, and Capital Appreciation Bonds** – For each issuance, the City will select serial bonds or term bonds, or both. On the occasions where circumstances warrant, Capital Appreciation Bonds (CABs) may be used. The decision to use term, serial or CAB bonds is driven based on market conditions. However, the use of CABs should be used as a last resort unless a compelling financing need is presented and acceptable rates and terms can be secured.
  4. **Reserve Funds** – To the extent that the use of available City moneys to fund a reserve fund provides an economic benefit that offsets the cost of financing the reserve fund from bond proceeds (as determined by the Administrative Services Director in consultation with the City's municipal advisor and, if applicable, the underwriter for the bonds), the City may use legally permitted moneys to fund a reserve fund (in cash or through the purchase of a debt service reserve surety bond by applicable law or regulation. Typically, this amount is equal to the least of : (i) maximum annual debt service on the bonds, (ii) 10% of the principal amount of the bonds (or 10% of the sale proceeds of the bonds, within the meaning of Section 148 of the federal Internal Revenue Code), or (iii) 125% of average annual debt service on the bonds.

## F. USE OF ALTERNATIVE DEBT INSTRUMENTS

Alternative debt instruments and financing structures sometimes can provide a lower cost of borrowing in the short run, but may involve greater medium-term or long-term risk. Due diligence review must be performed for each transaction, including the quantification of potential risks and benefits, analysis of the impact on City creditworthiness and debt affordability and capacity, and an

evaluation of the ability of the City to withstand the medium-term or long-term risk attendant to alternative debt instruments, including the feasibility of exit strategies.

1. **Variable Rate Debt** – Variable rate debt affords the City the potential to achieve a lower cost debt depending on market conditions. However, the City will seek to limit the use of variable-rate debt due to the potential risks of such instruments.
2. **Derivatives** – The use of certain derivative products to hedge variable rate debt, such as interest rate swaps, may be considered to the extent the City has such debt outstanding or under consideration. The City will exercise extreme caution in the use of derivative investments for hedging purposes and will consider their utilization only when sufficient understanding of the products and sufficient expertise for their appropriate use has been developed. A comprehensive derivative policy will be adopted by the City prior to any utilization of such instruments.

#### G. REFUNDING GUIDELINES

The Administrative Services Director shall monitor all outstanding City debt obligations for potential refinancing opportunities. The City will consider refinancing of outstanding debt to achieve annual savings or to refinance a bullet payment or spike in debt service. Except for instances in which a bullet payment or spike in debt service is being refinanced, absent a compelling reason or financial benefit to the City, any refinancing should not result in an increase to the weighted average of life of the refinanced debt.

The City will generally seek to achieve debt service savings which, on a net present value basis, are at least 3% of the debt being refinanced. The net present value assessment shall factor in all costs, including issuance, escrow, and foregone interest earnings of any contributed funds on hand. Any potential refinancing shall additionally consider whether an alternative refinancing opportunity with higher savings is reasonably expected in the future. Refundings which produce a net present value savings of less than 3% will be considered on a case-by-case basis.

#### H. MARKET COMMUNICATION, ADMINISTRATION, AND REPORTING

1. **Rating agency Relations and Annual or Ongoing Surveillance** – The Administrative Services Director shall be responsible for maintaining the City’s relationships with S&P Global Ratings, Fitch Ratings and Moody’s Investors service. These agencies’ rating criteria often change and the City cannot control the decisions made by any rating agency. However, for each debt issue that the City will seek a rating assignment, the City will strive to obtain and maintain the highest possible underlying, uninsured rating. In addition to general communication, the Administrative Services Director shall:
  - a. Ensure the rating agencies are provided updated financial statements of the City as they become publically available.
  - b. Communicate with credit analysts at each agency as maybe requested by the agencies.

- c. Prior to each proposed new debt issuance, schedule meetings or conference calls with agency analysts and provide a thorough update on the City's financial position, including the impacts of the proposed debt issuance.
2. **Council Communication-** The Administrative Services Director should report feedback from rating agencies, when and if available regarding the City's financial strengths and weaknesses and areas of concern relating to weaknesses as they pertain to maintaining the City's existing credit ratings.
3. **Continuing Disclosure Compliance** – The City shall remain in compliance with Rule 15c2-12, promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, by filing (to the extent required by the applicable continuing disclosure undertaking) its annual financial statements and other financial and operating data for the benefit of its bondholders within 270 days of the close of the fiscal year, or by such other annual deadline required in any continuing disclosure agreement or certificate for any debt issue. The City shall maintain a log or file evidencing that all continuing disclosure filings have been made promptly. Related information and documentation should also be posted on the City's website.
4. **Debt Issue Record Keeping** – A copy of all debt-related records shall be retained at the City's offices. At minimum, these records shall include all official statements, bond legal documents/transcripts, resolutions, trustee statements, leases, and title reports for each City Financing (to the extent available). Such records shall be retained while any bonds of an issue are outstanding during the three-year period following the final maturity or redemption of the bond issue or, if later, while any bonds that refund bonds of that original issue are outstanding and for the three year period following the final maturity or redemption date of the latest refunding bond issue.
5. **Arbitrage Rebate** – The use of bond proceeds and their investments must be monitored to ensure compliance with all arbitrage rebate requirements of the Internal Revenue Code and related Internal Revenue Service regulations, in keeping with the covenants of the City and /or related entity in the tax certificate for any federally tax-exempt financing,. The Administrative Services Director shall ensure that all bond proceeds and investments are tracked in a manner which facilitates accurate calculation; and, if a rebate payment is due, such payment is made in a timely manner.

## I. CREDIT RATINGS

The City will consider published ratings agency guidelines regarding best financial practices and guidelines for structuring its capital funding and debt strategies to maintain the highest possible credit ratings consistent with its current operating and capital needs.

## J. CREDIT ENHANCEMENT

Credit enhancement may be used to improve or establish a credit rating on a City debt obligation. Types of credit enhancement include letters of credit, bond insurance and surety policies. The City,

in consultation with the City municipal advisor, may determine the use of a credit enhancement, for any debt issue, if it reduces the overall cost of the proposed financing or if the use of such credit enhancement furthers the City's overall financing objectives.

**F.2 Authorization for the City Manager to sign Task Order No.1 with Heller Manus Architects for additional architectural services for the renovation of the existing library under the original Newark Civic Center Contractual Services Agreement, Project 1188 – from Chief Building Official/City Architect Collier. (RESOLUTION)**

**Background/Discussion** - On April 27, 2017, the City Council authorized the City Manager to negotiate and enter into an agreement with Heller Manus Architects to provide professional architectural services for the Newark Civic Center, Project 1188. That agreement was executed and covered architectural services for the design of three new buildings and associated site work.

During City Council work sessions held on September 19, 2017, and December 7, 2017, City Council members expressed their desire to repurpose and reconstruct the existing library building to house certain police functions and provide for community gathering spaces. The original agreement did not include architectural services relating to the existing library building. A Task Order has been written to cover needed architectural services. Because the amount of the Task Order exceeds twelve percent (12%) of the original agreement amount staff is recommending City Council approve the Task Change Order. The not-to-exceed amount of the Task Change Order is \$158,913.00 for the Schematic Design Phase work and \$114,220.00 for the Bridging Document Phase work for a total of \$273,133.00. Funding for this task order is available in the project budget.

**Attachment**

**Action** – It is recommended that the City Council, by resolution, authorize the City Manager to sign Task Order No. 1 with Heller Manus Architects for additional architectural services for the renovation of the existing library under the original Newark Civic Center Contractual Services Agreement, Project 1188.

RESOLUTION NO.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEWARK AUTHORIZING THE CITY MANAGER TO SIGN TASK ORDER NO. 1 WITH HELLER MANUS ARCHITECTS FOR ADDITIONAL ARCHITECTURAL SERVICES FOR THE RENOVATION OF THE EXISTING LIBRARY UNDER THE ORIGINAL NEWARK CIVIC CENTER CONTRACTUAL SERVICES AGREEMENT, PROJECT 1188

BE IT RESOLVED by the City Council of the City of Newark that the City Manager of the City of Newark be and is hereby authorized to sign Task Order No. 1 between Heller Manus Architects and the City of Newark for additional architectural services in the amount of \$273,133.00 for the renovation of the existing library building.



PROJECT NAME: City of Newark Civic Center Project

SHEET 1 OF 2 SHEET(S)

PROJECT NO. CIP 1188

TO: Heller Manus Architects

DATE \_\_\_\_\_

By reason of this order, the time of completion will be adjusted as follows:  
**(0) Extra Working Days**

**DESCRIPTION OF WORK**

Provide architectural services for the renovation of the existing library building. Scope of extra services shall be as described in Exhibit A and compensation amounts for additional services shall be as described in Exhibit B of the original Contractual Services Agreement executed on June 7, 2017.

**EXTRA WORK AT AGREED PRICES**

Schematic Design Phase

Discipline	Consultant	Original Fee	Extra Work	Total Fee
Architecture	Heller Manus Architects	\$ 562,750.00	\$ 84,413.00	\$ 647,163.00
Police	McClaren Wilson & Lawrie	131,005.00	No change	131,005.00
Library	Safide Rabines Architects	314,800.00	No change	314,800.00
Specifications	Top Flight	28,900.00	No change	28,900.00
Civil	BKF	44,900.00	No change	44,900.00
Landscape	Thuilot Associates & RMA	22,750.00	No change	22,750.00
Structural	MKA	37,000.00	3,000.00	40,000.00
MEPFP	Taylor Engineering	76,000.00	23,000.00	99,000.00
Acoustical	Salter Associates	19,000.00	5,000.00	24,000.00
Audio Visual	Salter Associates	11,000.00	5,000.00	16,000.00
Telecom	Salter Associates	9,000.00	3,000.00	12,000.00
Security	Salter Associates	10,000.00	4,000.00	14,000.00
Waterproofing	SGH	13,000.00	21,500.00	34,500.00
Signage	Matthew Williams Design	25,000.00	4,000.00	29,000.00
Cost Estimating	Directional Logic	32,000.00	6,000.00	38,000.00
Reimbursable	Total all consultants	149,000.00	No change	149,000.00
Total Schematic Design Not to Exceed		\$ 1,486,105.00	\$ 158,913.00	\$ 1,645,018.00

Bridging Documents

Discipline	Consultant	Original Fee	Extra Work	Total Fee
Architecture	Heller Manus Architects	\$ 62,400.00	\$ 18,720.00	\$ 81,120.00
Police	McClaren Wilson & Lawrie	61,370.00	No change	61,370.00
Library	Safide Rabines Architects	51,600.00	No change	51,600.00
Specifications	Top Flight	113,600.00	No change	113,600.00
Civil	BKF	72,000.00	No change	72,000.00
Landscape	Thuilot Associates & RMA	38,065.00	No change	38,065.00
Structural	MKA	55,000.00	6,500.00	61,500.00
MEPFP	Taylor Engineering	127,000.00	40,000.00	167,000.00
Acoustical	Salter Associates	14,500.00	3,000.00	17,500.00

City of Newark Civic Center Project, CIP 1188  
Task Order #1

Audio Visual	Salter Associates	20,000.00	6,000.00	26,000.00
Telecom	Salter Associates	18,000.00	5,000.00	23,000.00
Security	Salter Associates	20,000.00	6,000.00	26,000.00
Waterproofing	SGH	25,000.00	10,000.00	35,000.00
Signage	Matthew Williams Design	13,000.00	2,000.00	15,000.00
Cost Estimating	Directional Logic	28,000.00	6,000.00	34,000.00
Reimbursable	Total all consultants	72,000.00	11,000.00	83,000.00
Total Bridging Documents Not to Exceed		\$ 791,535.00	\$ 114,220.00	\$ 905,755.00
Total Schematic Design Phase		\$ 2,277,640.00	\$ 273,133.00	\$ 2,550,773.00

**Total Not to Exceed Increase = \$ 273,133.00**

---

You are hereby directed to perform the herein described changes and above described work.  
**NOTE: This Task Order is not effective until approved by City Council and signed by City Manager and Consultant.**

---

City of Newark

Approval Recommended \_\_\_\_\_ Date \_\_\_\_\_  
Ray Collier, Project Manager

Approval Recommended \_\_\_\_\_ Date \_\_\_\_\_  
Soren Fajeau, Public Works Director

Approved \_\_\_\_\_ Date \_\_\_\_\_  
John Becker, City Manager

---

We, the undersigned Consultant, have given careful consideration to the change proposed and hereby agree, if this proposal is approved, that we will provide all equipment, furnish all materials, except as may otherwise be noted above, and perform all services necessary for the work above specified and will accept as full payment therefor the prices shown above.

Heller Manus, Inc.

Approved: \_\_\_\_\_ Date \_\_\_\_\_  
Eric Lundquist, Principal



**F.3 Acceptance of the Annual Report on Newark Development Impact Fees For Fiscal Year 2016-2017 in accordance with Government Code Section 66006(b) – from Assistant City Manager Grindall. (MOTION)**

**Background/Discussion** – Government Code Section 66006(b) requires that any city that has adopted impact fees provide an annual report on fees collected, interest earned, and the status of planned public improvements to be funded with the fees.

Staff has completed an Annual Report on Newark Impact Fees for Fiscal Year 2016-2017. The report contains all information required by Government Code Section 66006(b) and has been noticed and distributed accordingly.

It should be noted that the Public Safety Facilities, Transportation and the Community Service Facilities fees were updated on May 25, 2017. All other fees remained constant from previous year.

**Attachment**

**Action** - It is recommended that the City Council, by motion, accept the Annual Report on Newark Development Impact Fees for Fiscal Year 2016-2017 in accordance with Government Code Section 66006(b).

# Annual Report on Newark Impact Fees

July 2016 – June 2017

State law requires that the city annually publish summary information regarding each fee account established. This annual report was prepared in accordance with these state requirements, as set forth in Government Code Section 66006(b)(1), et seq.

## TYPE OF FEE (SEC. 66006(B)(1)(A))

The City of Newark had seven development impact accounts during the 2016-2017 fiscal year, as described below:

1. **Public Safety Facilities Fee:** This fee provides funding for additional or improved police and fire services for which the need is generated by new development within the city. Adopted on July 27, 2000 by Resolution No.8051. Last revised on May 25, 2016 by Resolution No. 10,633.
2. **Community Service Facilities Fee:** This fee provides funding for additional or improved governmental, social, and cultural facilities for which the need is generated by new development within the city. Adopted on July 27, 2000 by Resolution No.8051. Last revised on May 25, 2016 by Resolution No. 10,634.
3. **Transportation Facilities Fee:** This fee provides funding for additional or improved traffic signal, operational, and infrastructure improvements for which the need is generated by new development within the city. Adopted on July 27, 2000 by Resolution No.8051. Last revised on May 25, 2016 by Resolution No. 10,635.
4. **Park Impact Fee:** This fee provides funding for park land and new improvements. Adopted on September 26, 2013 by Ordinance No. 470.
5. **Non-Residential Development Housing Impact Fee:** This fee provides funding to increase and improve the supply of housing affordable to households of very low, low, and moderate incomes for which the need is generated by new commercial and industrial development within the city. Adopted on May 27, 2004 by Ordinance No.404.
6. **Residential Housing Impact Fee:** This fee provides funding to increase and improve the supply of housing affordable to households of very low, low, and moderate incomes for which the need is generated by new residential development within the city. Adopted on April 24, 2014 by Ordinance No.473.
7. **Community Development Maintenance Fee:** This fee provides funding to update and implement the Newark General Plan and Zoning Ordinance, which is needed by all new development within the city. Adopted on May 27, 2010 by Ordinance No.441.

## AMOUNT OF FEE (SEC. 66006(B)(1)(B))

The amounts in effect at the time this report was conducted are shown in the table below.

<i>Land Use Category</i>	<i>Amount of Fee</i>				
	<b>Public Safety Facilities</b>	<b>Community Service Facilities</b>	<b>Transportation Facilities</b>	<b>Park Impact</b>	<b>Total</b>
Single-Family Residential (per unit)	\$3,451.00	\$2,311.00	\$4,974.00	\$25,000.00	\$35,736.00
Multi-Family Residential (per unit)	\$2,071.00	\$1,156.00	\$3,084.00	\$18,000.00	\$24,311.00
Townhome (per unit)	\$3,451.00	\$2,311.00	\$2,586.00	n/a	\$8,348.00
Office/Commercial (per sq. ft.)	\$0.60	\$0.86	\$4.41	n/a	\$5.87
Manufacturing/Research and Development (per sq. ft.)	\$0.25	\$0.18	\$2.41	n/a	\$2.84
Warehousing/Distribution (per sq. ft.)	\$0.50	\$0.36	\$4.82	n/a	\$5.68

The amounts of the Non-residential Development Housing Impact fee were established in Resolution No. 8802 and are adjusted each year by the percentage change in the Engineering News-Record's Building Cost Index, or a similar index designated by the City Manager. The fee amounts for FY16-17 are shown in the table below.

<i>Land Use Category</i>	<i>Amount of Non-Residential Development Housing Impact Fee</i>
Commercial (per sq. ft.)	3.59
Industrial (per sq. ft.)	0.69

The Residential Housing Impact Fee was established by Ordinance No. 473 and is set at \$20/square foot for the first 1,000 square feet of floor area per dwelling unit and \$8/square foot for all square footage over 1,000 square feet per dwelling unit.

The amount of the Community Development Maintenance Fee was established by Ordinance No. 441 and is set at 0.5% of the construction valuation as determined for a building permit.

#### **BEGINNING AND ENDING BALANCES OF FUNDS (SEC. 66006(B)(1)(C))**

The beginning and ending balances of each of the fee accounts are shown in the table below. The ending balance was arrived at by adding the fees collected and interest earned to each account, and then subtracting the expenditures. Information on fees collected, interest earned and expenditures for each account is presented in later sections of this report.

<b>Balances</b>	<b>Public Safety Facilities</b>	<b>Community Service Facilities</b>	<b>Transport. Facilities</b>	<b>Park Impact</b>	<b>Non-Res. Housing</b>	<b>Res. Housing Impact</b>	<b>Comm'ty Dev't Maint.</b>
Beg. Bal. (7/1/16)	(\$353,184)	\$1,231,567	\$2,253,051	\$2,790,072	\$538,923	\$5,716,795	\$1,121,323
End. Bal. (6/30/17)	\$1,251,152	\$2,601,050	\$3,628,995	\$5,654,712	\$539,664	\$9,241,857	\$1,906,634

**FEES COLLECTED AND INTEREST EARNED (SEC. 66006(B)(1)(D))**

The table below shows the amount of fees collected and interest earned.

Balances	Public Safety Facilities	Community Service Facilities	Transp. Facilities	Park Impact	Non-Res Housing	Res. Housing Impact	Comm'ty Dev't Maint.
Fees Collected	\$1,597,422	\$1,270,757	\$1,382,798	\$2,864,640	\$0	\$3,475,217	\$1,226,995
Interest Earned	\$6,913	\$13,827	\$19,445	\$0	\$3,024	\$49,844	\$10,500

**EXPENDITURES (SEC. 66006(B)(1)(E))**

For this section, state law requires an identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees. This information is provided in the table below.

Improvement	Fee Used	Amount of Fees Expended	Percent of Cost Funded by Fees to Date
Impact Fee Study	CSF & TRA	\$31,402	100%
Zoning Code Update	CD Maint.	\$81,155	100%
Civic Center Study	CD Maint	\$15,543	100%
In-house HMIS Match	IHF	\$2,284	100%
Greater Newpark Mall Specific Plan	CD Maint	\$194,487	100%
Administrative Cost	CD Maint	\$160,999	100%

**CONSTRUCTION COMMENCEMENT DATE (SEC. 66006(B)(1)(F))**

For this section, state law requires an identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete.

Sufficient funds have been collected to commence certain projects. The following projects have commenced or are expected to commence during the current fiscal year:

**Public Safety Facilities**

- Given the deficit in this fund, no projects are planned

**Community Service Facilities**

- None anticipated this year. Fund money being saved for Civic Center Replacement project anticipated to begin in 2018.

**Transportation Facilities**

- None anticipated at this time.

**Park Impact Fee**

- Design Dog Parks, Skate Park, and All-Weather Turf Field.

**Housing (Residential & Non-Residential)**

- Acquisition of housing sites
- Mortgage Credit Certificate Program fee
- Homeless Management Information System support fee
- In accordance with Ordinance No. 404, the Community Development Advisory Committee reviews potential projects and determines priorities for this fund. The CDAC approved the use of this fund for ongoing housing expenditures as necessary.

**Community Development Maintenance**

- Zoning Ordinance Update anticipated this year

**INTERFUND TRANSFERS AND LOANS (SEC. 66006(B)(1)(G))**

None at this time.

**AMOUNT OF REFUNDS (SEC. 66006(B)(1)(H))**

No refunds of any of these fees were made during fiscal year 2016-2017.

**F.4 Acceptance of the Comprehensive Annual Financial Report (CAFR) for the period ending June 30, 2017 – from Administrative Services Director Woodstock.  
(MOTION)**

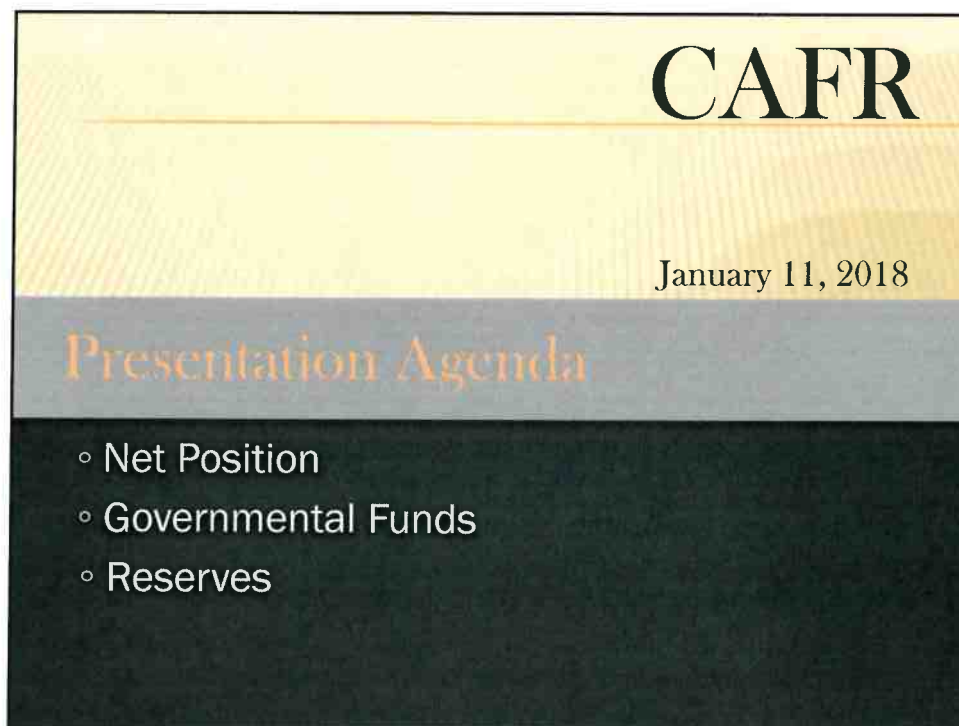
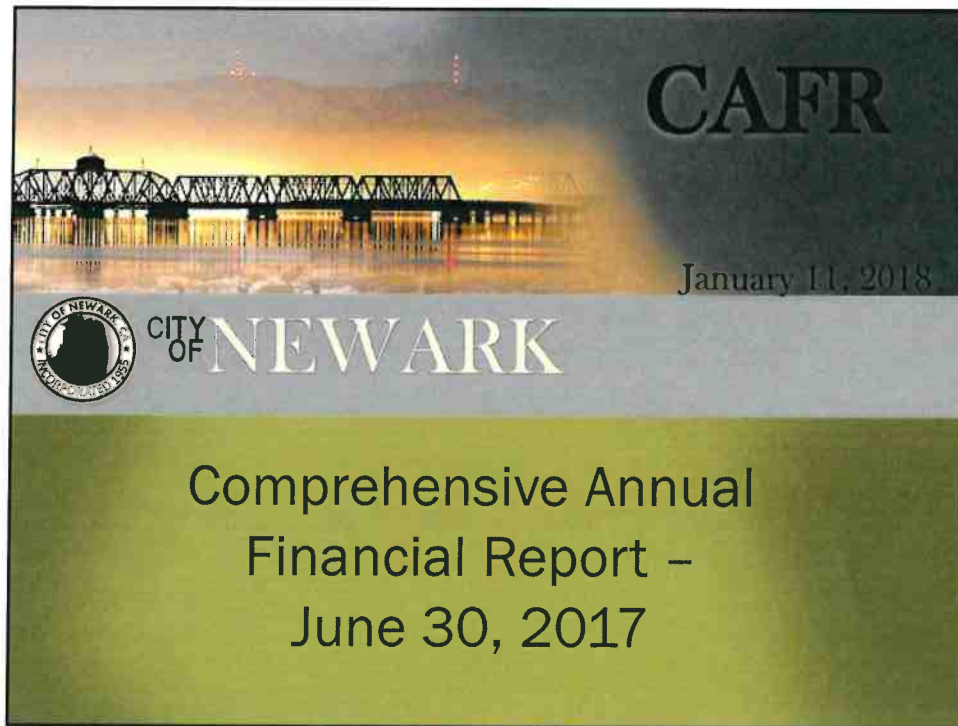
**Background/Discussion** – As part of the year-end closing process, staff presents the audited Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2017. The financial statements included in this report provide information on the City’s year-end financial condition and the results of operation for the Fiscal Year 2016-2017. The report was audited by our independent auditors, Badawi & Associates, who have issued an unqualified opinion on the report.

The City’s financial statements were prepared according to the requirements of the Government Accounting Standards Board (GASB). The two government-wide financial statements provide a broad view of the City’s financial position and activities in a manner similar to the private sector business reporting. The Statement of Net Position provides information about the financial position of the City, including all assets and liabilities. The Statement of Activities provides information about the City’s revenues and expenses. In the Transmittal Letter and Management Discussion and Analysis, the Administrative Services Director provides a narrative overview and analysis of the City’s financial activities and performance during the fiscal year.

Copies of the CAFR have been provided to the City Council. A copy has also been placed in the Newark Library.

**Attachment**

**Action** - It is recommended that the City Council, by motion, accept the Comprehensive Annual Financial Report (CAFR) for the period ending June 30, 2017.







## Long-Term View

### *Assets and Liabilities*

Cash	\$ 82.2	Current payables/ obligations	\$ 6.1
Capital Assets/ supplies	\$ 149.6	OPEB & Pension Liabilities	\$ 92.1
Receivables/ Restricted/Deferred	\$23.4	Long-term debt/ obligations	\$ 15.0
<b>Total Assets:</b>	<b>\$255.2</b>	<b>Total Liabilities:</b>	<b>\$113.2</b>

**Net Position = \$ 142.0**

## Snapshot of Fiscal Year 2016-2017

### *Revenues and Expenditures*

	General Fund	State Funds	Capital Fund	Other Fund
Revenues	55.3	1.2	4.3	10.5
Expenditures	45.5	1.6	0.6	3.2
Transfers	-5.6		4.7	0.6
Net Change	4.2	-0.4	8.3	7.9
Beginning Fund Balance	<u>29.9</u>	<u>2.5</u>	<u>12.8</u>	<u>14.8</u>
Ending Fund Balance	<u>34.1</u>	<u>2.0</u>	<u>21.1</u>	<u>22.7</u>



## Fund Balance

*Categories of Fund Balance*

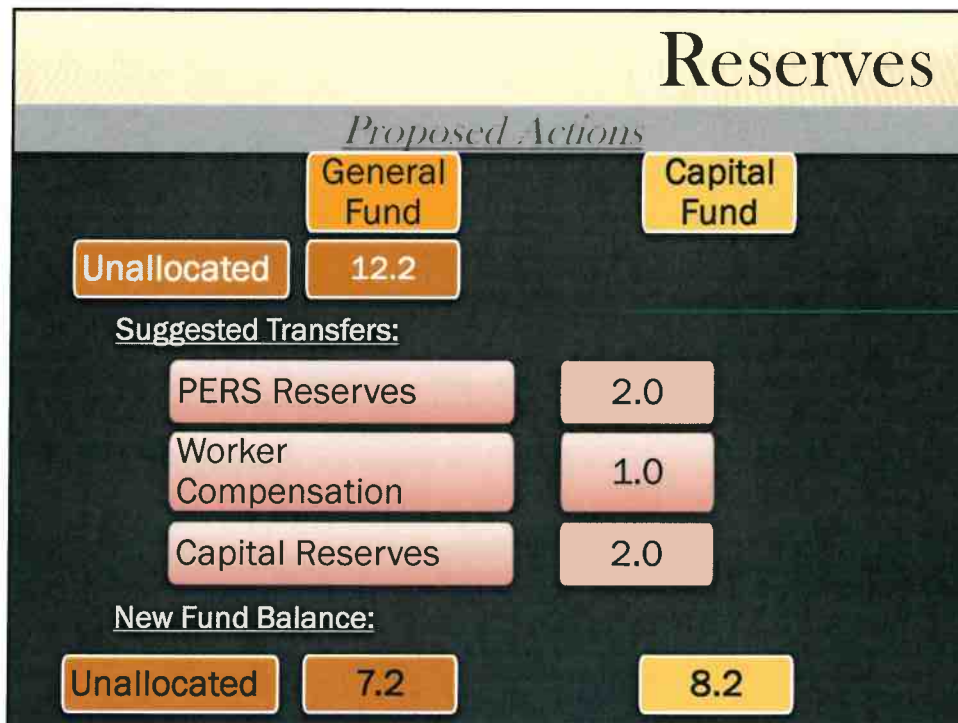
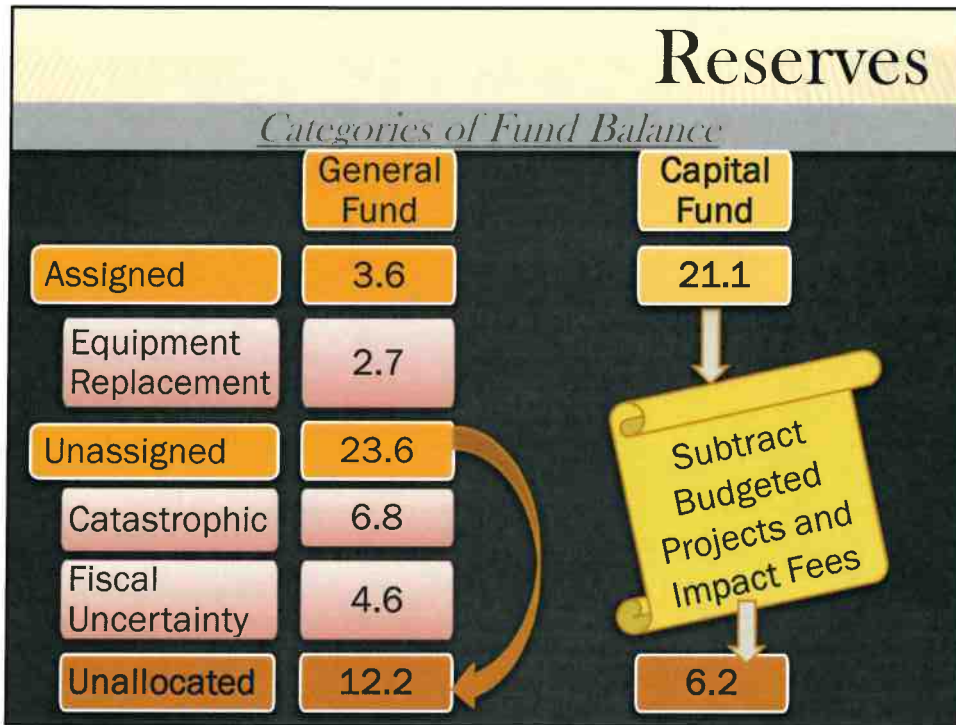
	General Fund	State Funds	Capital Fund	Other Fund
<b>Ending Fund Balance</b>	<b><u>34.1</u></b>	<b><u>2.0</u></b>	<b><u>21.1</u></b>	<b><u>22.7</u></b>
Nonspendable	Not in a form that can be spent			
Restricted	An outside source determines type of use			
Committed	The Council determines the type of use			
Assigned	Council's appointee designates intended use			
Unassigned	No specific use			

## Fund Balance

*Categories of Fund Balance*

	General Fund	State Funds	Capital Fund	Other Fund
<b>Ending Fund Balance</b>	<b><u>34.1</u></b>	<b><u>2.0</u></b>	<b><u>21.1</u></b>	<b><u>22.7</u></b>
Nonspendable	0.4			
Restricted		2.0		19.0
Committed	6.4			1.9
Assigned	3.6		21.1	1.7
Unassigned	23.6			







# SUMMARY

Net Position = \$ 142.0  
with

Catastrophic Reserve	\$ 6.8
Fiscal Uncertainty Reserve	\$ 4.6
PERS Reserve	\$ 8.4
Equipment Replacement Reserve	\$ 2.7
Unallocated Capital Reserve	\$ 8.2

Questions?





# City of Newark

Newark, California

*Comprehensive Annual Financial Report*

*For the year ended June 30, 2017*

Prepared by:  
Finance Department  
Susie Woodstock  
Administrative Services Director





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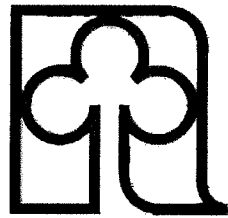
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## CITY OF NEWARK, CALIFORNIA

37101 Newark Boulevard • Newark, California, 94560-3976 • (510) 578-4000

January 2, 2018

*Honorable Mayor, Members of the City Council, and the Citizens of the City of Newark, California:*

I am pleased to submit the City's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2017. Various financing covenants and rules associated with restricted funding sources require the City of Newark, California (City) to publish a complete set of audited financial statements.

The report was prepared by the City's Finance Department. The responsibility for the completeness and accuracy of the information presented in this report including all disclosures rests with the City's management. A comprehensive framework of internal control has been established by management to ensure that the accounting system and its underlying data are reliable. The City's internal accounting controls have been developed and maintained for the protection of City's assets from loss, theft, or misuse; for accuracy and reliability of information used in the preparation of the City's financial statements; and for adherence to management policies and procedures. Because the costs of internal controls should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. The evaluation of costs and benefits requires estimates and judgments by management.

The City's financial statements presented in the CAFR have been prepared in accordance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards. The independent certified public accounting firm of Badawi and Associates has rendered its unqualified opinion on the City's financial statements for the year ended June 30, 2017. The independent auditors' report is presented on page 1 of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

### **City of Newark Profile**

The City of Newark, incorporated in 1955, is located on the eastern shores of San Francisco Bay at the end of the Dumbarton Bridge and in the northern part of Silicon Valley, fifteen miles north of San Jose, California. As of January 1, 2017, the City's population was estimated by the California Department of Finance at 45,422, approximately 3% of total Alameda County population. The City occupies an area of approximately fourteen square miles.

The City is a general law city and operates under the Council-Manager form of government. Under this form of government, policy-making and legislative authority are vested in a five-member elected City Council consisting of the Mayor and four Council members. The Mayor and City Council are responsible for passing ordinances, adopting and amending the operating and capital budgets, appointing various committee members, and hiring both the City's manager and attorney. The City Manager is responsible for carrying out the policies and ordinances established by the City Council, for overseeing the day-to-day operations of the City, and for appointing the heads of various departments.

The City provides a full range of municipal services to its citizens. These include police protection; construction and maintenance of streets, parks, storm drains and other infrastructure; recreational activities and cultural events; planning, zoning and other community development activities; and administrative services including information systems, finance and human resources. Fire protection services are contracted from Alameda County Fire Department.

The City's financial report includes all funds and activities of the City of Newark as the primary government and its component units. These component units are Public Financing Authority and the Newark Betterment Corporation. The Newark Public Financing Authority is a blended component unit because the governing board consists of the all five members of the City Council. The Newark Betterment Corporation is a discrete component unit and funds are not blended in with City funds.

A biennial operating budget and capital improvement plan is adopted by City Council resolution prior to July 1 of even number years. This serves as the foundation for Newark's financial planning and control. All budget amendments and transfers between funds must be approved by the City Council by resolution during the fiscal year. The City Council places the legal level of budgetary control at the department level. The City Manager is authorized to transfer unencumbered appropriations within a department within the same fund. The City Manager is also authorized to assign unassigned fund balance per GASB 54. Appropriations are valid for one fiscal year and lapse at the end of the fiscal year.

### **Local Economy**

The City's geographic location in the San Francisco Bay Area (Bay Area) is a major factor affecting its economic position. The City's housing market and consumer spending is driving the local economy. Property Tax and Sales Tax revenues represent over 51% of the City's revenues. The increased consumer confidence in the economy has led businesses to upgrade or add facilities within the City. Development in the City has constructed over 500 houses in the last couple of years and over 1,500 have been approved for soon-to-come construction. The NewPark Mall continues to transform into a leading retail, entertainment and dining destination. The new AMC-IMAX Theater is one of the top theaters in the AMC chain. In the surrounding mall area two new hotels began construction this year. In other areas of the City, Mission Linen opened a new industrial laundry facility, DeVry University relocated a campus to Newark, SAS Automotive Systems moved into a 142,000 square foot building and Sprouts Farmers Market opened.



### Long-Term Financial Planning

The City has established the Operating Reserves, which is approximately 15% of the operating budget to cover emergency or disaster. This \$6.8 million is shown in the General Fund unassigned fund balance but it is prudent fiscal policy to recognize that these funds are not intended for normal unanticipated expenditures.

The City had developed a budget balancing reserve, called the Fiscal Uncertainty Reserve, to provide cushion for a possible economic slowdown, recession, or other revenue losses. The City has had to use this reserve on a number of occasions during past recession years. This reserve is set by the Fund Balance Policy at 10% of the operating budget. For 2017, the balance is \$4.6.

In early 2017, the City Council adopted a policy to establish a Pension and Other Post-Employment Benefits (OPEB) Reserve. The initial deposit into this reserve was \$5 million and the ending balance is \$6.4 million. This reserve was established to offset future pension and OPEB required contributions as a result of the City opting to use a 20 year amortization schedule and not to use the ramp up method for new liabilities. These two choices can result in high year over year increases due to CalPERS changing methodology or CalPERS investment losses.

A Capital Project Reserve has been established by the City to fund capital improvement projects. This reserve increases from surplus funds generated by the General Fund and proceeds from sale of City's capital assets. There was a budgeted transfer of \$4.7 million and impact fee revenues of \$4.2 million bringing the reserves to \$21.1 million. Capital spending has continued to focus on asset preservation of the City's building, parks, streets, and fleet management, as well as risk management activities.

### Relevant Financial Policies

As mentioned above, in February of 2017, the City Council adopted a Pension and OPEB Reserve Policy. This policy established that the City will use 20-year amortization schedules for the payment of unfunded liabilities. The Policy also acknowledges the changes to the discount rate that PERS has scheduled for the next several years and the effects this will have on the required contributions. The Policy established a committed Reserve fund with an initial deposit of \$5 million. The reserve fund can be used for pension or OPEB costs.

### Major Initiatives

- *Approval of Measure GG* – In November 2016, Newark voters approved a ½ cent transaction tax (sales tax). This revenue will allow the City to move forward with the new Civic Center Project. The Project will include replacement of the existing facilities with a new police operation center, a new library and a new City administration building.

- ***Citywide Parks Master Plan*** - The City Council has approved a Citywide Parks Master Plan. The Plan forms the framework for future park construction and improvements. The design process has begun on the high priority projects.
- ***Newark Pedestrian and Bicycle Master Plan*** – This long-range planning document provides a vision of Newark’s future biking and walking environment. It is also a necessary tool that will allow the City to compete for discretionary local, state and federal funding.

### Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Newark for its comprehensive annual financial report for the fiscal year ended June 30, 2016. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. The 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 the current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirement and we are submitting it to GFOA to determine its eligibility for another certificate.

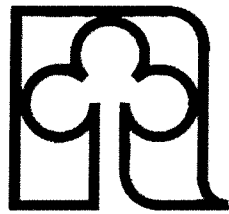
The Comprehensive Annual Financial Report is the result of the cooperative work of many people. I would like to express my appreciation to all members of the Finance Department who assisted and contributed to its successful completion. I especially wish to thank Accounting Manager Krysten Lee for her work in the preparation of this report and our auditors, Badawi & Associates, for their cooperation and assistance.

Finally, sincere appreciation is expressed to the City Manager and members of City Council for providing policy direction and support in planning and conducting the financial operations of the City that assures resources are available in providing programs and core services to the citizens of the City of Newark.

Respectfully submitted,

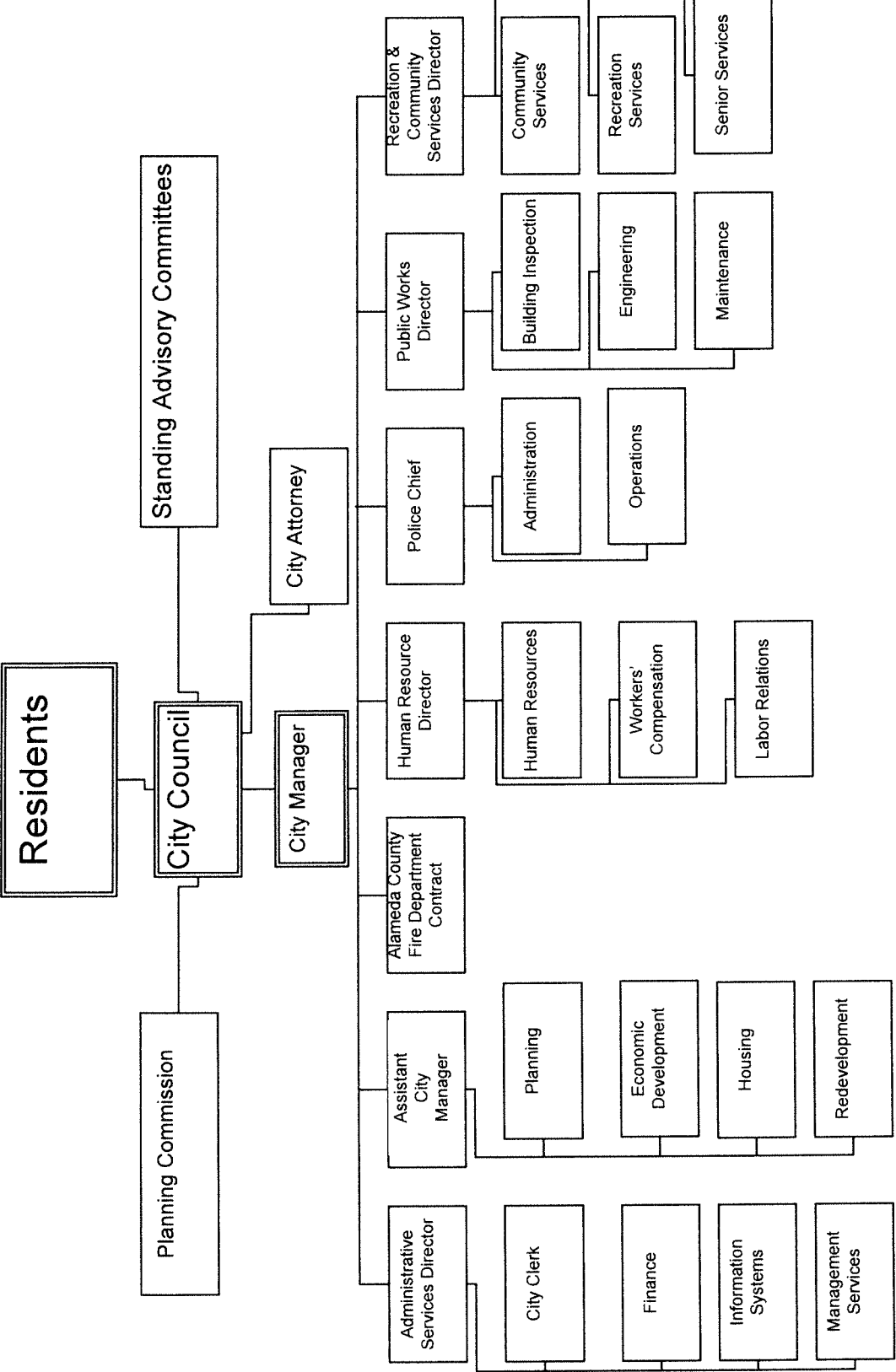


Susie Woodstock  
Administrative Services Director

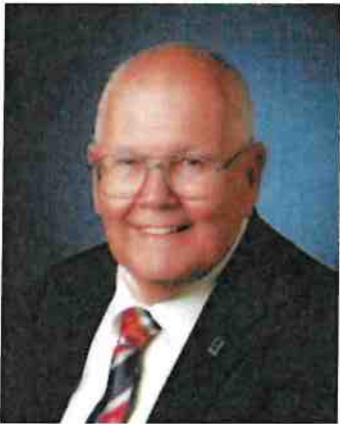


# City of Newark

## Organization Chart



**Newark Mayor & City Council**  
*June 30, 2017*



Alan L. Nagy  
Mayor



Mike Bucci  
Vice Mayor



Maria "Suky" Collazo  
Council Member



Michael K.  
Hannon  
Council Member



Luis L. Freitas  
Council Member



## **CITY STAFF**

*June 30, 2017*

CITY MANAGER

**John Becker**

ASSISTANT CITY MANAGER

**Terrence Grindall**

CITY ATTORNEY

**David Benoun**

## **EXECUTIVE TEAM**

ADMINISTRATIVE SERVICES DIRECTOR

**Susie Woodstock**

HUMAN RESOURCES DIRECTOR

**Sandy Abe**

POLICE CHIEF

**James Leal**

PUBLIC WORKS DIRECTOR

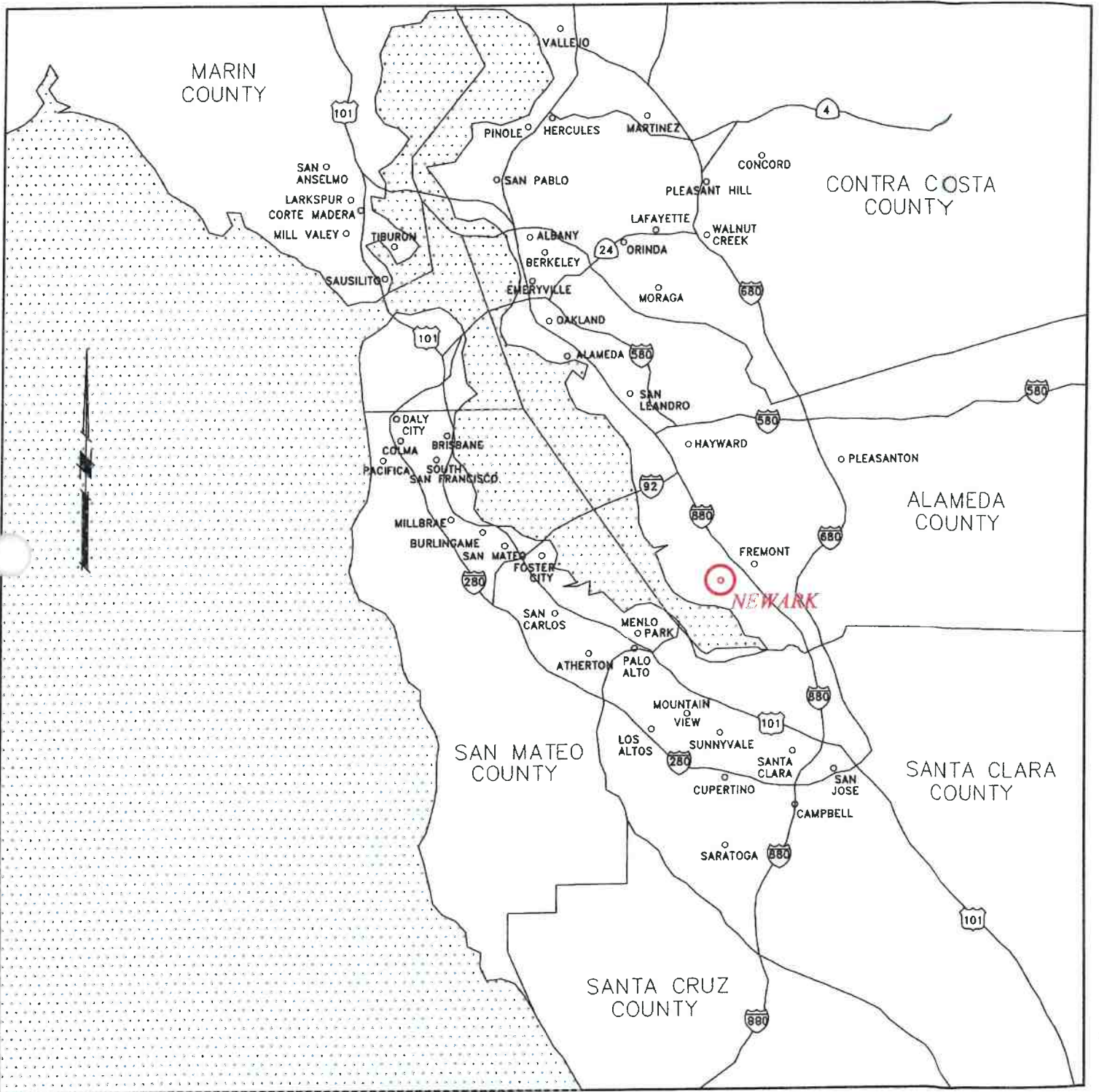
**Soren Fajeau**

RECREATION & COMMUNITY SERVICES DIRECTOR

**David Zehnder**

FIRE CHIEF (ALAMEDA CO. FIRE DEPARTMENT)

**David Rocha**





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California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

Executive Director/CEO





## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council  
of the City of Newark  
Newark, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Newark, California (City) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

#### *Management's Responsibility for the Financial Statements*

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

#### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity'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.

To the Honorable Mayor and Members of the City Council  
of the City of Newark  
Newark, California  
Page 2

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Other Matters*

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension information, and OPEB schedule of funding progress on pages 5-14 and 83-89 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. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules on pages 92 to 128 and 123, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

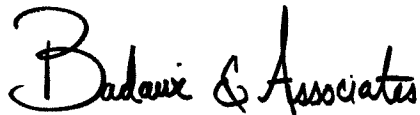
The combining and individual nonmajor fund financial statements and budgetary comparison schedules on pages 92 to 128 and 123 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and budgetary comparison schedules on pages 92 to 128 and 123 are fairly stated in all material respects in relation to the basic financial statements as a whole.

To the Honorable Mayor and Members of the City Council  
of the City of Newark  
Newark, California  
Page 3

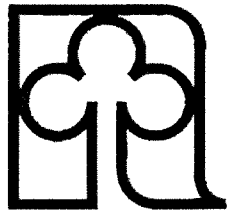
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 2, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Badawi and Associates  
Certified Public Accountants  
Oakland, California  
January 2, 2018





As management of the City of Newark (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2017. Summary reports showing comparisons of current financial information with that of the previous year are included to enhance the clarity and usefulness of the reports. To gain a broad perspective of the City and its financial activities, we encourage the reader to consider the information presented here in conjunction with the information that we have provided in the letter of transmittal presented at the beginning of this report.

## **FINANCIAL HIGHLIGHTS**

- At June 30, 2017, the assets and deferred outflows of resources of the City exceeded its liabilities by \$142.0 million (net position). This is an increase of \$18.7 million or 13% from the prior fiscal year and reflects the continued inclusion of the net pension liability in the Statement of Net Position as required by GASB 68.
- Of this amount, -\$37.9 million represents unrestricted net position, which, if this was a positive amount, may be used to finance daily operations without constraints established by debt covenants or other legal requirements. The unrestricted net position currently is reported as a negative amount due to the net pension liability as noted above.
- During the fiscal year, the City's net position increased by \$18.7 million. Total revenues of \$71.4 million exceeded total expenses of \$52.7 million. A large portion of the increase in net position is due to the collection of impact fees associated with the strong development activity. Comparatively, revenues were \$5.6 million higher and expenses were \$6.7 million higher in the most recent fiscal year versus the prior fiscal year. In the revenue category, the increase includes the addition of a new transaction tax and increases in charges for services mainly related to plan checks and encroachment permits as a result of strong development activity.
- At the close of fiscal year 2017, the City's governmental funds reported combined fund balances of \$80.0 million, an increase of \$20.0 million in comparison with the prior fiscal year. Approximately 30% of this amount (\$23.4 million) is available for spending at the government's discretion, although \$11.38 is designated as catastrophic and fiscal uncertainty reserves. The remainder of the fund balance is either non-spendable, restricted, committed, or assigned to indicate that it is 1) non-spendable form or legally required to be maintained intact (\$0.4 million), 2) restricted for particular purposes (\$21.1 million), 3) committed for particular purposes (\$8.3 million), or 4) assigned for particular purposes (\$26.5 million).
- The fund balance of the City's General Fund increased \$4.2 million during fiscal year 2017. The increase was due to \$9.8 million of net revenue over expenditures, which was partially offset by net transfers out of \$5.6 million.



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## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements, which consists of three components: 1) Government-Wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to Basic Financial Statements. Required Supplementary Information is included in addition to the basic financial statements.

The Government-Wide Financial Statements provide reader's a broad overview of the City's financial position and activities, in a manner similar to private-sector business reporting. The Government-Wide Financial Statements include the Statement of Net Position and the Statement of Activities.

The Statement of Net Position presents information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the differences between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities provides information on how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. All revenues earned and expenses incurred during the fiscal year are reported in this statement, regardless of timing of related cash flows.

The Government-Wide Financial Statements present governmental activities only because the City does not have business-type activities. The governmental activities of the City include general government, public safety, streets and parks, community development, and recreation. Property and local taxes, investment earnings, charges for services, operating and capital grants and contributions finance these activities.

### ***Fund Financial Statements***

Funds are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Fund Financial Statements are used to report basically the same functions as governmental activities in the Government-Wide Financial Statements. However, unlike the Government-Wide Financial Statements, Governmental Fund Financial Statements focus on near-term inflows and outflows of spendable resources, as well as the available balances of spendable resources at the end of the fiscal year. This information may be useful in assessing the City's near-term financial requirements.

In order to better understand the City's long-term and near-term financial requirements, it is useful to compare the information presented for governmental funds with the information provided for governmental activities in the Government-Wide Financial Statements. Both the governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.



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## OVERVIEW OF THE FINANCIAL STATEMENTS, Continued

### *Fund Financial Statements, Continued*

The City reports 19 governmental funds. The major governmental funds are the General Fund, State Construction Maintenance Special Revenue Fund, and Capital Projects Fund, which are presented separately in the Governmental Fund Financial Statements. Information on the other governmental funds is combined into a single aggregated presentation as non-major governmental funds. Individual fund data for each non-major governmental fund is provided in the form of combining statements as supplementary information elsewhere in the report.

Proprietary funds of the City consist of the internal service funds. The internal service funds are used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its Equipment Replacement, Equipment Operations, Office Support, Building Maintenance, Public Liability Self-Insurance, and Workers' Compensation functions. Because these services predominantly benefit the governmental activities, they have been included within governmental activities in the Government-Wide Financial Statements.

The City's six internal service funds are combined into a single aggregated presentation in the Proprietary Fund Financial Statements. Individual fund data for the internal service funds is provided in the form of combining statements as supplementary information elsewhere in the report.

Fiduciary funds are used to account for resources held for the benefit of parties external to the City. These funds are not included in the Government-Wide Financial Statements because the resources of the fiduciary funds are not available to support the City's own programs. The City's Fiduciary Fund Financial Statements provide financial information about the activities of the Special Assessment Districts, for which the City acts solely as an agent. The Redevelopment Agency Successor funds are also included in the Fiduciary Funds as Private Purpose Trust Funds after the dissolution of the Redevelopment Agency Funds as of January 31, 2012.

### *Notes to Basic Financial Statements*

The Notes to Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements.

### *Supplementary Information*

The Required Supplementary Information includes budgetary comparison schedules for the General Fund, State Construction Maintenance Special Revenue Fund, and the funding progress of the City's pension plans.

Combining and individual fund statements and schedules provide information for non-major governmental and internal service funds and are presented immediately following the Required Supplementary Information.



**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The following table shows the condensed comparative Statement of Net Position for the fiscal years ended June 30, 2017 and 2016.

**Comparative Statements of Net Position**  
June 30, 2017 and 2016  
(Amounts in Millions)

	Governmental Activities	
	2017	2016
<b>Assets and Deferred Outflows of Resources:</b>		
Cash and investments	\$82.2	\$60.4
Other assets	7.7	7.8
Capital assets, net	149.6	150.3
Deferred outflow of resources	15.7	5.9
<b>Total Assets and Deferred Outflows of Resources</b>	<u>255.2</u>	<u>224.4</u>
<b>Liabilities and Deferred Inflows of Resources:</b>		
Long-term liabilities	104.0	89.1
Other liabilities	6.2	6.0
Deferred inflow of resources	3.0	5.8
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>113.2</u>	<u>100.9</u>
<b>Net Position:</b>		
Net investment in capital assets	140.4	140.4
Restricted	39.5	26.6
Unrestricted	(37.9)	(43.7)
<b>Total Net Position</b>	<u>\$142.0</u>	<u>\$123.3</u>

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. The City's assets and deferred outflows of resources exceeded its liabilities by \$142.0 million (net position). This is an increase of \$18.7 million or 13% from the prior fiscal year and reflects the continued inclusion of the net pension liability in the Statement of Net Position.

The largest portion of the City's net position, \$140.4 million is its investment in capital assets, less any related outstanding debt used in acquiring those assets. The City uses these capital assets to provide a variety of services to its citizens; consequently they are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, resources required to repay the outstanding debt must be provided from other sources since the capital assets cannot be used to liquidate the debt.

Another portion of the City's net position, \$39.5 million are resources subject to external restrictions and may only be used for the purpose intended by the entities that provided these funds to the City.

The remaining balance of the City's net position of -\$37.9 million represents unrestricted net position, which, if this was a positive amount, may be used to finance daily operations without constraints established by debt covenants or other legal requirements. This currently is reported as a negative amount due to the net pension liability as noted above.





**GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**

The following table shows the condensed comparative Statements of Activities and Changes in Net Position for the fiscal years ended June 30, 2017 and 2016.

**Comparative Statements of Activities and Changes in Net Position**  
**June 30, 2017 and 2016**  
(Amounts in Millions)

	Governmental Activities	
	2017	2016
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$21.8	\$19.6
Operating grants and contributions	0.6	0.8
Capital grants and contributions	2.7	2.6
<b>Total program revenues</b>	<b>25.1</b>	<b>23.0</b>
General revenues:		
Taxes:		
General property taxes	16.5	15.0
Sales tax	12.9	11.1
Franchise fees	3.7	2.7
Transient occupancy tax	6.1	5.9
Utility users tax	3.5	3.3
Other local taxes	2.0	1.8
Use of money and property	0.4	0.2
Miscellaneous	1.2	2.8
<b>Total general revenues</b>	<b>46.3</b>	<b>42.8</b>
<b>Total Revenues</b>	<b>71.4</b>	<b>65.8</b>
<b>Expenses:</b>		
General government	5.3	4.5
Public safety:		
Fire	10.6	9.8
Police	19.8	17.2
Streets and parks	6.4	5.9
Community development	5.0	3.9
Recreation	5.2	4.3
Interest on long-term debt	0.4	0.4
<b>Total Expenses</b>	<b>52.7</b>	<b>46.0</b>
Increase (decrease) in net position	18.7	19.8
Net position - beginning, restated	123.3	103.5
<b>Net position - ending</b>	<b>\$142.0</b>	<b>\$123.3</b>



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## **GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**

The City's expenses totaled \$52.7 million in fiscal year 2017. These expenses were offset by program revenues of \$25.1 million and general revenues of \$46.3 million, resulting in a \$18.7 million increase in net position.

**Program Revenues** - Program Revenues include fees and other specific charges designed to cover all or part of the costs of programs provided to the citizens. Fiscal year 2017 charges for services revenue was \$2.2 million higher compared to the prior fiscal year. The City has been benefitting from the increase in construction activity over the previous fiscal year which can be seen in the various development projects around the City. In addition, Capital Grants and Contributions were \$0.1 million higher due to higher in lieu fees related to development projects.

**General Revenues** - Comprising the largest source of revenue for the City, both the City's property tax revenues and sales tax revenue were higher by 9% and 14%, respectively, compared to the prior fiscal year. Almost half of the increase in sales tax is due to the newly approved transaction tax that began generating revenue in April 2017. Transient occupancy tax revenue also increased 4%, which reflects the continuing trend of higher rates, but hotel occupancy is starting to flatten out.

**Expenses** - Expenses increased in total by \$6.7 million or by 13%. Most of this increase is the result of increased pension costs, negotiated salary increases, and departmental restructuring in most of the departments.

## **FUND FINANCIAL ANALYSIS**

### ***Governmental Funds***

The City's governmental funds provide information on short-term inflows, outflows, and balances of spendable resources. This information is useful in evaluating the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the government's net resources available for spending at the end of fiscal year.

On June 30, 2017, the City's governmental funds reported combined fund balances of \$80.0 million, an increase of \$20.0 million in comparison with the prior fiscal year. Approximately 30% of this amount (\$23.4 million) is available for spending at the government's discretion. The remainder of the fund balance is either non-spendable, restricted, committed, or assigned to indicate that it is 1) non-spendable form or legally required to be maintained intact (\$0.4 million), 2) restricted for particular purposes (\$21.1 million), 3) committed for particular purposes (\$8.3 million), or 4) assigned for particular purposes (\$26.5 million). Further detail of the fund balances can be found in the note disclosures.

Governmental revenues in fiscal year 2017 were \$71.3 million, an increase of \$5.6 million from fiscal year 2017. The increase in General Fund are primarily related to increase in sales taxes and property taxes, as the real estate market remains strong with new development added to the tax roll and changes to ownership. A newly approved transaction tax generated \$0.96 million. Another significant component of the increase is in the Capital Projects Fund primarily due to development-related fees generated from the sustained strength of home building.



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## FUND FINANCIAL ANALYSIS, Continued

### *Governmental Funds, Continued*

Governmental expenditures in fiscal year 2017 were \$52.7 million, an increase of \$6.7 million from the prior fiscal year. This was mainly due to increases in pension costs, the negotiated salary increases, and departmental restructuring in most that added several positions citywide.

### **General Fund**

The General Fund is the primary operating fund of the City. At June 30, 2017, the spendable assigned and unassigned fund balance of the General Fund was \$23.6 million, while total fund balance was \$34.1 million. The City Council has maintained an operating reserves to provide the City a cushion for unexpected events, such as legal liability or costs associated with an unexpected disaster. The assigned fund balance also includes balances assigned for use in community development, equipment replacement, waste disposal and the fire side fund.

The fund balance of the City's General Fund increased by \$4.2 million from fiscal year 2017. Revenues exceeded expenditures by \$9.8 million. Transfers out from the General Fund to the Capital Projects Funds, Debt Service Fund and Internal Service Funds were \$5.6 million more than the total transfer in from the State Construction Maintenance Funds, Paramedic Tax Fund, and Alameda County Fire Fees Fund.

### **State Construction Maintenance Special Revenue Fund**

The State Construction Maintenance Special Revenue Fund showed a \$0.4 million decrease in fund balance during fiscal year 2017. The decrease, in part, is attributable to subsidizing gasoline prices and declining consumption due to fuel efficient vehicles as well as "true ups" under the fuel tax swap system. Consequently, the entire decline impacts the subsequent allocations to the City resulting in revenues under expenditures by \$0.4 million.

### **Capital Projects Fund**

The Capital Projects Fund showed an increase in fund balance of \$8.3 million during fiscal year 2017. Revenues exceeded expenditures by \$3.7 million, and \$4.7 million was transferred in from the General Fund and Community Development Maintenance Special Revenue Fund.

### *Proprietary Funds*

The City's proprietary funds consist of the Internal Service Funds with a combined total net position of \$3.6 million at the end of fiscal year 2017. Total operating expenses of \$5.12 million exceeded operating revenues of \$5.10 million. Adding transfers in of \$0.4 million from the General Fund, the result was a \$0.4 million increase in net position for the fiscal year.



## GENERAL FUND BUDGETARY HIGHLIGHTS

The budgetary comparison schedule for the General Fund is presented in the Required Supplementary Information.

Fiscal year 2017 was the first year of the City's biennial budget which was adopted on June 09, 2016. The General Fund revenue budget for fiscal year 2017 was amended during the year by \$3.2 million in anticipation of the newly adopted transaction tax and higher property tax, transient occupancy tax, permits and fees, and miscellaneous revenue. Actual revenues were \$7.6 million over the final amended budget and \$10.9 million over the original budget.

Actual expenditures for the fiscal year were \$4.1 million under the final amended budget and \$1.4 million over the original budget.

## CAPITAL ASSETS AND LONG-TERM OBLIGATIONS

### *Capital Assets*

The City's capital assets include those assets that are used in the performance of the City's services. At June 30, 2017, the City's capital assets used in governmental activities amounted to \$149.6 million, net of depreciation.

Capital assets for governmental activities are presented below to illustrate changes from prior fiscal year (amounts in millions):

	Governmental Activities	
	2017	2016
Land	\$4.4	\$4.4
Park land	30.1	30.1
Landscaping	8.7	8.7
Street trees	0.7	0.7
Construction in progress	3.0	1.6
Buildings and Improvements	44.1	44.0
Infrastructure:		
Streets	73.6	72.4
Sidewalks, curbs, gutters, and walls	15.7	15.7
Street lights	3.3	3.2
Traffic signals	3.9	3.9
Equipment	10.5	10.1
Less: accumulated depreciation	(48.5)	(44.8)
Total capital assets	<u>\$149.6</u>	<u>\$150.3</u>

Additional information on capital assets can be found in Note 4 to the Basic Financial Statements.



**CAPITAL ASSETS AND LONG-TERM OBLIGATIONS, Continued**

*Long-term Obligations*

On June 30, 2017, the City had long-term debt outstanding of \$8.6 million compared to \$9.8 million in the prior year. The City's long-term debt obligations at June 30, 2017 and 2016 were as follows (amounts in millions):

	Governmental Activities	
	2017	2016
Certificates of participation	\$2.2	\$2.2
Bank refunding	6.3	7.3
Capital lease obligations	0.1	0.3
Total	<u>\$8.6</u>	<u>\$9.8</u>

Not included in the above total outstanding debt amount are the Area Improvement Districts Special Assessment Bonds issued to finance public improvements within specific districts in the City. At June 30, 2017, a total of \$6.3 million in Area Improvement District debt was outstanding. This debt is secured by special assessments levied on the real property within the district issuing the debt. Although the City acts as the districts' agent in the collection and remittance of assessments, the City is not obligated in any manner for repayment of these bonds.

Additional information on long-term obligations is provided in Note 5 to the Basic Financial Statements.

**ECONOMIC FACTORS AND NEXT BIENNIAL BUDGET**

The City's adopted biennial budget for 2016-2018 recognized that:

- The economy will continue to grow, but a mild recession may occur by 2018. Establishing reserves is important.
- The Labor Compensation Agreements expire in June 2017. The budget document adopted in 2016 did not include increases that could result from newly negotiated agreements.
- Capital project expenditures will continue to focus on preserving City assets, meeting regulatory requirements and safety issues. In addition, consideration will be given to projects that improve service levels to the community, take advantage of outside funding matches, and implement community priorities.

Additional information about the City's economy and financial planning and policies is provided in the accompanying letter of transmittal in the Introductory Section of this report.

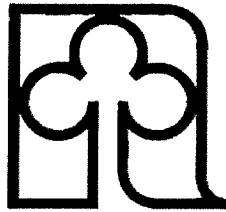


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**REQUEST FOR INFORMATION**

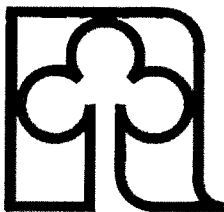
This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances. Questions concerning any information provided in this report or requests for additional information should be addressed to the City of Newark, Finance Department, 37101 Newark Boulevard, Newark, California 94560-3796.

## **BASIC FINANCIAL STATEMENTS**





**GOVERNMENT-WIDE FINANCIAL STATEMENTS**



**City of Newark**  
**Statement of Net Position**  
**June 30, 2017**

ASSETS	Primary Governmental Governmental Activities
Current assets:	
Cash and investments	
Available for operations	\$ 82,244,538
Receivables:	
Tax	4,958,847
Special assessments	31,469
Intergovernmental	734,234
Interest	149,731
Other, net	633,350
Supplies and other assets	213,257
Total current assets	<u>88,965,426</u>
Noncurrent assets:	
Restricted cash and investments	634,440
Due from RDA Successor fund	215,672
Capital assets:	
Land and construction in progress	46,926,555
Depreciable, net	102,700,906
Total capital assets	<u>149,627,461</u>
Total noncurrent assets	<u>150,477,573</u>
<b>Total assets</b>	<u><b>239,442,999</b></u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>	
Deferred outflows related to pension	15,696,887
<b>Total deferred outflows of resources</b>	<u><b>15,696,887</b></u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable and accrued liabilities	2,930,207
Refundable deposits	745,397
Unearned revenues	156,852
Compensated absences - due within one year	1,707,605
Claims payable - due within one year	618,652
Long-term debt - due within one year	585,268
Total current liabilities	<u>6,743,981</u>
Noncurrent liabilities:	
Net OPEB obligation	1,753,720
Net pension liability	90,445,814
Compensated absences - due in more than one year	17,249
Claims payable - due in more than one year	2,573,797
Long-term debt - due in more than one year	8,628,032
Total noncurrent liabilities	<u>103,418,612</u>
<b>Total liabilities</b>	<u><b>110,162,593</b></u>
<b>DEFERRED INFLOW OF RESOURCES</b>	
Deferred inflows related to pension	2,958,439
<b>Total deferred inflow of resources</b>	<u><b>2,958,439</b></u>
<b>NET POSITION</b>	
Net investment in capital assets	<u>140,414,161</u>
Restricted for:	
Capital projects	23,555,565
Debt service	646,960
Grant-funded projects	2,732,258
Other Projects	12,548,704
Total restricted	<u>39,483,487</u>
Unrestricted	<u>(37,878,794)</u>
<b>Total net position</b>	<u><b>\$ 142,018,854</b></u>

See accompanying Notes to Basic Financial Statements.

**City of Newark**  
**Statement of Activities and Changes in Net Position**  
**For the year ended June 30, 2017**

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary Government:</b>					
<b>Governmental activities:</b>					
General government	\$ 5,336,807	\$ 13,108	\$ 86,527	\$ -	\$ 99,635
Public safety:					
Fire	10,554,535	323,380	-	-	323,380
Police	19,786,712	989,839	207,199	-	1,197,038
Streets and parks	6,464,872	3,387,758	-	2,661,052	6,048,810
Community development	5,010,240	14,269,152	156,404	-	14,425,556
Recreation	5,243,514	2,800,755	192,197	-	2,992,952
Interest on long-term debt (unallocated)	369,801	-	-	-	-
<b>Total governmental activities</b>	<b>\$ 52,766,481</b>	<b>\$ 21,783,992</b>	<b>\$ 642,327</b>	<b>\$ 2,661,052</b>	<b>\$ 25,087,371</b>

**General Revenues:**

Taxes:

- Property taxes
- Sales taxes
- Franchise taxes
- Transient occupancy tax
- Utility users tax
- Other local taxes

Total taxes

Intergovernmental— motor vehicle in-leiu, unrestricted

Use of money and property

Miscellaneous

**Total general revenues**

**Change in net position**

**Net position - beginning of year**

**Net position - end of year**

See accompanying Notes to Basic Financial Statements.

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Net (Expense) Revenue  
and Changes  
in Net Position

---

Governmental  
Activities

---

\$ (5,237,172)

(10,231,155)

(18,589,674)

(416,062)

9,415,316

(2,250,562)

(369,801)

---

\$ (27,679,110)

---

16,465,268

12,948,892

3,669,596

6,094,025

3,527,230

1,995,810

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44,700,821

20,040

445,883

1,206,502

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46,373,246

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18,694,136

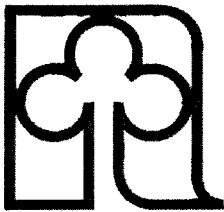
123,324,718

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\$ 142,018,854

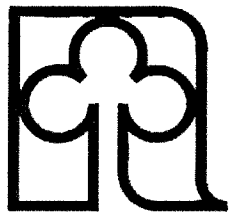
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**FUND FINANCIAL STATEMENTS**

*Governmental Fund Financial Statements*  
*Proprietary Fund Financial Statements*  
*Fiduciary Fund Financial Statements*





## GOVERNMENTAL FUND FINANCIAL STATEMENTS

### **General Fund**

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund.

### **State Construction Maintenance Special Revenue Fund**

Accounts for gas tax revenues from the State, and other transportation funds to be used for various street maintenance and construction projects.

### **Housing Impact Fees**

Accounts for fees collected into the City's affordable housing fund to be used solely to increase and preserve the supply of housing affordable to households of very low, low, and moderate incomes.

### **Capital Projects Fund**

The Capital Projects Funds accounts for financial resources to be used for capital acquisition, construction and rehabilitation projects.

**City of Newark**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2017**

	General Fund	State Construction Maintenance Special Revenue Fund	Housing Impact Fee Special Revenue Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and investments						
Available for operations	\$ 30,912,139	\$ 2,067,331	\$ 9,276,857	\$ 21,353,843	\$ 13,003,251	\$ 76,613,421
Restricted cash and investments	-	-	-	-	634,440	634,440
Receivables:						
Taxes	4,806,585	152,262	-	-	-	4,958,847
Special assessments	-	-	-	-	31,469	31,469
Intergovernmental	322,745	37,757	-	-	373,732	734,234
Interest	149,731	-	-	-	-	149,731
Other, net	521,404	-	-	-	91,772	613,176
Due from other funds	101,168	-	-	-	-	101,168
Supplies and other assets	144,700	-	-	-	-	144,700
Due from Successor Redevelopment Agency	215,672	-	-	-	-	215,672
<b>Total assets</b>	<b>\$ 37,174,144</b>	<b>\$ 2,257,350</b>	<b>\$ 9,276,857</b>	<b>\$ 21,353,843</b>	<b>\$ 14,134,664</b>	<b>\$ 84,196,858</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable and accrued liabilities	\$ 1,561,472	\$ 204,381	\$ -	\$ 240,120	\$ 620,506	\$ 2,626,479
Refundable deposits	732,628	12,769	-	-	-	745,397
Due to other funds	-	-	-	-	101,168	101,168
Unearned revenues	156,852	-	-	-	-	156,852
<b>Total liabilities</b>	<b>2,450,952</b>	<b>217,150</b>	<b>-</b>	<b>240,120</b>	<b>721,674</b>	<b>3,629,896</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue	611,722	-	-	-	-	\$ 611,722
<b>Total deferred inflows of resources</b>	<b>611,722</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>611,722</b>
<b>Fund Balances:</b>						
Non-spendable:						
Supplies and other assets	144,700	-	-	-	-	144,700
Due from Successor Redevelopment Agency	215,672	-	-	-	-	215,672
Restricted	-	2,040,200	9,276,857	-	9,753,710	21,070,767
Committed:						
Pension/OPEB Reserves	6,423,516	-	-	-	-	6,423,516
Community development fees	-	-	-	-	1,906,634	1,906,634
Assigned:						
Fire side fund	440,000	-	-	-	-	440,000
Equipment replacement	2,700,000	-	-	-	-	2,700,000
Waste disposal fund	428,744	-	-	-	-	428,744
Community development	513,039	-	-	-	-	513,039
Arts in public places	-	-	-	-	1,151,388	1,151,388
Capital asset acquisition	-	-	-	21,113,723	601,258	21,714,981
Unassigned:						
Catastrophic contingencies	6,831,467	-	-	-	-	6,831,467
Fiscal uncertainty	4,554,311	-	-	-	-	4,554,311
Unallocated	11,860,021	-	-	-	-	11,860,021
<b>Total fund balances</b>	<b>34,111,470</b>	<b>2,040,200</b>	<b>9,276,857</b>	<b>21,113,723</b>	<b>13,412,990</b>	<b>79,955,240</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 37,174,144</b>	<b>\$ 2,257,350</b>	<b>\$ 9,276,857</b>	<b>\$ 21,353,843</b>	<b>\$ 14,134,664</b>	<b>\$ 84,196,858</b>

See accompanying Notes to Basic Financial Statements.

**City of Newark**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Position**  
**June 30, 2017**

---

**Total Fund Balances - Total Governmental Funds** **\$ 79,955,240**

Amounts reported for governmental activities in the Statement of Net Position were different because:

Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. 148,208,945

Revenues from Grants, Sales Tax, and Miscellaneous Revenue that are funded in this fiscal year that will not be collected for several months after the City's fiscal year ends are not considered "available" revenue and are classified as unearned revenue in the governmental funds. 611,722

Internal service funds were used by management to charge the costs of certain activities, such as equipment replacement, maintenance, and insurance, to individual funds. The assets and liabilities of the Internal service funds were included in governmental activities in the following line items in the Government-Wide Statement of Net Position.

- Cash and investments available for operations	5,631,117
- Supplies and other assets	88,731
- Capital assets	1,418,516
- Accounts payable and accrued liabilities	(270,678)
- Capital lease obligation	(88,774)
- Claims payable	(3,192,449)

Long-term liabilities were not due and payable in the current period. Therefore, they were not reported in the Governmental Funds Balance Sheet.

- OPEB liabilities	(1,753,720)
- Net pension liability	(90,445,814)
- Long-term debt	(9,124,526)
- Interest payable	(33,050)
- Compensated absences	(1,724,854)

Deferred outflows related to pension liabilities resulting from actual contributions made by the City and other deferrals due to changes in the net pension liability. 15,696,887

Deferred inflows related to pension liabilities resulting from differences between projected and actual earnings, differences between actual and expected experience, changes in proportion, and other deferrals due to changes in the net pension liability. (2,958,439)

**Net Position of Governmental Activities** **\$ 142,018,854**

See accompanying Notes to Basic Financial Statements.

**City of Newark**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the year ended June 30, 2017**

	General Fund	State Construction Maintenance Special Revenue Fund	Housing Impact Fee Special Revenue Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>						
General property taxes	\$ 16,465,268	\$ -	\$ -	\$ -	\$ -	\$ 16,465,268
Other local taxes	28,150,707	-	-	-	-	28,150,707
Special assessments	-	-	-	-	457,173	457,173
Licenses, permits and fees	4,148,967	-	-	-	-	4,148,967
Fines and forfeitures	822,323	-	-	-	-	822,323
Use of money and property	333,083	14,712	49,844	45,062	33,827	476,528
Other governmental agencies	187,279	1,150,317	-	-	1,893,603	3,231,199
Current service charges	4,785,250	-	3,475,218	4,251,129	3,226,827	15,738,424
Other revenue	444,291	-	35,000	-	1,313,671	1,792,962
<b>Total revenues</b>	<b>55,337,168</b>	<b>1,165,029</b>	<b>3,560,062</b>	<b>4,296,191</b>	<b>6,925,101</b>	<b>71,283,551</b>
<b>EXPENDITURES:</b>						
Current:						
General government	5,231,065	-	-	-	-	5,231,065
Public safety:						
Fire	10,350,979	-	-	-	22,231	10,373,210
Police	17,742,869	-	-	36,530	174,596	17,953,995
Streets and parks	3,177,866	495,211	-	42,594	160,891	3,876,562
Community development	4,422,623	-	-	-	499,132	4,921,755
Recreation	4,534,338	-	-	65,244	186,826	4,786,408
Capital outlay	-	1,109,265	-	476,497	1,258,292	2,844,054
Debt service:						
Principal repayment	80,567	-	-	-	503,357	583,924
Interest and fiscal charges	2,803	-	-	-	365,885	368,688
<b>Total expenditures</b>	<b>45,543,110</b>	<b>1,604,476</b>	<b>-</b>	<b>620,865</b>	<b>3,171,210</b>	<b>50,939,661</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>9,794,058</b>	<b>(439,447)</b>	<b>3,560,062</b>	<b>3,675,326</b>	<b>3,753,891</b>	<b>20,343,890</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	294,281	6,135	-	4,668,000	867,300	5,835,716
Transfers out	(5,907,135)	-	-	-	(294,281)	(6,201,416)
<b>Total other financing sources (uses)</b>	<b>(5,612,854)</b>	<b>6,135</b>	<b>-</b>	<b>4,668,000</b>	<b>573,019</b>	<b>(365,700)</b>
<b>Net change in fund balances</b>	<b>4,181,204</b>	<b>(433,312)</b>	<b>3,560,062</b>	<b>8,343,326</b>	<b>4,326,910</b>	<b>19,978,190</b>
<b>FUND BALANCES:</b>						
Beginning of year	29,930,266	2,473,512	5,716,795	12,770,397	9,086,080	59,977,050
End of year	\$ 34,111,470	\$ 2,040,200	\$ 9,276,857	\$ 21,113,723	\$ 13,412,990	\$ 79,955,240

See accompanying Notes to Basic Financial Statements.

# City of Newark

## Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-Wide Statement of Activities and Changes in Net Position For the year ended June 30, 2017

---

Net Change in Fund Balances - Total Governmental Funds \$ 19,978,190

Amounts reported for governmental activities in the Statement of Activities and Changes in Net Position were different because:

Governmental funds reported additions of capital assets as capital outlay and program expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Position, the cost of those assets was allocated over their estimated useful lives as depreciation expense. This was the amount of capital assets recorded in the current period (net of Internal Service Funds, \$242,886). 2,837,090

Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities and Changes in Net Position, but they did not require the use of current financial resources. Therefore, depreciation expense was not reported as expenditures in Governmental Funds (net of Internal Services Funds, \$233,080). (3,472,716)

Revenues from Grants and Sales Tax that are funded in this fiscal year that will not be collected for several months after the City's fiscal year ends are not considered "available" revenue and are classified as unearned revenue in the governmental funds. 177,066

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but in the Statement of Net Position the repayment reduces long-term liabilities:

- Repayment of debt principal 583,924

The amounts below included in the Statement of Activities do not provide or require the use of current financial resources, and therefore are not reported as revenue or expenditures in governmental funds (net change):

- Interest payable 3,021  
- OPEB expenses (205,000)  
- Compensated absences 160,011

Pension expense related to the net pension liability does not require the use of current financial resources and therefore was not included in the Governmental Funds but should be recognized in the Statement of Net Position for full accrual:

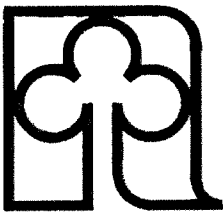
- Pension contributions in current year are reported as deferred outflow of resources 5,847,694  
- Pension expense as a result of the change in pension liability (7,571,061)

Internal service funds were used by management to charge the costs of certain activities to individual funds. The net revenue of the internal service funds was reported with governmental activities. 353,917

**Change in Net Position of Governmental Activities \$ 18,694,136**

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See accompanying Notes to Basic Financial Statements.



## PROPRIETARY FUND FINANCIAL STATEMENTS

### **Internal Service Fund**

Internal service funds account for the City operations financed and operated in a manner similar to a private business enterprise. The intent of the City is that the cost of providing goods and services to other City funds be financed through user charges to those funds.

**City of Newark**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2017**

	Governmental Activities - Internal Service Funds
<b>ASSETS</b>	
Current assets:	
Cash and investments	\$ 5,631,117
Other receivables	20,174
Supplies and other assets	68,557
Total current assets	<u>5,719,848</u>
Noncurrent assets:	
Capital assets, net of accumulated depreciation	<u>1,418,516</u>
<b>Total assets</b>	<u><u>7,138,364</u></u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable and accrued liabilities	270,678
Capital lease obligation - due within one year	43,698
Claims payable - due within one year	618,652
Total current liabilities	<u>933,028</u>
Noncurrent liabilities:	
Capital lease obligation - due in more than one year	45,076
Claims payable - due in more than one year	2,573,797
<b>Total liabilities</b>	<u><u>3,551,901</u></u>
<b>NET POSITION</b>	
Net investment in capital assets	1,329,742
Unrestricted	<u>2,256,721</u>
<b>Total net position</b>	<u><u>\$ 3,586,463</u></u>

See accompanying Notes to Basic Financial Statements.



**City of Newark**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the year ended June 30, 2017**

	Governmental Activities - Internal Service Funds
<b>OPERATING REVENUES:</b>	
Charges to departments	\$ 4,991,500
Other revenue	110,279
<b>Total operating revenues</b>	<u>5,101,779</u>
<b>OPERATING EXPENSES:</b>	
Personnel services	1,099,615
Materials and supplies	522,361
Contractual services	2,241,389
Utilities	676,045
Insurance claims and premiums	334,940
Depreciation	233,078
<b>Total operating expenses</b>	<u>5,107,428</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(5,649)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>	
Interest expense	(4,134)
<b>Total nonoperating revenues (expenses)</b>	<u>(4,134)</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<u>(9,783)</u>
Transfers in	365,700
<b>Total transfers</b>	<u>365,700</u>
<b>Change in net position</b>	355,917
<b>NET POSITION:</b>	
Beginning of year	3,230,546
End of year	<u>\$ 3,586,463</u>

See accompanying Notes to Basic Financial Statements.

**City of Newark**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2017**

	Governmental Activities - Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from other funds	\$ 5,099,500
Payments to suppliers/other fund	(3,341,705)
Payments to employees	(1,099,615)
Claims paid	(157,200)
<b>Net cash provided by operating activities</b>	<b>500,980</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
Interfund receipts	365,700
<b>Net cash provided by noncapital financing activities</b>	<b>365,700</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Payments on capital lease	(42,363)
Acquisition of capital assets	(242,886)
Interest paid and fiscal charges	(4,133)
<b>Net cash used by capital and related financing activities</b>	<b>(289,382)</b>
<b>Net increase in cash and cash equivalents</b>	<b>577,298</b>
<b>CASH AND CASH EQUIVALENTS:</b>	
Beginning of year	5,053,819
End of year	\$ 5,631,117
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>	
Operating income (loss)	\$ (5,649)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	233,078
Changes in current assets and liabilities:	
Other assets	9,361
Accounts payable and accrued liabilities	264,190
<b>Total adjustments</b>	<b>506,629</b>
<b>Net cash provided (used) by operating activities</b>	<b>\$ 500,980</b>

See accompanying Notes to Basic Financial Statements.

## FIDUCIARY FUND FINANCIAL STATEMENTS

### **Agency Funds**

Agency funds are used to account for assets held by the City as an agent for individuals, private organizations and other governments. The financial activities of these funds are excluded from the Government-wide financial statements, but are presented in separate Fiduciary Fund financial statements.

### **Redevelopment Successor Agency Funds**

This private purpose trust fund accounts for the Redevelopment Agency Successor Agency funds. The financial activities of these funds are excluded from the Government-wide financial statements, but are presented in separate Fiduciary Fund financial statements.

**City of Newark**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2017**

---

ASSETS	Agency Funds	RDA Successor Agency Funds
Cash and investments	\$ 4,296,446	\$ 31,471
<b>Total assets</b>	<b>\$ 4,296,446</b>	<b>\$ 31,471</b>
LIABILITIES		
Due to bondholders	\$ 4,296,446	\$ -
Unearned revenue	-	31,447
Note Payable	-	215,696
<b>Total liabilities</b>	<b>\$ 4,296,446</b>	<b>\$ 247,143</b>
NET POSITION		
Held in trust for RDA Successor Funds		\$ (215,672)

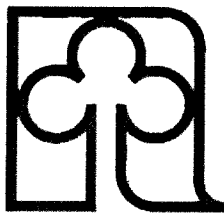
See accompanying Notes to Basic Financial Statements.

**City of Newark**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the year ended June 30, 2017**

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	<u>RDA Successor Agency Funds</u>
<b>ADDITIONS:</b>	
RPTTF	\$ 140,539
Other income	<u>24</u>
<b>Total additions</b>	<u>140,563</u>
<b>DEDUCTIONS:</b>	
City administration fees	<u>-</u>
<b>Total deductions</b>	<u>-</u>
<b>Change in net position</b>	140,563
Net Position - beginning	<u>(356,235)</u>
Net Position - ending	<u>\$ (215,672)</u>

See accompanying Notes to Basic Financial Statements.

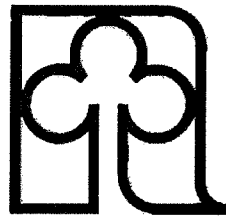


**City of Newark**  
**Index to Notes to Basic Financial Statements**  
**For the year ended June 30, 2017**



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## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Newark (City) have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

### A. Reporting Entity

The financial statements of the City of Newark include the financial activities of the City as well as the financial activities of its component unit, which is the entity for which the City is financially accountable. The City Council serves as the governing board to the Newark Public Financing Authority. The Newark Public Financing Authority is controlled entirely by the City, which also performs all their administrative and accounting functions. Its financial activities have been aggregated and merged (termed "blended") with those of the City in the accompanying financial statements.

In previous years, the Newark Betterment Corporation was presented as a discrete component unit, and reported as a separate column in the government-wide financial statements to emphasize that it is legally separate from the City. The Corporation is a separate legal entity whose purpose is to financially support various cultural, art, and music programs for the benefit of the residents of the City of Newark.

Effective June 30, 2014, the Newark Betterment Corporation will no longer be included in the City of Newark's financial statements to avoid confusion that the Newark Betterment Corporation is part of the City of Newark. Separate financial statements for the Newark Betterment Corporation may be obtained from the City of Newark.

The following entity is reported as a blended component unit:

Newark Public Financing Authority (Authority) - The Authority provides financing assistance to the City and has been included in these financial statements in the COPS Interest and Redemption Debt Service Fund. City Council serves as the governing board of the Authority. The Authority is controlled entirely by the City, which also performs all their administrative and accounting functions.

### B. Basis of Accounting, Measurement Focus, and Financial Statement Presentation

#### Government-Wide Financial Statements

The City's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of governmental activities for the City. Fiduciary activities of the City are not included in these statements.

These Government-Wide Financial Statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position.



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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

*B. Basis of Accounting, Measurement Focus, and Financial Statement Presentation, Continued*

Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities and Changes in Net Position, internal service fund transactions have been eliminated. The following interfund activities have been eliminated:

- Due to/from other funds
- Advances to/from other funds
- Transfers in/out
- Interfund charges

The City applies all applicable GASB pronouncements (including all NCGA Statements and Interpretations currently in effect).

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances as presented in these statements to the net position presented in the Government-Wide Financial Statements. The City has presented all major funds that met the applicable criteria.

The City reports the following major governmental funds:

The General Fund – is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The major revenue sources for this fund are property taxes, sales taxes, utility users tax, licenses, permits and fines, and other charges for services. Expenditures are made for public safety and other services not required to be accounted for in another fund. The Waste Augmentation Fund was included in the General Fund effective for the year ended June 30, 2012.



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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. *Basis of Accounting, Measurement Focus, and Financial Statement Presentation, Continued*

The State Construction Maintenance Special Revenue Fund – accounts for gas tax funds received from the State, Transportation Development Act funds received from the Metropolitan Transportation Commission, funds received from federal grants (ISTEA, HES), and developers. These funds are to be used for various street construction and maintenance projects.

The Housing Impact Fees Special Revenue Fund – accounts for fees collected into the City's affordable housing fund that are restricted for and to be used solely to increase and preserve the supply of housing affordable to households of very low, low, and moderate incomes.

The Capital Projects Fund – accounts for financial resources used in major capital acquisition and construction activities and in the renovation, replacement, and maintenance of the City's major capital assets.

All governmental funds are accounted for on a spending or “*current financial resources*” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recorded when received in cash, except revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property tax, sales tax, intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Unearned revenues arise when potential revenues do not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues also arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the government has a legal claim to the resources, the unearned revenue is removed from the Balance Sheet and recognized as revenue.

The Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach of GASB Statement No. 34.



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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. *Basis of Accounting, Measurement Focus, and Financial Statement Presentation, Continued*

Proprietary Fund Financial Statements

Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund.

Proprietary funds are accounted for using the “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Internal service fund balances and activities have been combined with governmental activities in the Government-Wide Financial Statements, and are comprised of the following funds:

The Internal Service Funds – account for equipment replacement and operations, office support, building maintenance, and public liability and worker’s compensation self-insurance; all of which are provided to other departments on a cost-reimbursement basis.

Operating revenues in the proprietary fund are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements consist of a Statement of Changes in Net Position. The City’s fiduciary funds represent agency funds and do not involve measurement of results of operations. The fiduciary funds are accounted for using the accrual basis of accounting.

The City reports the following fiduciary funds:

The Agency Fund – accounts for assets held by the City as an agent for individuals, private organizations and other governments. The City’s agency fund accounts for the assets held by the City as an agent for the Area Improvement District. The financial activities of this fund are excluded from the Government-Wide Financial Statement, but are presented in separate Fiduciary Fund Financial Statements.

The Successor Redevelopment Agency Private Purpose Trust Fund – accounts for assets held by the City for the Successor Redevelopment Agency fund.



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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. *Cash, Cash Equivalents and Investments*

The City pools its available cash for investment purposes. The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturity of three months or less from date of acquisition. Cash and cash equivalents are combined with investments and displayed as Cash and Investments.

In accordance with GASB Statement No. 40, Deposit and Investment Disclosures (Amendment of GASB No. 3), certain disclosure requirements for Deposits and Investment Risks were made in the following areas:

- Interest Rate Risk
- Credit Risk
  - Overall
  - Custodial Credit Risk
  - Concentrations of Credit Risk

In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end and other disclosures.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. Market value is used as fair value for those securities for which market quotations are readily available.

The City participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF) which has invested a portion of the pooled funds in Structured Notes and Asset-Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to change in interest rates.

D. *Restricted Cash and Investments*

Certain restricted cash and investments are held by fiscal agents for the redemption of bonded debt and for acquisition and construction of capital projects.

E. *Receivables*

During the course of normal operations, the City carries various receivable balances for taxes, interest, grants and special assessments.



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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

*F. Property Taxes*

Alameda County assesses properties and bills, collects and distributes property taxes, including special assessments, to the City. The County remits amounts collected and handles all delinquencies. Secured and unsecured property taxes are levied on January 1 of the preceding fiscal year. Secured property tax is due in two installments, on November 1 and March 1, and becomes a lien on those dates. It becomes delinquent on December 10 and April 10, respectively. Unsecured property tax is due on July 1 and becomes delinquent on August 31. The term "unsecured" refers to taxes on personal property; not real estate, land or buildings. These taxes are secured by liens on the property being taxed. The City does not participate in the "Teeter Plan" offered by the County, thereby retaining the right to any interest and penalties collected on the delinquent taxes.

Property tax revenues are recognized by the City in the fiscal year they are assessed, provided they are collected within sixty days after the end of the fiscal year.

*G. Interfund Transactions*

Interfund transactions are reflected as loans, services provided reimbursements or transfers. Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Advances between funds, reported in the fund financial statements are not available for appropriation and are nonspendable financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental and proprietary funds are netted as part of the reconciliation to the Government-Wide Financial Statements presentation.

*H. Capital Assets*

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. The City defines capital assets as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year.



1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

H. Capital Assets, Continued

Depreciation is provided using the straight line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets. The City has assigned the useful lives listed below to capital assets:

Buildings	60 years
Improvements other than buildings	20 -30 years
Infrastructure:	
Streets and bridges	40-50 years
Sidewalks, curbs, gutters, and walls	35-45 years
Street lights	25-30 years
Traffic signals	20 years
Equipment	5-30 years

Major outlays for capital assets and improvements are capitalized as projects are constructed.

The Governmental Accounting Standards Board (GASB) Statement No. 34 requires the inclusion of infrastructure capital assets in local government's basic financial statements. In accordance with GASB No. 34, the City has included the value of all infrastructure assets into its Basic Financial Statements. The City defines infrastructure as the basic physical assets that allow the City to function, which consists of the street system.

I. Compensated Absences

Compensated absences include unused accrued vacation, general leave, and compensatory time. The City's liability for compensated absences is recorded at the Entity-wide level in the Statement of Net Position for Governmental Activities and in Proprietary funds as appropriate.

Compensated absences are liquidated by the fund that has recorded the liability. The long-term portion of governmental activities compensated absences is liquidated primarily by the General Fund.

J. Long-Term Debt

Government-Wide Financial Statements - Long-term debt and other long-term obligations are reported as liabilities in the appropriate activities.

Bond premiums and discounts, as well as amounts paid related to prepaid bond insurance, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Other issuance costs are expensed in the current period.



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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

J. Long-Term Debt, Continued

Fund Financial Statements – The governmental fund financial statements do not present long-term debt but are shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.

Bond premiums and discounts are recognized during the current period as other financing sources or uses. Bond proceeds are reported as other financing sources. Issuance costs are recognized during the current period as expenditures.

K. Deferred Outflows/Inflows of Resources

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

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

L. Net Position/Fund Balances

**Government-Wide Financial Statements**

In the government-wide financial statements, Net Position is the excess of all the City's assets over all its liabilities, regardless of fund. Net Position is divided into three captions under GASB Statement 34. These captions apply only to Net Position, which is determined only at the government-wide level, and are described below.

Net Investment in Capital Assets – Describes the portion of Net Position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted Net Position – Describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include developer fees and grant funds received for use on capital projects, debt service requirements, funds received for recycling programs and future waste disposal costs; and fees for use on emergency medical services.

Unrestricted Net Position – Describes the portion of Net Position which is not restricted to use.





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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

L. *Net Position/Fund Balances, Continued*

**Fund Financial Statements**

GASB 54 established Fund Balance classifications based largely upon the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The Fund Financial Statements consist of Nonspendable, Restricted, Committed, Assigned and Unassigned amounts as described below:

*Nonspendable Fund Balance* - includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories, prepaid amounts, and long-term notes receivable.

*Restricted Fund Balance* - includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. The restriction may effectively be changed or lifted only with the consent of resource providers.

*Committed Fund Balance* - includes amounts that can only be used for the specific purposes determined by a formal action of the City's highest level of decision-making authority, the City Council. Commitments may be changed or lifted only by the City Council taking the same formal action that imposed the constraint originally.

*Assigned Fund Balance* - includes amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by City Council or an official to which the City Council has delegated the authority to assign amounts to be used for specific purposes.

*Unassigned Fund Balance* - is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose.

The City established the following policies relating to its fund balance classifications:

**Committed Fund Balances**

- *Highest Level of Decision-Making Authority* - the City Council is the highest level of decision-making authority in terms of established fund balance classifications and creating Committed Fund Balances.
- *Formal Action Required* - Ordinances are the highest level action taken by City Council that constitutes the most binding constraint to establish, modify, or rescind a fund balance commitment.
- *Timing* - the City takes formal action to commit any resources as soon as possible upon determining its desire to take such action, but no later than June 30 of the fiscal year in which it applies in order for the action to be valid for the presentation of the annual report.



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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

L. *Net Position / Fund Balances, Continued*

Assigned Fund Balances

- *Approved Authority* - the City Council has delegated the authority to the City Manager to assign fund balance amounts to specific purposes when such policies are enacted by the government body.
- *Specific Policies* - the City Council may establish policies as needed to delegate authority to an appropriate official to assign resources to specific purposes in terms of creating, modifying or rescinding Assigned Fund Balances. Such policies are approved by the government body by Resolution.

Expenditure of Funds - Order of Expenditure

- *Restricted and Unrestricted Funds* - when an expenditure is incurred for purposes for which both Restricted and Unrestricted Fund Balances are available, the City considers that Restricted Funds are spent first until such funds are exhausted, at which time Committed, Assigned or Unassigned Funds are used.
- *Committed, Assigned or Unassigned Funds* - when an expenditure is incurred where there are no Restricted Funds available, and for which Committed and/or Assigned Fund Balances are available, the City exhausts Committed Funds first until such funds are exhausted and then exhausts Assigned Funds until such funds are exhausted.

Classification of Fund Balances

- The City at least on an annual basis, and by virtue of the adoption of its annual budget, establishes a listing of all Fund Balances and their classifications.

M. *New Pronouncements*

In 2017, the City adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:

- GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*- The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The requirements of this statement were not applicable to the City.



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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

M. *New Pronouncements, Continued*

- GASB Statement No. 77, *Tax Abatement Disclosure*- This Statement addresses the financial statements prepared by state and local governments in conformity with generally accepted accounting principles provide citizens and taxpayers, legislative and oversight bodies, municipal bond analysts, and others with information they need to evaluate the financial health of governments, make decisions, and assess accountability. This information is intended, among other things, to assist these users of financial statements in assessing (1) whether a government's current-year revenues were sufficient to pay for current-year services (known as interperiod equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government's financial resources come from and how it uses them, and (4) a government's financial position and economic condition and how they have changed over time. There was no impact on net position as a result of implementation of this statement.
- GASB Statement No. 78, *Pension Provided through Certain Multiple-Employer Defined Benefit Pension Plans*- The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. The requirements of this statement were not applicable to the City.
- GASB Statement No. 80, *Blending Requirements for Certain Component Units - An Amendment of GASB Statement No. 14* - The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The requirements of this statement were not applicable to the City.

City of Newark  
Notes to Basic Financial Statements, Continued  
For the year ended June 30, 2017



2. CASH AND INVESTMENTS

The City maintains cash and investment pools for all funds. Certain cash and investment are restricted under the provisions of the City's debt agreements. These restricted funds are not pooled and are held by trustees.

The following is a summary of cash and investments at June 30, 2017:

	Government-Wide Statement of Net Position	Fiduciary Funds Statement of Net Position	Total
	Governmental Activities		
Cash and investments	\$ 82,244,538	\$ 4,327,917	\$ 86,572,455
Restricted cash and investments	634,440	-	634,440
<b>Total</b>	<b>\$ 82,878,978</b>	<b>\$ 4,327,917</b>	<b>\$ 87,206,895</b>

At June 30, 2017, the City's pooled cash and investments, including restricted funds consisted of the following:

	Fair Value
<b>City Treasury:</b>	
Deposits:	
Cash on hand	\$ 6,400
Deposits with banks	21,568,609
Total deposits	21,575,009
Investments:	
California Local Agency Investment Fund	64,997,446
<b>Total City Treasury</b>	<b>86,572,455</b>
<b>Cash and Investment with Fiscal Agents:</b>	
Money market funds	634,440
<b>Total Restricted Cash and Investments</b>	<b>634,440</b>
<b>Total Cash and Investments</b>	<b>\$ 87,206,895</b>



2. CASH AND INVESTMENTS, Continued

A. Deposits

The carrying amount of the City's cash deposit was \$21,568,609 at June 30, 2017. Bank balances before reconciling items were \$21,882,849, the total amount of which was insured and/or collateralized with securities held by pledging financial institutions in the City's name discussed below.

The California Government Code requires banks and savings and loan institutions to secure City's cash deposits by pledging securities as collateral. The Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of the creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The market value of pledged securities must equal at least 110 percent of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150 percent of the City's total cash deposits. The City may and has waived collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation.

The City pools cash and investment of all funds, excluding restricted funds required to be held by fiscal agents under the terms of the City's debt agreements. Investment income earned on pooled cash investment is allocated on a quarterly basis to the various funds based on the quarter-end cash and investment balances. Interest earnings on restricted cash and investments are credited directly to the related fund.

B. Investments

Under the provisions of the City's investment policy, and in accordance with California Government Code, the following investments are authorized:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Minimum Credit Quality Requirements
California Local Agency Investment Fund	None	None	None
Securities of the U.S. Government	5 years	None	None
Banker Acceptances	180 days	40%	None
Collateralized Certificates of Deposit	5 years	50%	None
Negotiable Certificates of Deposit	5 years	30%	None
Commercial Paper	270 days	25%	A-1
Repurchase Agreements	1 year	50%	None
Reverse Repurchase Agreements	92 days	50%	None

Under the provisions of bond indentures, the following are authorized investment types for investments held by fiscal agents:

City of Newark  
Notes to Basic Financial Statements, Continued  
For the year ended June 30, 2017



2. CASH AND INVESTMENTS, Continued

B. Investments, Continued

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality Requirements
U.S. Treasury Obligations	None	None
Federal Housing Administration Bonds	None	None
U.S. Agency Securities	None	None
Senior Debt Obligations	None	Aaa, AAA
FDIC Insured Deposits	None	None
Unsecured Certificates of Deposits, Time Deposits, and Banker's Acceptances	360 days	A-1, P-1
Commercial Paper	270 days	A-1, P-1
Money Market Funds	None	AAAm, AAAM-G
State Obligations	None	A, A3
Pre-funded Municipal Obligations	None	Aaa, AAA
Investment Agreements	None	AA, Aa
Repurchase Agreements	None	A
California Arbitrage Management Program	None	None
California Local Agency Investment Fund	None	None
Investment approved by Municipal Bond Insurer	None	None

GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, require that the City's investments be carried at fair value. The total amount of the fair value loss was \$68,854 for Fiscal year 2016-17.

C. Risk Disclosures

Interest Risk – Interest rate risk is the fluctuation in fair value of investment due to changes in interest rates. The City's exposure to losses caused by rising interest rates is minimized by limiting the average maturity of the City's investments to not exceed five years. The City had the following investment maturities at June 30, 2017:

Investment Type	Totals	Remaining Maturity (in Months)					
		12 Months Or Less	13 to 24 Months	25-36 Months	37-48 Months	49-60 Months	More Than 60 Months
State Pool	\$ 67,997,446	\$ 67,997,446	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 67,997,446	\$ 67,997,446	\$ -	\$ -	\$ -	\$ -	\$ -

Credit Risk – Credit risk is the risk of loss of value of a security or investment due to downgrade of its rating due to a change in the ability of the issuer to fulfill its debt obligation. With the exception of U.S. Treasury securities and authorized pools, no more than 50 percent of the City's total investment portfolio will be invested in a single security type or with a single financial institution to reduce the City's exposure to credit risks. The City's investment in California Agency Investment Funds is not rated.



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2. CASH AND INVESTMENTS, Continued

C. *Risk Disclosures, Continued*

Custodial Credit Risk - The custodial credit risk for an investment is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. None of the City's investments were subject to custodial credit risk.

D. *Local Agency Investment Fund*

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The balance is available for withdrawal on demand. The City's investments with LAIF at June 30, 2017, include a portion of the pooled funds invested in Structured Notes and Asset-Backed Securities. These investments include the following:

Structured Notes are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2017, the City had \$64,997,446 invested in LAIF, which had invested 2.81 percent of the pool investment funds in Structured Notes and Asset-Backed Securities. The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The fair value of LAIF was calculated by applying a factor of 0.998940671 to the total investments held by LAIF.

E. *Investment Valuation*

Investments (except for money market accounts, time deposits, external investment pools, and commercial paper) are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City's investment in the State of California Local Agency Investment Fund (LAIF) is not subject to levelling disclosure.

City of Newark  
Notes to Basic Financial Statements, Continued  
For the year ended June 30, 2017



3. INTERFUND TRANSACTIONS

Transfers In/Out

Transfers in/out for the year ended as of June 30, 2017, were as follows:

	Transfers In					
	Governmental Funds:			Non-Major Governmental Funds:		
	General Fund	Maintenance Special Revenue Fund	Capital Projects Funds	COPS Interest and Redemption	Internal Service Funds	Total
Transfers Out						
<i>Governmental Funds:</i>						
General	\$ -	\$ 6,135	\$ 4,668,000	\$ 867,300	\$ 365,700	\$ 5,907,135
<i>Non-Major Governmental Funds:</i>						
Paramedic Tax	150,000	-	-	-	-	150,000
Alameda County Fire Fees	144,281	-	-	-	-	144,281
<b>Total Governmental Funds</b>	<b>\$294,281</b>	<b>\$ 6,135</b>	<b>\$4,668,000</b>	<b>\$ 867,300</b>	<b>\$365,700</b>	<b>\$6,201,416</b>

Transfers to the General Fund from the State Construction Maintenance Special Revenue Fund were to fund general maintenance operations.

Transfers to the General Fund from the Paramedic Tax and Alameda County Fire Special Revenue Funds were to fund public safety programs.

Transfers from the General Fund to the Capital Projects Funds and Internal Services Funds were to fund additional reserves and services approved in the Service Restoration Plan for Utility Users Tax revenue.

Transfers from the General Fund to the COPS Interest and Redemption Fund were to fund debt service.

Due to/from other funds

Due To General Fund	Due From Other Funds
Non Major Governmental Funds	\$ 101,168
Total	\$ 101,168

The amounts due to the General Fund from other funds represent reclassified temporary negative cash balances pending grant reimbursements or other receivables. Current interfund balances arise in the normal course of operations and are expected to be repaid shortly after the end of the fiscal year.



City of Newark  
Notes to Basic Financial Statements, Continued  
For the year ended June 30, 2017



4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017 was as follows:

	Balance July 1, 2016	Additions	Reclassifications	Balance June 30, 2017
<b>Governmental activities:</b>				
Nondepreciable assets:				
Land	\$ 4,384,073	\$ -	\$ -	\$ 4,384,073
Park land	30,107,748	-	-	30,107,748
Landscaping	8,684,784	-	-	8,684,784
Street trees	739,733	-	-	739,733
Construction in progress	1,591,187	1,419,030	-	3,010,217
Total nondepreciable assets	<u>45,507,525</u>	<u>1,419,030</u>	<u>-</u>	<u>46,926,555</u>
Depreciable assets:				
Buildings and land improvements	43,988,922	144,085	-	44,133,007
Infrastructure				
Streets	72,440,227	1,191,975	-	73,632,202
Sidewalks, curbs, gutters and walls	15,731,836	-	-	15,731,836
Street lights	3,249,607	-	-	3,249,607
Traffic signals	3,936,784	-	-	3,936,784
Machinery and equipment	10,149,587	324,886	-	10,474,473
Total depreciable assets	<u>149,496,963</u>	<u>1,660,946</u>	<u>-</u>	<u>151,157,909</u>
Less accumulated depreciation:				
Buildings and improvements	(13,203,193)	(725,934)	-	(13,929,127)
Infrastructure				
Streets	(15,791,380)	(1,875,222)	-	(17,666,602)
Sidewalks, curbs, gutters and walls	(3,614,167)	(449,031)	-	(4,063,198)
Street lights	(1,161,985)	(129,783)	-	(1,291,768)
Traffic signals	(3,461,969)	(54,021)	-	(3,515,990)
Machinery and equipment	(7,518,513)	(471,805)	-	(7,990,318)
Total accumulated depreciation	<u>(44,751,207)</u>	<u>(3,705,796)</u>	<u>-</u>	<u>(48,457,003)</u>
Net depreciable assets	<u>104,745,756</u>	<u>(2,044,850)</u>	<u>-</u>	<u>102,700,906</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 150,253,281</u>	<u>\$ (625,820)</u>	<u>\$ -</u>	<u>\$ 149,627,461</u>

City of Newark  
Notes to Basic Financial Statements, Continued  
For the year ended June 30, 2017



4. CAPITAL ASSETS, Continued

Depreciation expense was charged to various governmental functions as follows:

General Government	\$ 117,936
Public Safety:	
Fire	179,999
Police	259,483
Streets and Parks	2,608,611
Community Development	80,978
Recreation	<u>458,789</u>
Total depreciation - governmental functions	<u>\$ 3,705,796</u>

5. LONG-TERM DEBT

The City's long-term debt is comprised the following at June 30, 2017:

	Balance June 30, 2016	Additions	Retirements	Balance June 30, 2017	Amounts Due Within One Year	Amounts Due in More than One Year
<b>Governmental Activities:</b>						
2012 Bank refinancing \$9,703,757; 3.5% due 2028	\$ 7,322,963	\$ -	\$ (503,357)	6,819,606	\$ 518,657	\$ 6,300,949
2002 Certificates of Participation \$9,925,000; 2-5% due 2032	2,240,000	-	-	2,240,000	-	2,240,000
Capital Lease Obligation Equipment lease, due 2017	57,654	-	(57,654)	-	-	-
Capital Lease Obligation Equipment lease, due 2019	131,137	-	(42,363)	88,774	43,698	45,076
Capital Lease Obligation Equipment lease, due 2020	87,833	-	(22,913)	64,920	22,913	42,007
<b>Total</b>	<u>\$ 9,839,587</u>	<u>\$ -</u>	<u>\$ (626,287)</u>	<u>\$ 9,213,300</u>	<u>\$ 585,268</u>	<u>\$ 8,628,032</u>

2012 Compass Bank Debt Refinancing

On April 5, 2012, the City refinanced \$9.7 million of outstanding debt through Compass Bank at a fixed rate of 3.5 percent to refund the outstanding 1998 COPs and a portion of the 2002 COPs in order to achieve significant annual interest savings. A portion of the 2002 COPs having maturities through 2032 will remain as the originally issued COPs.



5. LONG-TERM DEBT, Continued

2012 Compass Bank Debt Refinancing, Continued

The 2012 Bank refinancing is secured by payments made from the General Fund of the City through a lease arrangement between the Old Town Fire Station and Mayhew's Landing Park, which is encumbered by the lease for the 2002 COPs and will remain encumbered for the non-refinanced portion of the 2002 COPs. The refinancing is expected to save the City about \$70,392 per year from FY2013-14 through FY2027-28, with a net present value savings to the City of \$1,196,657.

2002 Certificates of Participation

On August 1, 2002, \$9,925,000 principal amount of Certificates of Participation (COPs) for the 2002 Silliman Community Activity Center/Old Town Fire Station Project, were issued to fund construction of the swim facility at the Activity Center and a fire station in the Old Town area. Lease principal payments are due annually on June 1 until June 1, 2032, starting in fiscal year 2028. Interest at rates of 2.0-5.0 percent are payable semi-annually on June 1 and December 1. On April 5, 2012, \$5,975,000 of the principal balance was paid down from the refunding proceeds of the 2012 bank refinancing through Compass Bank.

Capital Lease Obligations

On August 14, 2012, the City entered into a non-cancelable lease agreement in the amount of \$160,393 with Acme Auto Leasing LLC to acquire a police armored vehicle. Monthly lease payments of \$1,910 are due on May 16 until 2020. Ownership of the armored vehicle reverts to the City at the end of the lease.

On June 12, 2014, the City entered into a lease-purchase agreement in the amount of \$212,017 with Leasing 2, Inc. to acquire a new street sweeper. Annual lease payments of \$46,497 are due on June 12 until 2019. Ownership of the street sweeper reverts to the City at the end of the lease.

Debt Service Requirements

Annual debt service requirements are shown below for all long-term debt:

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2018	\$ 585,268	\$ 348,985
2019	601,226	329,329
2020	576,251	309,037
2021	575,340	289,379
2022	597,737	213,047
2023-2027	3,304,590	958,569
2028-2032	2,972,888	530,045
Total	<u>\$ 9,213,300</u>	<u>\$ 2,978,391</u>

**City of Newark**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2017**



**5. LONG-TERM DEBT, Continued**

*Area Improvement District Bonds with No City Commitment*

Area Improvement Districts (AID) Bonds were issued to finance public improvements within the District. Neither the City's General Fund nor the full faith and credit of the City is pledged for the repayment of these bonds. The AID bonds will be repaid solely by special assessments levied on the properties within that District. The bonds are secured by the special taxes on those properties.

In May 2013, the AID 26 outstanding bonds of \$8,264,834 were advance refunded to benefit property owners with lower debt service payments. The escrow funds were used to pay off the original 1998 bonds on September 2, 2013.

All the AID bonds transactions are accounted for in a separate Agency fund established by the City for that purpose. As of June 30, 2017, the remaining balance outstanding on these bonds was \$ 6,089,689.

**6. COMPENSATED ABSENCES**

The City's compensated absences include accrued vacation, general leave and compensatory time. The value of unpaid leave is recorded as a liability of the City on the entity-wide statement of net position.

Changes in compensated absences for the fiscal year ended June 30, 2017 were as follows:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017	Due Within One Year
Governmental Activities	\$ 1,884,865	\$ 1,529,220	\$ 1,689,230	\$ 1,724,854	\$ 1,707,605

**7. DEFINED BENEFIT PENSION PLANS**

**A. Summary of Pension Plan Balances**

Pension related balances presented on the Statement of Net Position as of June 30, 2017 by individual plan are described in the following table:

	Deferred Outflows Related to Pension	Net Pension Liability	Deferred Inflows Related To Pension	Pension Expense
CALPERS Miscellaneous Agent Multiple Employer Plan	\$ 5,838,230	\$ 35,939,532	\$ 430,559	\$ 2,336,579
CALPERS Cost Sharing Plan	9,858,657	54,506,282	2,527,880	5,234,482
<b>Total</b>	<b>\$ 15,696,887</b>	<b>\$ 90,445,814</b>	<b>\$ 2,958,439</b>	<b>\$ 7,571,061</b>



7. DEFINED BENEFIT PENSION PLANS, Continued

B. Agent Multiple-Employer Defined Benefit Plan - CalPERS Miscellaneous Plan

I. General Information about the Pension Plan

*Plan Description* - All miscellaneous qualified permanent and probationary employees are eligible to participate in the City's Miscellaneous Plan, agent multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plan are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

*Benefits Provided* - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan's provisions and benefits in effect at June 30, 2017, are summarized as follows:

	<u>Miscellaneous</u>
Benefit vesting schedule	5 years of service
Benefit payments	monthly for life
Earliest retirement age	50
Benefit factor for each year of service as a % of annual salary	2.5% at age 55
Required employee contribution rates	11.468%
Required employer contribution rates	25.652%

On January 1, 2013, the Public Employee Pension Reform Act (PEPRA) went into effect. This State law applies to employees hired after January 1, 2013 who are new to PERS. These employees are termed PEPRA members and employees that were enrolled in PERS (without significant separation) prior to January 1, 2013 are now referred to as classic members. PEPRA miscellaneous members will be enrolled in a 2 percent at 62 plan. The City contributes 25.652 percent for PEPRA members, and employees' contribute 9.718 percent. All miscellaneous employees pay 3.468 percent towards the employer cost.



7. DEFINED BENEFIT PENSION PLANS, Continued

B. Agent Multiple-Employer Defined Benefit Plan – CalPERS Miscellaneous Plan, Continued,

I. General Information about the Pension Plan, Continued

*Employees Covered* – At June 30, 2017, the following employees were covered by the benefit terms for each Plan:

Inactive employees or beneficiaries currently receiving benefits	77
Inactive employees entitled to but not yet receiving benefits	94
Active employees	<u>170</u>
Total	<u>341</u>

*Contributions* – Section 20814(C) of the California Public Employees’ Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2016 (the measurement date), the average active employee contribution rate is 9.718 percent of annual pay for the Miscellaneous Plan and employer contribution rate is 25.652 percent of annual payroll for the Miscellaneous Plan.

II. Net Pension Liability

The City’s net pension liability for the Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2016, using an annual actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown on the following page.



7. DEFINED BENEFIT PENSION PLANS, Continued

B. Agent Multiple-Employer Defined Benefit Plan - CalPERS Miscellaneous Plan, Continued

II. Net Pension Liability, Continued

*Actuarial Assumptions* - The total pension liabilities in the June 30, 2015 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return (1)	7.50%
Mortality (2)	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

(1) Net of pension plan investment and administrative expenses, including inflation.

(2) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2015 valuation were based on the results of a 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.



7. DEFINED BENEFIT PENSION PLANS, Continued

B. Agent Multiple-Employer Defined Benefit Plan - CalPERS Miscellaneous Plan, Continued

II. Net Pension Liability, Continued

*Discount Rate* - The discount rate used to measure the total pension liability was 7.65 percent for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	51.00%	5.25%	5.71%
Global Fixed Income	20.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	10.00%	6.83%	6.95%
Real Estate	10.00%	4.50%	5.13%
Infrastructure and Forestland	2.00%	4.50%	5.09%
Liquidity	1.00%	-0.55%	-1.05%
Total	100%		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.





7. DEFINED BENEFIT PENSION PLANS, Continued

B. Agent Multiple-Employer Defined Benefit Plan - CalPERS Miscellaneous Plan, Continued

III. Changes in the Net Pension Liability

The changes in the Net Pension Liability for each Plan follow:

*Miscellaneous Plan:*

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
<b>Balance at June 30, 2015 (1)</b>	\$ 98,844,959	\$ 68,114,811	\$ 30,730,148
<b>Changes in the year:</b>			
Service cost	1,562,903	-	1,562,903
Interest on the total pension liability	7,394,465	-	7,394,465
Differences between actual and expected experience	(296,888)	-	(296,888)
Changes in assumptions	-	-	-
Changes in benefit terms	-	-	-
Plan to Plan Resource Management	-	-	-
Contribution - employer	-	2,089,006	(2,089,006)
Contribution - employee	-	1,026,537	(1,026,537)
Investment income	-	377,065	(377,065)
Administrative expenses	-	(41,512)	41,512
Benefit payments, including refunds of employee contributions	(5,339,676)	(5,339,676)	-
<b>Net changes</b>	<b>3,320,804</b>	<b>(1,888,580)</b>	<b>5,209,384</b>
<b>Balance at June 30, 2016</b>	<b>\$ 102,165,763</b>	<b>\$ 66,226,231</b>	<b>\$ 35,939,532</b>

(1) - The fiduciary net position includes receivables for employee service buyback, deficiency reserve, and fiduciary self-insurance.



7. DEFINED BENEFIT PENSION PLANS, Continued

B. Agent Multiple-Employer Defined Benefit Plan - CalPERS Miscellaneous Plan, Continued

III. Changes in the Net Pension Liability, Continued

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate* - The following presents the net pension liability of the City for the Plan, calculated using the discount rate for the Plan, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease		6.65%
Net Pension Liability	\$	48,808,342
Current Discount Rate		7.65%
Net Pension Liability	\$	35,939,532
1% Increase		8.65%
Net Pension Liability	\$	25,232,531

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

IV. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2017, the City recognized pension expense of \$2,336,579. At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to the pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>                    </u>	<u>                    </u>
Pension contributions subsequent to measurement date	\$ 2,252,317	\$ -
Differences between actual and expected experience	-	(211,751)
Changes in assumptions	-	(218,808)
Net differences between projected and actual earnings on plan investments	3,585,913	
	<u>                    </u>	<u>                    </u>
Total	\$ 5,838,230	\$ (430,559)



**7. DEFINED BENEFIT PENSION PLANS, Continued**

**B. Agent Multiple-Employer Defined Benefit Plan - CalPERS Miscellaneous Plan, Continued**

*IV. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions, Continued*

\$2,252,317 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension plan will be recognized as pension expense as follows:

Fiscal Year	
Ending June 30:	
2018	88,454
2019	441,565
2020	1,678,523
2021	946,812

**V. Payable to Pension Plan**

As of June 30, 2017, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2017.

**C. Cost Sharing Multiple-Employer Defined Benefit Plans - CalPERS Safety Plans**

**I. Plan Description**

All safety qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous risk pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City sponsors two safety rate plans. Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website.



7. DEFINED BENEFIT PENSION PLANS, Continued

C. Cost Sharing Multiple-Employer Defined Benefit Plans - CalPERS Safety Plans

II. Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The rate plan provisions and benefits in effect at June 30, 2017 are summarized as follows:

	<u>Safety - Classic</u>
Hire Date	Prior to January 1, 2013
Benefit vesting schedule	5 years service
Benefit payment	Monthly for life
Retirement age	50
Monthly benefits, as a % of annual salary	3%
Required employee contribution rates	13.000%
Required employer contribution rates	49.976%
Required UAL payment	\$ 2,627,048
	<u>Safety - PEPRA</u>
Hire Date	On or after January 1, 2013
Benefit vesting schedule	5 years service
Benefit payments	Monthly for life
Retirement age	57
Monthly benefits, as a % of annual salary	2.70%
Required employee contribution rates	13.000%
Required employer contribution rates	10.858%
Required UAL payment	\$ -



7. DEFINED BENEFIT PENSION PLANS, Continued

C. Cost Sharing Multiple-Employer Defined Benefit Plans - CalPERS Safety Plans

II. Benefits Provided, Continued

*Contributions* - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the measurement period ended June 30, 2016, the contribution to the plan was \$ 3,262,170.

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

As of June 30, 2017, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$54,506,282.

The City's net pension liability for the Plan is measured as the proportionate share of the total net pension liability of the Plan. The net pension liability of the Plans is measured as of June 30, 2016, and the total pension liability for the Plan used to calculate the net pension liability was determined by actuarial valuations as of June 30, 2015 rolled forward to June 30, 2016 using standard update procedures. The City's proportionate of the net pension liability was based on the City's plan liability and asset-related information where available, and proportional allocations of individual plan amounts as of the valuation date where not available.

The City's proportionate share of the net pension liability for the Plan as of the measurement dates June 30, 2015 and 2016 were as follows:

Proportion - June 30, 2015	0.660059%
Proportion - June 30, 2016	0.629905%
Change - Increase (Decrease)	<u>-0.030154%</u>



7. DEFINED BENEFIT PENSION PLANS, Continued

C. Cost Sharing Multiple-Employer Defined Benefit Plans - CalPERS Safety Plans

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

For the year ended June 30, 2017, the City recognized pension expense of \$5,234,482. At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 3,595,377	\$ -
Change in proportion	756,781	-
Changes in employer's proportion and differences between the employer's contribution and the employer's proportionate share of contributions	-	(1,150,005)
Changes in assumption	-	(1,120,812)
Differences between expected and actual experience	-	(257,063)
Net differences between projected and actual earnings on plan investments	5,506,499	
Total	\$ 9,858,657	\$ (2,527,880)

\$3,595,377 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ending June 30:	
2018	(232,855)
2019	(20,875)
2020	2,555,627
2021	1,433,502



7. DEFINED BENEFIT PENSION PLANS, Continued

C. Cost Sharing Multiple-Employer Defined Benefit Plans - CalPERS Safety Plans

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

*Actuarial Assumptions* - The total pension liabilities in the June 30, 2015 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Projected Salary Increase	Varies by entry age and service
Investment Rate of Return <sup>(1)</sup>	7.50%
Mortality	Derived by CalPERS membership data for all funds

(1) Net of pension plan administrative expenses, including inflation

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2015 valuation were based on the results of a 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

**Discount Rate** - The discount rate used to measure the total pension liability was 7.65 percent for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.



7. DEFINED BENEFIT PENSION PLANS, Continued

C. Cost Sharing Multiple-Employer Defined Benefit Plans - CalPERS Safety Plans

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	51.00%	5.25%	5.71%
Global Fixed Income	20.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	10.00%	6.83%	6.95%
Real Estate	10.00%	4.50%	5.13%
Infrastructure and Forestland	2.00%	4.50%	5.09%
Liquidity	1.00%	-0.55%	-1.05%
Total	100%		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.





7. DEFINED BENEFIT PENSION PLANS, Continued

C. Cost Sharing Multiple-Employer Defined Benefit Plans - CalPERS Safety Plans

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

*Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate* – The following presents the City’s proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease	6.65%
Net Pension Liability	\$ 76,535,028
Current Discount Rate	7.65%
Net Pension Liability	\$ 54,506,282
1% Increase	8.65%
Net Pension Liability	\$ 36,422,940

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

Payable to the Pension Plan

As of June 30, 2017, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2017.



**8. OTHER POST EMPLOYMENT BENEFITS**

The City participates in the CalPERS healthcare programs Public Employees Medical and Hospital Care Act (PEMHCA) providing retirees the statutory minimum contribution using the 5 percent “unequal method.” The City currently pays for the cost of the retiree PEHMCA funded CERBT and are paying the annual required contribution of the employer (ARC). For fiscal year ended June 30, 2017, there were 79 retirees receiving this benefit and total City contribution amounted to \$229,000, which included a lump sum prefunding payment.

The City is not required by law or contractual agreement to provide funding for retiree health costs other than the pay-as-you-go amount necessary to provide current benefits to retirees. However, during fiscal year 2017, the City joined the California Employers’ Retiree Benefit Trust Program to prefund OPEB obligations of the City.

The City’s annual other post-employment benefit (OPEB) cost (expense) is calculated based on the ARC, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table illustrates the City’s June 30, 2017 Net OPEB Obligation:

Annual required contribution	\$ 229,000
Interest on net OPEB obligation	328,000
Amortization of net OPEB obligation	<u>(123,000)</u>
Annual OPEB cost	434,000
Payments made	<u>(229,000)</u>
Increase (decrease) in net OPEB obligation	205,000
Net OPEB obligation - beginning of the year	<u>1,548,720</u>
Net OPEB obligation June 30, 2016	<u>\$ 1,753,720</u>

The City’s annual OPEB costs, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation is as follows:

Fiscal Year Ended	Annual OPEB Cost	Contributions Made	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015-06-30	479,000	1,338,662	279.5%	1,537,720
2016-06-30	274,000	263,000	96.0%	1,548,720
2017-06-30	434,000	229,000	52.8%	1,753,720



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## 8. OTHER POST EMPLOYMENT BENEFITS, Continued

Funded Status and Funding Progress – As of June 30, 2015, the most recent actuarial valuation date, the plan was 24 percent funded. The actuarial accrued liability (AAL) for benefits was \$5,346,000 and the actuarial value of plan assets was \$1,259,000, resulting in an unfunded actuarial accrued liability (UAAL) of \$4,087,000. The covered payroll (annual payroll of active employees covered by the plan) was \$15,671,000 and the ratio of UAAL to the covered payroll was 26 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as Required Supplementary Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The City's June 30, 2015 retiree healthcare valuation was prepared using the Entry Age Normal (EAN) actuarial cost method. Under the EAN cost method, the plan's Normal Cost is developed as a level percent of payroll throughout the participants' working lifetime. Entry age is based on current age minus years of service. The Actuarial Accrued Liability (AAL) is the cumulative value on the valuation date of prior Normal Cost. For the retirees, the AAL is the present value of all projected benefits. The Unfunded AAL is being amortized as a level dollar closed 30 year basis, as a level percent of payroll with a remaining amortization period at June 30, 2017 of 24 years.

GASB 45 requires the interest rate to represent the underlying expected long-term rate of return for the source of funds used to pay benefits. Since the source of funds for an unfunded plan is usually the General Fund and California law restricts the City's investment vehicles, this valuation included a 7.25 percent interest rate.

Annual general inflation is assumed to increase at 3 percent and aggregate payroll to increase at 3.25 percent per annum. The study also used assumptions for the salary merit and longevity increases, and demographic assumptions such as mortality, withdrawal, and disability based on CalPERS 1997-2007 Experience Study. Retirement assumption was also based on CalPERS 1997-2007 Experience Study of the Miscellaneous Plan 2.5 percent at 55 years, with expected retirement age of approximate 59 for females and 61 for males and Public Safety 3 percent at 50 years, with expected retirement age of approximately 52 for Police.



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## 9. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The City has established various self-insurance programs and participated in pooled approach to manage excessive risks and provide liability coverage.

The City participates in Association of Bay Area Governments (ABAG) Plan Corporation which is a nonprofit benefit corporation established to provide liability insurance coverage, claims and risk management, and legal defense to its participating members. ABAG Plan provides \$25,000,000 of general liability coverage per occurrence and is responsible for paying claims in excess of the City's \$100,000 deductible. For the year ended June 30, 2017, the City paid ABAG Plan \$334,940 in premiums. ABAG Plan has not determined the value of the City's interest in its net position. Financial statements may be obtained from ABAG Services, P.O. Box 2050, Oakland, CA 94604-2050.

The City participates in the Local Agency Workers Compensation Excess Joint Powers Authority (LAWCX), which covers workers compensation claims in excess of \$350,000 per claim, up to statutory limits. LAWCX is governed by a board of directors comprised of representatives from member municipalities. The board controls the operations of each risk pool, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on the board.

The City's contributions to each risk pool equal the ratio of the City's payroll to the total payrolls of all entities participating in the same layer of each program, in each program year. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating. In each of the past three years, the amount of settlements did not exceed insurance coverage.

During the fiscal year ended June 30, 2017, the City contribution was \$124,445. Audited financial statements may be obtained from Bickmore Risk Services, 1831 K Street, Sacramento, CA 95814.

### Self-Insurance Internal Service Funds

The City's risk management activities are recorded in the Public Liability Self-Insurance and Workers' Compensation Self-Insurance Internal Service Funds. Estimated liabilities are recorded when a loss is deemed probable and the amount of the loss can be reasonably estimated. Claims that have been incurred but not reported (IBNRs) are also included in the liability estimates. As discussed above, the City has coverage for such claims, but it has retained the risk for the deductible or uninsured portion of these claims.



9. RISK MANAGEMENT, Continued

The following is a summary of the changes in general liability claims and workers' compensation liabilities for the past three fiscal years:

	2017		Total	2016	2015
	General	Workers'			
	Liability Claims	Compensation Claims			
Liability at beginning of fiscal year	\$ 261,128	\$ 2,569,084	\$ 2,830,212	\$ 2,694,472	\$ 2,038,486
Claims and changes in estimates	412,611	838,764	1,251,375	800,529	1,113,846
Claims payments	(124,966)	(764,172)	(889,138)	(664,789)	(457,861)
Liability at end of fiscal year	\$ 548,773	\$ 2,643,676	\$ 3,192,449	\$ 2,830,212	\$ 2,694,471
Current Portion	\$ 138,021	\$ 480,631	\$ 618,652	\$ 516,701	\$ 485,480

10. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X26 ("the Bill") that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Newark that previously had reported a redevelopment agency within the reporting entity of the city as a blended component unit. On January 12, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City resolution number 9910. After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments up to an amount equal to the former increment on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

As of fiscal year ending June 30, 2017, the outstanding loan from the City to the Redevelopment Successor Agency was \$215,672.

City of Newark  
Notes to Basic Financial Statements, Continued  
For the year ended June 30, 2017



11. FUND BALANCES

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned and unassigned (see Note 1 for a description of these categories). A detailed schedule of fund balances at June 30, 2017 is as follows:

	Major Governmental Funds					Total
	General Fund	State Construction Maintenance Special Revenue Fund	Housing Impact Fee Special Revenue Fund	Capital Projects Fund	Other Government Funds	
<b>Fund Balances</b>						
<b>Nonspendable fund balance:</b>						
Supplies and other assets	\$ 144,700	\$ -	\$ -	\$ -	\$ -	\$ 144,700
Due from Successor Redevelopment Agency	215,672	-	-	-	-	215,672
	<u>360,372</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>360,372</u>
<b>Restricted fund balance for:</b>						
Public safety	-	-	-	-	264,986	264,986
Community development	-	-	9,276,857	-	15,035	9,291,892
Highway and streets	-	2,040,200	-	-	1,567,107	3,607,307
Recycling programs	-	-	-	-	579,529	579,529
Health and welfare	-	-	-	-	46,333	46,333
Park improvement	-	-	-	-	5,725,975	5,725,975
Debt reserves	-	-	-	-	680,010	680,010
Landscape and lighting	-	-	-	-	874,735	874,735
	<u>-</u>	<u>2,040,200</u>	<u>9,276,857</u>	<u>-</u>	<u>9,753,710</u>	<u>21,070,767</u>
<b>Committed fund balance for:</b>						
General city plan development	-	-	-	-	1,906,634	1,906,634
Pension/OPEB Reserves	6,423,516	-	-	-	-	6,423,516
	<u>6,423,516</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,906,634</u>	<u>8,330,150</u>
<b>Assigned fund balance for:</b>						
Fire side fund	440,000	-	-	-	-	440,000
Equipment replacement	2,700,000	-	-	-	-	2,700,000
Community development	513,039	-	-	-	-	513,039
Waste disposal program	428,744	-	-	-	-	428,744
Art in public places	-	-	-	-	1,151,388	1,151,388
Capital assets acquisition	-	-	-	21,113,723	601,258	21,714,981
	<u>4,081,783</u>	<u>-</u>	<u>-</u>	<u>21,113,723</u>	<u>1,752,646</u>	<u>26,948,152</u>
<b>Unassigned fund balance</b>						
Catastrophic contingencies	6,831,467	-	-	-	-	6,831,467
Fiscal uncertainty	4,554,311	-	-	-	-	4,554,311
Other	11,860,021	-	-	-	-	11,860,021
	<u>23,245,799</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,245,799</u>
<b>Total Fund Balances</b>	<b>\$ 34,111,470</b>	<b>\$ 2,040,200</b>	<b>\$ 9,276,857</b>	<b>\$ 21,113,723</b>	<b>\$ 13,412,990</b>	<b>\$ 79,955,240</b>



**12. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS**

The following is a summary of construction commitments at the end of the fiscal year:

	Project		Unexpended
	Authorizations	Expenditures	Authorizations
Park Construction	\$ 69,600	\$ 15,944	\$ 53,656
Street Construction	8,013,000	2,772,598	5,240,402
Capital Improvements	6,404,000	677,906	5,726,094
Housing and Community	106,000	-	106,000
	<u>14,592,600</u>	<u>3,466,448</u>	<u>11,126,152</u>

The City had no significant encumbrances outstanding as of June 30, 2017.

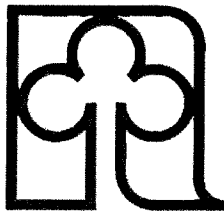
**13. DEFICIT FUND BALANCE**

The Workers' Compensation Fund is reporting a negative fund balance due to the increase in claims payments for fiscal year 2016-17. Workers' compensation paid claims can fluctuate between years and the funding from internal service allocations will be adjusted as needed in the subsequent fiscal period.

**14. EXCESS EXPENDITURES OVER APPROPRIATIONS**

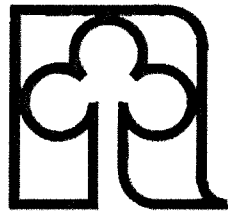
The following funds reported excess expenditures over appropriations:

Paramedic Tax -	\$3,832
Fire Fees -	\$3,500
Community Development Act -	\$10,203





**REQUIRED SUPPLEMENTARY INFORMATION**





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## 1. BUDGETARY BASIS OF ACCOUNTING

### A. *Budgetary Control and Budgetary Accounting*

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

1. Every other year, the City Manager submits to the City Council a proposed biennial operating budget and capital improvement plan for the two fiscal years commencing the following July 1, which include proposed expenditures and the means of financing them.
2. Public work sessions are conducted to obtain taxpayer comments.
3. The budget is adopted by City Council resolution prior to July 1 of even-numbered years.
4. Expenditures may not legally exceed budgeted appropriations at the department level.
5. All budget adjustments and transfers between funds must be approved by the City Council by resolution during the fiscal year. The City Manager is authorized to transfer any unencumbered appropriations within a department within the same funds.
6. Formal budgetary integration, including the recording of encumbrances, is employed as a management control device during the year in all budgeted funds. Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.
7. Budgets are adopted for all funds except for Debt Service Fund. Budgets are on a basis consistent with generally accepted accounting principles (GAAP).
8. Budgeted amounts are as originally adopted or as amended by the City Council. Individual amendments were not material in relation to the original appropriations, which were amended.

### B. *Budgetary Comparison Schedule - Housing Impact Fee*

No budgetary comparison schedule is presented for the Housing Impact Special Revenue Fund as there were no budgeted expenditures or revenues for the current fiscal year.

**City of Newark**  
**Required Supplementary Information, Continued**  
**For the year ended June 30, 2017**



**1. BUDGETARY BASIS OF ACCOUNTING, Continued**

The following are the budget comparison schedules for General Fund, Special Revenue major Governmental Funds.

Budgetary Comparison Schedule, General Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
General property taxes	\$ 12,035,000	\$ 12,535,000	\$ 16,465,268	\$ 3,930,268
Other local taxes	24,885,800	26,760,800	28,150,707	1,389,907
Special assessments	250,000	250,000	-	(250,000)
Licenses, permits and fees	19,000	19,000	4,148,967	4,129,967
Fines and forfeitures	363,000	588,000	822,323	234,323
Use of money and property	80,000	150,000	333,083	183,083
Other governmental agencies	3,471,000	3,943,400	187,279	(3,756,121)
Current services charges	3,088,600	3,185,100	4,785,250	1,600,150
Other revenue	270,000	270,000	444,291	174,291
<b>Total revenues</b>	<b>44,462,400</b>	<b>47,701,300</b>	<b>55,337,168</b>	<b>7,635,868</b>
<b>EXPENDITURES:</b>				
Current:				
General government	5,294,500	6,396,751	5,231,065	1,165,686
Public safety:				
Fire	10,093,700	10,093,700	10,350,979	(257,279)
Police	18,907,889	19,508,402	17,742,869	1,765,533
Streets and parks	3,502,600	3,575,662	3,177,866	397,796
Community development	4,610,800	5,240,898	4,422,623	818,275
Recreation	4,476,800	4,725,991	4,534,338	191,653
Debt Service:				
Principal repayment	78,000	78,000	77,896	104
Interest and fiscal charges	5,500	5,500	5,474	26
<b>Total expenditures</b>	<b>46,969,789</b>	<b>49,624,904</b>	<b>45,543,110</b>	<b>4,081,794</b>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	<b>(2,507,389)</b>	<b>(1,923,604)</b>	<b>9,794,058</b>	<b>11,717,662</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	400,000	(5,000,000)	294,281	5,294,281
Transfers out	-	(11,175,000)	(5,907,135)	5,267,865
<b>Total other financing sources (uses)</b>	<b>400,000</b>	<b>(16,175,000)</b>	<b>(5,612,854)</b>	<b>10,562,146</b>
<b>Net change in fund balance</b>	<b>\$ (2,107,389)</b>	<b>\$ (18,098,604)</b>	<b>4,181,204</b>	<b>\$ 22,279,808</b>
<b>FUND BALANCES:</b>				
Beginning of year, as restated			29,930,266	
End of year			\$ 34,111,470	

City of Newark  
 Required Supplementary Information, Continued  
 For the year ended June 30, 2017



1. BUDGETARY BASIS OF ACCOUNTING, Continued

Budgetary Comparison Schedule, State Construction Maintenance Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 10,000	\$ 10,000	\$ 14,712	\$ 4,712
Other governmental agencies	2,034,000	2,034,000	1,150,317	(883,683)
Other revenue	-	-	-	-
<b>Total revenues</b>	<b>2,044,000</b>	<b>2,044,000</b>	<b>1,165,029</b>	<b>(878,971)</b>
<b>EXPENDITURES:</b>				
Current:				
Streets and Parks	862,500	5,925,600	495,211	5,430,389
Capital outlay	-	-	1,109,265	(1,109,265)
<b>Total expenditures</b>	<b>862,500</b>	<b>5,925,600</b>	<b>1,604,476</b>	<b>4,321,124</b>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	<b>1,181,500</b>	<b>(3,881,600)</b>	<b>(439,447)</b>	<b>3,442,153</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	6,135	6,135
Transfers out	(400,000)	(400,000)	-	400,000
<b>Total other financing sources (uses)</b>	<b>(400,000)</b>	<b>(400,000)</b>	<b>6,135</b>	<b>406,135</b>
<b>Net change in fund balance</b>	<b>\$ 781,500</b>	<b>\$ (4,281,600)</b>	<b>(433,312)</b>	<b>\$ 3,848,288</b>
<b>FUND BALANCES:</b>				
Beginning of year, as restated			2,473,512	
End of year			\$ 2,040,200	

City of Newark  
 Required Supplementary Information, Continued  
 For the year ended June 30, 2017



2. DEFINED PENSION PLAN - AGENT MULTIPLE EMPLOYER PLAN

A. Schedule of Changes in Net Pension Liability and Related Ratios  
 During the Measurement Period - Last 10 Years

Miscellaneous Plan

Measurement Period <sup>(1)</sup>	2015-16	2014-15	2013-14
<b>TOTAL PENSION LIABILITY</b>			
Service Cost	\$ 1,526,903	\$ 1,428,480	\$ 1,565,207
Interest	7,394,465	7,153,135	6,903,386
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	(296,888)	(336,919)	-
Changes of Assumptions	-	(1,677,534)	-
Benefit Payments, Including Refunds of Employee Contributions	(5,339,676)	(5,054,891)	(4,796,901)
<b>Net Change in Total Pension Liability</b>	<b>3,320,804</b>	<b>1,512,271</b>	<b>3,671,692</b>
<b>Total Pension Liability - Beginning</b>	<b>98,844,959</b>	<b>97,332,688</b>	<b>93,660,996</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 102,165,763</b>	<b>\$ 98,844,959</b>	<b>\$ 97,332,688</b>
<b>PLAN FIDUCIARY NET POSITION</b>			
Contributions - Employer	\$ 2,089,006	\$ 1,771,614	\$ 1,672,308
Contributions - Employee	1,026,537	980,547	1,133,861
Net Investment Income <sup>(2)</sup>	377,065	1,509,133	10,440,289
Benefit Payments, Including Refunds of Employee Contributions	(5,339,676)	(5,054,891)	(4,796,901)
Administrative Expense	(41,512)	(76,731)	-
Other Changes in Fiduciary Net Position	-	95	-
<b>Net Change in Fiduciary Net Position</b>	<b>(1,888,580)</b>	<b>(870,233)</b>	<b>8,449,557</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>68,114,811</b>	<b>68,985,044</b>	<b>60,535,487</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 66,226,231</b>	<b>\$ 68,114,811</b>	<b>\$ 68,985,044</b>
<b>Plan Net Pension Liability/(Asset) - Ending (a) - (b)</b>	<b>\$ 35,939,532</b>	<b>\$ 30,730,148</b>	<b>\$ 28,347,644</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>64.82%</b>	<b>68.91%</b>	<b>70.88%</b>
<b>Covered Payroll</b>	<b>\$ 8,944,772</b>	<b>\$ 8,555,244</b>	<b>\$ 8,387,860</b>
<b>Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll</b>	<b>385.03%</b>	<b>359.20%</b>	<b>337.96%</b>

(1) - Historical information is required only for measurement periods for which GASB 68 is applicable.

(2) - Net of administrative expenses.

Notes to Schedules

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a Golden Handshakes).

Changes of Assumptions: There were no changes in assumptions.

City of Newark  
 Required Supplementary Information, Continued  
 For the year ended June 30, 2017



2. DEFINED BENEFIT PENSION PLANS - AGENT MULTIPLE EMPLOYER PLAN, Continued

B. Schedule of Plan Contributions - Last 10 Years

Miscellaneous Plan

	Fiscal Year 2016-17	Fiscal Year 2015-16 <sup>(1)</sup>	Fiscal Year 2014-15 <sup>(1)</sup>
Actuarially determined contribution	\$ 2,252,317	\$ 2,089,006	\$ 1,773,777
Contribution in relation to the actuarially determined contributions	(2,252,317)	(2,089,006)	(1,773,777)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered payroll	\$ 9,900,873	\$ 8,944,772	\$ 8,555,244
Contributions as a percentage of covered payroll	-22.75%	23.35%	20.73%

(1) - Historical information is required only for measurement periods for which GASB 68 is applicable

3. DEFINED BENEFIT PENSION PLANS - COST SHARING PLAN

A. Schedule of City's Proportionate Share of the Net Pension Liability - Last 10 Years

Safety Members

Fiscal year:	2017	2016	2015
Measurement date:	6/30/2016	6/30/2015	6/30/2014
Proportion of the net pension liability	0.629905%	0.66006%	0.64192%
Proportionate share of the net pension liability	\$ 54,506,282	\$ 45,305,899	\$ 39,942,949
Covered payroll	\$ 7,171,629	\$ 7,186,807	\$ 6,720,767
Proportionate share of the net pension liability as a percentage of covered payroll	760.03%	630.40%	594.32%
Plan's share of fiduciary net position as a percentage of total pension liability	74.06%	78.40%	79.82%

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

City of Newark  
 Required Supplementary Information, Continued  
 For the year ended June 30, 2017



3. DEFINED BENEFIT PENSION PLANS - COST SHARING PLANS, Continued

A. Schedule of Plan Contributions - Last 10 Years

Safety Members

	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
Contractually required contribution (actuarially determined)	\$ 3,595,377	\$ 3,262,170	\$ 2,526,932
Contribution in relation to the actuarially determined contributions	(3,595,377)	(3,262,170)	(2,526,932)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 7,362,907	\$ 7,171,629	\$ 7,186,807
Contributions as a percentage of covered payroll	-48.83%	45.49%	35.16%

\* Fiscal year 2015 was the 1st year of implementation, therefore only two years are shown



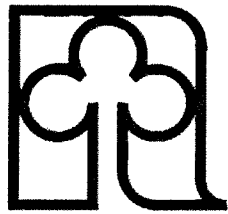
City of Newark  
 Required Supplementary Information, Continued  
 For the year ended June 30, 2017



4. OTHER POST EMPLOYMENT BENEFIT PLAN

Actuarial Valuation Date*	Actuarial Asset Value	Entry Age Actuarial Accrued Liability	Unfunded (Overfunded) Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Actuarial Liability as Percentage of Covered Payroll
1/1/2011	\$ -	\$ 4,484,000	\$ 4,484,000	0.0%	\$ 13,781,000	32.5%
1/2/2013	-	5,020,000	5,020,000	0.0%	14,228,000	35.3%
6/30/2015	1,259,000	5,346,000	4,087,000	23.6%	15,836,000	25.8%

\* Latest information available.



## **MAJOR GOVERNMENTAL FUNDS, OTHER THAN GENERAL FUND AND SPECIAL REVENUE FUNDS**

### **Capital Projects Fund**

The Capital Projects Funds accounts for financial resources to be used for capital acquisition, construction and rehabilitation projects.

City of Newark

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Capital Projects Fund

For the year ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 10,000	\$ 10,000	\$ 45,062	\$ 35,062
Current service charges	1,250,000	1,250,000	4,251,129	3,001,129
<b>Total revenues</b>	<b>1,260,000</b>	<b>1,260,000</b>	<b>4,296,191</b>	<b>3,036,191</b>
<b>EXPENDITURES:</b>				
Current:				
Police	108,855	331,226	36,530	294,696
Streets and parks	127,305	387,366	42,594	344,772
Recreation	193,725	589,470	65,244	524,226
Capital outlay	1,415,115	4,305,938	476,497	3,829,441
<b>Total expenditures</b>	<b>1,845,000</b>	<b>5,614,000</b>	<b>620,865</b>	<b>4,993,135</b>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	<b>(585,000)</b>	<b>(4,354,000)</b>	<b>3,675,326</b>	<b>8,029,326</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	4,000,000	4,668,000	668,000
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>4,000,000</b>	<b>4,668,000</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ (585,000)</b>	<b>\$ (354,000)</b>	<b>8,343,326</b>	<b>\$ 8,697,326</b>
<b>FUND BALANCES:</b>				
Beginning of year			12,770,397	
End of year			\$ 21,113,723	

## NON-MAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS:

#### **Paramedic Tax**

Accounts for funds used to support the Fire Department Paramedic Program. This voter-approved property tax is used to pay for training, supplies and certain personnel costs associated with the program.

#### **Alameda County Fire Fees**

Accounts for funds received from the County for emergency medical services.

#### **Police Grants**

Accounts for grant funds received for specific law enforcement purposes and to support drug resistance and education programs for community youth.

#### **Community Development Act**

Accounts for funds received from federal grants administered by the County to fund improvements to low-income housing and neighborhoods.

#### **Community Development Maintenance Fees**

Accounts for fees to be used in updating and implementing the Newark General Plan and zoning ordinance, which is needed by all new development within the City.

#### **Recycle AB 939**

Accounts for funds received from Waste Management and Republic Services franchise fees. These funds are used to fund and promote City recycling efforts as required by Assembly Bill 939.

#### **Measure D - Recycling**

Accounts for Measure D funds from the Alameda County Waste Reduction Initiative to be used for the continuation and expansion of municipal recycling programs.

#### **Measure B - ACTIA**

Accounts for Measure B funds from the Alameda County Transportation Improvement Authority (ACTIA) to be used for the maintaining of local streets and roadways, funding bikes and pedestrian projects, and providing paratransit services to the senior community.

#### **Measure BB - ACTIA**

Accounts for Measure B funds from the Alameda County Transportation Improvement Authority (ACTIA) to be used for the maintaining of local streets and roadways, funding bikes and pedestrian projects, and providing paratransit services to the senior community.

#### **Hazardous Materials Program**

Accounts for grant proceeds for specific hazardous materials education and mitigation programs.

### DEBT SERVICE FUND:

#### **Newark Public Financing Authority**

Accounts for funds reserved for the debt financing of the George M. Silliman Community Activity Center. This fund will accumulate monies earmarked for principal and interest payments for the Activity Center.

### CAPITAL PROJECTS FUNDS:

#### **Park Improvement**

Accounts for funds received from developers and grants to maintain City-owned parks.

#### **Art in Public Places**

Accounts for funds collected from developers to be used for the procurement and enhancement of public art.

#### **PEG Fees**

Accounts for PEG Fees that are assigned to be used for acquisition of equipment and other capital assets.

#### **Landscape and Lighting District**

Accounts for funds collected through special assessments for the maintenance of landscaping and street lighting in the Landscape and Lighting Districts.

**City of Newark**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2017**

	Special Revenue Funds						
	Paramedic Tax	Alameda County Fire Fees	Police Grants	Community Development Act	Community Development Maint. Fees	Recycle AB 939	Measure D - Recycling
<b>ASSETS</b>							
Cash and investments							
Available for operations	\$ 112,971	\$ -	\$ 88,526	\$ -	\$ 1,949,104	\$ 63,646	\$ 501,434
Restricted cash and investments	-	-	-	-	-	-	-
Receivables:							
Special assessments	1,690	-	-	-	-	-	-
Intergovernmental	-	-	26,486	116,203	-	-	-
Other, net	-	35,518	-	-	-	-	34,864
<b>Total assets</b>	<b>\$ 114,661</b>	<b>\$ 35,518</b>	<b>\$ 115,012</b>	<b>\$ 116,203</b>	<b>\$ 1,949,104</b>	<b>\$ 63,646</b>	<b>\$ 536,298</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities:</b>							
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 205	\$ -	\$ 42,470	\$ -	\$ 20,415
Due to other funds	-	-	-	101,168	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>205</b>	<b>101,168</b>	<b>42,470</b>	<b>-</b>	<b>20,415</b>
<b>Fund Balances:</b>							
Committed	\$ -	\$ -	\$ -	\$ -	\$ 1,906,634	\$ -	\$ -
Restricted	114,661	35,518	114,807	15,035	-	63,646	515,883
Assigned	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b>114,661</b>	<b>35,518</b>	<b>114,807</b>	<b>15,035</b>	<b>1,906,634</b>	<b>63,646</b>	<b>515,883</b>
<b>Total liabilities</b> <b>and fund balances</b>	<b>\$ 114,661</b>	<b>\$ 35,518</b>	<b>\$ 115,012</b>	<b>\$ 116,203</b>	<b>\$ 1,949,104</b>	<b>\$ 63,646</b>	<b>\$ 536,298</b>

Special Revenue Funds		Debt Service Fund		Capital Project Funds				Total Non-Major Governmental Funds
Measure B - ACTIA	Measure BB ACTIA	Hazardous Materials Program	Public Financing Authority	Park Improvement	PEG Fees	Art in Public Places	Landscape and Lighting District	
\$ 855,103	\$ 1,024,021	\$ 50,131	\$ 45,570	\$ 5,725,977	\$ 579,868	\$ 1,151,388	\$ 855,512	\$ 13,003,251
-	-	-	634,440	-	-	-	-	634,440
-	-	-	-	-	-	-	29,779	31,469
127,467	103,576	-	-	-	-	-	-	373,732
-	-	-	-	-	21,390	-	-	91,772
<u>\$ 982,570</u>	<u>\$ 1,127,597</u>	<u>\$ 50,131</u>	<u>\$ 680,010</u>	<u>\$ 5,725,977</u>	<u>\$ 601,258</u>	<u>\$ 1,151,388</u>	<u>\$ 885,291</u>	<u>\$ 14,134,664</u>
\$ 134,030	\$ 409,030	\$ 3,798	\$ -	\$ 2	\$ -	\$ -	\$ 10,556	\$ 620,506
-	-	-	-	-	-	-	-	101,168
<u>134,030</u>	<u>409,030</u>	<u>3,798</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>10,556</u>	<u>721,674</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,906,634
848,540	718,567	46,333	680,010	5,725,975	-	-	874,735	9,753,710
-	-	-	-	-	601,258	1,151,388	-	1,752,646
<u>848,540</u>	<u>718,567</u>	<u>46,333</u>	<u>680,010</u>	<u>5,725,975</u>	<u>601,258</u>	<u>1,151,388</u>	<u>874,735</u>	<u>13,412,990</u>
<u>\$ 982,570</u>	<u>\$ 1,127,597</u>	<u>\$ 50,131</u>	<u>\$ 680,010</u>	<u>\$ 5,725,977</u>	<u>\$ 601,258</u>	<u>\$ 1,151,388</u>	<u>\$ 885,291</u>	<u>\$ 14,134,664</u>

**City of Newark**  
**Combined Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the year ended June 30, 2017**

	Special Revenue Funds						
	Paramedic Tax	Alameda County Fire Fees	Police Grants	Community Development Act	Community Development Maint. Fees	Recycle AB 939	Measure D - Recycling
<b>REVENUES:</b>							
Special assessments	\$ 230,227	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Use of money and property	-	-	92	-	10,501	-	2,701
Other governmental agencies	-	-	126,486	116,203	-	-	132,597
Current service charges	-	152,635	16,800	-	-	-	-
Other revenues	-	-	-	-	1,226,995	-	-
<b>Total revenues</b>	<b>230,227</b>	<b>152,635</b>	<b>143,378</b>	<b>116,203</b>	<b>1,237,496</b>	<b>-</b>	<b>135,298</b>
<b>EXPENDITURES:</b>							
Current:							
Public safety:							
Fire	3,832	3,500	-	-	-	-	-
Police	-	-	174,596	-	-	-	-
Streets and parks	-	-	-	-	-	-	-
Community development	-	-	-	-	452,186	4,950	41,996
Recreation	-	-	-	-	-	-	-
Capital outlay	-	-	-	116,203	-	-	-
Debt service:							
Principal repayment	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>3,832</b>	<b>3,500</b>	<b>174,596</b>	<b>116,203</b>	<b>452,186</b>	<b>4,950</b>	<b>41,996</b>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	<b>226,395</b>	<b>149,135</b>	<b>(31,218)</b>	<b>-</b>	<b>785,310</b>	<b>(4,950)</b>	<b>93,302</b>
<b>OTHER FINANCING SOURCES (USES):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	(150,000)	(144,281)	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(150,000)</b>	<b>(144,281)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>76,395</b>	<b>4,854</b>	<b>(31,218)</b>	<b>-</b>	<b>785,310</b>	<b>(4,950)</b>	<b>93,302</b>
<b>FUND BALANCES:</b>							
Beginning of year	38,266	30,664	146,025	15,035	1,121,324	68,596	422,581
End of year	\$ 114,661	\$ 35,518	\$ 114,807	\$ 15,035	\$ 1,906,634	\$ 63,646	\$ 515,883



Special Revenue Funds		Debt Service Fund		Capital Project Funds				Total Non-Major Governmental Funds
Measure B - ACTIA	Measure BB - ACTIA	Hazardous Materials Program	Public Financing Authority	Park Improvement	PEG Fees	Art in Public Places	Landscape and Lighting District	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 226,946	\$ 457,173
4,644	5,517	270	2,238	-	3,124	-	4,740	33,827
824,971	669,539	23,807	-	-	-	-	-	1,893,603
-	-	-	-	2,864,640	-	192,752	-	3,226,827
-	-	-	-	-	86,676	-	-	1,313,671
829,615	675,056	24,077	2,238	2,864,640	89,800	192,752	231,686	6,925,101
-	-	14,899	-	-	-	-	-	22,231
-	-	-	-	-	-	-	-	174,596
-	38,493	-	-	3,485	-	-	118,913	160,891
-	-	-	-	-	-	-	-	499,132
186,826	-	-	-	-	-	-	-	186,826
599,559	530,071	-	-	12,459	-	-	-	1,258,292
-	-	-	503,357	-	-	-	-	503,357
-	-	-	365,885	-	-	-	-	365,885
786,385	568,564	14,899	869,242	15,944	-	-	118,913	3,171,210
43,230	106,492	9,178	(867,004)	2,848,696	89,800	192,752	112,773	3,753,891
-	-	-	867,300	-	-	-	-	867,300
-	-	-	-	-	-	-	-	(294,281)
-	-	-	867,300	-	-	-	-	573,019
43,230	106,492	9,178	296	2,848,696	89,800	192,752	112,773	4,326,910
805,310	612,075	37,155	679,714	2,877,279	511,458	958,636	761,962	9,086,080
\$ 848,540	\$ 718,567	\$ 46,333	\$ 680,010	\$ 5,725,975	\$ 601,258	\$ 1,151,388	\$ 874,735	\$ 13,412,990

**City of Newark**

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**

**Paramedic Tax**

**For the year ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes and special assessments	\$ -	\$ -	\$ 230,227	\$ 230,227
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>230,227</b>	<b>230,227</b>
<b>EXPENDITURES:</b>				
Current:				
Public Safety - Fire	-	-	3,832	(3,832)
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>3,832</b>	<b>(3,832)</b>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>226,395</b>	<b>226,395</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	(150,000)	(150,000)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(150,000)</b>	<b>(150,000)</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>(150,000)</b>	<b>76,395</b>	<b>\$ 230,227</b>
<b>FUND BALANCES:</b>				
Beginning of year			38,266	
End of year			\$ 114,661	

# City of Newark

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Alameda County Fire Fees

For the year ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Current service charges	\$ -	\$ -	\$ 152,635	\$ 152,635
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>152,635</b>	<b>152,635</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety:				
Fire	-	-	3,500	(3,500)
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>3,500</b>	<b>(3,500)</b>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>149,135</b>	<b>149,135</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	(147,000)	(144,281)	2,719
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(147,000)</b>	<b>(144,281)</b>	<b>2,719</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ (147,000)</b>	<b>4,854</b>	<b>\$ 151,854</b>
<b>FUND BALANCES:</b>				
Beginning of year			30,664	
End of year			\$ 35,518	

**City of Newark**

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**

**Police Grants**

**For the year ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 92	\$ 92
Other governmental agencies	50,000	50,000	126,486	76,486
Current service charges	-	(21,000)	16,800	37,800
<b>Total revenues</b>	<b>50,000</b>	<b>29,000</b>	<b>143,378</b>	<b>114,378</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety:				
Police	226,111	202,411	174,596	27,815
<b>Total expenditures</b>	<b>226,111</b>	<b>202,411</b>	<b>174,596</b>	<b>27,815</b>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	<b>(176,111)</b>	<b>(173,411)</b>	<b>(31,218)</b>	<b>142,193</b>
<b>Net change in fund balance</b>	<b>\$ (176,111)</b>	<b>\$ (173,411)</b>	<b>(31,218)</b>	<b>\$ 142,193</b>
<b>FUND BALANCES:</b>				
Beginning of year			146,025	
End of year			\$ 114,807	

**City of Newark**

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Community Development Act  
For the year ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Other governmental agencies	\$ 194,000	\$ 194,000	\$ 116,203	\$ (77,797)
<b>Total revenues</b>	<b>194,000</b>	<b>194,000</b>	<b>116,203</b>	<b>(77,797)</b>
<b>EXPENDITURES:</b>				
Current:				
Capital outlay	106,000	106,000	116,203	(10,203)
<b>Total expenditures</b>	<b>106,000</b>	<b>106,000</b>	<b>116,203</b>	<b>(10,203)</b>
<b>Net change in fund balance</b>	<b>\$ 88,000</b>	<b>\$ 88,000</b>	<b>-</b>	<b>\$ (88,000)</b>
<b>FUND BALANCES:</b>				
Beginning of year			15,035	
End of year			<b>\$ 15,035</b>	

**City of Newark**

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**

**Community Development Maintenance Fees**

**For the year ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 10,501	\$ 10,501
Other revenues	600,000	600,000	1,226,995	626,995
<b>Total revenues</b>	<b>600,000</b>	<b>600,000</b>	<b>1,237,496</b>	<b>637,496</b>
<b>EXPENDITURES:</b>				
Current:				
Community development	-	576,711	452,186	124,525
<b>Total expenditures</b>	<b>-</b>	<b>576,711</b>	<b>452,186</b>	<b>124,525</b>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	<b>600,000</b>	<b>23,289</b>	<b>785,310</b>	<b>762,021</b>
<b>Net change in fund balance</b>	<b>\$ 600,000</b>	<b>\$ 23,289</b>	<b>785,310</b>	<b>\$ 762,021</b>
<b>FUND BALANCES:</b>				
Beginning of year			1,121,324	
End of year			\$ 1,906,634	

City of Newark

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Recycle AB 939

For the year ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ -	\$ -
Other governmental agencies	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES:</b>				
Current:				
Community development	-	7,500	4,950	2,550
<b>Total expenditures</b>	<b>-</b>	<b>7,500</b>	<b>4,950</b>	<b>2,550</b>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>(7,500)</b>	<b>(4,950)</b>	<b>2,550</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ (7,500)</b>	<b>(4,950)</b>	<b>\$ 2,550</b>
<b>FUND BALANCES:</b>				
Beginning of year			68,596	
End of year			\$ 63,646	

**City of Newark**

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Measure D - Recycling**

**For the year ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 2,701	\$ 2,701
Other revenues	-	-	132,597	132,597
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>135,298</b>	<b>135,298</b>
<b>EXPENDITURES:</b>				
Current:				
Community development	-	101,000	41,996	59,004
<b>Total expenditures</b>	<b>-</b>	<b>101,000</b>	<b>41,996</b>	<b>59,004</b>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>(101,000)</b>	<b>93,302</b>	<b>76,294</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ (101,000)</b>	<b>93,302</b>	<b>\$ 194,302</b>
<b>FUND BALANCES:</b>				
Beginning of year			422,581	
End of year			\$ 515,883	



**City of Newark**

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**

**Measure B - ACTIA**

**For the year ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 4,644	\$ 4,644
Other governmental agencies	187,000	187,000	824,971	637,971
<b>Total revenues</b>	<b>187,000</b>	<b>187,000</b>	<b>829,615</b>	<b>642,615</b>
<b>EXPENDITURES:</b>				
Current:				
Recreation	-	-	186,826	(186,826)
Capital outlay	429,000	1,148,500	599,559	548,941
<b>Total expenditures</b>	<b>429,000</b>	<b>1,148,500</b>	<b>786,385</b>	<b>362,115</b>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	<b>(242,000)</b>	<b>(961,500)</b>	<b>43,230</b>	<b>1,004,730</b>
<b>Net change in fund balance</b>	<b>\$ (242,000)</b>	<b>\$ (961,500)</b>	<b>43,230</b>	<b>\$ 1,004,730</b>
<b>FUND BALANCES:</b>				
Beginning of year			805,310	
End of year			\$ 848,540	

**City of Newark**

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**

**Measure BB - ACTIA**

**For the year ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 5,517	\$ 5,517
Other governmental agencies	-	-	669,539	669,539
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>675,056</b>	<b>675,056</b>
<b>EXPENDITURES:</b>				
Current:				
Streets and parks	-	-	38,493	(38,493)
Capital outlay	526,000	938,900	530,071	408,829
<b>Total expenditures</b>	<b>526,000</b>	<b>938,900</b>	<b>568,564</b>	<b>370,336</b>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	<b>(526,000)</b>	<b>(938,900)</b>	<b>106,492</b>	<b>1,045,392</b>
<b>Net change in fund balance</b>	<b>\$ (526,000)</b>	<b>\$ (938,900)</b>	<b>106,492</b>	<b>\$ 1,045,392</b>
<b>FUND BALANCES:</b>				
Beginning of year			612,075	
End of year			\$ 718,567	

**City of Newark**

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**

**Hazardous Materials Program**

**For the year ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 270	\$ 270
Other governmental agencies	-	21,000	23,807	2,807
<b>Total revenues</b>	<b>-</b>	<b>21,000</b>	<b>24,077</b>	<b>3,077</b>
<b>EXPENDITURES:</b>				
Current:				
Fire	-	21,000	14,899	6,101
<b>Total expenditures</b>	<b>-</b>	<b>21,000</b>	<b>14,899</b>	<b>6,101</b>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>9,178</b>	<b>9,178</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>9,178</b>	<b>\$ 9,178</b>
<b>FUND BALANCES:</b>				
Beginning of year			37,155	
End of year			\$ 46,333	

**City of Newark**

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**

**Park Improvement**

**For the year ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Current service charges	\$ 1,500,000	\$ 1,500,000	\$ 2,864,640	\$ 1,364,640
<b>Total revenues</b>	<u>1,500,000</u>	<u>1,500,000</u>	<u>2,864,640</u>	<u>1,364,640</u>
<b>EXPENDITURES:</b>				
Current:				
Streets and parks	-	-	3,485	(3,485)
Capital outlay	-	69,600	12,459	57,141
<b>Total expenditures</b>	<u>-</u>	<u>69,600</u>	<u>15,944</u>	<u>53,656</u>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	<u>1,500,000</u>	<u>1,430,400</u>	<u>2,848,696</u>	<u>1,418,296</u>
<b>Net change in fund balance</b>	<u>\$ 1,500,000</u>	<u>\$ 1,430,400</u>	<u>2,848,696</u>	<u>\$ 1,418,296</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>2,877,279</u>	
End of year			<u>\$ 5,725,975</u>	

City of Newark

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

PEG Fees

For the year ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Current service charges	\$ -	\$ -	\$ 3,124	\$ 3,124
Other revenues	-	-	86,676	86,676
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>89,800</b>	<b>89,800</b>
<b>EXPENDITURES:</b>				
Current:				
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>89,800</b>	<b>\$ 89,800</b>
<b>FUND BALANCES:</b>				
Beginning of year			511,458	
End of year			\$ 601,258	

**City of Newark**

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Art in Public Places**

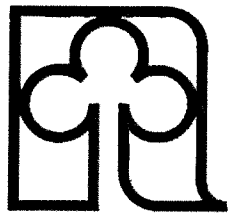
**For the year ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Current service charges	\$ -	\$ -	\$ 192,752	\$ 192,752
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>192,752</u>	<u>192,752</u>
<b>EXPENDITURES:</b>				
Current:				
Community Development	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>192,752</u>	<u>\$ 192,752</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>958,636</u>	
End of year			<u>\$ 1,151,388</u>	

**City of Newark**

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Landscape and Lighting District  
For the year ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes and special assessments	\$ -	\$ -	\$ 226,946	\$ 226,946
Use of money	-	-	4,740	4,740
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>231,686</b>	<b>231,686</b>
<b>EXPENDITURES:</b>				
Current:				
Streets and parks	-	585,271	118,913	466,358
<b>Total expenditures</b>	<b>-</b>	<b>585,271</b>	<b>118,913</b>	<b>466,358</b>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>(585,271)</b>	<b>112,773</b>	<b>698,044</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ (585,271)</b>	<b>112,773</b>	<b>\$ 698,044</b>
<b>FUND BALANCES:</b>				
Beginning of year			761,962	
End of year			\$ 874,735	





## INTERNAL SERVICE FUNDS

### **Equipment Replacement**

Accounts for funds used to pay for the anticipated replacement of general equipment needs.

### **Equipment Operations**

Accounts for funds used to support the maintenance and operation of general equipment.

### **Office Support**

Accounts for funds used to support general office support needs including office supply purchases.

### **Building Maintenance**

Accounts for funds used for general City-owned building maintenance.

### **Public Liability Self-Insurance**

Accounts for funds used to cover general liability claims against the City and premiums for coverage above the City's risk retention level.

### **Workers' Compensation Self-Insurance**

Accounts for funds used to cover premiums and claims paid related to Workers' Compensation coverage.

**City of Newark**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2017**

	711	701	706	709
	Equipment Replacement	Equipment Operations	Office Support	Building Maintenance
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 1,177,017	\$ 815,270	\$ 76,457	\$ 1,076,434
Receivables	-	1,760	-	6,759
Supplies and other assets	-	56,892	3,000	8,665
<b>Total current assets</b>	<b>1,177,017</b>	<b>873,922</b>	<b>79,457</b>	<b>1,091,858</b>
Capital assets, net of accumulated depreciation	1,418,516	-	-	-
<b>Total assets</b>	<b>2,595,533</b>	<b>873,922</b>	<b>79,457</b>	<b>1,091,858</b>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	27,685	39,929	4,925	135,312
Due to other funds	-	-	-	-
Capital lease obligation, due within one year	43,698	-	-	-
Claims payable, due within one year	-	-	-	-
<b>Total current liabilities</b>	<b>71,383</b>	<b>39,929</b>	<b>4,925</b>	<b>135,312</b>
Noncurrent liabilities:				
Capital lease obligation, due in more than one year	45,076	-	-	-
Claims payable, due in more than one year	-	-	-	-
<b>Total liabilities</b>	<b>116,459</b>	<b>39,929</b>	<b>4,925</b>	<b>135,312</b>
<b>NET POSITION</b>				
Net investment in capital assets *	1,329,742	-	-	-
Unrestricted	1,149,332	833,993	74,532	956,546
<b>Total net position</b>	<b>\$ 2,479,074</b>	<b>\$ 833,993</b>	<b>\$ 74,532</b>	<b>\$ 956,546</b>

708 Public Liability Self-Insurance	703 Workers' Compensation Self-Insurance	Total
\$ 839,158	\$ 1,646,781	\$ 5,631,117
11,655	-	20,174
-	-	68,557
<u>850,813</u>	<u>1,646,781</u>	<u>5,719,848</u>
-	-	1,418,516
<u>850,813</u>	<u>1,646,781</u>	<u>7,138,364</u>
25,844	36,983	270,678
-	-	-
-	-	43,698
<u>138,021</u>	<u>480,631</u>	<u>618,652</u>
<u>163,865</u>	<u>517,614</u>	<u>933,028</u>
-	-	45,076
<u>410,752</u>	<u>2,163,045</u>	<u>2,573,797</u>
<u>574,617</u>	<u>2,680,659</u>	<u>3,551,901</u>
-	-	1,329,742
<u>276,196</u>	<u>(1,033,878)</u>	<u>2,256,721</u>
<u>\$ 276,196</u>	<u>\$ (1,033,878)</u>	<u>\$ 3,586,463</u>

**City of Newark**  
**Combining Statement of Activities and Changes in Net Position**  
**Internal Service Funds**  
**For the year ended June 30, 2017**

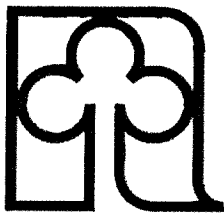
	Equipment Replacement	Equipment Operations	Office Support	Building Maintenance
<b>OPERATING REVENUES:</b>				
Charges to departments	\$ 392,200	\$ 979,600	\$ 119,400	\$ 1,866,200
Other revenue	2,086	2,360	-	71,997
<b>Total operating revenues</b>	<b>394,286</b>	<b>981,960</b>	<b>119,400</b>	<b>1,938,197</b>
<b>OPERATING EXPENSES:</b>				
Personnel services	-	467,426	18,660	507,036
Materials and supplies	114,030	318,655	26,710	62,966
Contractual Services	-	134,520	55,046	595,487
Utilities	-	-	-	676,045
Insurance claims and premiums	-	-	-	-
Depreciation	233,078	-	-	-
<b>Total operating expenses</b>	<b>347,108</b>	<b>920,601</b>	<b>100,416</b>	<b>1,841,534</b>
<b>OPERATING INCOME (LOSS)</b>	<b>47,178</b>	<b>61,359</b>	<b>18,984</b>	<b>96,663</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Interest expense	(4,134)	-	-	-
<b>Total nonoperating revenue (expenses)</b>	<b>(4,134)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>43,044</b>	<b>61,359</b>	<b>18,984</b>	<b>96,663</b>
Transfers in	226,000	112,000	-	27,700
<b>Total transfers</b>	<b>226,000</b>	<b>112,000</b>	<b>-</b>	<b>27,700</b>
<b>Change in net position</b>	<b>269,044</b>	<b>173,359</b>	<b>18,984</b>	<b>124,363</b>
<b>NET POSITION:</b>				
Beginning of year	2,210,030	660,634	55,548	832,183
End of year	<b>\$ 2,479,074</b>	<b>\$ 833,993</b>	<b>\$ 74,532</b>	<b>\$ 956,546</b>

Public Liability Self-Insurance	Workers' Compensation Self-Insurance	Total
\$ 608,000	\$ 1,026,100	\$ 4,991,500
33,836	-	110,279
<u>641,836</u>	<u>1,026,100</u>	<u>5,101,779</u>
81,579	24,914	1,099,615
-	-	522,361
413,703	1,042,633	2,241,389
-	-	676,045
334,940	-	334,940
-	-	233,078
<u>830,222</u>	<u>1,067,547</u>	<u>5,107,428</u>
<u>(188,386)</u>	<u>(41,447)</u>	<u>(5,649)</u>
-	-	(4,134)
-	-	(4,134)
(188,386)	(41,447)	(9,783)
-	-	365,700
-	-	365,700
(188,386)	(41,447)	355,917
464,582	(992,431)	3,230,546
<u>\$ 276,196</u>	<u>\$ (1,033,878)</u>	<u>\$ 3,586,463</u>

**City of Newark**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the year ended June 30, 2017**

	Equipment Replacement	Equipment Operations	Office Support	Building Maintenance
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from other funds	\$ 394,286	\$ 981,960	\$ 119,400	\$ 1,938,197
Payments to suppliers/other fund	(98,092)	(431,912)	(85,910)	(1,269,455)
Payments to employees	-	(467,426)	(18,660)	(507,036)
Claims paid	-	-	-	-
<b>Net cash provided (used) by operating activities</b>	<b>296,194</b>	<b>82,622</b>	<b>14,830</b>	<b>161,706</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Interfund receipts	226,000	112,000	-	27,700
<b>Net cash provided (used) by noncapital financing activities</b>	<b>226,000</b>	<b>112,000</b>	<b>-</b>	<b>27,700</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Payments on capital lease	(42,363)	-	-	-
Acquisition of capital assets	(242,886)	-	-	-
Interest paid and fiscal charges	(4,133)	-	-	-
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(289,382)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>232,812</b>	<b>194,622</b>	<b>14,830</b>	<b>189,406</b>
<b>CASH AND CASH EQUIVALENTS:</b>				
Beginning of year	944,205	620,648	61,627	887,028
End of year	<u>\$ 1,177,017</u>	<u>\$ 815,270</u>	<u>\$ 76,457</u>	<u>\$ 1,076,434</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ 47,178	\$ 61,359	\$ 18,984	\$ 96,663
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	233,078	-	-	-
Change in assets and liabilities:				
Accounts receivable and other assets	-	4,533	-	7,107
Accounts payable and accrued liabilities	15,938	16,730	(4,154)	57,936
Total adjustments	249,016	21,263	(4,154)	65,043
<b>Net cash provided (used) by operating activities</b>	<u>\$ 296,194</u>	<u>\$ 82,622</u>	<u>\$ 14,830</u>	<u>\$ 161,706</u>

Public Liability Self-Insurance	Workers' Compensation Self-Insurance	Total
\$ 639,557	\$ 1,026,100	\$ 5,099,500
(413,703)	(1,042,633)	(3,341,705)
(81,579)	(24,914)	(1,099,615)
(36,595)	(120,605)	(157,200)
<u>107,680</u>	<u>(162,052)</u>	<u>500,980</u>
-	-	365,700
-	-	<u>365,700</u>
-	-	(42,363)
-	-	(242,886)
-	-	<u>(4,133)</u>
-	-	<u>(289,382)</u>
107,680	(162,052)	577,298
<u>731,478</u>	<u>1,808,833</u>	<u>5,053,819</u>
<u>\$ 839,158</u>	<u>\$ 1,646,781</u>	<u>\$ 5,631,117</u>
\$ (188,386)	\$ (41,447)	\$ (5,649)
-	-	233,078
(2,279)	-	9,361
<u>298,345</u>	<u>(120,605)</u>	<u>264,190</u>
<u>296,066</u>	<u>(120,605)</u>	<u>506,629</u>
<u>\$ 107,680</u>	<u>\$ (162,052)</u>	<u>\$ 500,980</u>





## AGENCY FUNDS

### **Area Improvement Districts Fund**

Accounts for cash and investments held on behalf of assessment districts formed within the City. The City is not obligated for repayment of any debt issued by these assessment districts.

**City of Newark**  
**Agency Funds**  
**Combining Statement of Changes in Assets and Liabilities**  
**For the year ended June 30, 2017**

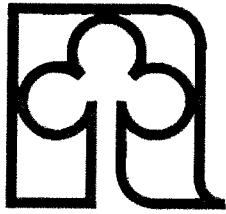
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	Balance			Balance
	July 1, 2016	Additions	Deductions	June 30, 2017
<b>Area Improvement Districts</b>				
<b>Assets:</b>				
Cash and investments for operations	\$ 4,263,171	\$ 983,859	\$ 950,584	\$ 4,296,446
Receivables	21,500	-	21,500	-
<b>Total assets</b>	<b>\$ 4,284,671</b>	<b>\$ 983,859</b>	<b>\$ 972,084</b>	<b>\$ 4,296,446</b>
<b>Liabilities:</b>				
Due to bondholders	\$ 4,284,671	\$ 983,859	\$ 972,084	\$ 4,296,446
<b>Total liabilities</b>	<b>\$ 4,284,671</b>	<b>\$ 983,859</b>	<b>\$ 972,084</b>	<b>\$ 4,296,446</b>

**City of Newark**  
**Utility Users Tax - Budget to Actual Comparison**  
**For the year ended June 30, 2017**

In November 2010, Measure U was passed which allowed for the utility users tax. This new revenue source funded programs previously cut as a result of budget reductions. The following table summarized how the revenue was spent during fiscal year 2016/17.

	2016/17 Approved Budget	2016/17 Actuals
<b>Management/Support Services</b>		
Human Resources	\$ 38,700	\$ 38,700
Information Systems	10,300	10,300
Financial Services	219,400	219,400
Subtotal	<u>268,400</u>	<u>268,400</u>
<b>Public Safety</b>		
Patrol	724,000	724,000
Investigation	120,000	120,000
School Crossing Guard	70,400	64,561
Administration	50,000	50,000
Fire	1,066,000	250,494
Subtotal	<u>2,030,400</u>	<u>1,209,055</u>
<b>Community Promotion</b>		
Development	157,000	157,000
Community Preservation	62,400	62,400
Subtotal	<u>219,400</u>	<u>219,400</u>
<b>Recreation</b>		
General Recreation Services	200,000	200,000
Youth/ Adult Sports	20,100	20,100
Activity & Family Aquatic Center	130,600	130,600
Senior Services	165,000	165,000
Subtotal	<u>515,700</u>	<u>515,700</u>
<b>Park &amp; Landscape Maintenance</b>		
Environmental Services	102,000	102,000
Street Repairs	6,400	6,400
Park & Landscape	301,000	301,000
Subtotal	<u>409,400</u>	<u>409,400</u>
<b>Internal Service Funds</b>		
Equipment Maintenance	112,000	112,000
Building Maintenance	27,700	27,700
Subtotal	<u>139,700</u>	<u>139,700</u>
<b>TOTAL UTILITY USERS TAX EXPENDITURES</b>	<b>3,583,000</b>	<b>2,761,655</b>
<b>GENERAL FUND SUPPORT AND</b>		
<b>TRANSFER TO FISCAL UNCERTAINTY</b>	<b>\$ 437,800</b>	<b>\$ 765,575</b>



# CITY OF NEWARK

## Statistical Section

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This section of the City of Newark's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial condition.

### Contents

#### Financial Trends

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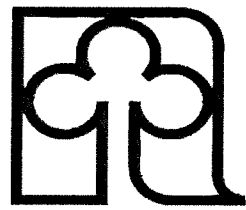
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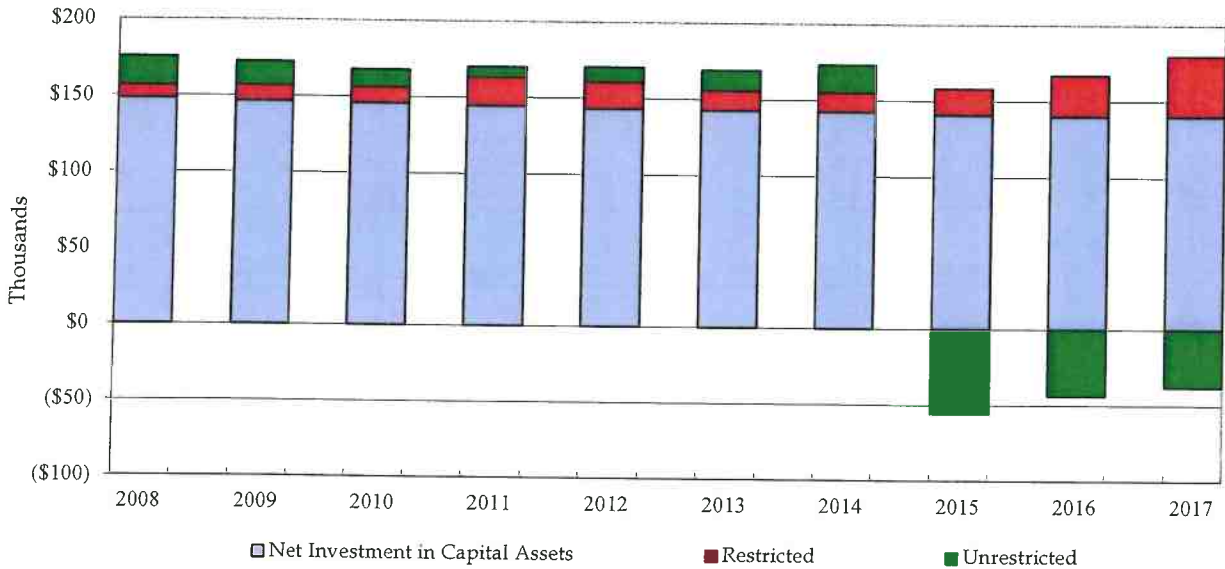
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**City of Newark**  
**Net Position by Component**  
**Last Ten Years**  
 (accrual basis of accounting)  
 (dollars in thousands)



	Fiscal year ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<i>Primary government</i>										
<i>Governmental activities:</i>										
Net Investment in Capital Assets	\$148,171	\$146,665	\$145,913	\$144,678	\$143,258	\$142,709	\$142,524	\$140,931	\$140,414	\$140,414
Restricted	8,560	10,389	10,406	18,563	17,596	13,198	12,806	17,260	26,622	39,484
Unrestricted	18,804	15,435	11,490	6,865	9,806	13,264	17,903	(55,634)	(43,711)	(37,879)
<b>Total governmental activities net position</b>	<b>\$175,535</b>	<b>\$172,489</b>	<b>\$167,809</b>	<b>\$170,106</b>	<b>\$170,660</b>	<b>\$169,171</b>	<b>\$173,233</b>	<b>\$102,557</b>	<b>\$123,325</b>	<b>\$142,019</b>

Source: City of Newark Basic Financial Statements

**City of Newark**  
**Changes in Net Position**  
**Last Ten Years**  
**(accrual basis of accounting)**  
**(dollars in thousands)**

	Fiscal year ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
Governmental activities:										
General government	\$5,183	\$4,711	\$3,965	\$3,838	\$3,891	\$3,796	\$4,643	\$5,986	\$4,484	\$5,337
Public safety:										
Fire	8,726	9,839	9,026	8,294	8,380	8,669	8,665	9,641	9,805	10,554
Police	15,842	13,519	13,814	12,535	13,598	14,643	15,310	15,565	17,202	19,787
Streets and parks	7,696	5,685	6,763	5,644	6,065	9,834	6,743	6,082	5,934	6,465
Community development	3,299	2,946	2,863	2,821	3,127	2,749	3,052	3,456	3,930	5,010
Recreation	7,398	5,053	4,717	4,865	4,440	3,839	4,212	4,245	4,291	5,243
Interest on long-term debt	705	668	645	618	601	455	430	406	391	370
Total governmental activities expenses	<u>48,849</u>	<u>42,421</u>	<u>41,793</u>	<u>38,615</u>	<u>40,102</u>	<u>43,985</u>	<u>43,055</u>	<u>45,381</u>	<u>46,036</u>	<u>52,766</u>
<b>Program revenues</b>										
Governmental activities:										
Charges for services:										
General government	18	79	82	97	73	45	50	14	15	13
Public safety:										
Fire	462	415	239	69	94	135	115	113	230	323
Police	820	769	924	753	521	555	563	573	729	990
Streets and parks	768	432	666	585	563	560	530	1,181	2,771	3,388
Community development	1,389	1,140	1,183	1,198	1,398	1,268	1,858	5,048	13,492	14,269
Recreation	2,685	2,497	2,384	2,349	2,391	1,686	2,432	2,273	2,458	2,801
Operating grants and contributions	1,700	2,426	3,227	1,838	1,492	1,053	938	615	803	642
Capital grants and contributions	1,253	3,351	2,719	1,560	1,625	2,337	2,725	2,055	2,584	2,661
Total governmental program revenues	<u>9,095</u>	<u>11,109</u>	<u>11,424</u>	<u>8,449</u>	<u>8,157</u>	<u>7,639</u>	<u>9,211</u>	<u>11,872</u>	<u>23,083</u>	<u>25,087</u>
<b>Net (expense)/revenue</b>										
Total governmental activities net expense	<u>(39,754)</u>	<u>(31,312)</u>	<u>(30,369)</u>	<u>(30,166)</u>	<u>(31,945)</u>	<u>(36,346)</u>	<u>(33,844)</u>	<u>(33,509)</u>	<u>(22,953)</u>	<u>(27,679)</u>
<b>General revenues and other changes in net position</b>										
Governmental activities:										
Taxes:										
Property taxes	12,969	12,962	12,498	11,801	11,843	12,559	13,035	13,987	14,967	16,465
Sales taxes	10,856	8,463	6,702	8,807	8,819	9,631	10,182	10,603	11,092	12,949
Franchise taxes	2,449	2,453	2,475	2,512	2,538	2,870	2,938	3,076	2,725	3,670
Transient occupancy tax	3,326	2,573	2,337	2,785	3,323	3,705	4,320	5,067	5,859	6,094
Utility users tax	0	0	0	765	3,231	3,376	3,644	3,617	3,292	3,527
Other local taxes	1,080	950	958	1,097	1,117	1,132	1,272	1,488	1,799	1,996
Motor vehicle in-lieu	187	157	0	203	22	23	19	18	18	20
Use of money and property	1,314	658	129	79	147	49	70	93	189	446
Gain on sale of assets	0	0	523	0	423	0	0	0	0	0
Miscellaneous	44	50	66	4,414	1,037	1,510	2,562	1,926	2,829	1,206
general revenues	<u>32,225</u>	<u>28,266</u>	<u>25,688</u>	<u>32,463</u>	<u>32,500</u>	<u>34,855</u>	<u>38,042</u>	<u>39,875</u>	<u>42,769</u>	<u>46,373</u>
Change in net position governmental activities	<u>(\$7,529)</u>	<u>(\$3,046)</u>	<u>(\$4,681)</u>	<u>\$2,297</u>	<u>\$555</u>	<u>(\$1,491)</u>	<u>\$4,198</u>	<u>\$6,366</u>	<u>\$19,816</u>	<u>\$18,694</u>

Source: City of Newark Basic Financial Statements



# CITY OF NEWARK

## Fund Balances of Governmental Funds

### Last Ten Fiscal Years

(modified accrual basis of accounting)

(dollars in thousands)

	Fiscal year ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Nonspendable:										
Supplies and prepaid assets	\$ -	\$ -	\$ -	\$ 633	\$ 134	\$ 121	\$ 555	\$ 152	\$ 135	\$ 145
Due from Successor Redevelopment Agency	-	-	-	-	-	-	-	404	356	216
Committed:										
Pension/OPEB Reserves	-	-	-	-	-	-	-	-	-	6,424
Assigned for:										
Community development	-	-	-	-	-	-	242	187	342	513
Fire side fund	-	-	-	-	363	463	613	-	-	440
Equipment replacement	-	-	-	-	-	155	405	1,305	1,500	2,700
Waste disposal fund	-	-	-	-	972	1,028	817	576	429	429
Unassigned	-	-	-	8,566	10,700	13,849	16,776	18,904	27,169	23,244
Total General Fund	<u>\$ 11,882</u>	<u>\$ 10,211</u>	<u>\$ 7,164</u>	<u>\$ -</u>	<u>\$ 12,169</u>	<u>\$ 15,616</u>	<u>\$ 19,558</u>	<u>\$ 21,528</u>	<u>\$ 29,930</u>	<u>\$ 34,111</u>
All other governmental funds										
Committed:										
Community development	\$ -	\$ -	\$ -	\$ -	\$ 173	\$ 152	\$ 304	\$ 576	\$ 1,121	\$ 1,907
Restricted for:										
Public safety	-	-	-	182	126	216	198	196	215	266
Street improvements	-	-	-	4,678	4,460	3,053	3,740	3,756	3,891	3,608
Environmental programs	-	-	-	193	190	240	314	400	491	580
Health and welfare	-	-	-	-	122	34	35	37	37	46
Recreation programs	-	-	-	181	151	116	111	730	2,877	5,726
Debt service	-	-	-	1,014	675	676	677	681	680	680
Landscape and lighting	-	-	-	-	623	701	665	738	762	875
Other purposes	-	-	-	506	-	-	-	-	-	-
Assigned to:										
Capital projects	-	-	-	10,499	10,310	6,858	-	-	-	-
Community development	-	-	-	-	(5)	15	15	715	5,732	9,292
Art in public places	-	-	-	-	646	646	673	860	959	1,151
Capital asset acquisition	-	-	-	-	-	-	6,159	9,340	13,282	21,713
Other purposes	-	-	-	1,745	-	-	-	-	-	-
Unassigned										
Reserved	1,000	3,559	990	-	-	-	-	-	-	-
Unreserved, reported in:										
Debt service funds	71	49	49	-	-	-	-	-	-	-
Special revenue funds	7,788	6,262	7,492	-	-	-	-	-	-	-
Capital project funds	9,777	8,159	8,306	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 18,636</u>	<u>\$ 18,029</u>	<u>\$ 16,837</u>	<u>\$ -</u>	<u>\$ 17,471</u>	<u>\$ 12,707</u>	<u>\$ 12,891</u>	<u>\$ 18,029</u>	<u>\$ 30,047</u>	<u>\$ 45,844</u>

Source: City of Newark Basic Financial Statements

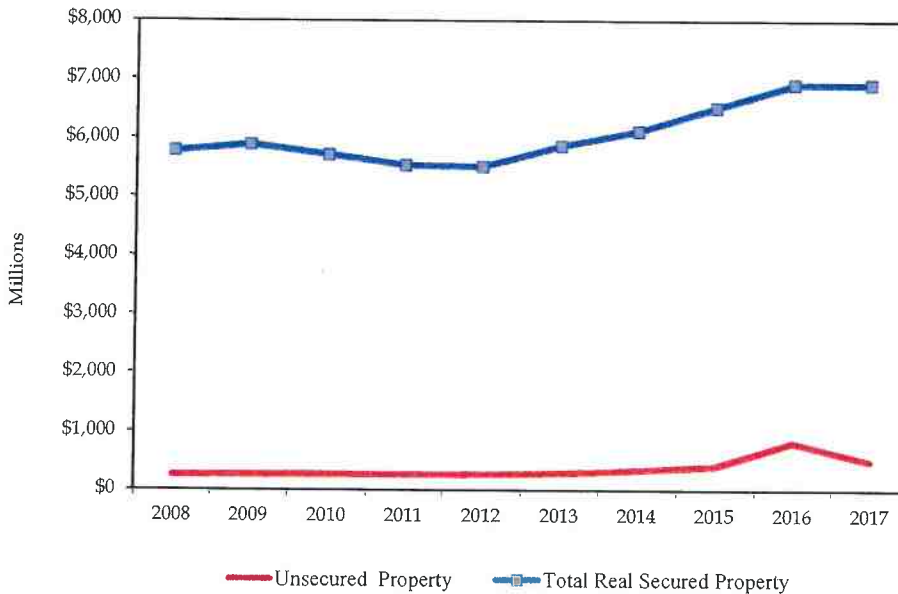
**CITY OF NEWARK**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
(modified accrual basis of accounting)  
(dollars in thousands)

	Fiscal year ended June 30,			
	2008	2009	2010	2011
<b>Revenues</b>				
Property taxes	\$12,880	\$12,875	\$12,281	\$11,802
Other local taxes	17,710	14,684	13,197	15,926
Special assessments	374	898	904	443
Licenses, permits and fees	1,089	873	1,040	820
Fines and forfeitures	569	528	591	473
Use of money and property	1,397	776	109	80
Intergovernmental revenues	2,643	4,760	3,482	4,575
Charges for services	4,104	3,587	3,306	3,607
Other	554	394	435	4,123
<b>Total revenues</b>	<b>41,320</b>	<b>39,375</b>	<b>35,345</b>	<b>41,849</b>
<b>Expenditures</b>				
Current:				
General government	4,185	4,503	3,807	3,739
Public safety:				
Fire	8,597	9,426	8,897	8,082
Police	14,113	13,321	13,270	12,725
Streets and parks	5,324	4,904	5,934	4,224
Community development	2,974	2,713	2,809	2,466
Recreation	5,630	4,562	4,248	4,413
Capital outlay	1,269	1,034	634	374
Debt service:				
Principal repayment	498	516	975	454
Interest and fiscal charges	697	674	659	621
<b>Total expenditures</b>	<b>43,287</b>	<b>41,653</b>	<b>41,233</b>	<b>37,098</b>
Excess (deficiency) of revenues over (under) expenditures	(1,967)	(2,278)	(5,888)	4,751
<b>Other financing sources (uses)</b>				
Proceeds from sale of property	-	-	1,199	-
Transfers in	3,915	2,163	1,475	3,244
Transfers (out)	(3,940)	(2,163)	(1,475)	(3,244)
Issuance of debt	-	-	-	-
Debt refunding	-	-	-	-
Certificates of participation issued	-	-	-	-
Capital lease proceeds	470	-	-	-
<b>Total other financing sources (uses)</b>	<b>445</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Extraordinary gain</b>				
RDA Dissolution	-	-	-	-
<b>Net change in fund balances</b>	<b>(\$1,522)</b>	<b>(\$2,278)</b>	<b>(\$5,888)</b>	<b>\$4,751</b>
Debt service as a percentage of noncapital expenditures	2.8%	2.9%	4.1%	3.0%

Source: City of Newark Basic Financial Statements

Fiscal year ended June 30,					
2012	2013	2014	2015	2016	2017
\$11,843	\$12,559	\$13,035	\$13,988	\$14,967	\$16,465
19,028	20,558	22,200	23,867	24,655	28,151
472	473	319	431	460	457
1,117	939	1,443	2,264	4,173	4,149
383	377	363	383	529	822
147	49	70	93	189	477
2,996	2,974	4,037	3,093	3,345	3,231
3,808	3,098	4,604	6,351	14,430	15,739
850	984	1,374	1,485	2,982	1,793
<u>40,644</u>	<u>42,011</u>	<u>47,445</u>	<u>51,955</u>	<u>65,729</u>	<u>71,284</u>
3,790	3,722	4,526	6,043	4,643	5,231
8,142	8,433	8,460	9,635	9,619	10,373
13,406	14,433	15,282	15,435	16,741	17,954
4,881	7,159	4,350	3,663	3,954	3,877
3,085	2,708	3,005	3,512	4,089	4,922
3,914	3,458	3,949	4,000	4,092	4,787
20	2,365	2,588	1,483	1,321	2,844
632	527	572	589	560	581
761	450	430	410	388	371
<u>38,631</u>	<u>43,255</u>	<u>43,162</u>	<u>44,770</u>	<u>45,409</u>	<u>50,940</u>
<u>2,013</u>	<u>(1,244)</u>	<u>4,283</u>	<u>7,185</u>	<u>20,321</u>	<u>20,344</u>
-	-	-	-	-	-
3,085	1,852	2,212	4,065	3,773	5,836
(3,618)	(1,924)	(2,504)	(4,141)	(3,910)	(6,202)
9,704	-	-	-	-	-
(9,700)	-	-	-	-	-
-	-	-	-	-	-
-	-	134	-	-	-
<u>(529)</u>	<u>(72)</u>	<u>(158)</u>	<u>(76)</u>	<u>(138)</u>	<u>(366)</u>
423	-	-	-	-	-
<u>\$1,907</u>	<u>(\$1,316)</u>	<u>\$4,125</u>	<u>\$7,109</u>	<u>\$20,183</u>	<u>\$19,978</u>
3.7%	2.3%	2.4%	2.3%	2.1%	1.9%

**CITY OF NEWARK**  
**Assessed Value of Taxable Property**  
**Last Ten Fiscal Years**



Fiscal Year	Real Property				Total Real Secured Property	Unsecured Property	Total Assessed (a)	Total Direct Tax Rate
	Residential Property	Commercial Property	Industrial Property	Other				
2008	3,655,787,270	876,293,567	873,977,913	124,265,251	5,530,324,001	256,002,340	5,786,326,341	0.16517%
2009	3,763,035,574	711,435,191	1,004,845,064	150,245,353	5,629,561,182	264,529,850	5,894,091,032	0.16442%
2010	3,410,144,357	731,005,849	1,154,628,273	155,739,144	5,451,517,623	267,890,978	5,719,408,601	0.16549%
2011	3,290,823,839	659,297,835	1,158,994,181	159,093,100	5,268,208,955	271,695,467	5,539,904,422	0.16479%
2012	3,309,572,447	635,000,800	1,179,565,507	127,692,323	5,251,831,077	270,167,762	5,521,998,839	0.15069%
2013	3,340,615,739	634,931,937	1,427,641,007	174,120,993	5,577,309,676	295,619,089	5,872,928,765	0.16512%
2014	3,518,280,012	643,728,541	1,422,471,808	197,838,511	5,782,318,872	341,646,838	6,123,965,710	0.16432%
2015	3,827,802,794	649,505,241	1,426,042,828	211,620,359	6,114,971,222	409,594,577	6,524,565,799	0.16425%
2016	4,083,212,592	688,882,274	1,106,413,993	221,541,798	6,100,050,657	823,549,996	6,923,600,653	0.16383%
2017	4,381,165,279	714,399,736	1,635,285,953	(309,716,937)	6,421,134,031	502,466,622	6,923,600,653	0.16292%

Source: Alameda County Assessor 2007/08 - 2016/17 Combined Tax Rolls

**Note:**

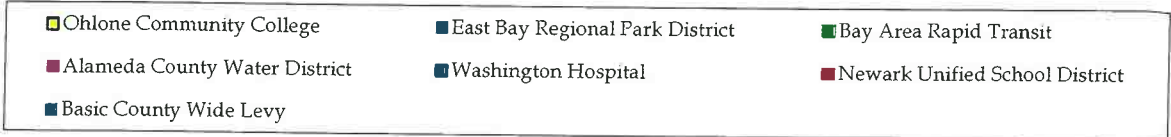
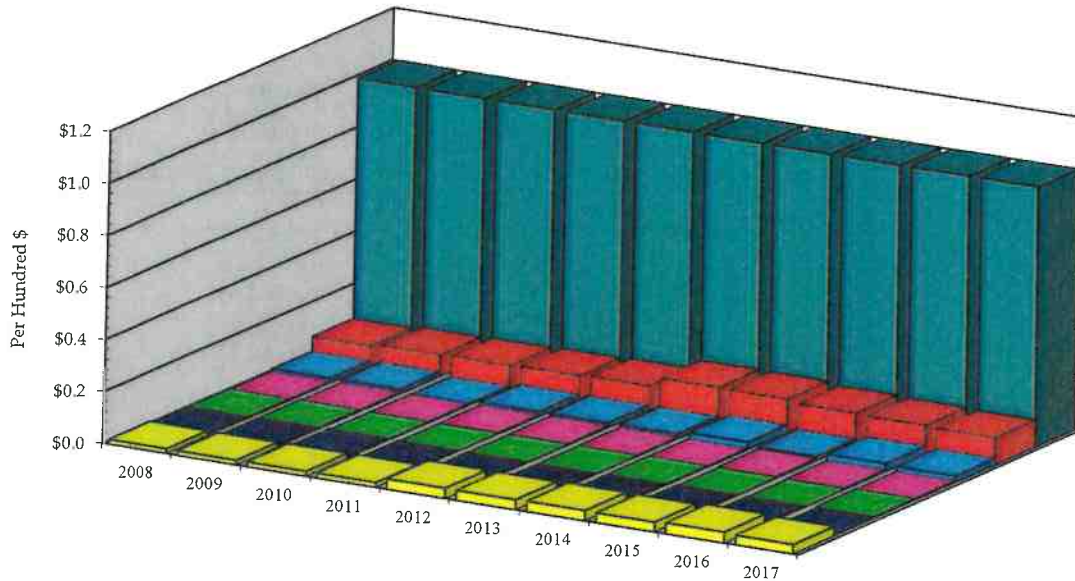
(a) In 1978 the voters of the State of California passed Proposition 13 which limited taxes to a total maximum rate of 1%, based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of the taxable property and is subject to the limitations described above.

# CITY OF NEWARK

## Property Tax Rates

### All Overlapping Governments

### Last Ten Fiscal Years



Fiscal Year	Basic County Wide Levy	Alameda County Water District	Bay Area Rapid Transit	East Bay Regional Park District	Newark Unified School District	Ohlone Community College	Washington Hospital	Total
2008	1.0000	0.0064	0.0076	0.0080	0.0755	0.0177	0.0182	1.1334
2009	1.0000	0.0075	0.0090	0.0100	0.0845	0.0176	0.0188	1.1474
2010	1.0000	0.0065	0.0057	0.0108	0.0865	0.0188	0.0063	1.1346
2011	1.0000	0.0071	0.0031	0.0084	0.0900	0.0190	0.0188	1.1464
2012	1.0000	0.0077	0.0041	0.0071	0.0935	0.0400	0.0186	1.1710
2013	1.0000	0.0069	0.0043	0.0051	0.1298	0.0384	0.0181	1.2026
2014	1.0000	0.0066	0.0075	0.0078	0.1280	0.0399	0.0291	1.2189
2015	1.0000	0.0093	0.0045	0.0085	0.1159	0.0378	0.0171	1.1931
2016	1.0000	0.0075	0.0026	0.0067	0.1103	0.0424	0.0313	1.2008
2017	1.0000	0.0080	0.0080	0.0032	0.1046	0.0370	0.0256	1.1864

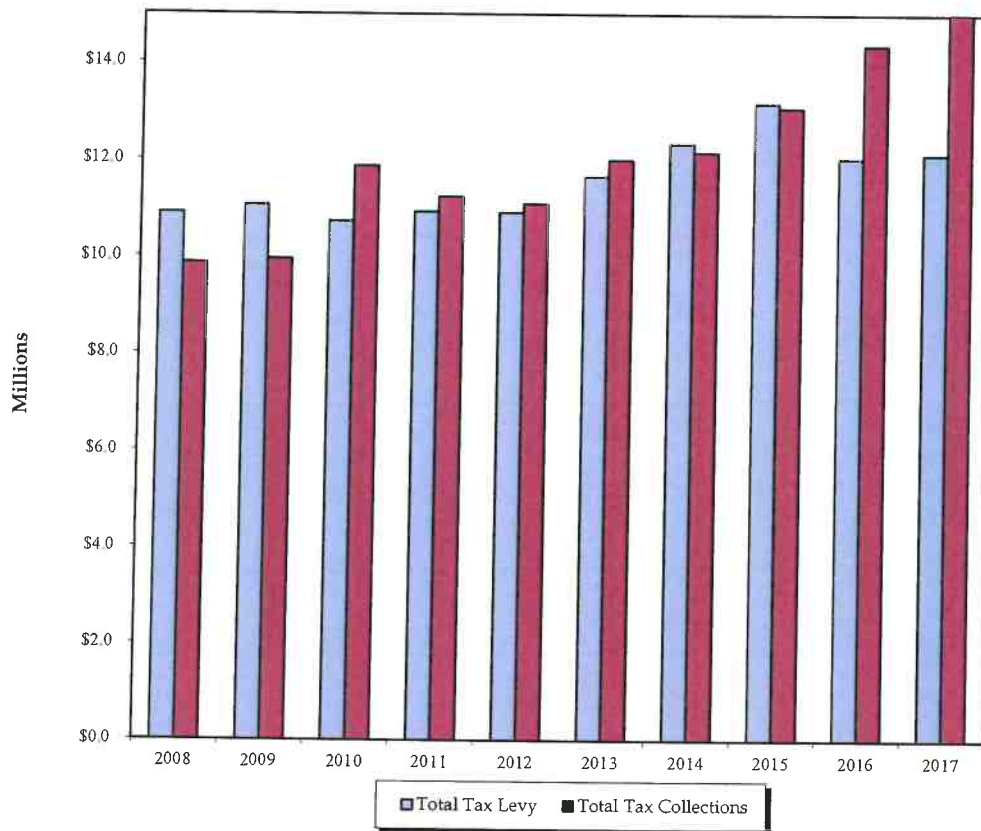
Source: Alameda County Assessor 2007/08 - 2016/17 Tax Rate Table

**CITY OF NEWARK**  
**Principal Property Tax Payers**  
**Current Year and Ten Years Ago**

Taxpayer	2016-17			2007-08		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Apple Computer Inc.	\$457,650,823	1	6.02%	70,420,094	3	1.22%
BMR Gateway Boulevard LLC	208,242,132	2	2.74%	\$306,583,981	1	5.30%
JMB Newpark Associates & GGP	79,819,726	5	1.05%	\$71,092,228	2	1.23%
Leslie Salt Company	57,387,195	7	0.75%	33,805,043	10	0.58%
Sycamore Bay LLC	56,620,682	8	0.74%	50,146,078	5	0.87%
IPT East Bay DC LP	80,676,000	4	1.06%			
Icon Owner Pool 3 West LLC	57,869,249	6	0.76%			
DCT Cherry Street California LP				37,200,420	8	0.64%
Safety Kleen of CA, Inc.	56,441,549	9	0.74%			
SC Bridgeway Inc.				39,951,360	6	0.69%
Security Capital Industrial Trust				52,493,587	4	0.91%
BRCP Stevenson Point LLC				36,050,000	9	0.62%
Nancy's Specialty Foods						
SM Broadway Corporation				37,853,843	7	0.65%
TRPF Bridgeway Technology Cent	49,246,140	10	0.65%			
CNL Hotel MI 4 LP						
Metropolitan Life Insurance Co	89,088,187	3	1.17%			
Subtotal	<u>\$1,193,041,683</u>		<u>15.69%</u>	<u>\$735,596,634</u>		<u>12.71%</u>
Total Net Assessed Valuation:						
Fiscal Year 2016/17	\$7,605,225,527					
Fiscal Year 2007/08	\$5,786,326,341					

Source: Alameda County Assessor 2007/08 - 2016-17 Combined Tax Rolls

**CITY OF NEWARK**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**



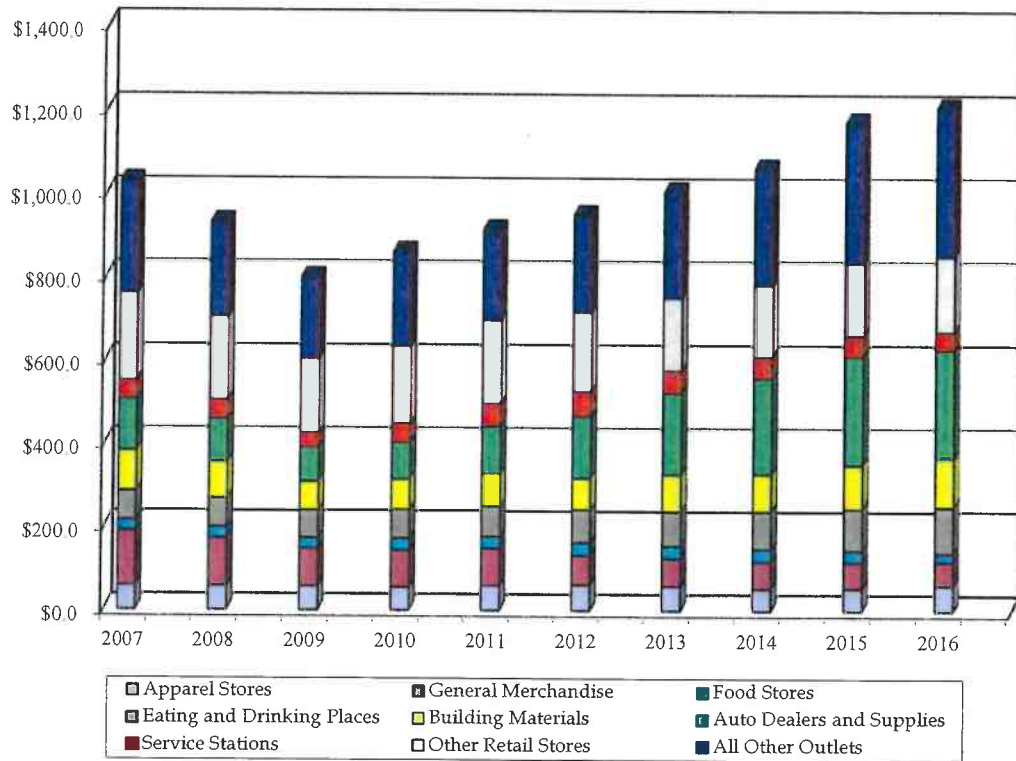
Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections (a)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
2008	10,894,495	9,619,682	88.2986%	244,843	9,864,525	90.5460%
2009	11,060,851	9,426,933	85.2279%	520,217	9,947,150	89.9311%
2010	10,733,042	11,538,768	107.5070%	334,409	11,873,177	110.6227%
2011	10,929,642	10,940,663	100.1008%	296,965	11,237,628	102.8179%
2012	10,916,957	10,833,299	99.2337%	260,623	11,093,922	101.6210%
2013	11,661,505	11,627,668	99.7098%	376,444	12,004,112	102.9379%
2014	12,341,426	12,055,900	97.6864%	104,849	12,160,749	98.5360%
2015	13,167,587	12,981,908	98.5899%	91,303	13,073,211	99.2833%
2016	12,034,774	13,998,852	116.3200%	363,854	14,362,706	119.3434%
2017	12,119,322	15,344,462	126.6116%	514,182	15,858,644	130.8542%

Source: City of Newark

Note:

- (a) Information required by GASB Statement 44 differs from information reported. Delinquent tax collections represent total delinquent amounts received during the fiscal year, regardless of the fiscal year of the tax levy. Data for delinquent tax collections by levy year is not available from the Alameda County Assessor's Office.

**CITY OF NEWARK**  
**Taxable Sales by Category**  
**Last Ten Calendar Years**



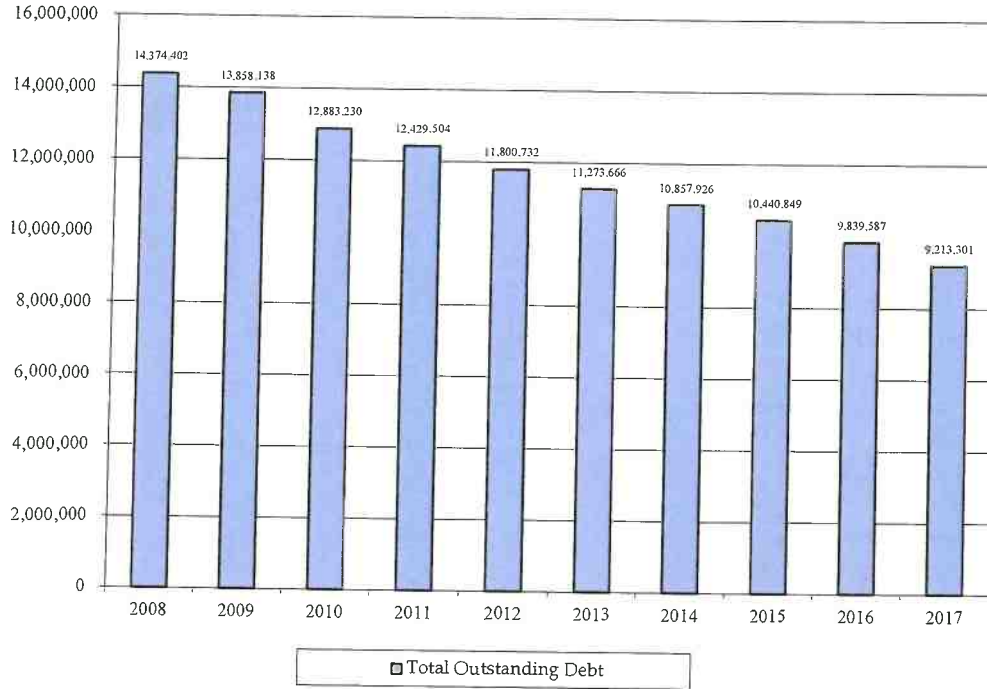
	Calendar Year (in millions)									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Apparel Stores	\$58.2	\$57.6	\$57.8	\$55.2	\$59.0	\$62.0	\$58.4	\$52.4	\$53.9	\$61.2
General Merchandise	132.3	115.9	90.1	90.1	91.0	71.7	68.5	66.8	64.4	59.0
Food Stores	24.8	25.1	25.4	27.0	28.0	29.4	28.5	28.8	27.4	19.6
Eating and Drinking Places	70.1	69.9	67.7	70.1	72.7	80.0	84.5	92.1	101.1	111.8
Building Materials	97.1	86.4	67.5	72.0	76.6	76.0	87.4	87.7	104.5	115.1
Auto Dealers and Supplies	123.8	104.5	82.5	88.3	115.9	148.8	196.7	230.7	261.5	261.2
Service Stations	44.2	46.1	35.2	44.9	53.1	59.2	53.6	51.7	49.1	43.4
Other Retail Stores	209.4	198.2	176.8	185.2	200.5	188.8	172.8	170.7	171.2	179.6
All Other Outlets	269.7	228.4	197.1	229.2	218.1	234.8	255.6	282.1	340.3	357.5
<b>Total</b>	<b>\$ 1,029.6</b>	<b>\$ 932.1</b>	<b>\$ 800.1</b>	<b>\$ 862.0</b>	<b>\$ 914.9</b>	<b>\$ 950.7</b>	<b>\$ 1,006.0</b>	<b>\$ 1,063.0</b>	<b>\$ 1,173.4</b>	<b>\$ 1,208.4</b>

Source: State of California Board of Equalization and the HdL Companies

Note: Due to confidentiality issues, the names of the largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue. Information by fiscal year is not readily available.



**CITY OF NEWARK**  
**Ratio of Outstanding Debt by Type**  
**Last Ten Fiscal Years**



Governmental Activities						
Fiscal Year	Certificates of Participation and Bank Refinancing	Refunding Bonds	Capital Lease Obligation	Total Outstanding Debt	Percentage of Personal Income (a)	Per Capita (a)
2008	13,015,000	630,000	729,402	14,374,402	1.07%	460.66
2009	12,670,000	535,000	653,138	13,858,138	1.01%	458.38
2010	12,310,000	-	573,230	12,883,230	0.97%	462.29
2011	11,940,000	-	489,504	12,429,504	1.01%	436.64
2012	11,398,955	-	401,777	11,800,732	0.95%	411.42
2013	10,963,807	-	309,859	11,273,666	0.87%	383.59
2014	10,510,717	-	347,209	10,857,926	0.84%	369.44
2015	10,045,261	-	395,588	10,440,849	0.78%	341.52
2016	9,562,963	-	276,624	9,839,587	0.71%	316.97
2017	9,059,606	-	153,695	9,213,301	0.65%	293.81

Sources: City of Newark  
 State of California, Department of Finance (population)  
 U.S. Department of Commerce, Bureau of the Economic Analysis (income)

Note: Debt amounts exclude any premiums, discounts, or other amortization amounts.  
 (a) Personal income and population data are presented in the Schedule of Demographic Statistics.

# CITY OF NEWARK

## Direct and Overlapping Governmental Activities Debt

June 30, 2017

	<u>Debt Outstanding</u>	<u>Percentage Applicable (a)</u>	<u>Share of Overlapping Debt</u>
<u>Debt Repaid with Property Taxes</u>			
Bay Area Rapid Transit District	\$891,135,000	1.177%	\$10,488,659
East Bay Regional Park District	123,590,000	1.816%	2,244,394
Ohlone Community College District	398,133,400	14.260%	56,773,823
Newark Unified School District	98,495,803	100.000%	98,495,803
Washington Township Healthcare District	333,525,000	12.014%	40,069,694
Alameda County General Fund Obligations	856,742,500	2.993%	25,642,303
Alameda County Pension Obligations	27,719,489	2.993%	829,644
Alameda-Contra Costa Transit District Certificates of Participation	17,625,000	3.545%	624,806
City of Newark 1915 Act Bonds	6,089,689	100.000%	6,089,689
SUB-TOTAL OVERLAPPING DEBT			<u>241,258,815</u>
<u>Direct Debt - City of Newark General Fund Obligations</u>	9,059,606	100.000%	<u>9,059,606</u>
TOTAL DIRECT AND OVERLAPPING DEBT			<u><u>\$250,318,421</u></u> (b)

Source: California Municipal Statistics, Inc.

Notes:

- (a) Percentage of overlapping agency's assessed valuation located within boundaries of the city.
- (b) Excludes tax and revenue anticipation notes, revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

**CITY OF NEWARK**  
**Legal Bonded Debt Margin Information**  
**June 30, 2017**

**Assessed valuation:**

Secured property assessed value,  
net of exempt real property \$7,605,225,527

Bonded debt limit (15% of assessed value) 1,140,783,829

**Amount of debt subject to limit:**

Total bonded debt 9,213,300

Less: Certificates of participation, capital leases, and bank  
refinancing not subject to limit 9,213,300

Amount of debt subject to limit -

**Legal bonded debt margin** \$1,140,783,829

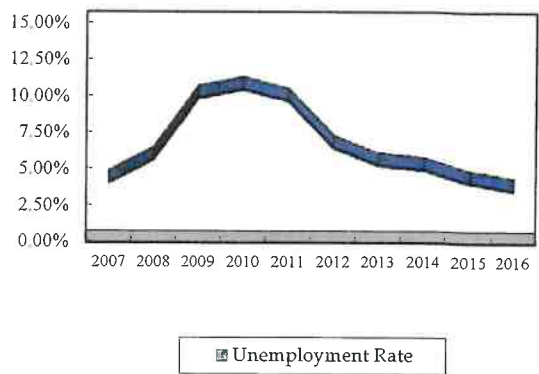
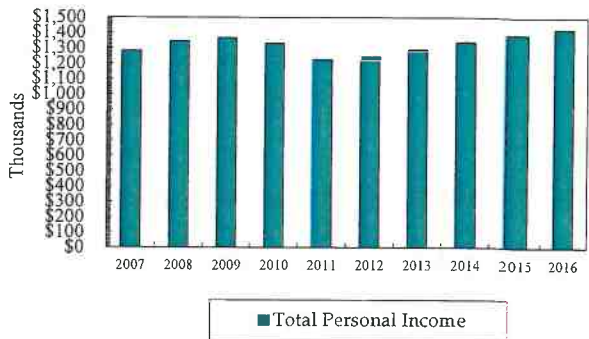
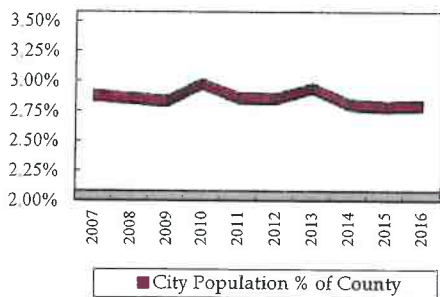
<u>Fiscal Year</u>	<u>Debt Limit</u>	<u>Total Net Debt Applicable to Limit</u>	<u>Legal Debt Margin</u>	<u>Total net debt applicable to the limit as a percentage of debt limit</u>
2008	829,548,600	630,000	828,918,600	0.08%
2009	844,434,177	440,000	843,994,177	0.05%
2010	810,711,759	-	810,711,759	0.00%
2011	784,128,589	-	784,128,589	0.00%
2012	787,749,759	-	787,749,759	0.00%
2013	828,903,443	-	828,903,443	0.00%
2014	860,059,947	-	860,059,947	0.00%
2015	917,189,996	-	917,189,996	0.00%
2016	1,038,540,098	-	1,038,540,098	0.00%
2017	1,140,783,829	-	1,140,783,829	0.00%

Source: Alameda County Assessor 2007/08 - 2016/17 Combined Tax Rolls

# CITY OF NEWARK

## Demographic and Economic Statistics

### Last Ten Calendar Years



Calendar Year	City Population	Total Personal Income (In Thousands)	Per Capita Personal Income	Unemployment Rate	Alameda County Population	City Population % of County
2007	43,553	1,283,525	30,894	4.1%	1,534,959	2.84%
2008	43,801	1,343,541	31,204	5.7%	1,554,220	2.82%
2009	44,064	1,366,781	30,233	9.9%	1,578,264	2.79%
2010	44,380	1,332,171	27,868	10.5%	1,510,271	2.94%
2011	43,041	1,225,205	28,466	9.7%	1,525,655	2.82%
2012	43,342	1,243,179	28,683	6.5%	1,540,490	2.81%
2013	43,856	1,288,928	29,390	5.3%	1,510,271	2.90%
2014	43,821	1,339,696	30,572	5.0%	1,583,979	2.77%
2015	44,733	1,388,647	31,043	4.1%	1,627,865	2.75%
2016	45,422	1,424,360	31,358	3.6%	1,645,359	2.76%

Source: State of California, Department of Finance  
 State of California Employment Development Department  
 U.S. Department of Commerce, Bureau of Economic Analysis  
 U.S. Department of Labor, Bureau of Labor Statistics

# CITY OF NEWARK

## Principal Employers

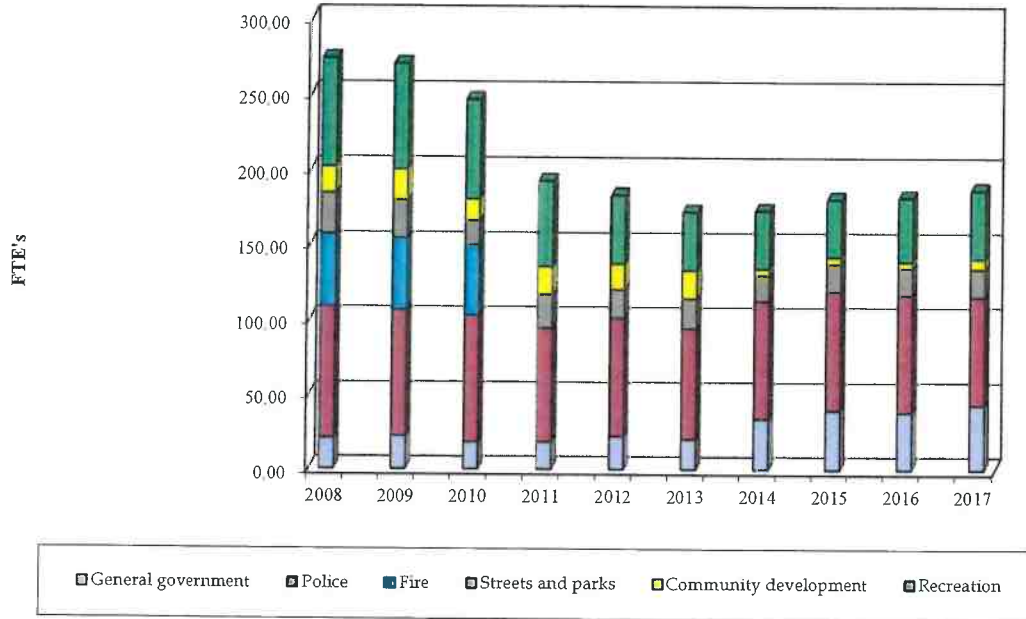
### Current Year and Six Years Ago

Employer	2016-17			2010-11		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Newark Unified School District	953	1	4.0%	700	1	3.4%
Logitech	634	2	2.7%			
WorldPac	218	6	0.9%	280	5	1.4%
Aryzta, LLC (formerly Fullbloom Baking Co.)	168	9	0.7%	280	6	1.4%
Risk Management Solutions	285	3	1.2%	270	2	1.3%
Smart Modular Technologies	212	7	0.9%	249	3	1.2%
VM Services Inc	270	4	1.1%			
Cargill Salt	210	8	0.9%	182	4	0.9%
City of Newark				193	7	1.0%
Valassis (formerly ADVO)				166	8	0.8%
Staples (formerly Corporate Express)				154	9	0.8%
Macys	160	10	0.7%			
Home Depot				129	10	0.6%
Nancy's Specialty Foods						
Amazon Fulfillment Center	250	5	1.1%			
Total	<u>3,360</u>		<u>14.1%</u>	<u>2,603</u>		<u>12.8%</u>
Total City Employment	<u>23,900</u>			<u>20,377</u>		

Source: City of Newark Community Development Department  
 U.S. Department of Labor, Bureau of Labor Statistics

# CITY OF NEWARK

## Full-Time Equivalent City Government Employees by Function/Program Last Ten Fiscal Years



Function/Program:	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government	20.86	22.38	18.25	18.43	22.19	20.43	34.15	40.17	38.68	43.32
Public safety										
Police	88.45	84.17	85.00	76.39	79.19	74.06	79.00	79.14	78.10	72.70
Fire	48.00	48.20	46.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Streets and parks	27.45	25.03	16.45	21.94	19.20	19.89	16.88	18.57	18.23	18.65
Community development	17.57	20.74	14.30	18.80	17.14	19.00	4.48	4.48	4.52	6.61
Recreation	71.57	69.94	66.25	57.22	45.52	39.00	38.88	38.43	42.62	45.84
<b>Total</b>	<b>273.90</b>	<b>270.46</b>	<b>246.90</b>	<b>192.78</b>	<b>183.24</b>	<b>172.38</b>	<b>173.39</b>	<b>180.79</b>	<b>182.15</b>	<b>187.12</b>

Source: City of Newark

**CITY OF NEWARK**  
**Operating Indicators by Function/Program**  
**Last Six Fiscal Years**

Function/Program	Fiscal Year					
	2012	2013	2014	2015	2016	2017
<b>Public safety:</b>						
Fire						
Fire calls for service	2,688	2,981	2,988	2,985	3,340	3,308
Primary fire inspections conducted	407 *	400	1,566	1,499	1,595	2,194
Environmental safety inspections conducted	145	502	18,004	618	660	696
Police						
Communication center calls answered	28,200	27,658	33,428	29,419	31,654	31,670
Police calls for service	28,200	27,658	33,428	29,419	31,654	31,670
Law violations						
Part I crimes	1,779	1,681	1,305	1,489	1,491	1,726
Traffic violations	3,056	3,232	4,071	2,656	3,998	1,996
Parking violations	1,433	1,088	1,514	964	1,425	1,067
<b>Public works:</b>						
Street resurfacing (miles)	6	10	9	8	7	6
Street lights repaired	455	428	423	487	485	602
<b>Recreation:</b>						
Recreation class/program participants	284,572	129,253 **	182,642	173,112	156,814	154,120
Recreation facilities rentals	1,456	1,018 **	1,940	1,674	1,406	1,486
Silliman Activity Center use	132,602	81,654 **	141,672	142,805	131,237	125,761
<b>Miscellaneous:</b>						
Library:						
Library visitors	196,130	189,148	177,606	192,621	187,965	191,709
Library materials circulated	284,796	276,176	272,695	278,477	254,362	249,197

\* The reduction in number of primary fire inspections conducted for fiscal year 2012 is due largely to how the inspections are now being counted; for prior years, each unit within a building was counted as a separate inspection, but starting in fiscal year 2012, an inspection for a building is counted as one, regardless of the number of units.

\*\* The reduction in the number of Recreation class/program participants, facilities rentals and Silliman Activity Center use due to the eight-month closure of the Silliman Family Aquatic Center for the ceiling paint repair project.

Source: City of Newark  
Alameda County Library

**CITY OF NEWARK**  
**Capital Asset Statistics by Function/Program**  
**Last Seven Fiscal Years**

Function/Program	Fiscal Year						
	2007	2012	2013	2014	2015	2016	2017
<b>Public safety:</b>							
Fire stations	3	3	3	3	3	3	3
Police stations	1	1	1	1	1	1	1
Police patrol units	16	18	18	20	20	20	20
<b>Public works:</b>							
Miles of streets	104	105	105	105	105	105	105
Street lights	2,816	2,849	2,849	2,849	2,849	2,849	2,849
Traffic signals	42	43	43	43	44	44	44
<b>Recreation:</b>							
Community services:							
City parks	14	14	14	14	14	14	14
City parks acreage	124	124	124	124	124	124	124
Roadway landscaping acreage	56	56	56	56	56	56	56
Lake acreage	16	16	16	16	16	16	16
Community activity centers	2	2	2	2	2	2	2
Senior center	1	1	1	1	1	1	1
Aquatic center	1	1	1	1	1	1	1
<b>Miscellaneous</b>							
Library	1	1	1	1	1	1	1

Source: City of Newark





**BADAWI & ASSOCIATES**  
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Honorable Mayor and Members of the City Council  
of the City of Newark  
Newark, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Newark, California (City), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated January 2, 2018.

**Internal Control Over Financial Reporting**

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

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

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

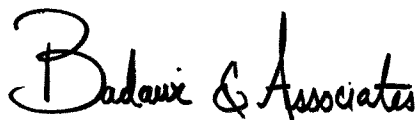
To the Honorable Mayor and Members of the City Council  
of the City of Newark  
Newark, California  
Page 2

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Badawi & Associates, CPAs  
Oakland, California  
January 2, 2018

**F.5 Amendment of the 2016-2018 Biennial Budget and Capital Improvement Plan for Fiscal Year 2017-2018 for Budget Revisions – from Administrative Services Director Woodstock. (RESOLUTION)**

**Background/Discussion** – Fiscal Year 2017-2018 is the second year in the City’s two-year budget cycle. The Fiscal Year 2017-2018 operating budget was approved in June of 2016 and amended in February of 2017. There is a need for additional revisions at this time.

There are several reasons for these revisions such as unforeseen increases in necessary professional services, increases in insurance premiums and claims and other increases in costs of services. There is a one-time expenditure of \$440,000 for funding of the Alameda County Fire Department Other Post-Employment Benefits (OPEB). This payment will be held in a trust for the City’s share of OPEB costs that have already occurred during the contract service period. The amendment includes a total of \$1.79 million in additional expenditures. The expenditures are offset by a combination of increases in projected revenues and a transfer of \$1.37 million from the unallocated fund balance.

Exhibit A is a table of the operating budget amendments with account details. The following is a summary of the citywide adjustments:

Professional Services:	\$ 477,000
Public Liability/Workers Compensation	\$ 609,000
Department Supplies/Equipment Maintenance	\$ 93,800
Position Modifications/Training	\$ 173,900
Fire OPEB Previous Year Funding	<u>\$ 440,000</u>
	\$1,793,700

The amendment also includes the following transfers from the General Fund to:

Workers Compensation Fund	\$ 1,000,000
PERS Reserve	\$ 2,000,000
Capital Reserve	\$ 2,000,000

Exhibit B is a table of adjustments to the Position Control Table. The adjustments include deleting an obsolete Commander position and deleting a Senior Accountant position and changing it into an Accountant and a Finance Technician.

**Attachment**

**Action** - It is recommended that the City Council, by resolution, amend the 2016-2018 Biennial Budget and Capital Improvement Plan for Fiscal Year 2017-2018 budget and position revisions.

RESOLUTION NO.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
NEWARK AMENDING THE 2016-2018 BIENNIAL BUDGET  
AND CAPITAL IMPROVEMENT PLAN FOR FISCAL YEAR  
2017-2018 FOR BUDGET AND POSITION REVISIONS

BE IT RESOLVED by the City Council of the City of Newark that the certain document entitled "2016-2018 Biennial Budget and Capital Improvement Plan of the City of Newark" for Fiscal Year 2017-2018 adopted by Resolution No. 10209 on June 9, 2016, and subsequently amended by resolutions, is hereby amended as set forth in Exhibit A and Exhibit B attached.

Exhibit A

Amendment Sheet

iscal Year: 2017-18

**2017-2018 Operating Budget:**

<u>Fund</u>	<u>Dept</u>	<u>Acct</u>	<u>Description</u>	<u>To:</u>	<u>From:</u>
<b>Revenue:</b>					
010	0000	3010-VLF	Increase revenue in Vehicle in Lieu		400,000
010	0000	3060	Increase in Sales Tax		75,000
010	0000	3110	Increase Business License Revenue		150,000
010	0000	314*	Increase Construction Permit Revenue		500,000
051	0000	3065	Reduce Utility User Tax Budget		(700,000)
010		2991	Use Fund Balance		1,368,700

**Expenditures:**

010	1012	5271	Professional Services - Legal	100,000	
GF	Citywide	8523	Public Liability Insurance	200,000	
GF	Citywide	8521	Workers Compensation Costs	409,000	
010	1030	5120	Special Department Supplies	40,000	
010	1025	4100	Accountant Position	135,000	
010	1025	5271	Professional Services	75,000	
010	1041	5280	Other Contractual Services - Fire	440,000	
010	1050	5271	Professional Services - Mailers	11,000	
010	1050	5120	Software	4,000	
010	1050	5480	Other Charges	3,800	
020	2013	5120	Special Department Supplies	1,000	
021	2013	5350	Training	1,700	
020	2015	5280	Other Contractual Services - Engineering	246,000	
040	4014	5280	Other Contractual Services-Park Tree Maint.	45,000	
040	4011	5261	Maintenance of Equipment	45,000	
030	3030/3041/ 3042	4300	Recreation Part Time Staff cost increases	37,200	
				<b>1,793,700</b>	<b>1,793,700</b>

**Other Funds:**

033	2011	5280	Other Contractual Services- Recycling	44,000	
033		2991	033 Fund Balance		44,000
023	2011	5280	Other Contractual Services	350,000	
023		2991	023 Fund Balance		350,000
220	3043	5271	Professional Services	112,200	
220	0000	3500	Federal Grants		112,200
221	1010	5271	Professional Services - Audio Visual	7,200	
221		2991			7,200

**Internal Service Funds**

708	9230	5291	Public Liability Insurance	200,000	
-----	------	------	----------------------------	---------	--

708		3940	Charges to Departments		201,000
708	9230	5120	Risk Management Supplies	1,000	
711	9710	7000	Equipment Replacement	1,100,000	
711		2991	Unallocated Fund Balance		1,100,000
709	9413	5230	Utilities	15,000	
709	9410	5241	Rents	2,500	
709		2991			17,500
703	9210	5271	Workers Compensation Professional Services	409,000	
703		3940	Charges to Departments		409,000

**Transfers:**

010		2991	Unallocated Fund Balance		5,000,000
703		2992	Workers Compensation	1,000,000	
008		2992	PERS Reserves	2,000,000	
401		2992	Capital Reserves	2,000,000	

**CIP:**

104	5400	5280-1194	Professional services-Dog Park Surveys	31,000	
104	0	2991	Unallocated Fund Balance		31,000
402	5201	5280-1109	Other Contractual Services-Park Path	112,400	
402	0000	3550	Federal Grants		112,400
201	5000	5280-1119C	Other Contractual Services- Street Tree	140,000	
201		2991	Gas Tax Fund Balance		140,000

**Change Expenditure Fund:**

052	5600	5271-1188	Civic Center Project	3,500,000	
401	5600	5271-1188	Civic Center Project		3,500,000

Exhibit B

**Position Control Table**

**Position**

**FTE**

**Delete:**

Commander	1
Sr. Acct	1

**Add:**

Accountant	1
Finance Technician	1



City of Newark

MEMO

**DATE:** January 2, 2018  
**TO:** City Council  
**FROM:** Sheila Harrington, City Clerk *SH*  
**SUBJECT:** Approval of Audited Demands for the City Council Meeting of Jan. 11, 2018.

**REGISTER OF AUDITED DEMANDS**

US Bank General Checking Account

<u>Check Date</u>		<u>Check Numbers</u>	
December 08, 2017	Page 1-2	113131 to 113190	Inclusive
December 08, 2017	Page 1	113191	Inclusive
December 14, 2017	Page 1-2	113192 to 113293	Inclusive
December 20, 2017	Page 1	113294 to 113338	Inclusive





City of Newark

MEMO

**DATE:** January 2, 2018

**TO:** Sheila Harrington, City Clerk

**FROM:** Susie Woodstock, Administrative Services Director *S. Woodstock*

**SUBJECT:** Approval of Audited Demands for the City Council Meeting of Jan. 11, 2018.

The attached list of Audited Demands is accurate and there are sufficient funds for payment.

Final Disbursement List. Check Date 12/08/17, Due Date 12/18/17, Discount Date 12/18/17. Computer Checks.

MICR Check#	Vendor Number	Payee	Check Date	Check Amount	Description
113131	1396	ALAMEDA COUNTY FIRE DEPARTMENT ATTN: ACC	12/08/17	812,480.83	FIRE SERVICES
113132	1396	ALAMEDA COUNTY FIRE DEPARTMENT ATTN: ACC	12/08/17	1,463.41	FLEET SUPPLIES AND MAINT
113133	7743	ALL AMERICAN RENTALS LLC.	12/08/17	2,274.90	FORKLIFT RENTAL
113134	12	ALLIED AUTO STORES INC	12/08/17	860.23	FLEET SUPPLIES
113135	14	ALPINE AWARDS	12/08/17	298.95	T-SHIRT/AWARDS/PROMOS
113136	11362	ANNETTE PAREDES	12/08/17	27.06	EXPENSE REIMBURSEMENT
113137	134	BATTERY SYSTEMS INC ATTN: ACCOUNTS RECHI	12/08/17	251.60	FLEET SUPPLIES
113138	5122	JEREMY BECK	12/08/17	1,157.90	EXPENSE REIMBURSEMENT
113139	9888	BUREAU VERITAS NORTH AMERICA INC.	12/08/17	8,323.81	FY 17-18
113140	11550	CAL ENGINEERING & GEOLOGY, INC.	12/08/17	2,021.00	FY17-18 GEOTECHNICAL CONSULTING SERVICES
113141	10060	COMCAST	12/08/17	203.14	CABLE TV
113142	7633	CONTRA COSTA COUNTY SHERIFF'S OFFICE LAW	12/08/17	324.00	PATROL POST TRAINING
113143	11544	COTTON, SHIRES AND ASSOCIATES, INC.	12/08/17	1,620.00	GEOTECHNICAL CONSULTING SERVICES
113144	11549	CSG CONSULTANTS, INC.	12/08/17	3,999.00	ENGINEERING PLAN CHECK AND INSPECTION SE
113145	10649	SAGEBRUSH CABLE ENGINEERING, INC.	12/08/17	1,000.00	PERFORMANCE BOND RTN EP# 2016-0098
113146	10649	C.P. CONSTRUCTION	12/08/17	1,000.00	PERFORMANCE BOND RTN EP# 2016-0271
113147	10649	JEFFREY D. YOUNT OPTIC ACCESS, LLC	12/08/17	7,000.00	PERFORMANCE BOND RTN EP# 2016-0111
113148	10649	ZAYO GROUP LLC	12/08/17	1,000.00	PERFORMANCE BOND RTN EP# 2017-0123
113149	10649	SATISH CHANDRA	12/08/17	1,000.00	PERFORMANCE BOND RTN EP# 2016-0310
113150	10677	DAILY JOURNAL CORPORATION CALIFORNIA NEW	12/08/17	390.00	PUBLIC HEARING NOTICES
113151	63	THE GOODYEAR TIRE & RUBBER CO	12/08/17	348.85	TIRES FOR FLEET
113152	11015	EAST BAY LAWN MOWER	12/08/17	287.86	FLEET SUPPLIES AND MAINT
113153	11557	ELK GROVE FORD	12/08/17	22,403.07	FORD DUSIONS - ALCO #2018-3
113154	10725	VINCENT KIMBROUGH	12/08/17	1,429.23	EE COMPUTER LOAN PROGRAM
113155	4731	EWING IRRIGATION PRODUCTS INC	12/08/17	212.85	PROJECT 1133 PARKS IRRIGATION
113156	522	FEDEX	12/08/17	38.80	EXPRESS SERVICES
113157	11027	FITGUARD, INC	12/08/17	95.00	FITNESS EQUIP MAINT
113158	5106	CITY OF FREMONT REVENUE DIVISION	12/08/17	7,932.88	SHELTER OPERATING EXPS
113159	11112	FREMONT CHRYSLER DODGE JEEP RAM	12/08/17	2,495.27	FLEET SERVICE & PARTS
113160	11418	FRIENDS OF CHILDREN WITH SPECIAL NEEDS	12/08/17	100.00	ENTERTAINMENT FOR SENIOR CENTER
113161	10983	G BORTOLOTTO & CO INC	12/08/17	405,667.17	CIP PROJECT 1141: AC OVERLAY
113162	1165	LAURIE GEBHARD	12/08/17	233.35	EXPENSE REIMBURSEMENT
113163	4845	HINDERLITTELL DELLAMAS & ASSOCIATES	12/08/17	300.00	TRANSACTION TAX 4TH QUARTER - SALES QTR
113164	11553	HELLER MANUS ARCHITECTS	12/08/17	89,731.87	SCHEMATIC DESIGN FOR NEWARK CIVIC CENTER
113165	11566	PHALATSAMY HUYNH	12/08/17	6.53	EXPENSE REIMBURSEMENT
113166	11494	KANEN TOURS, INC.	12/08/17	2,772.00	POINTSETTIAS, CHEESE & CHOCOLATE - 12/06/
113167	987	LIEBERT CASSIDY WHITMORE A PROFESSIONAL	12/08/17	3,029.50	LITIGATION & LEGAL CONSULTING SRVCS
113168	10907	MICHAEL YORKS	12/08/17	5,400.00	BACKGROUND INVESTIGATIONS
113169	6	KAREN MORAIDA	12/08/17	16.57	EXPENSE REIMBURSEMENT
113170	611	KKR AUTOMOTIVE DBA NAPA AUTO PARTS	12/08/17	1,823.24	FLEET PARTS
113171	10865	NEW IMAGE LANDSCAPE	12/08/17	13,973.00	LANDSCAPE MAINTENANCE
113172	349	PACIFIC GAS & ELECTRIC	12/08/17	70.67	CITY ELECTRIC & GAS
113173	11346	PHAN'S SMOG STATION	12/08/17	400.00	SMOG SERVICE
113174	329	PHOENIX GROUP INFORMATION SYSTEMS	12/08/17	331.45	PARKING CITATION PROGRAM
113175	10770	PRECISION TUNE AUTO CARE	12/08/17	216.99	FLEET SERVICE
113176	11573	REVES COCA-COLA BOTTLING LLC.	12/08/17	644.23	COCA-COLA ORDER FOR CAFE
113177	11583	ALEXANDRIA RIDDLES	12/08/17	318.83	EXPENSE REIMBURSEMENT
113178	9547	ROSAS BROTHERS CONSTRUCTION	12/08/17	160,982.66	FY17-18 CIP #1179: AC OVERLAY PROJECT
113179	11074	RUTAN & TUCKER LLP	12/08/17	276.00	LITIGATION & LEGAL CONSULTING SRVCS
113180	654	SFPUC-WATER DEPARTMENT CUSTOMER SERVICE	12/08/17	3,152.26	RENT/WATER
113181	112	WILLE ELECTRICAL SUPPLY CO INC	12/08/17	176.15	LIGHT BULBS

MICR Check#	Vendor Number	Payee	Check Date	Check Amount	Description
113182	11098	SILVER & WRIGHT LLP	12/08/17	5,247.69	LITIGATION & LEGAL CONSULTING SRVCS
113183	40	STAPLES ADVANTAGE DEPT LA	12/08/17	1,715.39	OFFICE SUPPLIES
113184	11175	SUPPORT WAREHOUSE LTD	12/08/17	5,231.84	SUPPORT CONTRACT FOR 15 HP SERVERS THROU
113185	10883	THE TACTICAL ADVANTAGE POLICE SUPPLY	12/08/17	1,901.12	VEST EQUIP REPL
113186	5463	MARY TEIXEIRA	12/08/17	9.63	EXPENSE REIMBURSEMENT
113187	8751	PROVIDENT LIFE & ACCIDENT INSURANCE COMP	12/08/17	261.24	PAYROLL PREMIUM - E0246926
113188	5623	VERIZON WIRELESS	12/08/17	4,755.74	VERIZON ANNUAL CELL SERVICE
113189	7308	THE GOODYEAR TIRE & RUBBER COMPANY	12/08/17	259.12	FLEET TIRES
113190	340	WITMER-TYSON IMPORTS	12/08/17	102.00	PATROL POST TRAINING
Total					1,591,045.88

Final Disbursement List. Check Date 12/08/17, Due Date 12/18/17, Discount Date 12/18/17. Computer Checks.

MICR Check#	Vendor Number	Payee	Check Date	Check Amount	Description
113191	10983	G BORTOLOTTO & CO INC	12/08/17	139,577.59	FY17-18 CIP #1066: ENTERPRISE DR REHAB P
Total				139,577.59	

MICR	Vendor	Check#	Number	Payee	Check Date	Description	Check Amount
113192	10658	4LEAF INC	12/14/17	PLAN CHECK SERVICES	757.45		
113193	11539	ACCESS INFORMATION HOLDINGS, LLC.	12/14/17	SHREDDING SVCS	80.00		
113194	10223	LEXISNEXIS RISK SOLUTIONS ACCT# 1415640	12/14/17	BACKGROUND CHECKS	428.40		
113195	11094	ACME AUTO LEASING, LLC	12/14/17	ARMORED RESCUE VEH LEASE	1,909.44		
113196	1774	AIRGAS USA, LLC	12/14/17	FLEET SUPPLIES	57.24		
113197	803	ACCOPSA JANE MANZO/ALAMEDA COUNTY SHERIF	12/14/17	ALCO CHIEFS ASSOC SEMINAR	900.00		
113198	1396	ALAMEDA COUNTY FIRE DEPARTMENT ATTN: ACC	12/14/17	FLEET SUPPLIES AND MAINT	1,083.45		
113199	287	TREASURER OF ALAMEDA COUNTY GREGORY J AH	12/14/17	CRIME LAB FEES	318.25		
113200	344	ALAMEDA COUNTY WATER DISTRICT	12/14/17	CITY WATER USE	1,300.29		
113201	5821	ALL CITY MANAGEMENT SERVICES, INC	12/14/17	CROSSING GUARD SVCS	3,431.70		
113202	12	ALLIED AUTO STORES INC	12/14/17	FLEET PARTS	321.07		
113203	14	ALPINE AWARDS	12/14/17	DEPARTMENT AWARDS	111.40		
113204	11511	AQUATIC DESIGN GROUP, INC.	12/14/17	AQUATIC CENTER DESIGN	3,072.00		
113205	348	AT&T	12/14/17	AT & T MONTHLY TELECOM	176.86		
113206	1963	BAILEY FENCE COMPANY INC	12/14/17	PROJECT 1129 BUILDING UPGRADES TEMPORARY	971.00		
113207	9680	BAY CENTRAL PRINTING	12/14/17	BUSINESS CARD IMPRINTING	63.78		
113208	23	FRANK BONETTI PLUMBING INC	12/14/17	PLUMBING REPAIR	11,321.38		
113209	11083	BURKE, WILLIAMS & SORENSEN, LLP	12/14/17	LITIGATION & LEGAL CONSULTING SVCS	2,100.75		
113210	1513	BURTON'S FIRE INC	12/14/17	FLEET SUPPLIES AND MAINT	352.36		
113211	10261	CARBONIC SERVICE	12/14/17	POOL CHEMICALS	310.35		
113212	11541	CEL CONSULTING, INC.	12/14/17	PLAN CHECK SERVICES	2,522.54		
113213	31	CENTERVILLE SAW & TOOL INC	12/14/17	GENERATOR FOR CHERRY FIRE	2,725.74		
113214	214	CENTRAL VETERINARY HOSPITAL	12/14/17	K9 VET SVCS	820.09		
113215	10825	CHEVROLET OF FREMONT	12/14/17	FLEET PARTS	165.04		
113216	6304	CLASSIC GRAPHICS T & J LEWIS INC	12/14/17	FLEET SUPPLIES AND MAINT	749.20		
113217	3751	BRYAN COBB	12/14/17	EXPENSE REIMBURSEMENT	48.73		
113218	1109	CAPITAL ONE COMMERCIAL	12/14/17	SUPPLIES	346.67		
113219	10649	VENUS MALVAS CARGILL SALT	12/14/17	PERFORMANCE BOND RTN EP# 2016-0072	1,000.00		
113220	10649	HOLY REDEEMER LUTHERAN CHURCH	12/14/17	TENTATIVE PARCEL MAP REFUND	1,080.00		
113221	10793	LOV NEWARK	12/14/17	RENTAL DEPOSIT REFUND	300.00		
113222	10793	DRIVERS FOR SURVIVORS	12/14/17	RENTAL DEPOSIT REFUND	300.00		
113223	41	DALE HARDWARE	12/14/17	FLEET SUPPLIES	487.07		
113224	3728	DEPARTMENT OF JUSTICE ACCOUNTING OFFICE	12/14/17	FINGERPRINTING FEES	450.00		
113225	2135	DEPARTMENT OF INDUSTRIAL RELATIONS OFFIC	12/14/17	WORKERS' COMPENSATION ASSESSMENT FOR FY	58,337.25		
113226	11015	EAST BAY LAWN MOWER	12/14/17	FLEET SUPPLIES AND MAINT	698.86		
113227	11557	ELK GROVE FORD	12/14/17	PROJECT 2018-3 2 FORD FUSIONS - ALCO	21,903.07		
113228	11461	EMC PLANNING GROUP INC.	12/14/17	CONTRACTUAL SERVICES	73,943.43		
113229	310	EQUIFAX INFORMATION SVCS LLC	12/14/17	CREDIT BUREAU REPORTS	50.00		
113230	522	FEDEX	12/14/17	SHIPPING CHARGES	109.49		
113231	153	FOLGERGRAPHICS, INC	12/14/17	ACTIVITY GUIDE PRINTING	9,256.96		
113232	60	FREMONT FORD/AUTOBODY OF FREMONT ATTN: P	12/14/17	FLEET SUPPLIES	379.74		
113233	2215	FREMONT WHEEL & BRAKE	12/14/17	FLEET MAINTENANCE	80.00		
113234	11157	JASON GERMANO	12/14/17	RESERVE UNIF ALLOWANCE	200.00		
113235	8762	GHA TECHNOLOGIES INC	12/14/17	DELL PRECISION 7720 LAPTOP FOR LAURIE GE	2,993.99		
113236	4321	GOLDEN STATE WARRIORS	12/14/17	JR. WARRIORS UNIFORMS	2,936.00		
113237	10999	GURUS EDUCATIONAL SERVICES RITA KHURANA	12/14/17	RECREATION CONTRACT	1,305.00		
113238	10707	GYM DOCTORS	12/14/17	GYM MAINTENANCE	317.19		
113239	167	HARRIS COMPUTER SYSTEMS	12/14/17	SELECT ERP MAINTENANCE	6,787.78		
113240	4845	HDL SOFTWARE LLC	12/14/17	BUSINESS LICENSE SOFTWARE	7,879.00		
113241	1591	PHILIP H HOLLAND	12/14/17	RESERVE UNIF ALLOWANCE	200.00		
113242	7593	BRUCE HOWCROFT	12/14/17	RESERVE UNIF ALLOWANCE	200.00		

CCS.AP Accounts Payable Release 8.3.0 R\*APZCKREG\*FDL BY BRETT OEVRNDIEK (BRETTO)

MICR Check#	Vendor Number	Payee	Check Date	Check Amount	Description
113243	11169	EDDY HSU	12/14/17	190.00	LEGAL CONSULTING SRVCS
113244	3866	JAM SERVICES INC	12/14/17	1,952.45	TRAFFIC SIGNAL PARTS
113245	11562	JEFF'S MOBILE GLASS INC.	12/14/17	65.00	FIRE TRUCK WINDOW REPAIR
113246	73	THE ED JONES CO INC	12/14/17	1,215.75	BADGES & INSIGNIA
113247	5884	TINA KNUXTON	12/14/17	174.10	EXPENSE REIMBURSEMENT
113248	6713	DAVID LEE	12/14/17	535.10	EXPENSE REIMBURSEMENT
113249	11335	LEGACY ROOFING & WATERPROOFING	12/14/17	450.00	PROJECT 1128 ROOF REPAIRS
113250	3644	RELX INC. DBA LEXISNEXIS	12/14/17	176.00	ONLINE LEGAL RESOURCE SUBSCRIPTION
113251	80	LYNN PEAVEY COMPANY	12/14/17	420.80	EVIDENCE SUPPLIES
113252	11482	MARCI MARINO	12/14/17	305.00	PAYROLL DEDUCTION - SS PAYMENTS FOR PR12
113253	9029	MEYERS NAVE RIBACK SILVER & WILSON	12/14/17	427.50	LITIGATION & LEGAL CONSULTING SRVCS
113254	11357	MISSION UNIFORM SERVICE	12/14/17	1,725.65	UNIFORMS, MATS, AND TOWELS
113255	11378	MNS ENGINEERS INC	12/14/17	21,775.00	ENGINEERING PLAN CHECK AND INSPECTION SE
113256	7335	MUNICIPAL MAINTENANCE EQUIPMENT INC	12/14/17	82.26	FLEET SUPPLIES AND MAINT
113257	11455	NATIONAL DATA & SURVEYING SERVICES, INC.	12/14/17	190.00	CIP PROJECT #1160 TRAFFIC CALMING, TRAFF
113258	10865	NEW IMAGE LANDSCAPE	12/14/17	330.00	MISC IRRIGATION REPAIR
113259	349	PACIFIC GAS & ELECTRIC	12/14/17	50.01	STREETLIGHTS AND TRAFFIC SIGNALS
113260	11322	PAPA JOHNS PIZZA	12/14/17	1,408.54	FOOD FOR THE CAFE
113261	78	PERFORMANCE PEST MANAGEMENT LPC SERVICES	12/14/17	284.00	PEST CONTROL
113262	10932	PETERSON HOLDING COMPANY	12/14/17	8,462.85	LOADER MAINT
113263	11346	PHAN'S SMOG STATION	12/14/17	360.00	SMOG SERVICE
113264	10683	PITNEY BOWES GLOBAL FINANCIAL SRVCS	12/14/17	1,690.33	MAILING MACHINE LEASE AGREEMENT / POSTAG
113265	4058	POLICE EXECUTIVE RESEARCH FORUM	12/14/17	200.00	PERF MEMBERSHIP 2018
113266	9337	ELIZABETH DANSIE, M.A., M.F.C.C. PSYCHOL	12/14/17	600.00	PATROL NON-POST TRAINING
113267	4346	HELEN QUE-GARCIA	12/14/17	162.54	SIGNS AND BANNERS
113268	11567	RAY MORGAN COMPANY	12/14/17	27.40	EXPENSE REIMBURSEMENT
113269	11234	REDFLEX TRAFFIC SYSTEMS	12/14/17	2,922.84	COPIER LEASE AGREEMENT
113270	9811	ALEXANDRIA RIDDLES	12/14/17	18,800.00	REDLIGHT CAMERA MONITORING
113271	11583	HOLLY RISNER-PEREZ	12/14/17	312.90	EXPENSE REIMBURSEMENT
113272	5228	RUTAN & TUCKER LLP	12/14/17	78.05	EXPENSE REIMBURSEMENT
113273	11074	WILLE ELECTRICAL SUPPLY CO INC	12/14/17	18,791.00	LITIGATION & LEGAL CONSULTING
113274	112	SAN MATEO REGIONAL NETWORK INC SMRN.COM	12/14/17	492.52	LIGHT BULBS
113275	5164	SCHINDLER ELEVATOR CORPORATION	12/14/17	270.00	SMRN SPAM FILTERING/WEB HOSTING 12/17
113276	9381	SIGNS BY RANDY	12/14/17	1,444.00	ELEVATOR REPAIR
113277	11575	SIMON & COMPANY INC	12/14/17	978.56	PROJECT 2018-3 FORD FUSIONS
113278	377	SONITROL	12/14/17	1,947.25	LEGISLATIVE SERVICES
113279	220	ST. FRANCIS ELECTRIC. LLC.	12/14/17	1,059.00	ALARM MONITORING
113280	11533	ANNE STEDLER	12/14/17	22,186.58	STREETLIGHT MAINTENANCE
113281	11535	SUMMIT UNIFORMS CORP	12/14/17	151.69	EXPENSE REIMBURSEMENT
113282	676	SWA SERVICES GROUP INC	12/14/17	3,717.79	POLICE OFCR UNIFORM ALLOWANCE
113283	11396	SWRCB FEES SWRCB ACCOUNTING OFFICE	12/14/17	28,415.26	JANITORIAL SERVICE
113284	3796	TEMPERATURE TECHNOLOGY INC.	12/14/17	14,230.00	ANNUAL STORMWATER PERMIT FEE
113285	1765	US BANK CORPORATE PAYMENT	12/14/17	370.00	HVAC REPAIR
113286	6797	GARY M SHELDON VBS SERVICES	12/14/17	7,874.46	US BANK CC PAYMENT 11/22/17
113287	10998	VERIZON WIRELESS	12/14/17	500.00	BLOOD WITHDRAWAL SVC
113288	5623	VERIZON BUSINESS SERVICES	12/14/17	93.62	GPS TRACKERS
113289	5623	VISTA UNIVERSAL INC	12/14/17	614.49	CELL SVC FOR MDT'S
113290	140	WEST COAST ARBORISTS INC	12/14/17	1,985.36	LIGHTING REPAIR
113291	5050	WITMER-TYSON IMPORTS	12/14/17	9,689.17	PROJECT 1196 BIRCH GROVE PARK TREE
113292	340	WORKERS' COMPENSATION ADMINISTRATION FEE	12/14/17	781.15	K9 TRAINING/SUPPLIES
113293	11466		12/14/17	2,955.08	

CS.AP Accounts Payable Release 8.3.0 R\*APZCKREG\*FDL  
 BY BRETT OEVRNDIEK (BRETT)

MICR Check#	Vendor Number	Payee	Check Date	Check Amount	Description
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Total					
411,561.06					

Final Disbursement List. Check Date 12/20/17, Due Date 01/15/18, Discount Date 01/15/18. Computer Checks.

MICR Check#	Vendor Number	Payee	Check Date	Description	Check Amount
113294	332	ADAMSON POLICE PRODUCTS	12/20/17	MISCELLANEOUS PURCHASES	118.79
113295	8895	ALAMEDA COUNTY ENVIRONMENTAL HEALTH	12/20/17	CIP PROJECT #1114: SILLIMAN AQUATIC CENT	1,044.00
113296	3703	ALAMEDA COUNTY HOUSING AND COMMUNITY DEV	12/20/17	INHOUSE HMIS CONTRIBUTION	2,284.00
113297	3853	COUNTY OF ALAMEDA INTERNAL AUDIT UNIT RI	12/20/17	CITATION PROCESSING FEES - NOV17	1,487.50
113298	3835	TREASURER OF ALAMEDA COUNTY PUBLIC WORKS	12/20/17	CIP #1141 AC CONCRETE OVERLAY PROGRAM, T	2,700.88
113299	348	AT&T	12/20/17	AT & T MONTHLY TELECOM	113.63
113300	1085	AT&T	12/20/17	TELECOM LONG DISTANCE	40.56
113301	9396	EMI GENERAL LICENSING	12/20/17	LICENSING FEE	342.00
113302	6630	BOUNDTREE MEDICAL LLC	12/20/17	MEDICAL SUPPLIES	42.95
113303	11254	CENTRAL MEDICAL LAB INC	12/20/17	BLOOD W/DRAWAL SVC	100.00
113304	214	CENTRAL VETERINARY HOSPITAL	12/20/17	VET SVCS	181.50
113305	458	CHEVRON AND TEXACO BUSINESS CARD SERVICE	12/20/17	FUEL	441.23
113306	11462	TONYA CONNOLLY	12/20/17	EDUCATIONAL REIMBURSEMENT SUMMER QUARTER	4,600.00
113307	10793	SAN CARLOS SCHOOL DISTRICT	12/20/17	ADMISSION REFUNDING	801.50
113308	10793	YULIYA ZHUK	12/20/17	RENTAL DEPOSIT REFUND	100.00
113309	10793	PAULA LEONG	12/20/17	TRIP REFUND	77.00
113310	10793	JIM UTLEY	12/20/17	RENTAL DEPOSIT REFUND	300.00
113311	63	THE GOODYEAR TIRE & RUBBER CO	12/20/17	TIRES FOR FLEET	4,497.89
113312	10794	DUKE DE LEON	12/20/17	VIDEO RECORDING SERVICES	450.00
113313	1435	DINO'S GRILL	12/20/17	FOOD CC MEETING	197.55
113314	11030	E POLY STAR INC	12/20/17	TRASH CAN LINERS	1,958.07
113315	11112	FREMONT CHRYSLER DODGE JEEP RAM	12/20/17	FLEET SERVICE & PARTS	935.74
113316	11506	KIRSTEN GAMEZ	12/20/17	EXPENSE REIMBURSEMENT	1,233.67
113317	10908	IMPERIAL SPRINKLER SUPPLY	12/20/17	PROJECT 1133 PARK IRRIGATION	2,230.13
113318	187	INDUSTRIAL SAFETY SUPPLY	12/20/17	RAIN GEAR AND SAFETY SUPPLIES	711.18
113319	11501	INFORMATION TECHNOLOGY DEPT. ALAMEDA COU	12/20/17	RADIO REPAIR/MAINT	125.00
113320	11025	ETHAN KATZ	12/20/17	ADPP - 07/17 (HALF) -11/17 ADJUSTMENT FOR	10,385.37
113321	11025	ETHAN KATZ	12/20/17	ADPP - 12/17	5,171.21
113322	293	LANGUAGE LINE SERVICES INC	12/20/17	INTERPRETATION SVCS	355.55
113323	11391	LIEBOW AND WELLMAN MUNICIPAL LAW	12/20/17	LITIGATION & LEGAL CONSULTING SRVCS	924.00
113324	987	LIEBERT CASSIDY WHITMORE A PROFESSIONAL	12/20/17	LITIGATION & LEGAL CONSULTING SRVCS	793.00
113325	11488	AARON LOCKS	12/20/17	RECREATION CONTRACT	210.00
113326	11246	LOOMIS ARMORED	12/20/17	ARMORED CAR SERVICE	276.89
113327	324	NEWARK CHAMBER OF COMMERCE	12/20/17	NEWARK CHAMBER HOLIDAY LUNCHEON	585.00
113328	349	PACIFIC GAS & ELECTRIC	12/20/17	STREETLIGHTS AND TRAFFIC SIGNALS	1,909.57
113329	10766	PEAK SOFTWARE SYSTEMS, INC	12/20/17	NEW RECEIPT PRINTER FOR SILLIMAN	353.19
113330	10932	PETERSON HOLDING COMPANY	12/20/17	PARTS FOR LOADER	4,571.37
113331	11376	QUINCY ENGINEERING INC	12/20/17	PROFESSIONAL ENGINEERING SERVICES FOR CE	119,041.86
113332	4418	SMITH & SONS ELECTRICAL CONTRACTORS INC	12/20/17	PROJECT 1129 BUILDING UPGRADES	6,159.00
113333	503	STANDARD INSURANCE COMPANY	12/20/17	EMPLOYEE LIFE INSURANCE AND AD&D COVERAG	1,680.72
113334	40	STAPLES ADVANTAGE DEPT LA	12/20/17	OFFICE SUPPLIES	1,781.23
113335	10883	THE TACTICAL ADVANTAGE POLICE SUPPLY	12/20/17	VEST EQUIP REPL #2018-12	979.09
113336	10318	SHANNON TODD	12/20/17	EDUCATIONAL REIMBURSEMENT	1,500.00
113337	5623	VERIZON WIRELESS	12/20/17	WIRELESS SERVICE FOR IPADS	418.11
113338	11466	YORK RISK SERVICES GROUP ATTN: CLIENT TR	12/20/17	WORKERS' COMPENSATION CLAIMS #NEWAR-1212	54,899.06
		Total			238,108.99



**M.1 Closed session pursuant to Government Code Section 54957  
Public Employee Performance Evaluation  
Title: City Manager.**

**Background/Discussion** – City Manager Becker has requested that the City Council convene in closed session pursuant to Government Code Section 54957 for a performance evaluation.

**M.2 Conference with Labor Negotiator  
Government Code Section 54957.6  
Agency Designated Representative: Mayor Nagy  
Unrepresented employee: City Manager**

**Background/Discussion** – A closed session has been scheduled pursuant to Government Code Section 54957.6.