

CITY OF NEWARK CITY COUNCIL

37101 Newark Boulevard, Newark, CA 94560-3796 • 510-578-4266 • E-mail: city.clerk@newark.org

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

AGENDA

Thursday, April 9, 2020

Pursuant to the Governor's Executive Order N-29-20, Mayor Nagy, Vice Mayor Freitas, and Council Members Collazo, Hannon, and Bucci may be attending this meeting via teleconference. In the event that any Council Member elects to teleconference, all votes conducted during the teleconferencing session will be conducted by roll call vote.

This meeting is open to the public; however, member of the public are encouraged to shelter in place and submit comments for this agenda via email. Emails should be submitted to City.Clerk@newark.org by 4:00 p.m. on April 9, 2020. The emails will be provided to the City Council in advance of the meeting.

A. ROLL CALL

B. MINUTES

- B.1 Approval of Minutes of the City Council meetings of March 12 and 17, 2020. (MOTION)**

C. PRESENTATIONS AND PROCLAMATIONS

D. WRITTEN COMMUNICATIONS

E. PUBLIC HEARINGS

- E.1 Authorization to renew an agreement with Redflex Traffic Systems, Inc. for an automated red-light camera enforcement system – from Police Captain Arguello. (RESOLUTION)**

F. CITY MANAGER REPORTS

(It is recommended that Items F.1 through F.7 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 the Final Map and Subdivision Improvement Agreement for Tract 8498 – Classic (Classic 36304 Newark Boulevard, L.P.), a 9-lot residential subdivision at 36304-36310 Newark Boulevard – from Senior Civil Engineer Cangco. (RESOLUTION)**
- F.2 Approval of the Final Map and Subdivision Improvement Agreement for Tract 8494 – Magnolia Residences (Goldsilverisland Homes, LLC), a 10-lot residential subdivision at 37256 and 37280 Magnolia Street and 6849 Baine Avenue – from Senior Civil Engineer Cangco. (RESOLUTION)**
- F.3 Authorize the carry-over unspent appropriation for a mobile command vehicle and amend the 2018-2020 Biennial Budget – from Police Lieutenant Macias. (RESOLUTION)**
- F.4 Approval of a Contractual Service Agreement with Avenu/Muniservices, LLC to provide consulting and auditing services for City of Newark’s Utility User Tax revenues and to amend the 2018-2020 Biennial Budget and Capital Improvement Plan – Finance Director Lee. (RESOLUTION)**
- F.5 Approval of a Contractual Services Agreement with HdL Coren & Cone for Property Tax Audit and Information Services and to amend the 2018-2020 Biennial Budget and Capital Improvement Plan – Finance Director Lee. (RESOLUTION)**
- F.6 Approval of a Contractual Service Agreement with Avenu/MuniServices, LLC to provide consulting and auditing services for the City of Newark’s Transient Occupancy Tax and to amend the 2018-2020 Biennial Budget and Capital Improvement Plan – Finance Director Lee. (RESOLUTION)**
- F.7 Acceptance of the Comprehensive Annual Financial Report (CAFR) for the period ended June 30, 2019 – from Finance Director Lee. (MOTION)**

NONCONSENT

- F.8 Oral Update on the City’s response to the COVID-19 Local Emergency – from City Manager Benoun and Interim City Attorney Kokotaylo.**

G. CITY ATTORNEY REPORTS

- G.1 Adopt an Urgency Ordinance of the City of Newark Enacting a Temporary Moratorium on Evictions Due to Nonpayment of Rent for Residential and Commercial Tenants Where the Failure to Pay Rent is From Income Loss Resulting From the Novel Coronavirus (COVID-19) – from City Manager Benoun, Interim City Attorney Kokotaylo, and Community Development Director Turner. (URGENCY ORDINANCE-1)**

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

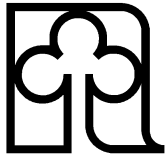
Approval of Audited Demands. (MOTION)

M. CLOSED SESSION

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, 5th 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.



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

AGENDA

Thursday, April 9, 2020

CITY COUNCIL:

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

CITY STAFF:

David J. Benoun
City Manager

Gina Anderson
Police Chief

Soren Fajeau
Public Works Director

David Zehnder
Recreation and Community
Services Director

Helen Que-Garcia
Acting Human Resources Dir.

Kristopher J. Kokotaylo
Interim City Attorney

Krysten Lee
Finance Director

Steven M. Turner
Community Development Dir.

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. 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.



CITY OF NEWARK CITY COUNCIL

37101 Newark Boulevard, Newark, CA 94560-3796 • 510-578-4266 • E-mail: city.clerk@newark.org

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

Minutes

Thursday, March 12, 2020

A. ROLL CALL

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

B. MINUTES

B.1 Approval of Minutes of the City Council special and regular meetings of, February 13, 2020. **MOTION APPROVED**

Council Member Collazo moved, Council Member Bucci seconded, to approve the Minutes of the regular City Council meeting. The motion passed, 5 AYES.

C. PRESENTATIONS AND PROCLAMATIONS

C.1 Proclaiming March as American Red Cross Month.

Jay Pimental of the American Red Cross Leadership Council accepted the proclamation.

C.2 Proclaiming March as March for Meals Month.

Patricia Osage of Meals on Wheels Alameda County accepted the proclamation.

D. WRITTEN COMMUNICATIONS

E. PUBLIC HEARINGS

F. CITY MANAGER REPORTS

City Manager Benoun requested that the City Council consider adding an urgency item to the agenda. He stated that Interim City Attorney Kokotaylo would provide the item details after the approval of the Consent Calendar

Council Member Bucci moved, Council Member Collazo seconded, to approve Consent Calendar Items F.1 through F.2, that the resolutions be numbered consecutively, and that reading of the titles suffice for adoption of the resolutions. The motion passed, 5 AYES.

CONSENT

- F.1 Approval of the recommendation from the Community Development Advisory Committee for allocation of Community Development Block Grant Jurisdiction Improvement Project funds for fiscal year 2020-2021.**

MOTION APPROVED

- F.2 Authorizing the City Manager to execute a Contractual Services Agreement with Coro Medical, LLC to provide new Automated External Defibrillator (AED) units and ongoing Public AED Program Services and amending the 2018-2020 Biennial Budget and Capital Improvement Plan for fiscal year 2019-2020.**

RESOLUTION NO. 11028

CONTRACT NO. 20015

NONCONSENT

Interim City Attorney Kokotaylo requested that the City Council find a need to consider the impacts of the COVID-19 virus (Coronavirus) on City resources. There have been significant developments since the agenda was posted and that an urgency item should be added to the agenda to allow staff to update the City Council. Council Member Freitas moved, Council Member Bucci seconded to add the urgency item as F.5 to the agenda. The motion passed 5 AYES.

- F.3 Overview of the 2020-2022 Capital Improvement Plan.**

Public Works Director Fajeau and Assistant City Engineer Imai gave the presentation (on file with City Clerk). The Executive Team will review of the proposed CIP projects in March. A formal review of the Draft CIP, including recommended project rankings, is scheduled to be presented to the City Council on April 23, 2020. This item was informational only.

- F.4 Approval to add classification of Finance Director by: (1) amending the Employee Classification Plan and the Compensation and Benefit Plan for City Officials and the Management, Supervisory, and Professional Employee Group; and (2) approving an Amendment to the City's Salary Schedule in conformance with California Code of Regulations, Title 2, Section 570.5.**

RESOLUTION NO. 11029-11030

City Manager Benoun gave the staff report recommending approval of the Finance Director classification. He stated that this would be a Department Head position with a monthly salary range of \$14,179 to \$20,557 (range 24) and the same benefits that the City's executives receive.

Council Member Hannon moved, Council Member Collazo seconded to by resolutions: (1) amend Resolution No. 2505, Employee Classification Plan, to add one new classification entitled Finance Director; and (2) amend Resolution No. 10962, the Compensation and Benefit Plan for City Officials and the Management, Supervisory, and Professional Employee Group to add the classification, Finance Director. The motion passed, 5 AYES.

F.5 Update on the COVID-19 Virus on City Resources.

City Manager Benoun stated that in response to the COVID-19 Virus, the City has increased janitorial services in all city buildings, purchased cleaning products for staff use, and provided safety trainings for staff. For the public, information has been placed on the City website and social media. Nonessential public gatherings have been canceled.

City Manager stated that the Senior Center is open, but activities have been canceled. Interim City Attorney Kokotaylo is preparing resolutions in case a local emergency needs to be declared at a future date.

G. CITY ATTORNEY REPORTS

H. ECONOMIC DEVELOPMENT CORPORATION

I. CITY COUNCIL MATTERS

Mayor Nagy stated that the NewBark Dog Park grand opening and the annual Family Day at The Park have been canceled. He congratulated Krysten Lee on her promotion to Finance Director. He stated that he attended the AC Transit meeting for bus service in the cities of Fremont and Newark. AC Transit plans to eliminate service from residential areas and he requested that staff to return at a future meeting with the impact of the AC Transit Plan to the community.

Council Member Collazo stated that March 8, 2020 was National Womens' Day, and commended the women in Newark. She stated to stay healthy and Shop Newark.

Council Member Bucci reminded everyone to wash their hands.

Council Member Freitas commended Police Officer Karl Fredstrom who was named Employee of the Year. He complimented the Public Works Department for the recent tree trimming work in the City.

Council Member Hannon thanked the public safety officers for their service. He wished everyone a Happy St. Patrick's Day.

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

K. ORAL COMMUNICATIONS

Ron Brazil requested that the City Council allow larger accessory dwelling units with a size formula based on lot size. He stated that he did not understand why Air Bnb rentals were not allowed. He requested that the landscaping water at Susan Johnson Park be monitored to save water and money.

L. APPROPRIATIONS

Approval of Audited Demands.

MOTION APPROVED

City Clerk Harrington read the Register of Audited Demands: Check numbers 120231 to 120489.

Council Member Bucci moved, Council Member Freitas seconded, to approve the Register of Audited Demands. The motion passed, 5 AYES.

M. CLOSED SESSION

N. ADJOURNMENT

Mayor Nagy adjourned the meeting at 9:11 p.m.



CITY OF NEWARK CITY COUNCIL

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SPECIAL MEETING

Minutes

Tuesday, March 17, 2020

City Administration Building
6:15 p.m.
City Council Chambers

A. ROLL CALL

Mayor Nagy called the meeting to order at 6:15 p.m. Present were Council Members Hannon, Collazo, Freitas, and Bucci.

B.1 Update on the City's response to COVID-19, Ratification of the Proclamation of the Existence of a Local Emergency by the Director of Emergency Services, and cancellation of the March 26, 2020 City Council meeting.

**RESOLUTION NO.
MOTION APPROVED**

City Manager Benoun stated that as a result of the Covid-19 (Coronavirus) spreading, Bay Area Health Officers directed a shelter in place for 3 weeks. The Health Officers hoped this would prevent the virus from spreading. The City closed all facilities starting today through Thursday and put nonessential employees on Emergency Administrative Leave. Essential services are staffed and he hoped to increase limited staffing next week. City Manager Benoun recommended canceling the March 26, 2020, City Council meeting.

City Manager Benoun stated that Governor Newsom issued an Executive Order regarding evictions and that staff would review the new law and schedule a special city council meeting if needed for local action.

City Manager Benoun stated that he issued a Proclamation of the Existence of a Local Emergency yesterday due to the public health emergency. He recommended that the City Council adopt a resolution ratifying the Proclamation.

No one from the public came forward to speak.

Council Member Bucci moved, Council Member Collazo seconded to, by resolution, ratify the Proclamation of a Local Emergency by the City Manager/Director of Emergency Services. The motion passed, 5 AYES.

Council Member Hannon moved, Council Member Collazo seconded to, by motion, cancel the March 26, 2020 City Council meeting. The motion passed, 5 AYES. .

C. ADJOURNMENT

Mayor Nagy adjourned the meeting at 6:47 p.m.

**E.1 Authorization to renew an agreement with Redflex Traffic Systems, Inc. for an automated red-light camera enforcement system – from Police Captain Arguello.
(RESOLUTION)**

Executive Summary - The City's existing agreement with the City's vendor for an automated red-light camera enforcement system expires on April 20, 2020. Staff recommends that the City Council authorize a renewal of the agreement for a period of 5 years with options for an additional 4 years. If approved, the pricing for a continuation of the existing services would decrease by \$1,400 per month. Currently, there are 4 approaches in the City at 3 intersections. Those approaches would continue under the proposed extension.

Background On Establishment Of Automated Red-Light Camera Enforcement System

In March 2006, City Council authorized City Staff to establish a contract with Redflex Traffic Systems, Inc. (Redflex) for automated red light photo enforcement for up to ten approaches within the City of Newark. Redflex was selected as the vendor for this program for a variety of reasons including its:

- Full-color still camera and full-motion, high quality digital video camera capability;
- Real-time intersection monitoring;
- Multiple options for camera activation;
- Recording capability for all turning movement violations and straight through violations;
- Cost neutrality (zero general funds expended for build outs/infrastructure); and
- Reputation and current use by other jurisdictions, including Fremont, San Leandro, Daly City, Elk Grove and Sacramento.

At that time, the purpose of instituting an automated red light photo enforcement program was to increase vehicle, pedestrian, and bicyclist safety through improved traffic enforcement as part of an overall traffic safety plan. The program had three goals: 1) improve overall traffic safety and awareness; 2) reduce red light violations and collisions; and 3) utilize the technology to strategically place cameras in problem areas where traditional enforcement was not practical or safe. Before establishing a contract with Redflex, the police department completed several studies to identify the most dangerous intersections in the City where a photo red light enforcement system could have the most beneficial effect on public safety. This was accomplished by looking at a history of collisions, the seriousness of those collisions, causation, and enforcement ability from traditional methods, as well as officer safety concerns, traffic flow, and areas with a high number of violations.

The initial study undertaken by the police department was a five year review of intersection collision history from January 1, 2001 through December 31, 2005. Several intersections were identified as having both a high number of collisions in general and a high number of collisions attributable to red light violations. In addition, traffic enforcement officers provided input regarding intersections with known high violation problems and the degree of difficulty in enforcing red light violations using police personnel and standard enforcement techniques. The difficulty primarily arises from the congestion associated with the intersections of major city thoroughfares that are heavily traveled, with additional traffic through both intersections feeding both on and off Highways 880

and 84. This is compounded by the raised concrete medians and sidewalks that are present at various locations in all intersections. The heavy traffic and raised medians/sidewalks make it extremely difficult for officers to safely position themselves to monitor both traffic and the status of the lights and also remain in a position to catch up to and effectively stop violators.

After several intersections were identified by staff, Redflex conducted video and in-field surveys to assist with identifying which “approaches,” or direction of travel leading into an intersection, within these intersections should be monitored. At the conclusion of the study, the police department, in consultation with traffic engineering staff, recommended the installation of Redflex cameras at the intersections of Cherry Street/Mowry Avenue, Mowry Avenue/Cedar Boulevard, and Newark Boulevard/Jarvis Avenue.

The contract with Redflex was officially executed on March 10, 2006 for an initial period of five (5) years, with an option to extend the contract for two (2) consecutive and two (2) automatic years. The system went live with one approach (Southbound Cherry Street) in August 2006. Prior to the system going live, advisory signs were posted around the City at various entrance points in compliance with California Vehicle Code section 21455.5. Additional signage was later added at intersections that have the Redflex system in place. The police department also issued a press release to three bay area newspapers regarding the pending implementation of the program. Finally, the department conducted a thirty (30) day trial period during which only written warnings were given instead of actual citations. The second intersection (Mowry Avenue/Cedar Boulevard) went live in October 2006 and the third was added at Newark Boulevard/Jarvis Avenue in February 2007, again all with thirty day warning periods before citations were issued.

In 2010, staff evaluated the effectiveness of the Red Light Photo Enforcement Program and found that the data supported the incidence of red light violations and associated risk of traffic collision at monitored intersections had decreased, thus improving the safety of our community and therefore recommended that the program be continued.

On April 20, 2011, a new contract with Redflex was officially executed for a period of five (5) years, with an option to extend the contract for two (2) additional consecutive and automatic year periods. This existing contract is set to expire on April 20, 2020.

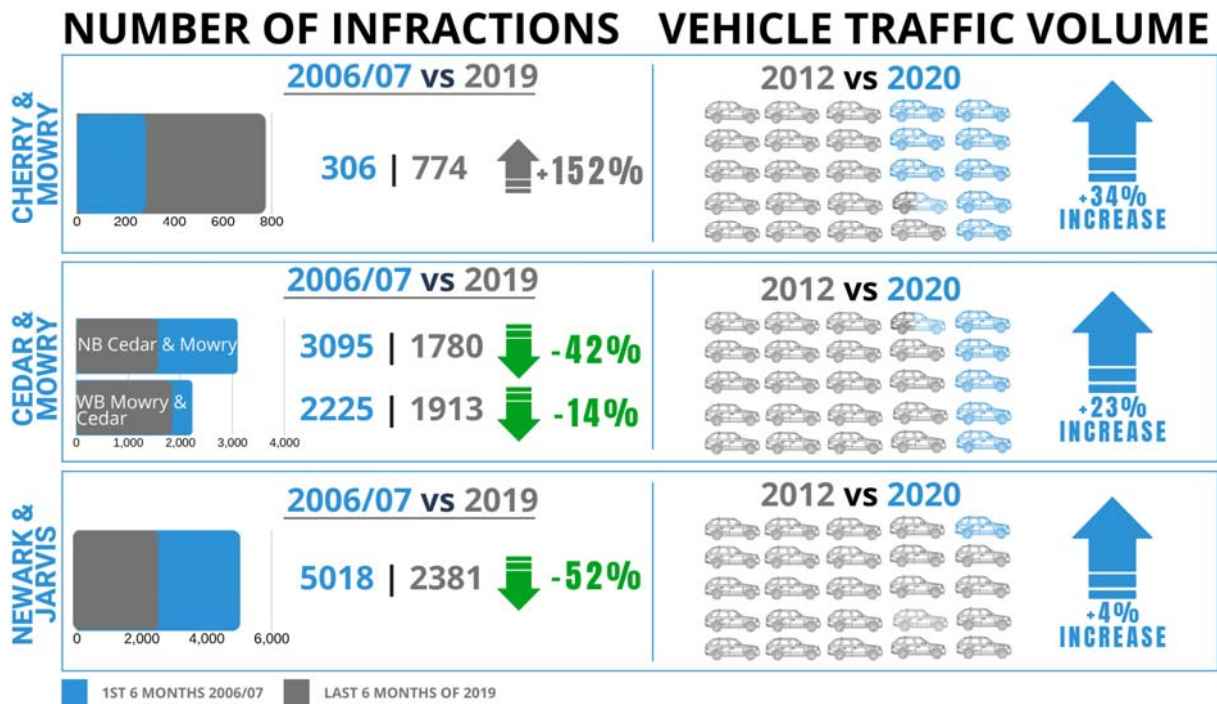
Red Light Violation Enforcement

Red light violation enforcement is one of the benchmarks by which the system should be measured because it directly relates to the primary goal of improved safety in the form of both collision and violation reduction. As no similar system was in place prior to Redflex going live, it is not possible to do a direct “before and after” comparison of the number of red light violation citations issued for these approaches. It is possible, however, to compare the number of citations issued at the outset of the program with more recent data. Presumably the earlier data is representative of the number of violations that were occurring prior to the installation of the system. The cameras have the ability to view multiple lanes, so each approach captures both straight through and either the left turn lane (as is the case with Cherry Street) or the right turn lane (as is the case with Mowry Avenue and Newark Boulevard). Approaches are chosen based on roadway design, survey results, and pedestrian/bicycle

traffic.

Between January 2015 and January 2020, the cameras have captured an average of 34 incidents per day or a total of 62,576 incidents of vehicles running a red light. Of those, staff was able to work towards identifying the shown responsible party in 45,081 of the incidents. Those efforts resulted in 28,893 violations being filed with the court.

Below is a chart which displays the number of violations in the first six months of adding an approach to the program compared to the most recent six months of the program. The most recent data indicates that there continues to be a significant reduction in incidence of violation, with an overall decrease of 35.66%.

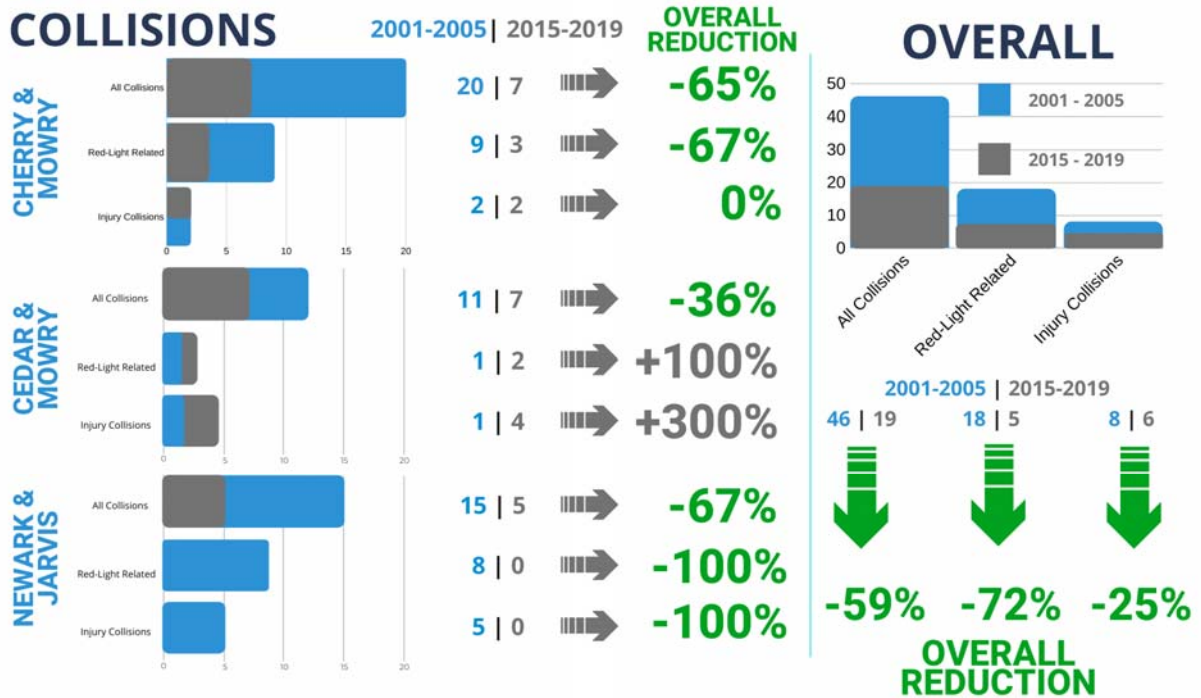


The reductions as shown above suggest that the activation of the Redflex system continues to have a significant effect on decreasing the number of violations occurring over time. This reduction is consistent with increased public awareness of the use of the Redflex system and subsequent modification of driving habits, which meets the goal of increased public safety. Staff believes that this reduction of red light violations naturally reduces the number of incidents when a potential tragedy could occur.

Collision Reduction Performance

One of the goals of this program is to reduce collisions involving red lights, pedestrians, and bicyclists. The chart below provides an overview of all collisions occurring at intersections

monitored by the Redflex system for a period of approximately five years before the onset of and the most recent five years with the program in place, as well as those collisions attributable to red light violations and the total number of injury collisions.



These figures, when factoring in the increased levels of traffic volume traveling through the city, indicate a significant, continued reduction in all collisions, including red light related collisions and injuries, from the time the system was installed.

As is the case with any statistical data, it is important to remember that when looking at statistics we may see spikes or unusually bad years. For example, one particularly bad year for collisions could occur as the result of external factors such as changes in traffic flows and patterns, extended periods of inclement weather, and other driving conditions.

Overall Traffic Safety

In summary, all indications are that the Redflex system continues to have the sought after effect of reducing the incidence of collisions and injuries, as well as specifically reducing major injury/fatality collisions frequently attributed to right angle (broadside) collisions from red light violations.

A link to a recent national analysis conducted by the American Automobile Association (AAA) Foundation for Traffic Safety and a study performed by the Insurance Institute for Highway Safety (IIHS) on the effects of red light photo enforcement on fatality reduction is attached for City Council consideration.

The analysis performed by the AAA Foundation for Traffic Safety noted that red light running fatalities had hit a 10-year high in 2017, a 28% increase from 2012 (AAA Foundation for Traffic

Safety, 2019, para. 1). Moreover, according to the study by the IIHS, red light photo enforcement camera programs reduced the fatal red light running crash rate of cities with camera programs by 21 percent and the rate of all types of fatal crashes at signalized intersections by 14 percent (Hu & Cicchino, 2016, p. 16; 2017, para. 3).

Furthermore, the IIHS study compared 14 cities that turned off red light cameras with those with continuous camera programs. The IIHS study found that in the 14 cities that shut down their programs during 2010-14, the fatal red light running crash rate was 30 percent higher than would have been expected if they had left the cameras on and that the rate of all fatal crashes at signalized intersections was 16 percent higher (Hu & Cicchino, 2016, p. 14; 2017, para. 3).

Fiscal Impact

The cost per approach under the initial agreement was \$6,000 per month; however, over the life of the contract, this fee increased slightly due to agreed-upon cost of living increases to an amount of \$6,347 per approach until 2015, when the costs were renegotiated to the current cost per approach of \$4,700 as part of the 2016 term extension. As discovered during the last complete review prior to the City's current contract term, not only has the program continued to meet the desired goals of improving traffic safety, it continues to be a self-sustaining program that does not create a negative fiscal impact to the existing budget.

Over time, staff has received questions regarding the fine amounts for red light violations. A citation for a red light violation, California Vehicle Code Section 21453(a), currently carries a state mandated fine of \$489.00, of which approximately one third is allocated to the issuing authority. As with other violations of the California Vehicle Code, the City of Newark does not set or control the fine or penalty amounts. The fine, penalty, and related costs for red light violations of the California Vehicle Code are set by the Judicial Council of the State of California. In order to establish a standard of uniformity, the Judicial Council mandates the Penalty Assessments per statute to include:

- Base Fine
- State of California, County and Court Penalty Assessments
- Criminal Surcharge and Criminal Conviction Assessments
- Court Operation and Security Fees

Staff Recommendation & Sole Source

Overall, Redflex has been a responsive and responsible service provider. Redflex has worked closely with staff to ensure that the program approaches continue to meet the requirements of the California Vehicle Code and that staff remain current with the training, information, and materials necessary to successfully face challenges to citations in court. Redflex has also been willing to spend additional money on infrastructure to improve the quality of our system on several occasions, although this was not required by contract.

An alternative to seeking a renewed contract with Redflex is to issue a formal Request for Proposals (RFP). An RFP process would not result in an outcome that is more advantageous to the City than what other California municipalities with a similar number of approaches have

recently negotiated through Redflex and other vendors. This is because, in part, a contract with a new service provider would require a complete replacement of the red light traffic enforcement program and equipment and result in a substantial increase in costs for the City. Upon reviewing the program one such vendor initially estimated their cost per approach, per month would be \$5,400 to \$5,700. After taking current Bay Area construction costs into account, the vendor later advised the costs would be at \$7,000 to \$7,500 per approach, which is more than \$2,500 per approach than what the City has secured from Redflex under the proposed renewal.

In assessing why similar service providers would not be able to meet the City's needs under these particular set of circumstances, the following factors should be given consideration:

1. It is estimated the red light program would be inoperable for approximately 12 months while Redflex removes their equipment for the four approaches and a new company obtains permits, outfits the intersections with their equipment and trains our employees. This year-long inoperability would have a negative impact in excess of \$120,000 in police department expenses due to staff costs that are currently offset by the program.
2. Once a new system is operational, it is likely to take approximately three months to develop a compatible system with the court to accept the citations. This time-frame is contingent on the court having staff to assist in the transition of the program.
3. The City Engineering costs are estimated to be approximately \$30,000 to \$35,000 with an additional \$15,000 to \$20,000 in staff costs to approve new construction and encroachment permits for four approaches at the three intersections.
4. The proposed contract is unique due to the vendor providing equipment and infrastructure at each enforced intersection as well as having a well-established automated software program that is compatible with the court system.
5. We have established a user-group with the cities of Fremont and San Leandro within Alameda County who have current contracts with Redflex. This well-established group has substantial status and influence over the day-to-day operations of our vendor.

In summary, Redflex has provided the City with the equipment, applications, and citation processes necessary for our City staff to monitor, identify and enforce red light violations in accordance with California Vehicle Code section 21455.5. Redflex has a good understanding of the unique requirements of the California Vehicle Code and the ability to advise the City on the procedures required to operate. As one of the longest operating companies in the United States for camera road safety, Redflex has provided the City with reliable, consistent service through its equipment, technology and customer service. Redflex has been a supportive service provider to the City of Newark, helping to provide a safer community by reducing the incidence of red light violations and associated risk and severity of vehicle collisions at traffic intersections and City streets.

While there may be other vendors available to provide similar services, the necessary commitment of city resources and staff costs associated in reviewing and approving new engineering and construction plans, the substantial impact on police staff costs and significant exposure to public safety during the 12 months of inoperability during a change-over period justify a sole-source selection approach.

Renewing an agreement with our current vendor will ensure a seamless and cost effective program for the next 5-9 years. Staff has secured a new pricing model which would reduce the City's monthly fee from \$4,700 to \$4,350 per approach with upgrading all of the red light photo enforcement intersections with the latest technology at no additional cost to the City. Should the City deem it prudent to expand the program, the agreement provides the City with the option to add one to four additional approaches at a cost of \$5,700 per approach, per month. The pricing model increase between upgrading existing approaches and building new approaches, is due to construction costs for foundations, underground boring, establishing power, permit fees, etc. Based on the program meeting its stated objectives, its overall success in improving traffic safety, as well as the improved agreement terms, staff recommends that the City Council authorize the City Manager to execute a renewed agreement of five (5) years, with options to extend should the program continue to meet its goals.

Attachments –

1. Resolution
2. Presentation
3. American Automobile Association Foundation for Traffic Safety. (2019). *Red light running deaths hit 10 year high*. Washington, DC: AAA Foundation for Traffic Safety. Retrieved from <https://newsroom.aaa.com/2019/08/red-light-running-deaths-hit-10-year-high/> on January 30, 2020
4. Insurance Institute for Highway Safety. (2016). Effects of turning on and off red light cameras on fatal crashes in large U.S. cities. Arlington, VA: Hu, W., Cicchino, J.
5. Agreement

Action – Staff recommends that the City Council, by resolution, authorize the City Manager to renew an agreement with Redflex Traffic Systems, Inc. for an automated red-light camera enforcement system.

RESOLUTION NO.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
NEWARK AUTHORIZING THE CITY MANAGER TO
RENEW AN AGREEMENT WITH REDFLEX TRAFFIC
SYSTEMS, INC. FOR AN AUTOMATED RED-LIGHT
PHOTO ENFORCEMENT SYSTEM

WHEREAS, City Council authorized City Staff to establish a contract with Redflex Traffic Systems, Inc. (Redflex) for automated red light photo enforcement for up to ten approaches within the City of Newark in March 2006; and

WHEREAS, this contact was approved for an initial period of five (5) years, with an option to extend the contract for two (2) consecutive years and two (2) automatic years; and

WHEREAS, the purpose of instituting this program was to increase vehicle, pedestrian, and bicyclist safety through improved traffic enforcement as part of an overall traffic safety plan; and

WHEREAS, before establishing a contract with Redflex, the police department completed several studies to identify the most dangerous intersections in the City where a photo red light enforcement system could have the most beneficial effect on public safety; and

WHEREAS, at the conclusion of the studies and in consultation with traffic engineering staff, the intersections of Cherry Street/Mowry Avenue, Mowry Avenue/Cedar Boulevard, and Newark Boulevard/Jarvis Avenue were recommended for the installation of cameras; and

WHEREAS, staff evaluated the effectiveness of this program in 2010 and found that the data supported the incidence of red light violations and associated risk of traffic collisions at monitored intersections had decreased, thus improving the safety of our community and therefore recommended the program be continued; and

WHEREAS, the City executed a new contract with Redflex in April 2011 for a period of five (5) years, with an option to extend the contract for two (2) consecutive years and two (2) automatic years; and

WHEREAS, the most recent data indicates that there continues to be a significant reduction in red light violations with an overall decrease of 35.66% when comparing the first six months of adding an approach to the program compared to the most recent six months; and

WHEREAS, the most recent data also indicates that there continues to be a significant reduction in overall collisions at intersections monitored by the Redflex system for a period of approximately five years before the onset of the program and the most recent five years; and

WHEREAS, these reductions are consistent with increased public awareness of the use of the Redflex system and subsequent modification of driving habits, as well as reducing incidences of collisions and injuries, which meets the goal of increased public safety; and

WHEREAS, Redflex continues to be a self-sustaining program that does not create a negative fiscal impact for the City; and

WHEREAS, Redflex has been a responsive and responsible service provider who has worked closely with our staff to ensure that the program approaches continue to meet the requirements of the California Vehicle Code and that staff remain current with the training, information, and materials necessary; and

WHEREAS, an alternative to seeking a renewed contract with Redflex is to issue a formal Request for Proposal (RFP); however formal bids would not result in an outcome that is more advantageous to the City for the reasons below. Additionally, this is a continuation of an ongoing service already procured from a supplier; and

WHEREAS, a contract with a new service provider would require a complete replacement of the red light traffic enforcement program and equipment, which would result in a substantial increase in costs for the City, including program inoperability for approximately 12 months during the change-over period, the need to develop a compatible system with the court system, and additional City Engineering costs of approximately \$45,000-\$55,000; and

WHEREAS, renewing and entering into an agreement with Redflex will ensure a seamless and cost effective program for the next 5-9 years, which includes a new pricing model that would reduce the City's existing monthly fee from \$4,700 to \$4,350 per approach with upgrading all of the red light photo enforcement intersections with the latest technology at no additional cost to the City; and

WHEREAS, should the City deem it prudent to expand the program, the agreement provides the City the option to add one to four additional approaches at a cost of \$5,700 per approach, per month; and

WHEREAS, based on the program meeting its stated objectives, its overall success in improving traffic safety, as well as the improved agreement terms, staff recommends and the City seeks a renewed new agreement of five (5) years, with options to extend should the program continue to meet its goals.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Newark that all the foregoing recitals are true and correct and are hereby incorporated as though fully set forth herein.

BE IT FURTHER RESOLVED by the City Council of the City of Newark that formal bids for this service would not produce any advantage to the City and this is a continuation of an ongoing service to a critical system already procured from a supplier for the reasons stated above.

BE IT FURTHER RESOLVED by the City Council of the City of Newark that the City Manager is hereby authorized to renew and execute an agreement with Redflex Traffic Systems, Inc. for an automated red-light photo enforcement system, in substantial form attached hereto and a form approved by the City Attorney.

BE IT FURTHER RESOLVED by the City Council of the City of Newark that the City Manager is authorized is amend or modify the agreement with Redflex Traffic Systems, in a form approved by the City Attorney and in a manner otherwise consistent with this Resolution.

RED-LIGHT PHOTO ENFORCEMENT

NEWARK POLICE DEPARTMENT



NEWARK BLVD & JARVIS

INTRODUCTION TO THE PROGRAM

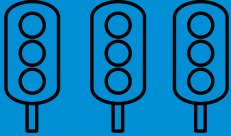
EXISTING



If approved, the pricing for a continuation of the existing services would decrease by \$1,400 per month.

The City's existing agreement with the City's vendor for an automated red-light camera enforcement system expires on April 20, 2020.

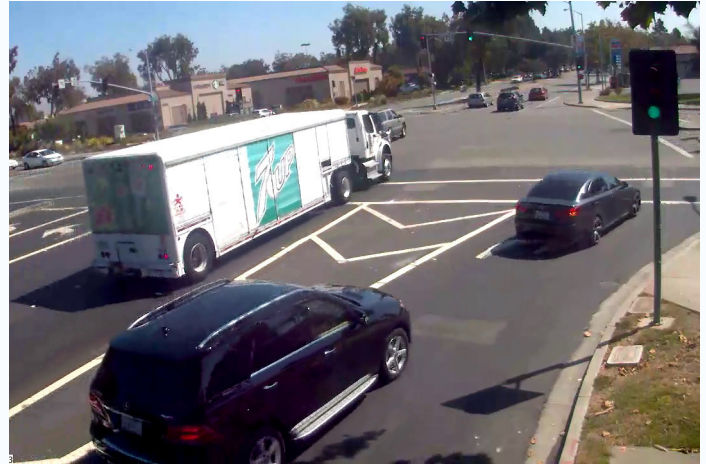
Staff recommends that the City Council authorize a renewal of the agreement for a period of 5 years with options for an additional 4 years.



Currently, there are 4 approaches in the City at 3 intersections. Those approaches would continue under the proposed extension



NEW

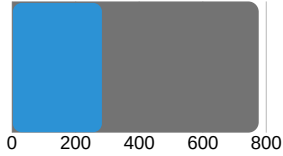


NEWARK BLVD & JARVIS AVE

NUMBER OF INFRACTIONS VEHICLE TRAFFIC VOLUME

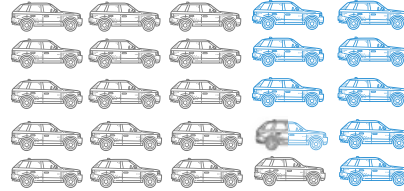
CHERRY & MOWRY

2006/07 vs 2019



306 | 774 **+152%**

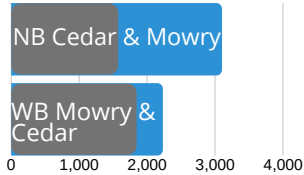
2012 vs 2020



+34% INCREASE

CEDAR & MOWRY

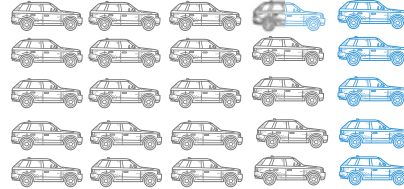
2006/07 vs 2019



3095 | 1780 **-42%**

2225 | 1913 **-14%**

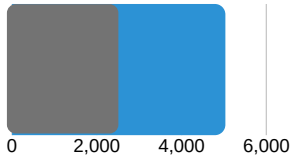
2012 vs 2020



+23% INCREASE

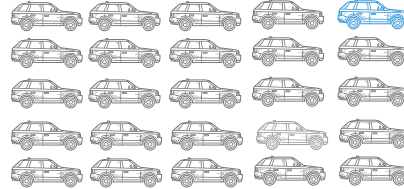
NEWARK & JARVIS

2006/07 vs 2019



5018 | 2381 **-52%**

2012 vs 2020



+4% INCREASE

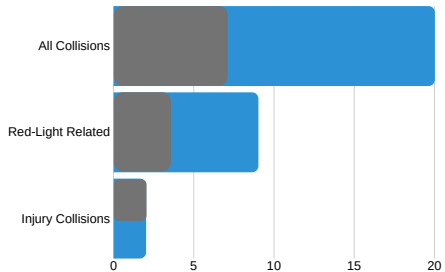
1ST 6 MONTHS 2006/07

LAST 6 MONTHS OF 2019

COLLISIONS

2001-2005 | 2015-2019

CHERRY & MOWRY



20 | 7



OVERALL REDUCTION

-65%

9 | 3



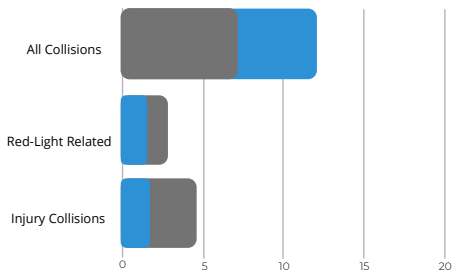
-67%

2 | 2



0%

CEDAR & MOWRY



11 | 7



-36%

1 | 2



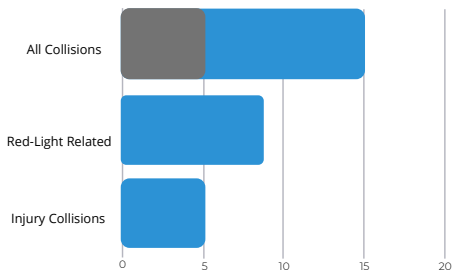
+100%

1 | 4



+300%

NEWARK & JARVIS



15 | 5



-67%

8 | 0



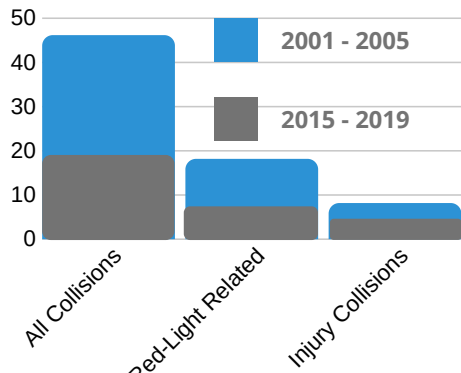
-100%

5 | 0



-100%

OVERALL



2001-2005 | 2015-2019

46 | 19

18 | 5

8 | 6



-59%

-72%

-25%

OVERALL REDUCTION

OVERALL INFRACTION REDUCTION

1ST 6 MO 2006

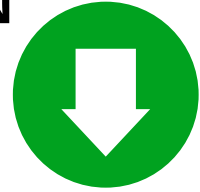


LAST 6 MO OF 2019



10,644

6,848



-35%
OVERALL
REDUCTION

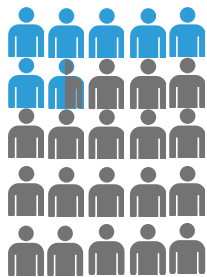


NEWARK BLVD & JARVIS AVE

IN 2017, RED-LIGHT RUNNING FATALITIES HIT A 10-YEAR HIGH



+ 28%
INCREASE IN FATALITIES

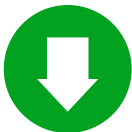


AAA FOUNDATION FOR TRAFFIC SAFETY ANALYSIS

CITIES WITH RED-LIGHT CAMERA



-21% FATAL RED-LIGHT RUNNING CRASH REDUCTION



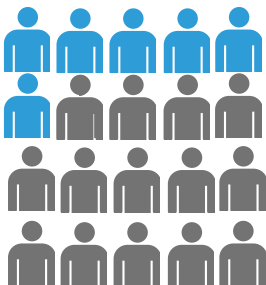
-14% OVERALL FATAL CRASH REDUCTION

IIHS STUDY

14 CITIES TURNED OFF RED LIGHT CAMERAS



2010-2014



FATAL RED-LIGHT CRASH RATE AFTER TURNING CAMERAS OFF



+30% FATAL RED-LIGHT RUNNING CRASH INCREASE



+16% OVERALL FATAL CRASH INCREASE

IIHS STUDY



CHERRY ST & MOWRY AVE



CEDAR BLVD & MOWRY AVE



MOWRY AVE & CEDAR BLVD

QUESTIONS

NEWARK POLICE DEPARTMENT



REFERENCES

1. AMERICAN AUTOMOBILE ASSOCIATION FOUNDATION FOR TRAFFIC SAFETY. (2019). RED LIGHT RUNNING DEATHS HIT 10 YEAR HIGH. WASHINGTON, DC: AAA FOUNDATION FOR TRAFFIC SAFETY. RETRIEVED FROM [HTTPS://NEWSROOM.AAA.COM/2019/08/RED-LIGHT-RUNNING-DEATHS-HIT-10-YEAR-HIGH/](https://newsroom.aaa.com/2019/08/red-light-running-deaths-hit-10-year-high/) ON JANUARY 30, 2020
2. INSURANCE INSTITUTE FOR HIGHWAY SAFETY. (2016). EFFECTS OF TURNING ON AND OFF RED LIGHT CAMERAS ON FATAL CRASHES IN LARGE U.S. CITIES. ARLINGTON, VA: HU, W., CICCHINO, J.



NewsRoom



NewsRoom



Red Light Running Deaths Hit 10 Year High

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New AAA Foundation data analysis finds more than two people are killed every day in red light running crashes, including drivers, passengers, pedestrians and cyclists

FOR MORE INFORMATION:



Tamra Johnson
Manager,
AAA Public Relations
(202) 942-2079

TRJohnson@national.aaa.com

WASHINGTON, D.C. (Aug 29, 2019)- More than two people are killed every day on U.S. roads by impatient and reckless drivers blowing through red lights, according to data analysis performed by the AAA Foundation for Traffic Safety. The most recent crash data available shows 939 people were killed in red light running crashes in 2017 — a 10-year high and a 28% increase since 2012. With the number of red light running crashes on the rise, AAA calls for drivers to use caution when approaching signalized intersections, and for pedestrians and cyclists to stay alert when crossing the street.

According to the AAA Foundation:

28% of crash deaths that occur at signalized intersections are the result of a driver running through a red light.

Per capita, Arizona has the highest rate of red light running fatalities while New Hampshire has the lowest rate.

Nearly half (46%) of those killed in red light running crashes were passengers or people in other vehicles and more than 5% were pedestrians or cyclists. Just over 35% of those killed were the drivers who ran the red light.

Additional Resources

AAA Foundation Red Light Running Tables

B-roll Clips 1 | 2 | 3

Graphics 1 | 2 | 3

“Drivers who decide to run a red light when they could have stopped safely are making a reckless choice that puts other road users in danger,” said Dr. David Yang, executive director of the AAA Foundation for Traffic Safety. “The data shows that red light running continues to be a traffic safety challenge. All road safety stakeholders must work together to change behavior and identify effective countermeasures.”

According to the AAA Foundation’s latest Traffic Safety Culture Index, 85% of drivers view red light running as very dangerous, yet nearly one in three say they blew through a red light within the past 30 days when they could have stopped safely. More than 2 in 5 drivers also say it is unlikely they’ll be stopped by police for running a red light. Nevertheless, it’s against the law and if a driver is involved in a deadly crash, it could send them to jail.

While enforcement is the best way to get drivers to comply with any law, it is impossible for police to be at every intersection. The Insurance Institute for Highway Safety (IIHS) found that when properly implemented, red light cameras reduced the fatal red light running crash rate of large cities by 21% and the rate of all types of fatal crashes at signalized intersections by 14%.

“Deaths caused by red light running are on the rise,” said Jessica Cicchino, IIHS Vice President for Research. “Cameras increase the odds that violators will get caught, and well-publicized camera programs discourage would-be violators from taking those odds. Camera enforcement is a proven way to reduce red light running and save lives.”

Proper implementation of red light cameras helps to ensure drivers’ safety and trust in the systems. When using red light camera programs, local governments should incorporate best practices, such as:

Using the camera program as part of a comprehensive traffic safety strategy, including engineering and education.

Only implementing programs on roadways with a demonstrated pattern of violations or crashes.

Notifying drivers that cameras are being used (signage and other methods).

Calibrating cameras regularly.

Only operating cameras under the direct supervision of law enforcement personnel.

Evaluating the programs on a periodic basis to ensure safety benefits are being realized.

Changes in driver behavior are also critical to reducing the number of red light running crashes on U.S. roads. To prevent red light crashes, AAA recommends that drivers:

Prepare to Stop: Lift your foot off the accelerator and “cover the brake” when preparing to enter any intersection by positioning your right foot just above the brake pedal, without touching it.

Use Good Judgment: Monitor “stale” green lights, those that have been green a long time as you’ve approached the intersection. They are more likely to turn yellow as you arrive at the intersection.

Tap the Brake: Tap your brakes a couple of times before fully applying them to slow down. This will catch the attention of drivers who may be inattentive or distracted behind you.

Drive Defensively: Before you enter an intersection after the light has turned green for you, take a second after the light changes and look both ways before proceeding.

Pedestrians and cyclists should also stay safe when traveling near intersections. AAA recommends:

Wait: Give yourself a few seconds to make sure all cars have come to a complete stop before moving through the intersection.

Stay Alert and Listen: Don’t take chances and don’t wear headphones. Watch what is going on and give your full attention to the environment around you.

Be Visible: Stay in well-lit areas, especially when crossing the street.

Make Eye Contact: Look at drivers in stopped vehicles to ensure they see you before crossing the road in front of them.

About AAA Foundation for Traffic Safety: Established in 1947 by AAA, the AAA Foundation for Traffic Safety is a nonprofit, publicly funded, 501(c)(3) charitable research and educational organization. The AAA Foundation’s mission is to prevent traffic deaths and injuries by conducting research into their causes and by educating the public about strategies to prevent crashes and reduce injuries when they do occur. This research is used to develop educational materials for drivers, pedestrians, bicyclists and other road users. Visit www.AAAFoundation.org.

About AAA: AAA provides more than 59 million members with automotive, travel, insurance and financial services through its federation of 34 motor clubs and nearly 1,100 branch offices across North America. Since 1902, the not-for-profit, fully tax-paying AAA has been a leader and advocate for safe mobility. Drivers can request roadside assistance, identify nearby gas prices, locate discounts, book a hotel or map a route via the AAA Mobile app. To join, visit AAA.com.

Related Articles



Insurance Institute for
Highway Safety



Effects of Turning On and Off Red Light Cameras on Fatal Crashes in Large U.S. Cities

July 2016

Wen Hu

Insurance Institute for Highway Safety

Jessica B. Cicchino

Insurance Institute for Highway Safety

1005 N. Glebe Road, Suite 800
Arlington, VA 22201
+1 703 247 1500

iihs.org

Abstract

Introduction: Although numerous studies have demonstrated that automated enforcement reduces red light running, a growing number of communities have deactivated their red light camera programs in recent years. This study updates estimates of the effects of turning on cameras and offers a first look at the effects of turning them off.

Method: Among the 117 large U.S. cities with more than 200,000 residents in 2014, trends in citywide per capita rates of fatal red light running crashes and of all fatal crashes at intersections were compared between 57 cities that initiated camera programs during 1992-2014 and 33 cities without cameras during this period to examine the effects of activating camera programs. Trends also were compared between 19 cities that turned off cameras and 31 regionally matched cities with continuous camera programs to evaluate the effects of terminating camera programs. Because several cities turned cameras off during 2005-08, the estimated effects might have been confounded by the U.S. economic downturn immediately afterward. The primary analyses were limited to the 14 cities that turned off cameras during 2010-14 and compared trends in the 14 cities with those in 29 regionally matched cities with continuous camera programs. Poisson regression was used to examine the relationship of activating and deactivating camera programs with fatal crash rates.

Results: After controlling for temporal trends in annual fatal crash rates, population density, and unemployment rates, rates of fatal red light running crashes and of all fatal crashes at signalized intersections in cities with cameras programs were 21 and 14 percent lower, respectively, after cameras were turned on than what would have been expected without cameras. Rates of fatal red light running crashes and of all fatal crashes at signalized intersections in 14 cities that terminated cameras programs during 2010-14 were 30 and 16 percent higher, respectively, after cameras were turned off than would have been expected had cameras remained. Increases in rates of fatal red light running crashes (18%) and of all fatal crashes at signalized intersections (8%) in all 19 cities that turned cameras off were not significant.

Conclusions: The current study adds to the body of existing research indicating that red light cameras can reduce the most serious crashes at signalized intersections, and it is the first to demonstrate that terminating camera programs increases fatal crashes.

Practical applications: Communities interested in improving intersection safety should consider this evidence. Legislators and communities thinking about terminating camera programs should consider the impact to safety if programs end.

Keywords: Turning on red light cameras; Turning off red light cameras; Fatal crash rates; Signalized intersections; Large cities.

1. Introduction

In 2014, more than 2.5 million police-reported motor vehicle crashes in the United States occurred at intersections or were intersection-related, accounting for 43 percent of all police-reported crashes (Insurance Institute for Highway Safety, 2016a). These crashes resulted in about 55,000 serious nonfatal injuries and 7,697 deaths. More than a third of these deaths occurred at signalized intersections.

Running a red light is a common traffic violation, although drivers view red light running as dangerous. A 2015 national survey of drivers found that while 59 percent thought that running red lights was a very serious threat to personal safety, 39 percent reported driving through a traffic light that had just turned red in the past month (AAA Foundation for Traffic Safety, 2016). A study observing 19 intersections in four states found that there was an average of 3.2 red light running violations per intersection per hour (Hill & Lindy, 2003).

Red light running violations can have tragic consequences. In 2014, 709 people were killed and an estimated 126,000 were injured in police-reported red light running crashes, and more than half of those killed were pedestrians, bicyclists, or occupants of vehicles struck by red light runners (Insurance Institute for Highway Safety, 2016a).

Traditional police enforcement of red light running can help mitigate the problem, but other demands on police resources can limit its effectiveness. Red light cameras are a countermeasure that increases the public's perception that there is a high likelihood of being apprehended for running a red light. The installation of red light cameras has led to significant reductions in red light running violation rates at intersections with cameras, and at nearby signalized intersections without cameras (McCartt & Hu, 2014; Retting, Williams, Farmer, & Feldman, 1999a; Retting, Williams, Farmer, & Feldman, 1999b). Red light cameras also have been shown to reduce injury crashes (Aeron-Thomas & Hess, 2005; Retting & Kyrychenko, 2002). For example, Retting and Kyrychenko (2002) found that after the installation of red light cameras in Oxnard, California, injury crashes declined by 29 percent and right angle crashes involving injuries dropped by 68 percent at signalized intersections.

Hu, McCartt, and Teoh (2011) performed the first study that investigated the effects of red light cameras on fatal crashes in large U.S. cities. Among the 99 cities with more than 200,000 residents in 2008, 14 cities were identified with red light camera enforcement programs for all of 2004-08 but not at any time during 1992-96, and 48 cities were identified without camera programs during either period. Analyses compared the citywide per capita rate of fatal red light running crashes and the citywide per capita rate of all fatal crashes at signalized intersections during the two study periods, and rate changes were compared for cities with and without camera programs. After controlling for population density and land area, the rates of fatal red light running crashes and all fatal crashes at signalized intersections were 24 percent and 17 percent lower, respectively, in cities with cameras during 2004-08 than what would have been expected without cameras.

Surveys of residents of cities with red light camera programs have found that a large majority of residents in most cities favor the programs (Cicchino, Wells, & McCartt, 2014; McCartt & Eichelberger, 2012). Yet, despite public support and the clear benefits of red light cameras, the programs have been controversial. Although the number of U.S. municipalities using red light camera enforcement increased rapidly before peaking in 2012 at 533 communities, by 2015 this number declined to 467 communities. Although new camera programs continued to be added, 158 communities ended their red light camera programs between 2010 and 2015. Communities have ended programs for a variety of reasons including changes in state law disallowing red light cameras, public referendums where voters rejected cameras, decisions by local government, court rulings, and lapsed contracts with vendors. Numerous studies have examined the safety effects of red light camera enforcement, but few if any strong studies have examined the effects of terminating camera programs on crashes.

The goals of the current study were twofold. The first was to update Hu et al.'s (2011) estimates of the effects of installing red light cameras on per capita rates of fatal red light running crashes and per capita rates of all fatal crashes at signalized intersections in large cities. The current study accounted for the effects of the economy, used a more rigorous design that accounts for trends in crash rates over time within cities, and examined a larger number of cities with red light cameras than Hu et al. (2011). Trends

in per capita fatal crash rates over time were compared for cities with and without camera programs for each crash measure. The second goal was to assess the effects of deactivating red light camera programs on per capita rates of fatal red light running crashes and per capita rates of all fatal crashes at signalized intersections. For each fatal crash measure, temporal trends in crash rates were compared for cities that turned off cameras and cities with continuous camera programs.

2. Method

The first U.S. community with a camera program for traffic enforcement was New York City, which tested one red light camera in 1992 and turned on more cameras in the following year. The number of communities using red light cameras has increased dramatically since then (Insurance Institute for Highway Safety, 2016b). Fatal crash data at the time of the current study were available only through 2014, so analyses covered the period 1992-2014.

Large U.S. cities were defined as those with more than 200,000 residents; there were 117 such cities in 2014 (U.S. Census Bureau, 2014). Information on red light camera programs in these 117 cities was obtained from news reports and calls to city police departments or public works departments. For cities with camera enforcement, program start and end dates were obtained. Other historical information was sought but was not available for all cities, including the number of cameras and number of signalized intersections over time.

Among the 117 cities in this study, 57 cities turned on red light cameras at some point during 1992-2014, and the cameras remained on in 2014; 38 cities had no camera programs during the entire time period; 20 cities turned cameras on and later turned them off, including 3 cities (Los Angeles, CA; San Diego, CA; Houston, TX) that turned cameras off twice; and 2 cities (Virginia Beach, VA, and Arlington, VA) that turned cameras off and later turned them on.

Data on fatal crashes at intersections with signal lights in each city were extracted for 1992-2014 from the Fatality Analysis Reporting System (FARS), which contains detailed information on all fatal motor vehicle crashes occurring on U.S. public roads (National Highway Traffic Safety Administration,

1992-2014). Fatal red light running crashes were defined as the subset of these crashes that involved a driver traveling straight who was assigned the driver level contributing factor of “failure to obey traffic control devices.” This definition was developed jointly by the Insurance Institute for Highway Safety and Federal Highway Administration so that consistent estimates of red light running crash losses would be produced (Retting, 2006). Annual counts of fatal red light running crashes and all fatal crashes at signalized intersections were obtained for each of the 117 cities in each year during 1992-2014.

Annual population estimates for 1992-2014 were obtained for each city from the U.S. Census Bureau (1999, 2010a, 2014). For each city in each year, the annual per capita rates of fatal red light running crashes and rates of all fatal crashes at signalized intersections were calculated as the annual fatal crash counts divided by annual population estimates (crashes per million population). Census information on cities’ land areas is available only from the decennial reports (U.S. Census Bureau, 1990, 2000, 2010b). Therefore, the 1990 land area data were used for years 1992-99, the 2000 data for years 2000-09, and the 2010 data for years 2010-14. Six of the 117 cities in the study (Gilbert, AZ; Chula Vista, CA; Louisville, KY; Fayetteville, NC; Winston-Salem, NC; Laredo, TX) had substantial changes in land areas (more than 50% increase) during the study period. These six cities, of which five had no camera programs and the remaining one (Fayetteville, NC) had turned cameras off, were excluded from analyses.

The annual population density was calculated as the population divided by the land area. Hu et al. (2011) found that an increase in population density was associated with decreases in fatal crash rates, although not always significantly. A possible explanation is that denser populations generally lead to lower travel speeds and thus fewer fatal crashes (Cerrelli, 1997).

Annual unemployment rates during 1992-2014 were obtained for each city from the U.S. Bureau of Labor Statistics (1992-2014). Annual unemployment rate was included to account for potential effects of the economy on fatal crash rates. It is well-established that fatal crash rates and economic factors are associated with one another (Partyka, 1991).

2.1. Analyses of effects of turning on red light cameras

Years 1992-2014 represented the study period. The 57 cities that turned cameras on and kept them on comprised the camera group. The 33 non-camera cities without substantial changes in land areas comprised the control group. The 22 cities where cameras had been turned off during the study period were excluded from these analyses. Table 1 lists cities in the camera and control groups and the program start year in each camera city.

Using the city-specific data, Poisson regression models were used to rigorously examine the relationship of camera enforcement and other variables with fatal crashes. The Poisson models accounted for the autoregressive (first order) covariance structure due to repeated measures, because each independent unit of analysis (city) had 23 consecutive annual observations (years 1992-2014). Separate models were developed for the fatal red light running crashes and all fatal crashes at signalized intersections, with the annual crash counts as the dependent variable and annual population per million as the exposure variable. Independent variables in the models were number of years since 1992, individual city indicators, annual population density (in thousands of people per square mile), annual unemployment rate, and a camera indicator.

For each of the 57 camera cities, the camera indicator had a value of 0 for the years prior to the program start year and 1 for the years with active camera programs. For the 33 control cities, the camera indicator had a value of 0 for all years. After accounting for the effects of population density, unemployment rates, and other uncontrolled differences among cities, the camera indicator tested whether temporal trends in fatal crash rates in camera cities changed from before to after cameras were turned on, relative to the trends in control cities. The estimated change in annual crash rate trends in camera cities from before to after cameras were turned on, relative to the trends in control cities, was taken as the primary measure of effectiveness. It was interpreted as the change in annual fatal crash rates for cities with camera programs during the years cameras were active beyond what would have been expected absent the programs. For example, if the estimated parameter for the camera indicator was -0.2396 in the model of fatal red light running crashes, the average annual crash rate after cameras were turned on was

21.3 percent lower ($[\exp(-0.2396)-1] \times 100$) than would have been expected without cameras. Variables with p-values less than 0.05 were taken as statistically significant.

Table 1. Cities included in camera and control groups for analyses of effects of turning on cameras

City	Program start year*	City	Program start year*	City	Program start year*
Cities in camera group					
New York, NY	1993	Modesto, CA	2005	New Orleans, LA	2008
Mesa, AZ	1997	Philadelphia, PA	2005	Tacoma, WA	2008
Oxnard, CA	1997	Atlanta, GA	2006	Tucson, AZ	2008
San Francisco, CA	1997	Cleveland, OH	2006	Orlando, FL	2009
Scottsdale, AZ	1997	Columbus, OH	2006	Spokane, WA	2009
Sacramento, CA	1999	Plano, TX	2006	Aurora, IL	2010
Washington, DC	2000	Seattle, WA	2006	Memphis, TN	2010
Chandler, AZ	2001	Arlington, TX	2007	Newark, NJ	2010
Fremont, CA	2001	Corpus Christi, TX	2007	Chesapeake, VA	2011
Toledo, OH	2001	Dallas, TX	2007	Des Moines, IA	2011
Phoenix, AZ	2002	El Paso, TX	2007	Jersey, NJ	2011
Portland, OR	2002	Irving, TX	2007	Miami, FL	2011
Bakersfield, CA	2003	Riverside, CA	2007	Rochester, NY	2011
Santa Ana, CA	2003	St. Louis, MO	2007	Yonkers, NY	2011
Chicago, IL	2004	Austin, TX	2008	Jacksonville, FL	2012
Garland, TX	2004	Baton Rouge, LA	2008	St. Petersburg, FL	2012
Raleigh, NC	2004	Denver, CO	2008	Tampa, FL	2012
Stockton, CA	2004	Fort Worth, TX	2008	Richmond, VA	2013
Aurora, CO	2005	Montgomery, AL	2008	Norfolk, VA	2014
Cities in control group					
Anaheim, CA	—	Fort Wayne, IN	—	North Las Vegas, NV	—
Anchorage, AK	—	Henderson, NV	—	Oklahoma City, OK	—
Birmingham, AL	—	Huntington Beach, CA	—	Omaha, NE	—
Boise City, ID	—	Indianapolis, IN	—	Pittsburgh, PA	—
Boston, MA	—	Irvine, CA	—	Reno, NV	—
Buffalo, NY	—	Las Vegas, NV	—	San Antonio, TX	—
Cincinnati, OH	—	Lexington-Fayette, KY	—	San Jose, CA	—
Columbus, GA	—	Lincoln, NE	—	St. Paul, MN	—
Detroit, MI	—	Madison, WI	—	Tulsa, OK	—
Durham, NC	—	Milwaukee, WI	—	Honolulu, HI	—
Fontana, CA	—	Nashville, TN	—	Wichita, KS	—

*Note: If a program started prior to or on July 1 in a year, this year was coded as the start year. If cameras were turned on after July 1 in a year, the following year was coded as the start year.

2.2. Analyses of effects of turning off red light cameras

Unlike the camera cities in the analyses of turning cameras on that were scattered across the country, 13 of the 19 cities that turned cameras off without substantial changes in land areas during the study period were clustered in California, Arizona, Colorado, New Mexico, and Texas. The remaining six cities were located in North Carolina, Maryland, Minnesota, Missouri, and Florida. Among the 19

camera-off cities, the earliest year when cameras were turned on was 1998. To make control cities comparable with the camera-off cities, among the 57 cities with continuous camera programs, only those that regionally matched the camera-off cities and that turned on cameras in or after 1998 were included in analyses. Thirty-one cities with continuous camera programs were included in the control group. The 33 cities with no camera programs during the entire time period and the two cities that turned cameras off and then turned them back on were excluded from the analyses.

Of the 19 study cities that turned cameras off, five cities turned off cameras during 2005-08 and 14 cities turned off cameras within the latest 5 years for which fatal crash data were available (2010-14). Separate analyses were performed to evaluate the effects of ending camera programs by including the 14 cities that turned off cameras during 2010-14 as the camera-off city group and by including all the 19 cities as the camera-off city group.

The analyses that included 14 cities that ended camera programs during 2010-14 were the primary camera-off analyses in the study. Because the analyses with 19 camera-off cities included several that turned off cameras during 2005-08, the estimated effects of ending camera enforcement might have been confounded by the U.S. economic downturn immediately afterward and other changes that might have occurred during the relatively long periods after cameras were turned off. For the analyses including 14 camera-off cities, the control cities were limited to those 29 that regionally matched the camera-off cities.

Table 2 lists cities in the camera-off and control groups and the years when cameras were turned on and off, if applicable, in each city. No city with continuous camera programs activated the cameras in 1998. The programs in Houston, TX, and Long Beach, CA, were turned off in late 2010 (November and December) and the program end year for both cities was coded as 2011. Three of the camera-off cities turned cameras off twice. For Los Angeles and San Diego, CA, only the effects of the second camera-off event were evaluated by using observations in years since the second camera programs began. For Houston, TX, the second program lasted for less than 2 months (July 9-August 24, 2011). The effects of the first camera-off event were evaluated, and year 2011 was treated as a camera-off year. For each of the

cities included in the analyses, the study period started from the year when the cameras were turned on (as shown in Table 2) and ended in 2014. Observations in years before cameras were turned on were not included in the analyses.

Similar to the analyses of the effects of turning on cameras as described earlier, for both the analyses with 14 camera-off cities and 19 camera-off cities, Poisson regression models were used to examine the relationship of turning off camera enforcement and other variables with fatal crash rates. Analyses accounted for the autoregressive (first order) covariance structure due to repeated measures in each city. Independent variables in the model were number of years since cameras were turned on, individual city indicators, annual population density (in thousands of people per square mile), annual unemployment rate, and a camera-off indicator. For each of the camera-off cities, the camera-off indicator had a value of 0 for the years with an active camera program and 1 for the years after the camera program was terminated. For the control cities, the camera-off indicator had a value of 0 for all years.

The camera-off indicator tested whether temporal trends in fatal crash rates in camera-off cities changed from before to after cameras were turned off, relative to trends in cities with continuous camera programs, after accounting for the effects of population density and unemployment rates and other uncontrolled differences among cities. The estimated change in annual crash rate trends in camera-off cities from before to after cameras were turned off, relative to the trends in control cities, was taken as the primary measure of effectiveness. It was interpreted as the change in annual fatal crash rates for cities that turned off camera programs during the years cameras were off beyond what would have been expected had the programs not been terminated. For example, if the estimated parameter for the camera-off indicator was 0.2631 in the model of fatal red light running crashes, the average annual crash rate after cameras were turned off was 30.1 percent higher ($[\exp(0.2631)-1] \times 100$) than would have been expected if cameras had not been turned off. Variables with p-values less than 0.05 were taken as statistically significant.

Table 2. Cities included in camera-off and control groups for analyses of effects of turning off cameras

City	Program start year ¹	Program end year ²	City	Program start year ¹	Program end year ²
Cities that turned off red light camera programs					
Charlotte, NC ³	1998	2006	Moreno Valley, CA	2007	2013
Baltimore, MD	1999	2013	Glendale, AZ	2008	2011
Fresno, CA ³	2002	2006	Lubbock, TX ³	2007	2008
Long Beach, CA	2002	2011	Glendale, CA	2008	2012
Greensboro, NC ³	2003	2005	Kansas City, MO	2009	2014
San Diego, CA	2003	2013	Oakland, CA	2009	2014
Albuquerque, NM	2005	2012	Hialeah, FL	2010	2012
Minneapolis, MN ³	2005	2006	San Bernardino, CA	2010	2013
Los Angeles, CA	2006	2012	Colorado Springs, CO	2011	2012
Houston, TX	2007	2011			
Cities in control group					
Sacramento, CA	1999	—	Dallas, TX	2007	—
Washington, DC	2000	—	El Paso, TX	2007	—
Chandler, AZ	2001	—	Irving, TX	2007	—
Fremont, CA	2001	—	Riverside, CA	2007	—
Phoenix, AZ	2002	—	St. Louis, MO	2007	—
Portland, OR	2002	—	Austin, TX	2008	—
Bakersfield, CA	2003	—	Denver, CO	2008	—
Santa Ana, CA	2003	—	Fort Worth, TX	2008	—
Garland, TX	2004	—	Tucson, AZ	2008	—
Raleigh, NC ³	2004	—	Orlando, FL	2009	—
Stockton, CA	2004	—	Des Moines, IA ³	2011	—
Aurora, CO	2005	—	Miami, FL	2011	—
Modesto, CA	2005	—	Jacksonville, FL	2012	—
Plano, TX	2006	—	St. Petersburg, FL	2012	—
Arlington, TX	2007	—	Tampa, FL	2012	—
Corpus Christi, TX	2007	—			

¹ If a program started prior to or on July 1 in a year, this year was coded as the start year. If cameras were turned on after July 1 in a year, the following year was coded as the start year.

² If cameras were turned off on or after July 1 in a year, the camera-off period started from the following year; if cameras were turned off prior to July 1 in a year, the camera-off period started from this year.

³ These cities were included only in the analyses with 19 camera-off cities, and were not included in the analyses with 14 cities that turned off cameras during 2010-14.

3. Results

3.1. Effects of turning cameras on

Figure 1 shows the average annual per capita rates of all fatal crashes at signalized intersections (crashes per million population) across cities during 1992-2014 for the camera group and the control group. During the first several years of the study period, when most of the cities in the camera group had not turned on camera programs yet, rates of fatal crashes were relatively high in the camera group, and then the trends went downward for the rest of the study period. In the control group, the rates of fatal crashes remained relatively stable during the study period. The trends in the average annual rates of fatal

red light running crashes were similar to the trends in rates of all fatal crashes at signalized intersections for each city group.

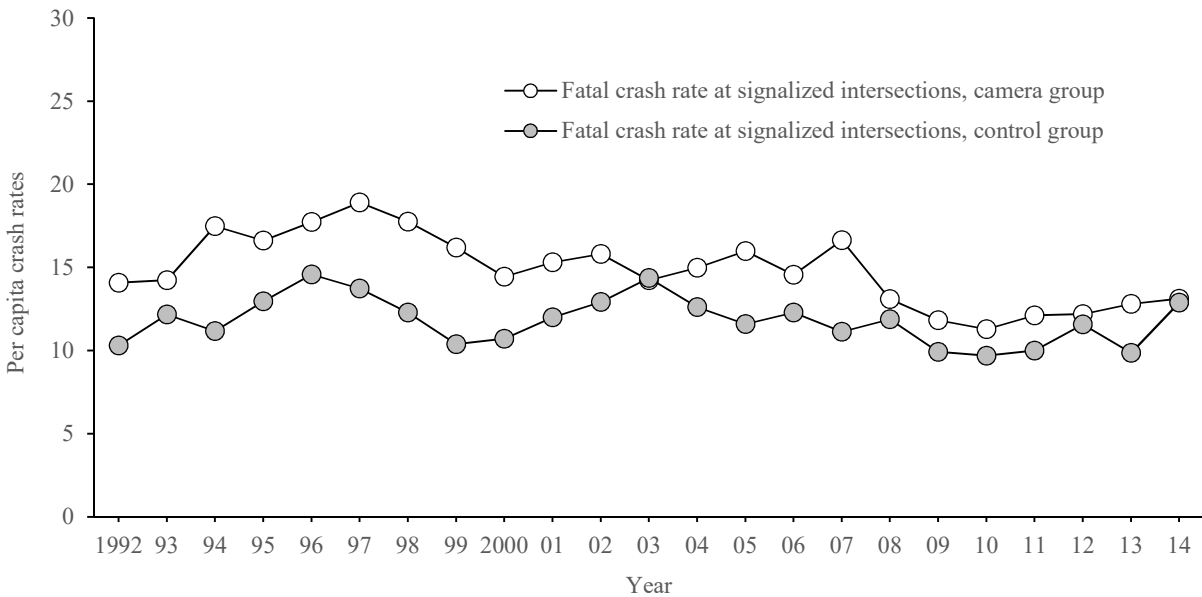


Figure 1. Average annual per capita rates of all fatal crashes at signalized intersections (crashes per million population) for camera and control groups for analyses of effects of turning on cameras, 1992-2014

Table 3 lists results of the Poisson regression model that estimated the effects of red light camera enforcement and other predictors on the per capita rate of fatal red light running crashes. The estimates for the city indicators are not included in Table 3 or in subsequent tables. After accounting for the effects of other predictors, the rate of fatal red light running crashes significantly decreased by 1.9 percent per year since 1992 in cities with no cameras. An increase in population density (in thousands of people per square mile) and one-point increase in the unemployment rate reduced the rate of fatal red light running crashes by an estimated 11.4 and 3.3 percent, respectively. Both changes were significant. The estimated effect of camera enforcement on the rate of fatal red light running crashes was obtained by interpreting camera-on indicator directly. Based on this parameter, the annual rate of fatal red light running crashes in cities with cameras programs after cameras were turned on was 21.3 percent lower than what would have been expected without cameras. This difference was significant.

Table 3. Poisson model of effects of red light camera enforcement on annual per capita rate of fatal red light running crashes

Parameter	Estimate	Percent change in crash rates*	Standard Error	Z	P value
Intercept	1.8613		0.5871	3.17	0.0015
Number of years since 1992	-0.0196	-1.9	0.0033	-5.97	<0.0001
Population density (in thousands of people per square mile)	-0.1208	-11.4	0.0342	-3.53	00.0004
Unemployment rate	-0.0337	-3.3	0.0081	-4.16	<0.0001
Camera on indicator (effect of cameras on fatal crash rates)	-0.2396	-21.3	0.0539	-4.45	<0.0001

*Note: Percent change in crash rates associated with one-unit increase in the corresponding independent variable.

Table 4 lists results of the Poisson regression model that estimated the effects of red light camera enforcement and other predictors on the per capita rate of all fatal crashes at signalized intersections. Based on the camera-on indicator, the annual rate of all fatal crashes at signalized intersections in cities with cameras programs after cameras were turned on was significantly 14.2 percent lower than what would have been expected without cameras.

Table 4. Poisson model of effects of red light camera enforcement on annual per capita rates of all fatal crashes at signalized intersections

Parameter	Estimate	Percent change in crash rates*	Standard Error	Z	P value
Intercept	3.2356		0.2604	12.43	<0.0001
Number of years since 1992	-0.0041	-0.4	0.0021	-1.95	0.051
Population density (in thousands of people per square mile)	-0.0979	-9.3	0.015	-6.54	<0.0001
Unemployment rate	-0.0228	-2.3	0.0049	-4.63	<0.0001
Camera on indicator (effect of cameras on fatal crash rates)	-0.153	-14.2	0.0328	-4.66	<0.0001

*Note: Percent change in crash rates associated with one-unit increase in the corresponding independent variable.

3.2. Effects of turning cameras off

Tables 5 and 6 list results of the Poisson regression models that estimated the effects of ending red light camera enforcement and other predictors on the per capita rate of fatal red light running crashes and on the per capita rate of all fatal crashes at signalized intersections, respectively, by using the 14 cities

that ended camera program during 2010-14. The estimated effects of turning off camera enforcement on the fatal crash rates were obtained by interpreting the camera off indicator directly. Based on this parameter, the annual rate of fatal red light running crashes in the 14 camera-off cities after cameras were turned off was 30.1 percent higher than what would have been expected had cameras not been turned off. The annual rate of all fatal crashes at signalized intersections in camera-off cities after cameras were turned off was 16.1 percent higher than what would have been expected with cameras on. Both increases were significant.

Table 5. Poisson model of effects of turning off red light camera enforcement on annual per capita rate of fatal red light running crashes, using 14 cities that turned off cameras during 2010-14

Parameter	Estimate	Percent change in crash rates*	Standard Error	Z	P value
Intercept	7.4598		2.2816	3.27	0.0011
Number of years since cameras were turned on	-0.0298	-2.9	0.0133	-2.24	0.0248
Population density (in thousands of people per square mile)	-0.5979	-45.0	0.2404	-2.49	0.0129
Unemployment rate	-0.0165	-1.6	0.0166	-0.99	0.3203
Camera off indicator (effect of turning off cameras on fatal crash rates)	0.2631	30.1	0.1213	2.17	0.0301

*Note: Percent change in crash rates associated with one-unit increase in the corresponding independent variable.

Table 6. Poisson model of effects of turning off red light camera enforcement on annual per capita rates of all fatal crashes at signalized intersections, using 14 cities that turned off cameras during 2010-14

Parameter	Estimate	Percent change in crash rates*	Standard Error	Z	P value
Intercept	6.1968		1.2157	5.1	<0.0001
Number of years since cameras were turned on	-0.0028	-0.3	0.0079	-0.36	0.7221
Population density (in thousands of people per square mile)	-0.3313	-28.2	0.1275	-2.6	0.0094
Unemployment rate	-0.0182	-1.8	0.0097	-1.87	0.0609
Camera off indicator (effect of turning off cameras on fatal crash rates)	0.1493	16.1	0.0705	2.12	0.0344

*Note: Percent change in crash rates associated with one-unit increase in the corresponding independent variable.

Tables 7 and 8 list results of the Poisson regression models that estimated the effects of ending red light camera enforcement and other predictors on the per capita rate of fatal red light running crashes and the rate of all fatal crashes at signalized intersections, respectively, by using all the 19 camera-off cities. Based on the camera off indicator, the annual rates of fatal red light running crashes and all fatal crashes at signalized intersections in the 19 camera-off cities after cameras were turned off were 17.9 and 8.4 percent higher, respectively, than would have been expected had cameras been on. Neither increase was significant.

Table 7. Poisson model of effects of turning off red light camera enforcement on annual per capita rate of fatal red light running crashes, using all 19 camera-off cities

Parameter	Estimate	Percent change in crash rates*	Standard Error	Z	P value
Intercept	6.0341		2.0902	2.89	0.0039
Number of years since cameras were turned on	-0.0342	-3.4	0.0125	-2.74	0.0061
Population density (in thousands of people per square mile)	-0.4372	-35.4	0.2193	-1.99	0.0462
Unemployment rate	-0.0274	-2.7	0.0157	-1.75	0.0809
Camera off indicator (effect of turning off cameras on fatal crash rates)	0.1647	17.9	0.1131	1.46	0.1454

*Note: Percent change in crash rates associated with one-unit increase in the corresponding independent variable.

Table 8. Poisson model of effects of turning off red light camera enforcement on annual per capita rates of all fatal crashes at signalized intersections, using all 19 camera-off cities

Parameter	Estimate	Percent change in crash rates*	Standard Error	Z	P value
Intercept	5.2662		1.166	4.52	<0.0001
Number of years since cameras were turned on	-0.0067	-0.7	0.0077	-0.88	0.3804
Population density (in thousands of people per square mile)	-0.2278	-20.4	0.1217	-1.87	0.0613
Unemployment rate	-0.0233	-2.3	0.0096	-2.44	0.0146
Camera off indicator (effect of turning off cameras on fatal crash rates)	0.0807	8.4	0.0685	1.18	0.2392

*Note: Percent change in crash rates associated with one-unit increase in the corresponding independent variable.

4. Discussion

Red light running is a frequent traffic violation with dangerous safety consequences. Prior research found that red light cameras were associated with reductions in red light running, not only at camera-equipped intersections but also at other signalized intersections without cameras (Retting et al., 1999a, 1999b), as well as citywide crash reductions at signalized intersections (Retting and Kyrychenko, 2002).

The current study updated Hu et al. (2011) by using a more rigorous methodology that accounted for trends in fatal crash rates over time within cities and unemployment rates, and by including four times as many cities with red light camera programs as in the original study. Consistent with prior research, the current study confirmed that establishing red light camera programs reduces fatal red light running crash rates and fatal crash rates at signalized intersections. The introduction of red light cameras in large cities cut citywide fatal red light running crash rates by 21 percent and fatal crash rates at signalized intersections by 14 percent, when compared with rates that would have been expected without red light camera enforcement. These estimates are similar in size to the estimated 24 percent decline in fatal red light running crash rates and a 17 percent reduction in fatal crash rates at signalized intersections found in the earlier study. The larger effect of camera enforcement on the rate of fatal red light running crashes would be expected because these are the crashes targeted by cameras. However, if the camera enforcement affected only red light running, then the overall effect at signalized intersections would be only about 6 percent (a 21 percent reduction in the 30 percent of signalized intersection fatal crashes that are coded as red light running). The significant reduction in the rate of all types of fatal crashes at signalized intersections is much larger, 14 percent. Although it is possible that the difference is partly due to undercounting of red light running crashes, the data suggest that cameras have a generalized effect on driver behavior at intersections that extends beyond running red lights.

Just as activating red light cameras has positive safety benefits, the current study found that deactivating them has safety disbenefits. This study is the first to our knowledge to evaluate the effects of terminating camera enforcement on fatal crashes. When red light camera programs were terminated

during 2010-14 in the 14 cities, fatal red light running crash rates increased 30 percent and fatal crash rates at signalized intersections increased 16 percent from what would have been expected if automated enforcement had continued. Laws are effective at changing behavior when drivers believe they will be detected and apprehended for violating them. Prior research has established that high visibility enforcement of laws governing issues such as seat belt nonuse and alcohol-impaired driving decreases unsafe behavior and crashes, but the prevalence of unsafe behavior and crashes rise when the heightened and publicized enforcement ends (e.g., Jonah & Smith, 1985; Tison & Williams, 2010; Williams & Wells, 2004; Wells et al., 1992; Williams et al., 1987). The current study demonstrates that this phenomenon extends to automated enforcement of red light running. Drivers likely no longer perceive that there is a high probability of receiving a ticket for running red lights when automated enforcement programs end, and thus become less attentive to the driving environment and more willing to violate the law, leading to increases in fatalities.

It is possible that police coding of crashes involving red light running at signalized intersections can be prone to bias, particularly in cities that have recently ended a high-profile automated enforcement program. It is possible, for example, that law enforcement officers may be unwittingly more likely to categorize a crash at a signalized intersection as a red light running crash if the circumstances were unclear. The bias in coding of red light running crashes could potentially inflate estimates of the effects of turning off red light cameras. It is confirming that effects of establishing and terminating red light camera programs were also found on fatal crashes at signalized intersections, where classification bias is not an issue.

The analyses of the effects of terminating camera programs that included all 19 cities that turned off cameras at any time also found increases in both fatal crash rates relative to what would have been expected had cameras remained on. However, the increases were smaller than what was found in the analyses of the 14 cities that turned off cameras during 2010-14 and were not significant. It is possible that the findings in the additional cities that ended camera programs during 2005-08 were confounded by the economic recession that occurred immediately after these cities turned off their cameras, beyond what

could be captured by controlling for unemployment rates. It could also be the case that the increases in fatalities that were seen in cities that shut off cameras recently do not persist at such high levels over time.

Several limitations of the study are worth noting. The definition of red light running crashes excluded some crashes such as those involving a driver making an illegal turn on red. Other factors not included in the study, such as the number of cameras and number of signalized intersections, may have influenced fatal crash rates for the camera cities but could not be examined due to limitations in the data. Attempts were made to obtain historical information on the numbers of red light cameras and signalized intersections in the cities included in the study, but the information could not be obtained for many of the cities. For the analyses of the effects of turning off cameras, most of the study cities that turned off cameras clustered in California, Arizona, Colorado, New Mexico, and Texas. The control cities were regionally matched to these cities that turned off cameras. The effect of turning off cameras in other regions may differ quantitatively, but it is noteworthy that the estimated effect of turning off cameras is statistically consistent with the estimate of the effect of turning on cameras, which is based on more cities in more regions.

The current study adds to the body of existing research indicating that red light cameras can reduce the most serious crashes. This evidence should be considered by communities interested in reducing injuries and fatalities at intersections. Despite the widespread support (Cicchino et al., 2014; McCartt & Eichelberger, 2012) and the safety benefits of red light camera enforcement, cameras remain controversial in some communities. During the past several years, more camera programs were discontinued than were initiated. The current study found that turning off cameras was associated with increases in citywide fatal crash rates at signalized intersections. Legislators and communities considering terminating camera programs should consider the impact to public safety if the programs end.

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EXCLUSIVE AGREEMENT BETWEEN THE CITY OF NEWARK, CALIFORNIA AND REDFLEX
TRAFFIC SYSTEMS, INC. FOR AN AUTOMATED PHOTO ENFORCEMENT PROGRAM

This Agreement (this "Agreement") is made as of this ____ day of March 2020 ("Execution Date") between Redflex Traffic Systems, Inc., a Delaware Corporation ("Redflex"), and The City of Newark, California, a California municipal corporation (the "Customer" and/or the "City") (each a "Party" and collectively the "Parties") for an Automated Photo Enforcement Program.

RECITALS

- A. Violations of §§ 21453(a) and 21453(c) of the California Vehicle Code for failing to stop for a red light or failing to stop for a red arrow, have been shown to pose a significant risk to life and property;
- B. Redflex has exclusive knowledge, possession and ownership of certain equipment, licenses, applications, and citation processes related to the Automated Photo Enforcement Program (defined below);
- C. On or about April 20, 2011, the Parties entered into the Exclusive Agreement Between the City of Newark, California and Redflex Traffic Systems, Inc. for Photo Redlight Enforcement Program for Redflex to provide the City with certain photo-enforcement services ("2011 Agreement");
- D. The 2011 Agreement, together with any amendments thereto, is set to expire on April 19, 2020;
- E. The City desires to enter into a new agreement with Redflex for Redflex to furnish all equipment, licenses, applications and back office processing related to the Automated Photo Enforcement Program, including digital traffic enforcement cameras and equipment for the monitoring and enforcement of laws regulating red lights and traffic signals following the end of the 2011 Agreement.

The Parties accordingly agree as follows:

AGREEMENT

- 1. **DEFINITIONS.** In this Agreement, the words and phrases capitalized below shall have the following meanings:
 - 1.1. "Authorized Employee" means the Project Manager or such other individual(s) as the Customer shall designate to review Potential Violations and to authorize the Issuance of Citations.
 - 1.2. "Authorized Violation" means each Potential Violation in the Violation Data for which authorization to issue a citation in the form of an Electronic Signature is given by the Authorized Employee by using the Redflex System.
 - 1.3. "Automated Photo Enforcement Program" or "the Program" are interchangeable and synonymous and mean the process by which the monitoring, identification and enforcement of Violations is facilitated by the use of certain equipment, applications and back office processes of Redflex, including but not limited to cameras, flashes, central processing units, signal controller interfaces and sensor arrays which, collectively, are capable of detecting Violations and recording Violation Data in the form of photographic images of motor vehicles
 - 1.4. "Business Rules" means the set of rules, guidelines, structures and methods of operation that define specific operational components of the Program.
 - 1.5. "Citation" means the notice of a Violation, which is mailed or otherwise delivered by Redflex on behalf of the City to the registered owner or violator on the appropriate Enforcement Documentation for each Authorized Violation.
 - 1.6. "Confidential or Private Information" means, with respect to any Person, any information, matter or thing of a secret, confidential or private nature, whether or not so labeled, which is connected with such Person's business or methods of operation or concerning any of such Person's suppliers, licensors, licensees, customers or others with whom such Person has a business relationship, and which has current or potential value to such Person or the unauthorized disclosure of which could be detrimental to such Person, including but not limited to:
 - 1.6.1. Matters of a business nature, including but not limited to information relating to development plans, costs, finances, marketing plans, data, procedures, business

- opportunities, marketing methods, plans and strategies, the costs of construction, installation, materials or components, the prices such Person obtains or has obtained from its clients or customers, or at which such Person sells or has sold its services;
- 1.6.2. Matters of a technical nature, including but not limited to product information, trade secrets, know-how, formulae, innovations, inventions, devices, discoveries, techniques, formats, processes, methods, specifications, designs, patterns, schematics, data, access or security codes, compilations of information, test results and research and development projects. For purposes of this Agreement, the term “trade secrets” shall have the meaning provided under California law; and
- 1.6.3. Notwithstanding the foregoing, Confidential Information will not include information that: (i) was generally available to the public or otherwise part of the public domain at the time of its disclosure, (ii) became generally available to the public or otherwise part of the public domain after its disclosure and other than through any act or omission of a Party in breach of this Agreement, (iii) was lawfully disclosed to a Party by a person other than a Party, (iv) was required by a court of competent jurisdiction to be disclosed, or (v) was required by applicable state law to be disclosed.
- 1.7. “Designated Intersection Approaches” means the Intersection Approaches that the Parties have mutually agreed upon from time to time for purposes of facilitating the Program and includes the Existing Intersection Approaches and New Approaches as further described on Exhibit A.
- 1.8. “Existing Intersection Approaches” means the Intersection Approaches that the Parties have mutually agreed upon from time to time and which have been installed and are operational as of the Execution Date. See Exhibit A for further description of the Existing Intersection Approaches.
- 1.9. “Electronic Signature” means the method through which the Authorized Employee indicates his or her approval of the issuance of a Citation for a Potential Violation using the Redflex System.
- 1.10. “Enforcement Documentation” means the necessary and appropriate documentation related to the Program, including but not limited to warning letters, Citation notices (using the specifications of the California Judicial Council and the City), a numbering sequence for use on all citation notices (in accordance with applicable court rules), instructions to accompany each issued Citation (including in such instructions a description of basic court procedures, payment options and information regarding the viewing of images and data collected by the Redflex System), chain of custody records, criteria regarding operational policies for processing Citations (including for coordinating with the applicable vehicle registry), and technical support documentation for applicable court and judicial officers.
- 1.11. “Equipment” means any and all approach cameras, sensors, equipment, components, products, software and other tangible and intangible property relating to the Program.
- 1.12. “Fine” means a monetary sum assessed for a Citation, including but not limited to bail forfeitures, but excluding suspended fines.
- 1.13. “Governmental Authority” means any domestic or foreign government, governmental authority, court, tribunal, agency or other regulatory, administrative or judicial agency, commission or organization, and any subdivision, branch or department of any of the foregoing.
- 1.14. “Intellectual Property” means, for any Person, any and all now known or later known tangible and intangible (a) rights associated with works of authorship throughout the world, including but not limited to copyrights and mask-works, (b) trademark and trade name rights and similar rights, (c) trade secrets rights, (d) patents, designs, algorithms and other intellectual or industrial property rights, (e) all other intellectual and industrial property rights (of every kind and nature throughout the universe and however designated), whether arising by operation of law, contract, license, or otherwise, and (f) all registrations, initial applications, renewals, extensions, continuations, divisions or reissues in force (including any rights in any of the foregoing), of such Person.
- 1.15. “Intersection Approach” means a conduit of travel with up to four (4) contiguous lanes from the curb (e.g., northbound, southbound, eastbound or westbound) on which at least one (1) system has been installed for the purposes of facilitating the Program by the Customer.
- 1.16. “Lost Profits” means profits that would have been received by a Party had the other Party fully performed this Agreement, including, but not limited to (a) revenues that would have been received by Customer on account of Citations that might have been issued during periods in which the Redflex System was not functioning properly, and (b) amounts that must be refunded

- or disgorged by Customer due to Fines collected as a result of an improper or invalidly issued Citation.
- 1.17. “New Designated Intersection Approaches” means the Intersection Approaches that the Parties mutually agree upon from time to time to be installed on or after April 20, 2020
 - 1.18. “Person” means a natural individual, company, Governmental Authority, partnership, firm, corporation, legal entity or other business association.
 - 1.19. “Potential Violation” means for any motor vehicle passing through a Designated Intersection Approach, the data collected by the Redflex System concerning such motor vehicle, which data shall be processed by the Redflex System for the purposes of allowing the Authorized Employee to review such data and determine whether a traffic violation has occurred.
 - 1.20. “Project Manager” means the project manager appointed by the Customer in accordance with this Agreement, which shall be an Authorized Employee and shall be responsible for overseeing the installation of the Redflex System at the Designated Intersection Approaches and the implementation of the Program, and which manager shall have the power and authority to make management decisions relating to the Customer’s obligations pursuant to this Agreement, including but not limited to change order authorizations, subject to any limitations set forth in the City’s policies, rules, laws or regulations.
 - 1.21. “Proprietary Property” means for any Person, any written or tangible property owned or used by such Person in connection with such Person’s business, whether or not such property is copyrightable or also qualifies as Confidential Information, including without limitation products, samples, equipment, files, lists, books, notebooks, records, documents, memoranda, reports, patterns, schematics, compilations, designs, drawings, data, test results, contracts, agreements, literature, correspondence, spread sheets, computer programs and software, computer print outs, other written and graphic records and the like, whether originals, copies, duplicates or summaries thereof, affecting or relating to the business of such Person, financial statements, budgets, projections and invoices.
 - 1.22. “Redflex Marks” means all trademarks registered in the name of Redflex or any of its affiliates, such other trademarks as are used by Redflex or any of its affiliates on or in relation to the Program at any time during the Term, service marks, trade names, logos, brands and other marks owned by Redflex, and all modifications or adaptations of any of the foregoing.
 - 1.23. “Redflex Project Manager” means the project manager appointed by Redflex in accordance with this Agreement, who shall be responsible for overseeing the construction and installation of the Redflex System and related equipment at the Designated Intersection Approaches and the implementation of the Program, and who shall have the power and authority to make day-to-day management decisions relating to Redflex’s obligations pursuant to this Agreement; provided, however, the Redflex Project Manager does not have authority to authorize change orders without additional Redflex approvals.
 - 1.24. “Redflex System” means, collectively, the SMARTcam® System, the SMARTscene™ System, REDFLEXred System, REDFLEXradar® System, Alcyon® System, Halo™, the Program, and all of the other equipment, applications, software, hardware, back office processes, servers, off-site backup systems, cameras, sensors, components, motor vehicles and other related tangible and intangible property, to enable Redflex to enforce a minimum of one lane of travel at a designated location.
 - 1.25. “REDFLEXradar®” means the detection and tracking system of Redflex relating to the Program.
 - 1.26. “REDFLEXrail® System” means the proprietary digital railroad grade crossing photo enforcement system of Redflex.
 - 1.27. “REDFLEXred® System” means the proprietary digital red light photo enforcement system of Redflex relating to the Program.
 - 1.28. “REDFLEXslimline™ System” means the proprietary photo enforcement system of Redflex.
 - 1.29. “REDFLEXspeed® System” means the proprietary speed enforcement system of Redflex.
 - 1.30. “REDFLEXstop® System” means the proprietary stop sign enforcement system of Redflex.
 - 1.31. “SMARTcam® System” means the proprietary software system that controls the systems of Redflex relating to the Program.
 - 1.32. “Alcyon® System” means the proprietary back-office processes of Redflex relating to the Program.
 - 1.33. “SMARTscene™ System” means the proprietary digital video camera unit, hardware and software required for providing supplemental violation data relating to the Program.

- 1.34. "Traffic Signal Controller Boxes" means the signal controller interface and vehicle detection owned and operated by the City. This includes the City's traffic controller, the City's vehicle detection equipment, the City's communication equipment, and the City's controller cabinet.
- 1.35. "Upgrade" means the technological improvements, as expressly outlined in this Agreement, to the Equipment installed at the Existing Intersection Approaches. Such technological improvements include new front and rear Halo™ camera systems, high definition streaming video, Alcyon® back office software and mutually agreed upon alternative solutions.
- 1.36. "Violation" means any traffic violation as provided for in any applicable rule, regulation or law of any other Governmental Authority, including but not limited to operating a motor vehicle contrary to traffic signals, and operating a motor vehicle without displaying a valid license plate or registration.
- 1.37. "Violation Criteria" means the standards and criteria by which Potential Violations will be evaluated by Authorized Employees of the City, which standards and criteria shall include, but are not limited to, the duration of time that a traffic light must remain red prior to a Violation being deemed to have occurred, and the location(s) in an intersection which a motor vehicle must pass during a red light signal prior to being deemed to have committed a Violation, all of which shall be in compliance with all applicable laws, rules and regulations of Governmental Authorities. Should physical criteria change which requires additional modification to the Program or its detection equipment, any costs incurred in connection with such modifications shall be the responsibility of the City.
- 1.38. "Violations Data" means the images and other Violations data gathered by the Redflex System at the Designated Intersection Approaches.
- 1.39. "Warning Period" means the period of time after the installation and activation of a New Designated Intersection Approach during which period only warning notices shall be issued for a period of thirty (30) days as outlined in California Vehicle Code § 21455.5, unless otherwise agreed to by the Parties.

2. **TERM.**

- 2.1. The term of this Agreement shall commence on April 20, 2020 ("Effective Date") and continue for a period of five (5) years (the "Initial Term"), unless terminated earlier as provided for in this Agreement. The City shall have the option to extend the Initial Term for up to two (2) additional consecutive and automatic two (2) year time periods (each a "Renewal Term"). The Initial Term together with each exercised Renewal Term is collectively the "Term." Each Renewal Term shall automatically and without any required notice or action be deemed to have been exercised unless the City provides written notice to Redflex in accordance with Section 9 of its election not to extend at least thirty (30) days prior to the expiration of the Initial Term or the applicable Renewal Term.
- 2.2. It is the Parties express intent that this Agreement shall not become effective until the Effective Date set forth in Section 2.1, and the 2011 Agreement, together with any amendments thereto, shall remain in full force and effective through its natural expiration date of April 19, 2020.

3. **SERVICES.** Redflex shall provide the following services in connection with the Program [such services, including those outlined in Exhibits B and C are subject to change based on local and State law]:

- 3.1. **INSTALLATION.** With respect to the construction and installation of the Upgrades at the Existing Intersection Approaches and the installation of the Redflex System at any New Designated Intersection Approaches, the Customer and Redflex shall have the respective rights and obligations set forth on Exhibit B.
- 3.2. **MAINTENANCE.** With respect to the maintenance of the Redflex System at the Designated Intersection Approaches, the City and Redflex shall have the respective rights and obligations set forth on Exhibit C.
- 3.3. **VIOLATION PROCESSING.** During the Term, Violations shall be processed as follows:
 - 3.3.1. All Violations Data shall be stored on the Redflex System;
 - 3.3.2. The Redflex System shall process Violations Data gathered from the Designated Intersection Approaches into a format capable of review by the Authorized Employee via the Redflex System;

- 3.3.3. The Redflex System will be accessible by Authorized Employee through a secure and encrypted connection by use of a confidential user account on a computer equipped with a high-speed Internet connection and an approved web browser;
- 3.3.4. Within seven (7) days after gathering the Violations Data from the applicable Designated Intersection Approaches, Redflex shall provide the Authorized Employee with access to the Redflex System for the purposes of reviewing the pre-processed Violations Data;
- 3.3.5. The City shall cause the Authorized Employee to review the Violations Data and to determine whether a Citation shall be issued with respect to each Potential Violation captured within such Violations Data, and transmit each such determination in the form of an Electronic Signature to Redflex using the software or other applications or procedures provided by Redflex on the Redflex System for such purpose. REDFLEX ACKNOWLEDGES AND AGREES THAT THE DECISION TO ISSUE A CITATION SHALL BE THE SOLE, UNILATERAL AND EXCLUSIVE DECISION OF THE AUTHORIZED EMPLOYEE AND SHALL BE MADE IN SUCH AUTHORIZED EMPLOYEE'S SOLE DISCRETION (A "CITATION DECISION"), AND IN NO EVENT SHALL REDFLEX HAVE THE ABILITY OR AUTHORIZATION TO MAKE A CITATION DECISION;
- 3.3.6. For each Authorized Violation, Redflex shall print and mail a Citation within five (5) days after Redflex's receipt of such authorization; provided, however, during the Warning Period, only warning violation notices shall be issued for all Authorized Violations;
- 3.3.7. Redflex shall provide a toll-free telephone number for the purposes of answering citizen inquiries;
- 3.3.8. Redflex shall permit the Authorized Employee to generate reports using the Redflex Standard Report System;
- 3.3.9. Upon Redflex's receipt of a written request from the City and in addition to the Standard Reports, Redflex will provide, without cost to the City, access to a reporting tool to allow the Customer to generate other reports;
- 3.3.10. During the six (6) month period following the Effective Date and/or upon Redflex's receipt of a written request from the City at least fourteen (14) calendar days in advance of a court proceeding, Redflex shall provide expert witnesses for use by the City in prosecuting Violations; provided, however, the City shall use reasonable best efforts to seek judicial notice in lieu of requiring Redflex to provide such expert witnesses. After the initial six (6) month period, the City shall be obligated to reimburse Redflex for the cost of expert witnesses provided at the City's request.
- 3.3.11. During the three (3) month period following the Effective Date, Redflex shall provide training to Customer personnel as shall be reasonably necessary to allow City personnel to act as expert witnesses on behalf of the City.
- 3.4. RECORDS RETENTION. Redflex shall retain Violations Data in accordance with all applicable California law as outlined in the Business Rules.
- 3.5. PROSECUTION AND COLLECTION; COMPENSATION. The City shall diligently prosecute Citations and the collection of all Fines related to the Citations. Redflex shall have the right to receive, and the City shall be obligated to pay Redflex, the compensation set forth on Exhibit D.
- 3.6. TAXES. Where obligated by applicable law, Redflex shall timely pay all taxes relating to or arising out of the Program. Unless otherwise indicated, the City agrees to pay any applicable taxes including but not limited to use, property or sales taxes required at the municipal, county, state or any other taxing authority level on all applicable consumer services and materials purchased and/or leased. No charge by the City shall be made for federal excise taxes and City agrees to furnish Redflex with an exemption certificate where appropriate for any applicable sales and/or use taxes. For the avoidance of doubt, it is the Parties intent that this Agreement does not alter the tax liability of either Party under the applicable law.
- 3.7. OTHER RIGHTS AND OBLIGATIONS. In addition to all of the other rights and obligations set forth in this Agreement, Redflex and the City shall have the respective rights and obligations set forth on Exhibit E.
- 3.8. CHANGE ORDERS.
 - 3.8.1. The City may from time to time request changes to the work required to be performed or the addition of products or services to those required pursuant to the terms of this Agreement by providing written notice to Redflex, setting forth in reasonable detail the

proposed changes (a “Change Order Notice”). Upon Redflex’s receipt of a Change Order Notice, Redflex shall deliver a written statement describing the cost, if any (the “Change Order Proposal”). The Change Order Proposal shall include (i) a detailed breakdown of the charge and any schedule impact, (ii) a description of any resulting changes to the specifications and obligations of the Parties, (iii) a schedule for the delivery and other performance obligations, and (iv) any other information relating to the proposed changes reasonably requested by the City. Following the City’s receipt of the Change Order Proposal, the Parties shall negotiate in good faith and agree in writing to a plan and schedule for implementation of the proposed changes, the time, manner and amount of payment or price increases or decreases, as the case may be, and any other matters relating to the proposed changes; provided, however, in the event that any proposed change requested within one (1) year of the Effective Date involves only the addition of equipment or services to the existing Designated Intersection Approaches, the pricing terms set forth in Exhibit D shall govern. Any failure of the Parties to reach agreement with respect to any of the foregoing as a result of any proposed changes shall not be deemed to be a breach of this Agreement provided each Party acted in good faith.

3.8.2. In the event that the change outlined in the Change Order Notice and the Change Order Proposal, and approved by the Parties, concerns moving an installed Redflex System to a new Designated Intersection Approach, then the City shall be responsible for the costs associated with the removal and reinstallation of the Redflex System, and the Term of this Agreement shall be extended by the number of days equal to the period of time in which the Redflex System at issue is inactive, if that period of time is fourteen (14) or more calendar days, unless the City has a Fixed Monthly Fee and chooses to continue paying the Fixed Monthly Fee for the inactive Designated Intersection Approach, as outlined in Exhibit D, during such period of time.

3.9. ROAD REPAIRS AND CONSTRUCTION PROJECTS.

3.9.1. At a Designated Intersection Approach maintained by City of Newark, the Fixed Monthly Fee to be paid will not be affected by any road repairs, street improvements or stop work order at any Designated Intersection Approach. At a Designated Intersection Approach maintained by the California State Department of Transportation, if the Redflex System is deactivated due to roadway construction, the monthly fee will continue for fifteen (15) days. After the fifteenth (15th) day, Redflex will not invoice the City unless the Designated Intersection Approach is deactivated for more than thirty (30) days. If the Designated Intersection Approach remains deactivated for more than thirty (30) days, Redflex will not invoice the City for day sixteen (16) through day thirty (30). If the approach remains deactivated after thirty (30) days, the City and Redflex shall split the invoice amount calculated at 1/30th the amount, per day, of the monthly invoice.

3.10. OWNERSHIP OF NON-VIOLATOR DATA. The Parties agree that Redflex shall have exclusive ownership of all Non-Violator Data generated as a result of the Program. “Non-Violator Data” shall include incident data, infraction rates, average speeds and other categories of data as mutually agreed by Redflex and the City. Non-Violator Data shall not include any data identifying the registered owner or the violator, or relating in any way to the registered owner’s identity or the violator’s identity. During the term of this Agreement, the City shall have a non-exclusive royalty free license to use the Non-Violator Data. This license shall terminate upon termination or expiration of this Agreement.

3.11. FUTURE SERVICES. If California law allows, now or in the future, a Governmental Authority to suspend the ability to register a vehicle, as controlled by the California Department of Transportation, for Persons with delinquent or unpaid fines, whether criminal or civil, the Parties have the option to execute an amendment to this Agreement for Redflex to provide the City certain automated scofflaw services under its MASP Program.

3.12. ANNUAL REPORT. Redflex shall, in cooperation with the City, submit an annual report to the California Judicial Council that includes, but is not limited to:

3.12.1. The number of alleged Violations captured by the Redflex Systems.

3.12.2. The number of Citations issued by the law enforcement agency based on information collected from the Redflex System.

3.12.3. For Citations identified in section 3.12.2, the number of Violations that involved traveling straight through the intersection, turning right, and turning left.

3.12.4. The number and percentage of Citations that are dismissed by the court.

3.12.5. The number of traffic collisions at each intersection that occurred prior to, and after the installation of, the Redflex System.

4. **LICENSE; RESERVATION OF RIGHTS.**

- 4.1. **LICENSE.** Subject to the terms and conditions of this Agreement, Redflex grants the City, and the City accepts from Redflex, a non-exclusive, non-transferable license during the Term to: (a) solely within the City, access and use the Redflex System for the sole purpose of reviewing Potential Violations and authorizing the issuance of Citations pursuant to the terms of this Agreement, and to print copies of any related content posted on the Redflex System, (b) disclose that Redflex is providing services to the City in connection with Program pursuant to the terms of this Agreement, and (c) use and display the Redflex Marks on or in marketing, public awareness or education, or other publications or materials relating to the Program, so long as any and all such publications or materials are approved in advance by Redflex.
- 4.2. **RESERVATION OF RIGHTS.** The City acknowledges and agrees that: (a) Redflex is the sole and exclusive owner of the Redflex System, the Redflex Marks, all Intellectual Property arising from or relating to the Redflex System, and any and all related Equipment, (b) the City neither has nor makes any claim to any right, title or interest in any of the foregoing, except as specifically granted or authorized under this Agreement, and (c) by reason of the exercise of any such rights or interests of City pursuant to this Agreement, the City shall gain no additional right, title or interest.
- 4.3. **RESTRICTED USE.** The City covenants and agrees that it shall not (a) make any modifications to the Redflex System, including but not limited to any Equipment, (b) alter, remove or tamper with any Redflex Marks, (c) use any of the Redflex Marks in any way which might prejudice their distinctiveness, validity or Redflex's goodwill, (d) use any trademarks or other marks other than the Redflex Marks in connection with the City's use of the Redflex System pursuant to the terms of this Agreement without first obtaining the prior consent of Redflex, or (e) disassemble, de-compile or otherwise perform any type of reverse engineering to the Redflex System, the Redflex Program, including but not limited to any Equipment, or to any Intellectual Property or Proprietary Property of Redflex, or cause any other Person to do any of the foregoing.
- 4.4. **PROTECTION OF RIGHTS.** Redflex shall have the right to take whatever action it deems necessary or desirable to remedy or prevent the infringement of any Intellectual Property of Redflex, including without limitation the filing of applications to register as trademarks in any jurisdiction any of the Redflex Marks, the filing of patent application for any of the Intellectual Property of Redflex, and making any other applications or filings with appropriate Governmental Authorities. The City shall not take any action to remedy or prevent such infringing activities, and shall not in its own name make any registrations or filings with respect to any of the Redflex Marks or the Intellectual Property of Redflex without the prior written consent of Redflex.
- 4.5. **INFRINGEMENT.** The City shall use reasonable efforts to give Redflex prompt notice of any activities or threatened activities of any Person of which it becomes aware that infringes or violates or potentially infringes or violates the Redflex Marks or any of Redflex's Intellectual Property or that constitute or potentially constitute a misappropriation of trade secrets or act of unfair competition that might dilute, damage or destroy any of the Redflex Marks or any other Intellectual Property of Redflex. Redflex shall have the exclusive right, but not the obligation, to take action to enforce its rights to its Marks and Intellectual Property and to make settlements relating to its Marks and Intellectual Property. In the event that Redflex commences any enforcement action relating to its Marks or Intellectual Property, the City shall provide Redflex with any reasonable cooperation and assistance that Redflex requests. Redflex shall be entitled to any damages or other monetary amount that might be awarded provided that after deduction of Redflex's actual costs and attorney's fees; Redflex shall reimburse the City for any reasonable costs incurred in providing such cooperation and assistance.
- 4.6. **INFRINGING USE.** The City shall give Redflex prompt written notice of any action or claim, whether threatened or pending, against the City alleging that the Redflex Marks, or any other Intellectual Property of Redflex, infringes or violates any patent, trademark, copyright, trade secret or other Intellectual Property of any other Person, and the City shall provide to Redflex reasonable cooperation and assistance as is requested by Redflex; provided, that Redflex shall reimburse the City for its reasonable costs incurred in providing such cooperation and assistance. If Redflex determines, in the exercise of its sole discretion, that an infringement may exist,

Redflex shall have the right, but not the obligation, to procure for the City the right to keep using the allegedly infringing items, modify them to avoid the alleged infringement or replace them with non-infringing items.

- 4.7. **UNAUTHORIZED REFERENCES TO REDFLEX.** The Customer shall not utilize, make use of and/or make any reference to Redflex, its name or likeness, its affiliated, parent or subsidiary companies or corporations, its logos, insignias, trademarks, trade names, brand, websites, property, assets, products or services, including, but not limited to: “PLATESCAN® System”; “REDFLEXradar® System”; “REDFLEXrail® System”; “REDFLEXred® System”; “REDFLEXslimline® System”; “REDFLEXspeed® System”; “REDFLEXstop® System”; “Redflex Student Guardian® System”; “Salus® System”; “SMARTcam® System”; “SMARTops® System”; “SMARTscene® System”; and/or and any and all combinations, variants and derivatives of the foregoing, for any reason or purpose without the prior written approval of Redflex which may be withheld, denied, delayed, rejected and/or refused, by Redflex in its sole discretion.

5. REPRESENTATIONS AND WARRANTIES.

5.1. **REDFLEX REPRESENTATIONS AND WARRANTIES.**

- 5.1.1. **Authority.** Redflex warrants and represents that it has all right, power and authority to execute and deliver this Agreement and perform its obligations.
- 5.1.2. **Professional Services.** Redflex warrants and represents that any and all services that it provides pursuant to this Agreement shall be performed in a professional and workmanlike manner and in compliance with applicable law and by agreed upon specifications.

5.2. **CITY REPRESENTATIONS AND WARRANTIES.**

- 5.2.1. **Authority.** The City warrants and represents that it has all legal right, power and authority to execute and deliver this Agreement and perform its obligations. The City further warrants and represents that it has complied with all applicable laws and regulations in entering into this Agreement, including Local and State procurement laws, and will comply with all applicable laws and regulations in performing under this Agreement.
- 5.2.2. **Professional Services.** The City warrants and represents that any and all services that it provides pursuant to this Agreement shall be performed in a professional and workmanlike manner and in compliance with applicable law and by agreed upon specifications.
- 5.3. **LIMITED WARRANTIES.** EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, INCLUDING ANY MAINTENANCE OBLIGATIONS SET FORTH IN SECTION 3.2, REDFLEX MAKES NO WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO THE REDFLEX SYSTEM OR ANY RELATED EQUIPMENT OR SOFTWARE, OR WITH RESPECT TO THE RESULTS OF THE PROGRAM.

6. TERMINATION.

- 6.1. **TERMINATION WITHOUT CAUSE.** The City reserves the right to terminate this Agreement without cause with forty-five (45) days written notice. If the City exercises its right to terminate this Agreement in accordance with this paragraph, the City shall be obligated to pay Redflex for all services satisfactorily performed in accordance with this Agreement, through and including the termination date, but not to exceed the payment according to the rates specified in Exhibit D and shall pay Redflex the amount of Equitable Cost Recovery, if any, to which Redflex is entitled as set forth in Section 6.1.1.

- 6.1.1. **Equitable Cost Recovery:** In the event the City exercises its right to terminate this Agreement under Section 6.1., the City shall pay to Redflex an amount equal to the unamortized costs of the direct labor and direct material costs, equipment costs (less salvageable material costs), and capitalized costs associated with the installation of the Upgrades and New Designated Intersection Approaches (“Installation Costs”) installed pursuant to the terms of this Agreement based upon a five-year, month-by-month amortization schedule per Designated Intersection Approach. The amortization of the Installation Costs shall commence as of the “Go Live” date following the installation of the Upgrades and/or New Designated Intersection Approach. Upon the City’s request, Redflex

will provide the City an itemized statement, with supporting documentation, of the Installation Costs for each Designated Intersection Approach.

- 6.1.2. Reflex reserves the right to terminate this Agreement without cause with ninety (90) days written notice to the City. In the event Reflex terminates this Agreement under this subsection, Reflex shall not be entitled to Equitable Cost Recovery.
- 6.2. TERMINATION FOR CAUSE: Either Party shall have the right to terminate this Agreement by written notice to the other Parties if (i) state statutes are amended or otherwise changed to prohibit or substantially change the operation of the Program; (ii) the highest appellate court for the State of California rules that the Violations Data are inadmissible in evidence; or (iii) the other Party commits a material breach of this Agreement. In the event of a termination due to Section 6.1(i) or 6.1(ii) above, the City shall be relieved of any further obligations for payment to Reflex other than as specified in Exhibit "D". In the event of a termination due to Section 6.1(iii), the breaching Party shall have the right to remedy or cure the material breach within forty-five (45) calendar days (or within such other time period as the Parties shall mutually agree, which agreement shall not be unreasonably withheld or delayed) after receipt of written notice from the terminating Party setting forth in reasonable detail the facts giving rise to the material breach. Termination of this Agreement based upon an alleged material breach shall not be enforceable or effective unless the terminating Party mails written notice to the breaching Party not less than forty-five (45) calendar days before the termination date and provides to the breaching Party the opportunity to remedy or cure the breach within the time period provided above. The right to terminate this Agreement shall be without prejudice to any other right or remedy of any Party with respect to the breach concerned (if any) or any other breach of this Agreement except as otherwise provided in this Agreement.
- 6.3. PROCEDURES UPON TERMINATION. The termination of this Agreement shall not relieve either Party of any liability that accrued before termination. Except as set forth in Section 6.3, upon the termination of this Agreement, all of the provisions of this Agreement shall terminate and:
 - 6.3.1. Reflex shall: (i) immediately cease to provide services, including but not limited to work in connection with the construction or installation activities and services in connection with the Program, provided, however, that, at its option, Reflex may continue to process data collected prior to the date of termination related to Potential Violations for the purpose of enabling the Customer to determine whether a Violation has occurred, and may continue to print and mail Citations based on such data; (ii) promptly deliver to the City any and all Proprietary Property or Confidential Information of the City provided to Reflex pursuant to this Agreement, except for any information necessary for Reflex, at its option, to process pre-termination data in accordance with the preceding clause (i); (iii) promptly deliver to the City a final report regarding the collection of data and the issuance of Citations in a format and for a period of time mutually agreed upon by Reflex and the City, (iv) promptly deliver to the City a final invoice for all amounts owed by City to Reflex for work performed and Citations issued by Reflex prior to the termination, and (v) provide such assistance as the City may reasonably request from time to time in connection with prosecuting and enforcing Citations issued prior to the termination of this Agreement. Except as required by applicable law or as mutually agreed by Reflex and the City, Reflex shall have no obligation to retain Violations Data after termination of this Agreement. At termination and upon the City's prior written request, Reflex will transfer the Violations Data to the City in accordance with a mutually agreed upon method of transfer. The City shall be responsible for all costs associated with the transfer of the Violations Data including but not limited to administrative costs, storage media and storage media authoring device costs, and internet bandwidth costs incurred in transferring the Violations Data. Upon completion of the transfer of the Violations Data to the City, Reflex shall have no obligation or responsibility concerning the Violations Data.
 - 6.3.2. The City shall (i) immediately cease using the Program, accessing the Reflex System and using any other Intellectual Property of Reflex, except in accordance with Section 6.2.1(i) above, (ii) promptly deliver to Reflex any and all Proprietary Property or Confidential Information of Reflex provided to the City pursuant to this Agreement, and (iii) promptly pay Reflex any and all fees, charges and amounts that the City owes

Redflex for work performed and Citations issued prior to the termination, as outlined in Exhibit D.

- 6.3.3. Unless the City and Redflex have agreed to enter into a new agreement relating to the Program or have agreed to extend the Term, Redflex shall remove any and all above ground level Equipment or other Redflex materials installed in connection with Redflex's performance of its obligations under this Agreement and return the site to grade.
- 6.3.4. The City shall continue to pay to Redflex a pro rata share of all monies or revenue generated, collected and/or received by City after the expiration or termination of the Agreement that are, in any way, a result of, associated with and/or attributable to, in whole or in part, the products or services that Redflex provided to the City pursuant to this Agreement.
- 6.4. SURVIVAL. Notwithstanding the foregoing, the definitions provided for in Section 1 and each of the following Sections shall survive the termination of this Agreement: (i) Sections 4.2 (Reservation of Rights), 5.1 (Redflex Representations and Warranties), 5.2 (City Representations and Warranties), 5.3 (Limited Warranties), 7 (Confidentiality), 8 (Indemnification and Liability), 9 (Notices), 10 (Dispute Resolution), 11.1 (Assignment), 11.17 (Injunctive Relief; Specific Performance), 11.18 (Applicable Law) and 11.19 (Jurisdiction and Venue), and (ii) any Section in this Agreement which states, or evidences the intent of the Parties, that the Section survives the expiration or termination of the Agreement, or must survive to give effect to the Section.
7. **CONFIDENTIALITY**. During the Term and for a period of three (3) years after its expiration or termination, neither Party shall disclose to any third person, or use for itself in any way, any Confidential Information learned from the other Party during the course of the negotiations for this Agreement or during the Term. Upon termination of this Agreement, each Party shall return to the other all tangible Confidential Information of such Party. Each Party shall retain in confidence and not disclose to any third party any Confidential Information without the other Party's express written consent, except (a) to its employees who are reasonably required to have the Confidential Information, (b) to its agents, representatives, attorneys and other professional advisors that have a need to know such Confidential Information, provided that such Parties undertake in writing (or are otherwise bound by rules of professional conduct) to keep such information strictly confidential, and (c) pursuant to, and to the extent of, a request or order by any Governmental Authority, including laws relating to public records.
8. **INDEMNIFICATION AND LIABILITY**.
- 8.1. Indemnification by Redflex. Subject to Section 8.3, Redflex hereby agrees to defend and indemnify the City, and its affiliates, shareholders, managers, officers, directors, employees, agents, representatives and successors, permitted assignees and each of their affiliates, and all persons acting by, through, under or in concert with them, or any of them (individually a "City Party" and collectively, the "City Parties") against, and to protect, save and keep harmless the City Parties from, and to pay on behalf of or reimburse the City Parties as and when incurred for, any and all liabilities, obligations, losses, damages, penalties, demands, claims, actions, suits, judgments, settlements, costs, expenses and disbursements (including reasonable attorneys', accountants' and expert witnesses' fees) of whatever kind and nature (collectively, "Losses"), which may be imposed on or incurred by any City Party arising out of or related to (a) any material misrepresentation, material inaccuracy or material breach of any covenant, warranty or representation of Redflex contained in this Agreement or (b) the negligence or willful misconduct of Redflex, its employees or agents which results in death or bodily injury to any person or any damage to any real or tangible personal property (including the personal property of third parties), except to the extent caused by the willful misconduct or negligence of any City Party.
- 8.2. Indemnification by City. Subject to Section 8.3, the City hereby agrees to defend and indemnify Redflex and its affiliates, shareholders, managers, officers, directors, employees, agents, representatives and successors, permitted assignees and all persons acting by, through, under or in concert with them, or any of them (individually a "Redflex Party" and collectively, the "Redflex Parties") against, and to protect, save and keep harmless the Redflex Parties from, and to pay on behalf of or reimburse the Redflex Parties as and when incurred for, any and all Losses which may be imposed on or incurred by any Redflex Party arising out of or in any way related to (a) any material misrepresentation, material inaccuracy or material breach of any covenant, warranty

or representation of the City contained in this Agreement, (b) the willful misconduct of the City, its employees, contractors or agents which result in death or bodily injury to any person or any damage to any real or tangible personal property (including the personal property of third parties), except to the extent caused by the willful misconduct of any Redflex Party, or (c) any claim, action or demand not caused by Redflex's failure to perform its obligations under this Agreement, or (d) any claim, action or demand challenging the Customer's use of the Redflex System or any portion thereof, the validity of the results of the Customer's use of the Redflex System or any portion thereof, or the validity of the Citations issued, prosecuted and collected as a result of the Customer's use of the Redflex System or any portion thereof. In the event that the legality or constitutionality of the photo enforcement systems described herein are in any way challenged in the appellate division of any court, the City shall immediately notify Redflex in writing. Redflex agrees to pay fifty percent (50%) of any and all reasonable legal fees related to such a challenge in the appellate division of any court up to an amount not to exceed the total sum of \$30,000.00 after the annual cumulative amount \$7,500.00 is first paid by the Customer. Redflex shall have the option of assigning the matter to legal counsel of its choice or of permitting the City to select their own attorney once the \$7,500.00 threshold has been paid by the City.

- 8.3. **Indemnification Procedures.** In the event any claim, action or demand (a "Claim") for which any Party seeks indemnification from the other Party, the Party seeking indemnification (the "Indemnified Party") shall give the Party from whom indemnification is sought (the "Indemnifying Party") written notice of the Claim promptly after the Indemnified Party first becomes aware of the Claim; provided, however, that failure so to give such notice shall not preclude indemnification with respect to such Claim except to the extent of any additional or increased Losses or other actual prejudice directly caused by such failure. The Indemnifying Party shall have the right to choose counsel to defend such Claim (subject to the approval of such counsel by the Indemnified Party, which approval shall not be unreasonably withheld, conditioned or delayed), and to control, compromise and settle such Claim, and the Indemnified Party shall have the right to participate in the defense at its sole expense; provided, however, the Indemnified Party shall have the right to take over the control of the defense or settlement of such Claim at any time if the Indemnified Party irrevocably waives all rights to indemnification from and by the Indemnifying Party. The Indemnifying Party and the Indemnified Party shall cooperate in the defense or settlement of any Claim, and no Party shall have the right enter into any settlement agreement that materially affects the other Party's material rights or material interests without such Party's prior written consent, which consent will not be unreasonably withheld or delayed.
- 8.4. **LIMITED LIABILITY.** Notwithstanding anything contrary in this Agreement, neither Party shall be liable to the other Party for any special, incidental, indirect, consequential, exemplary or punitive damages, including damages resulting from Lost Profits, however caused and on any theory of liability arising out of or relating to this Agreement.

9. **NOTICES.** Any notices required by this Agreement shall be in writing, and shall be deemed to have been given (a) upon delivery, if delivered by hand, (b) three (3) days after being mailed either first class, certified mail, return receipt requested, postage and registry fees prepaid, or (c) one Business Day after being delivered to a reputable overnight courier service, excluding the U.S. Postal Service, prepaid, marked for next day delivery, in each case addressed or sent as follows:

9.1. Notices to Redflex:
Redflex Traffic Systems, Inc.
Attn: Legal Department
5651 W. Talavi Blvd., Suite 200
Glendale, Arizona 85306
E-Mail: legaldepartment@redflex.com

9.2. Notices to the City:

City of Newark, California
Attn: Chief of Police
37101 Newark Blvd.

Newark, CA 94560

With a copy to:

City of Newark, California
Attn: City Manager
37101 Newark Blvd.
Newark, CA 94560
Facsimile: (510) 794-2306

- 10. DISPUTE RESOLUTION.** The Parties shall engage in informal, good faith discussions and attempt to resolve any dispute or disagreement between the Parties arising out of or relating to this Agreement before initiating arbitration, mediation or litigation. In connection with those informal discussions, each Party shall appoint a designated officer and the designated officers of the Parties shall meet in person for the purpose of attempting to resolve and dispute. The designated officers shall meet as often as the Parties shall determine to be reasonably necessary. If the Parties are unable to resolve the dispute, and any Party concludes in good faith that amicable resolution through continued negotiation is not reasonably likely to result in resolution of the dispute, the Parties may mutually agree to submit the dispute to binding or nonbinding arbitration or mediation for resolution. If the Parties do not mutually agree to submit the dispute to binding or nonbinding arbitration or mediation, any Party may initiate litigation.
- 11. MISCELLANEOUS.**
- 11.1. ASSIGNMENT. Neither Party may assign all or any portion of this Agreement without the prior written consent of the other, which consent shall not be unreasonably withheld or delayed.
- 11.2. RELATIONSHIP BETWEEN REDFLEX AND THE CITY. Nothing in this Agreement shall create, or be deemed to create, a partnership, joint venture or the relationship of principal and agent or employer and employee between the Parties. The relationship between the Parties shall be that of independent contractors, and nothing contained in this Agreement shall create the relationship of principal and agent or otherwise permit either Party to incur any debts or liabilities or obligations on behalf of the other Party (except as specifically provided in this Agreement).
- 11.3. AUDIT RIGHTS. Each of Parties hereto shall have the right to audit the books and records of the other Party (the "Audited Party") solely for the purpose of verifying the payments, if any, payable pursuant to this Agreement. Any such audit shall be conducted upon not less than forty-eight (48) hours' prior notice to the Audited Party, at mutually convenient times and during the Audited Party's normal business hours. Except as otherwise provided in this Agreement, the cost of any such audit shall be borne by the non-Audited Party. In the event any such audit establishes any underpayment of any payment payable by the Audited Party to the non-Audited Party pursuant to this Agreement, the Audited Party shall promptly pay the amount of the shortfall, and in the event that any such audit establishes that the Audited Party has underpaid any payment by more than twenty five percent (25%) of the amount of actually owing, the cost of such audit shall be borne by the Audited Party. If the audit establishes any overpayment by the Audited Party of any payment made pursuant to this Agreement, the non-Audited Party shall promptly refund to the Audited Party the amount of the overpayment.
- 11.4. FORCE MAJEURE. No Party will be liable to the other or be deemed to be in breach of this Agreement for any failure or delay in rendering performance arising out of causes beyond its reasonable control and without its fault or negligence. Such causes may include but are not limited to, acts of God, war, terrorism, significant fires, floods, earthquakes, epidemics, severe weather, quarantine restrictions, strikes, freight embargoes, or Governmental Authorities approval delays which are not caused by any act or omission of Redflex. The Party whose performance is affected agrees to notify the other promptly of the existence and nature of any delay.
- 11.5. ADDITIONAL SERVICES. This Agreement may be amended, in accordance with Section 11.6, to add additional Redflex systems and products, including, but not limited to, school bus stop arm enforcement and school zone speed enforcement.
- 11.6. ENTIRE AGREEMENT. This Agreement represents the entire Agreement between the Parties, and there are no other agreements (other than invoices and purchase orders), whether written or

- oral, which affect its terms. This Agreement may be amended only by a subsequent written agreement signed by both Parties.
- 11.7. SEVERABILITY. If any provision of this Agreement is held by any court or other competent authority to be void or unenforceable in whole or part, this Agreement shall continue to be valid as to its other provisions and the remainder of the affected provision.
- 11.8. WAIVER. Any waiver by either Party of a breach of any provision of this Agreement shall not be considered as a waiver of any subsequent breach of the same or any other provision of this Agreement.
- 11.9. CONSTRUCTION. This Agreement shall be construed as having been fully and completely negotiated by both Parties and neither the Agreement nor any of its provision shall be construed more strictly against either Party.
- 11.10. HEADINGS. The headings of the sections contained in this Agreement are included for reference purposes only, solely for the convenience of the Parties, and shall not in any way be deemed to affect the meaning, interpretation or applicability of this Agreement or any of its terms, conditions or provisions.
- 11.11. EXECUTION AND COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and such counterparts together shall constitute only one instrument. Any one of such counterparts shall be sufficient for the purpose of proving the existence and terms of this Agreement, and no Party shall be required to produce an original or all of such counterparts in making such proof.
- 11.12. COVENANT OF FURTHER ASSURANCES. All Parties to this Agreement shall, upon request, perform any and all acts and execute and deliver any and all certificates, instruments and other documents that may be necessary or appropriate to carry out any of the terms, conditions and provisions of this Agreement.
- 11.13. REMEDIES CUMULATIVE. Each and all of the several rights and remedies provided for in this Agreement shall be construed as being cumulative and no one of them shall be deemed to be exclusive of the others or of any right or remedy allowed by law or equity, and pursuit of any one remedy shall not be deemed to be an election of such remedy, or a waiver of any other remedy.
- 11.14. BINDING EFFECT. This Agreement shall inure to the benefit of and be binding upon all of the Parties and their respective executors, administrators, successors and permitted assigns.
- 11.15. COMPLIANCE WITH LAWS. Nothing contained in this Agreement shall be construed to require any act contrary to law, and whenever there is a conflict between any term, condition or provision of this Agreement and any present or future statute, law, ordinance or regulation, the latter shall prevail, but in such event the term, condition or provision of this Agreement affected shall be modified or limited only to the extent necessary to bring it within the requirement of the law, provided that such modification or limitation is consistent with the intent of the Parties as expressed in this Agreement.
- 11.16. NO THIRD PARTY BENEFIT. Nothing contained in this Agreement shall be deemed to confer any right or benefit on any Person who is not a Party to this Agreement.
- 11.17. INJUNCTIVE RELIEF; SPECIFIC PERFORMANCE. The Parties agree and acknowledge that a breach of Sections 4.1 (License), 4.3 (Restricted Use) or 7 (Confidentiality) of this Agreement would result in severe and irreparable injury to the other Party, which injury could not be adequately compensated by an award of money damages, and the Parties therefore agree and acknowledge that they shall be entitled to injunctive relief in the event of any breach of these Sections, or to enjoin or prevent such a breach.
- 11.18. APPLICABLE LAW. This Agreement shall be governed solely by and construed, in all respects, in accordance with the laws of the State of California..
- 11.19. JURISDICTION AND VENUE. Any conflict, claim or dispute between the Parties affecting, arising out of or relating to the subject matter of this Agreement shall be filed only in and litigated solely in the United States District Court for the Northern District of California and all Parties specifically consent and agree to the exclusive jurisdiction of that court; provided however, if the United States District Court for the Northern District of California does not have subject matter jurisdiction over a dispute, the dispute shall be filed and brought exclusively by the state courts of California located in Alameda County, and the Parties consent and agree to the jurisdiction of those courts.

- 11.20. ATTORNEYS' FEES. In the event any legal action is commenced to enforce or interpret this Agreement, the prevailing Party is entitled to reasonable attorney's fees, costs, and expenses incurred.
- 11.21. PREVAILING WAGE. If required by law or statute, Redflex shall be responsible for complying with the applicable prevailing wage requirements.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

"The City"

"Redflex"

NEWARK, CALIFORNIA

REFLEX TRAFFIC SYSTEMS, INC.,

By: _____

By: _____

Name:

Name: Mark Talbot

Title:

Title: President

Approved as to Content:

By: _____

Name:

EXHIBIT "A"

Designated Intersection Approaches

The Agreement is for the following Designated Intersection Approaches:

1. **Existing Intersection Approaches.** As of the Execution Date, the Intersection Approaches set forth in the table below have been installed and are operational for the purposes of the Program and are Existing Intersection Approaches as defined in Section 1.8. Redflex will Upgrade these Existing Intersection approaches as set forth in Exhibit B.

Redflex Identifier	Location	Direction
NWK-CEMO-01	Cedar Blvd & Mowry Ave	NB
NWK-CHMO-01	Cherry & Mowry	SB
NWK-MOCE-01	Cedar Blvd & Mowry Ave	WB
NWK-NEJA-03	Newark Blvd and Jarvis Ave	SB

2. **New Approaches.** Any new Designated Intersection Approaches approved by the City Council and installed after the Effective Date (New Designated Intersection Approaches as defined in Section 1.18), will be based on the City's guidelines in compliance with the Vehicle Code and, subject to the general parameters included in Exhibit B, shall be installed according to a plan to be mutually agreed to between the Parties. This Agreement is for the installation of up to four (4) New Designated Intersection Approaches. Notwithstanding anything to the contrary, nothing in this Section 2 shall obligate either Party to install a New Designated Intersection Approach.

EXHIBIT "B"

Construction and Installation Obligations

1. **Installation of the Upgrades.** Within sixty (60) days of the Execution Date, Redflex and City will meet to finalize the implementation plan ("Implementation Plan") governing the installation of the Upgrades. The City agrees that the estimated timeframes for performing the Upgrades to be set forth in the Implementation Plan are subject to conditions beyond Redflex's control and are not guaranteed.

In order to provide the City with timely completion of the Upgrades as set forth in the Implementation Plan, the City agrees to assist Redflex with obtaining timely approval of any needed City permit or California Department of Transportation permit. Notwithstanding anything to the contrary, Redflex shall not be obligated to install the Upgrades or to install any New Designated Intersection Approach unless it receives approval from the applicable Governmental Authorities, including but not limited to the California Department of Transportation.

2. **General Installation Guidelines.** The following general guidelines shall apply to the installation of the Upgrades and the installation of any New Designated Intersection Approaches, as applicable:
 - 2.1. **REDFLEX OBLIGATIONS.** Redflex shall do or cause to be done each of the following (in each case, unless otherwise stated below, at Redflex's sole expense):
 - 2.1.1. Appoint the Redflex Project Manager;
 - 2.1.2. Request current "as-built" electronic engineering drawings for the Designated Intersection Approaches (the "Drawings") from the city traffic engineer;
 - 2.1.3. Develop and submit to the City for approval construction and installation specifications in reasonable detail for the Designated Intersection Approaches, including but not limited to specifications for all radar sensors, pavement loops, electrical connections and traffic controller connections, as required;
 - 2.1.4. Seek approval from the relevant Governmental Authorities having authority or jurisdiction over the construction and installation specifications for the Designated Intersection Approaches (collectively, the "Approvals"), which will include compliance with City permit applications;
 - 2.1.5. Redflex and the City agree to submit all documents related to and/or associated with the California Department of Transportation Encroachment Permit for review and approval to a licensed traffic professional engineering firm. Redflex agrees to pay fifty percent (50%) of any and all reasonable fees associated therewith in an amount not to exceed \$7,500.00.
 - 2.1.6. Finalize the acquisition of the Approvals;
 - 2.1.7. Complete the installation and testing of all necessary Equipment, including hardware and software, at the Designated Intersection Approaches;
 - 2.1.8. Cause an electrical sub-contractor to complete all reasonably necessary electrical work at the Designated Intersection Approaches, including but not limited to the installation of all related Equipment and other detection sensors, poles, cabling, telecommunications equipment and wiring, which work shall be performed in compliance with all applicable local, state and federal laws and regulations;
 - 2.1.9. Install and test the functionality of the Designated Intersection Approaches with the Redflex System and establish fully operational Violation processing capability with the Redflex System;
 - 2.1.10. Implement the use of the Redflex System at each of the Designated Intersection Approaches;
 - 2.1.11. Deliver the Materials to the City;
 - 2.1.12. Citation processing and citation issuance/re-issuance for Authorized Violations;
 - 2.1.13. Once a year, upon request of the Customer, provide training (i) for up to fifteen (15) personnel of the City, including but not limited to the persons who City shall appoint as Authorized Employees and other persons involved in the administration of the Program, (ii)

for up to sixteen (16) hours in the aggregate, (iii) regarding the operation of the Redflex System and the Program, which training shall include training with respect to the Redflex System and its operations, strategies for presenting Violations Data in court and judicial proceedings and a review of the Enforcement Documentation;

- 2.1.14. Provide all necessary communication, broadband and telephone services to the Designated Intersection Approaches;
- 2.1.15. Interact with court and judicial personnel to address issues regarding the implementation of the Redflex System, the development of a subpoena processing timeline that will permit the offering of Violations Data in court and judicial proceedings, and coordination between Redflex, and the Customer.

3. CITY'S OBLIGATIONS. The City shall do or cause to be done each of the following (in each case, unless otherwise stated below, at City's sole expense):

- 3.1. Appoint the Project Manager;
- 3.2. Assist Redflex in obtaining the Drawings from the relevant Governmental Authorities;
- 3.3. Notify Redflex of any specific requirements relating to the construction and installation of any Designated Intersection Approaches or the implementation of the Program;
- 3.4. Provide ongoing assistance to Redflex in obtaining access to the records data of the Department of Motor Vehicles in Redflex's capacity as an independent contractor to the City;
- 3.5. Assist Redflex in seeking the Approvals from the relevant Governmental Authorities;
- 3.6. Provide reasonable access to the City's properties and facilities in order to permit Redflex to install and test the functionality of the Designated Intersection Approaches and the Program;
- 3.7. Provide reasonable access to the personnel of the City and reasonable information about the specific operational requirements of such personnel for the purposes of performing training;
- 3.8. Seek approval or amendment of Awareness Strategy and provide written notice to Redflex with respect to the quantity of media and program materials (the "Materials") that the City will require in order to implement the Awareness Strategy;
- 3.9. Develop and provide the Violation Criteria to Redflex;
- 3.10. Seek approval of the Enforcement Documentation;
- 3.11. City shall be solely responsible for the fabrication of any signage, notices or other postings required pursuant to any law, rule or regulation of any Governmental Authority ("Signage"), including but not limited to the applicable State statute. City shall submit design drawings to the appropriate local authority for approval. City shall be solely responsible for installing required Signage. Any changes or modifications to Signage requirements will be the responsibility of the City;
- 3.12. The City shall provide on an agreed upon frequency, without cost to Redflex, reports regarding the prosecution of Citations, the collection of fines, fees and other monies and available collision data, in such format and for such periods as Redflex may reasonably request;
- 3.13. Yellow Light Timing Review: The City is responsible to ensure that the yellow or amber light phase timing at all Designated Intersection Approaches meets minimum standards according to Federal, State, and local laws, guidelines, and/or rules, as required by Vehicle Code §§ 21455.5 and 21455.7, and the California Department of Transportation;
- 3.14. Provide on-going adequate electrical power in order to operate the Designated Intersection Approaches;
- 3.15. The City will allow Redflex to use existing conduit space, and existing infrastructure, including but not limited to traffic signal poles and light poles as available as determined by the City Engineer of City;
- 3.16. The City shall be responsible to provide and install LED traffic signal lights (yellow and red) at all enforced locations; and
- 3.17. City is responsible for all computer hardware, web browsers and high speed Internet access necessary for the Authorized Employee to access the Redflex systems and software.
- 3.18. The City shall create and submit an evaluation report to the Department of Transportation every five years which will conform with any applicable California laws, rules and regulations governing such report.

EXHIBIT “C”

Maintenance

1. All repair and maintenance of the Program and related equipment will be the sole responsibility of Redflex, including but not limited to maintaining the casings of the cameras included in the Redflex System and all other Equipment in reasonably clean and graffiti-free condition.
2. Redflex shall not open the Traffic Signal Controller Boxes without a representative from the City’s Traffic Engineering Department present, or the applicable Governmental Authority that owns and controls the Traffic Signal Controller Boxes, as applicable..
3. In the event that images of a quality suitable for the Authorized Employee to identify Violations cannot be reasonably obtained without the use of flash units, Redflex shall provide and install such flash units.
4. Redflex may assign specific personnel to provide follow up assistance to the City in the form of the HELPDESK, a designated City Service Representative and a Director of Accounts.
5. The City shall notify Redflex as soon as possible if any camera system is damaged or subject to vandalism.
6. Roadway/Intersection improvement projects: City shall reimburse Redflex the costs of replacing and or modification of operational system approaches necessitated or caused by City’s roadway or intersection improvement projects, with the exception of Redflex detector loops that may require replacement due to pavement maintenance activities. The City shall not be responsible for any replacement or modification of operational system approaches necessitated or caused by any third party roadway or intersection work. Any such third party work would be subject to an encroachment permit issued by City and City will coordinate any such work with Redflex to help ensure reimbursement from the responsible third party.

EXHIBIT "D"

COMPENSATION & PRICING

PRICING PROVISIONS AND OPTIONS:

1. Existing Intersection Approaches

\$4350 per approach per month

2. New Designated Intersection Approaches

\$5700 per approach per month

BUSINESS ASSUMPTIONS FOR ALL PRICING PROVISIONS AND OPTIONS:

1. Customer agrees to pay Redflex within thirty (30) days after the invoice is received. A monthly late fee of 1.5% is payable for amounts remaining unpaid 60 days from date of invoice.
2. Each year, within thirty (30) days of the anniversary date of this Agreement the project managers for the City and Redflex shall meet to discuss the value and effectiveness of the Program.

EXHIBIT "E"

Additional Rights and Obligations

Redflex and the City shall respectively have the additional rights and obligations set forth below:

1. Redflex shall assist the City in public information and education efforts, including but not limited to the development of artwork for utility bill inserts, press releases and schedules for any public launch of the Program. All costs related to the foregoing, including actual print and production costs are the responsibility of the City.
2. The City shall not access the Redflex System or use the Program in any manner other than prescribed by law and which restricts or inhibits any other Person from using the Redflex System or the Program with respect to any Designated Intersection Approaches constructed or maintained by Redflex for such Person, or which could damage, disable, impair or overburden the Redflex System or the, and the City shall not attempt to gain unauthorized access to (i) any account of any other Person, (ii) any computer systems or networks connected to the Redflex System, or (iii) any materials or information not intentionally made available by Redflex to the City by means of hacking, password mining or any other method whatsoever, nor shall the City cause any other Person to do any of the foregoing.
3. The City shall maintain the confidentiality of any username, password or other process or device for accessing the Redflex System or using the Program.
4. Redflex and the City shall advise each other in writing with respect to any applicable rules or regulations governing the conduct of the other on or with respect to the property of such other Party, including but not limited to rules and regulations relating to the safeguarding of confidential or proprietary information, and when so advised, Redflex and the City shall obey any and all such rules and regulations.
5. The Customer shall promptly reimburse Redflex for the cost of repairing or replacing any portion of the Redflex System, or any property or equipment related thereto, damaged directly or indirectly by the Customer, or any of its employees, contractors or agents.
6. The Parties shall agree on specific Business Rules governing the function and operation of the Redflex System.

EXHIBIT "F"

Insurance

1. Redflex shall procure and maintain at Redflex's sole cost and expense the following insurance coverage in connection with the performance of work or services pursuant to this Agreement by Redflex, and each of Redflex's subcontractors, agents, representatives and employees:
 - Commercial General Liability Insurance. Commercial General Liability Insurance with coverage limits of not less than One Million Dollars (\$1,000,000) combined single limit per occurrence for bodily injury and property damage, Two Million Dollars (\$2,000,000) Products-Completed Operations Aggregate and Two Million Dollars (\$2,000,000) General Aggregate, such limits of coverage may be met through any combination of primary and excess liability policies;
 - Business Automobile Liability Insurance. Business Automobile Liability Insurance with coverage of not less than One Million Dollars (\$1,000,000) combined single limit per accident for bodily injury or property damage, including but not limited to coverage for all automobiles owned, non-owned and hired by Redflex, such limits of coverage may be met through any combination of primary and excess liability policies;
 - Professional Liability (Errors and Omissions) Insurance. Redflex will use its commercial best efforts to procure and maintain Professional Liability (Errors and Omissions) Insurance with coverage of not less than Two Million Dollars (\$2,000,000) each and every claim and in the Aggregate; and
 - Workers' Compensation and Employer's Liability Insurance. Workers' Compensation Insurance with coverage of not less than that required by the Labor Code of the State of California, and Employer's Liability Insurance with coverage of not less than:
 - \$1,000,000 Bodily Injury by Accident – Each Accident
 - \$1,000,000 Bodily Injury by Disease – Policy Limit
 - \$1,000,000 Bodily Injury by Disease – Each Employee
2. With respect to the Commercial General Liability Insurance the following additional provisions shall apply:
 - The City Parties shall be named as additional insureds with respect to the Commercial General Liability insurance; and
 - The Commercial General Liability insurance shall be the primary insurance with respect to the City Parties in connection with this Agreement, and any insurance or self-insurance maintained by the City Parties shall be in excess, and not in contribution to, such insurance; and
 - The Commercial General Liability insurance shall include "Separation of Insureds" wording which states that such insurance coverage shall apply separately with respect to each insured against whom a claim is made or suit is brought, except with respect to the limits of insurance or any rights or duties specifically assigned to Redflex in such insurance policies.
3. With respect to the insurance described above, Redflex shall not cancel or materially reduce the coverage without providing the City thirty (30) days prior written notice by certified mail.
4. With respect to the insurance described above, if any of the Redflex Parties are notified by any insurer that such coverage will be materially reduced or cancelled, Redflex shall provide written notice within ten (10) business days of receipt of such notice to the City and shall take all necessary actions to correct such cancellation in coverage limits, and shall provide written notice to the City of the date and nature of such correction. If Redflex, for any reason, fails to maintain the insurance coverage required pursuant to this Agreement, such failure shall be deemed a material breach of this Agreement, and the City shall have the right, but not the obligation and exercisable in its sole discretion, to either (i) terminate this Agreement and seek damages from Redflex for such breach, or (ii) purchase such required insurance, and without further notice to Redflex, deduct from any amounts due to Redflex pursuant to this Agreement, any premium costs advanced by the City for such insurance. If the premium costs advanced by the City for such insurance exceed any amounts due to Redflex pursuant to this Agreement, Redflex shall promptly remit such excess amount to the City or Cities upon receipt of written notice thereof.

5. Redflex shall provide certificates of insurance evidencing the insurance required pursuant to the terms of this Agreement, which certificates shall be executed by an authorized representative of the applicable insurer, and which certificates shall be delivered to the City prior to Redflex commencing any work pursuant to the terms of this Agreement

3494404.1

F.1 Approval of the Final Map and Subdivision Improvement Agreement for Tract 8498 – Classic (Classic 36304 Newark Boulevard, L.P.), a 9-lot residential subdivision at 36304-36310 Newark Boulevard – from Senior Civil Engineer Cangco. (RESOLUTION)

Background/Discussion – On January 24, 2019, the City Council approved Vesting Tentative Tract Map 8498, a 9-lot residential subdivision at 36304-36310 Newark Boulevard. The developer, 36304 Newark Boulevard, L.P., has submitted the required fees, bonds, and other documents for approval of the Final Map for Tract 8498.

The Final Map for Tract 8498 dedicates public street right-of-way for Newark Boulevard over the southern half of the project’s frontage (36310 Newark Boulevard). The area to be dedicated as public street right-of-way is currently developed with curb, gutter and sidewalk. Additional street improvements are not required in conjunction with this public street dedication.

The Final Map for Tract 8498 also vacates a triangular portion of excess public street right-of-way on Newark Boulevard over the northern half of the project’s frontage (36304 Newark Boulevard). In accordance with Section 66436(a)(3)(A)(i) and (A)(ii) of the Subdivision Map Act, all public utilities were notified of the proposed abandonment and given thirty (30) days to provide comments. No comments were received during the thirty-day review period.

The developer has executed a Subdivision Improvement Agreement and has posted a Performance Bond in the amount of \$880,000 and a Materials Bond in the amount of \$440,000. The bonds will guarantee construction of the private street serving the development and public improvements on Newark Boulevard, which are limited to a storm drain curb inlet and trash capture device.

The Final Map for Tract 8498 has been reviewed and found to be in conformance with Vesting Tentative Tract Map 8498 and the Conditions of Approval, and is now ready for City Council approval. Recording of the Final Map and issuance of subsequent permits and approvals for construction activity will be at the discretion of the City Engineer.

Financial Impact – The estimated annual maintenance cost of the public street improvements associated with Tract 8498 is \$200 for a storm drain inlet and trash capture device on Newark Boulevard. No additional public street improvements are required as part of Tract 8498.

Attachments – Final Map; Subdivision Improvement Agreement; Resolution

Action – Staff recommends that the City Council, by resolution, approve the Final Map and Subdivision Improvement Agreement for Tract 8498 – Classic (Classic 36304 Newark Boulevard), a 9-lot residential subdivision at 36304-36310 Newark Boulevard.

RESOLUTION NO.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
NEWARK APPROVING THE FINAL MAP AND
SUBDIVISION IMPROVEMENT AGREEMENT FOR TRACT
8498 – CLASSIC (CLASSIC 36304 NEWARK BOULEVARD,
L.P.), A 9-LOT RESIDENTIAL SUBDIVISION AT 36304-36310
NEWARK BOULEVARD

WHEREAS, on January 24, 2019, with Resolution No. 10,886, the City Council of the City of Newark approved Vesting Tentative Tract Map 8498, a 9-lot residential subdivision on an approximately 1.72-acre project site at 36304-36310 Newark Boulevard;

WHEREAS, City staff and the City Engineer have reviewed the submissions of the subdivider, including the proposed Final Map, and have found that all conditions of approval for the Tentative Map have been satisfied, with the exception of the completion of required public improvements; and

WHEREAS, the subdivider wishes to enter into a Subdivision Improvement Agreement and record the Final Map. The Subdivision Improvement Agreement will require the subdivider to complete the public improvements in a timely manner, and the improvements will be subject to a security as required by the Subdivision Improvement Agreement; and

WHEREAS, upon completion of all improvements, the City will accept the improvements and accept all offers of dedication of public right-of-way at that time.

NOW THEREFORE, BE IT RESOLVED BY THE City Council of the City of Newark that the City Council does hereby approve the final map and improvement plans for Tract 8498, City of Newark, County of Alameda, State of California, and that the Mayor is authorized and hereby directed to execute a Subdivision Improvement Agreement between the City of Newark and Classic 36304 Newark Boulevard, L.P., for the improvements of said tract.

BE IT FURTHER RESOLVED that the City Council does hereby accept, subject to improvement, all parcels of land offered for public use in conformity with the terms of offer of dedication as shown on the final map for Tract 8498.

BE IT FURTHER RESOLVED that the existing triangular portion of Newark Boulevard at the northwesterly corner of the project site, as shown on the final map for Tract 8498, is hereby vacated and abandoned.

BE IT FURTHER RESOLVED that the City Council does hereby approve the Performance Bond in the amount of \$880,000 and the Materials Bond in the amount of \$440,000 posted by the developer to secure the installation of improvements in accordance with the plans and specifications and the Subdivision Improvement Agreement.

BE IT FURTHER RESOLVED that the recording of the final map and final approval for the start of construction activity for Tract 8498, including issuance of all related construction permits, shall be at the discretion of the City Engineer.

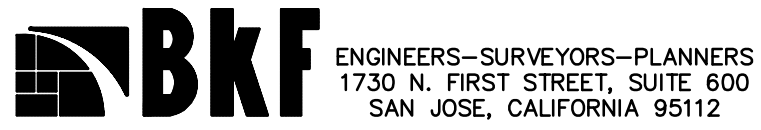
TRACT 8498

9 LOT SUBDIVISION AND 1 COMMON LOT

CONSISTING OF 4 SHEETS

BEING A SUBDIVISION OF THE LANDS OF EDWARD SOLOMON AND LIDIA SOLOMON, CO-TRUSTEES OF THE SOLOMON FAMILY TRUST, AS DESCRIBED ON THAT QUITCLAIM DEED, FILED FOR RECORD ON MARCH 21, 2013, DOCUMENT NO. 201310627, OFFICIAL RECORDS OF ALAMEDA COUNTY; AND THE LANDS DESCRIBED IN THAT CERTAIN JUDGMENT TO QUIET TITLE ENTERED IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA, IN THE COUNTY OF ALAMEDA, IN THAT CERTAIN ACTION ENTITLED "EDWARD SOLOMON AND LIDIA SOLOMON, CO-TRUSTEES OF THE SOLOMON FAMILY TRUST, PLAINTIFF, VS THE TESTATE AND INTERSTATE OF CALEB B. HALEY, ET AL, DEFENDANTS, CASE NO. RG18907596, RECORDED JANUARY 22, 2019 AS DOCUMENT NO. 2019009753 LYING ENTIRELY WITHIN CITY OF NEWARK, ALAMEDA COUNTY, CALIFORNIA

DATE: FEBRUARY 2020



1730 N. FIRST STREET, SUITE 600
SAN JOSE, CALIFORNIA 95112

OWNER'S STATEMENT

CLASSIC 36304 NEWARK BOULEVARD, L.P., A CALIFORNIA LIMITED PARTNERSHIP, HEREINAFTER REFERRED TO AS "OWNER", DOES HEREBY STATE THAT IT IS THE OWNER OF THE LANDS DELINEATED AND EMBRACED WITHIN THE EXTERIOR BOUNDARY LINES ON THE HEREIN EMBODIED MAP ENTITLED "TRACT 8498", CITY OF NEWARK, COUNTY OF ALAMEDA, STATE OF CALIFORNIA, CONSISTING OF 4 SHEETS, THIS STATEMENT BEING ON SHEET ONE (1) THEREOF; THAT SAID OWNER ACQUIRED TITLE TO SAID LAND BY VIRTUE OF THAT GRANT DEED RECORDED ON JANUARY 15 2020, DOC. NO. 2020009424, OFFICIAL RECORDS OF ALAMEDA COUNTY, CALIFORNIA; THAT WE ARE THE ONLY PERSONS WHOSE CONSENT IS NECESSARY TO PASS A CLEAR TITLE TO SAID LANDS; AND THAT SAID OWNER HAS CAUSED SAID MAP TO BE PREPARED FOR RECORD AND THAT SAID OWNER CONSENTS TO THE PREPARATION AND RECORDING OF THIS MAP.

AND THE UNDERSIGNED DOES HEREBY DEDICATE IN FEE TO THE PUBLIC FOREVER THAT STRIP OF LAND DESIGNATED AS "NEWARK BOULEVARD" FOR PUBLIC STREET AND PUBLIC UTILITY PURPOSES.

AND THE UNDERSIGNED DOES HEREBY DEDICATE EASEMENTS TO THE PUBLIC OVER AREAS DESIGNATED AS "P.U.E." (PUBLIC UTILITY EASEMENT), WITH THE RIGHT OF INGRESS AND EGRESS FOR THE PURPOSE OF CONSTRUCTION AND MAINTENANCE OF APPLICABLE STRUCTURES AND APPURTENANCES INCLUDING BUT NOT LIMITED TO SANITARY SEWERS, WATER, ELECTRICAL, GAS AND COMMUNICATION FACILITIES UNDER, UPON AND OVER ANY AREA OR STRIP OF LAND AS DELINEATED WITHIN THE EXTERIOR BOUNDARY OF THIS MAP; AND THAT SAID PUBLIC UTILITY EASEMENT AREAS OR STRIPS OF LAND ARE TO BE KEPT OPEN AND FREE FROM BUILDINGS OR STRUCTURES OF ANY KIND, EXCEPT APPLICABLE UTILITY STRUCTURES, IRRIGATION SYSTEMS, APPURTENANCES, AND LAWFUL FENCES.

AND THE UNDERSIGNED DOES HEREBY DEDICATE AN EASEMENT TO THE PUBLIC OVER THE AREAS DESIGNATED AS "W.L.E." (WATER LINE EASEMENT) FOR INGRESS AND EGRESS, CONSTRUCTION, AND MAINTENANCE OF WATER SYSTEM FACILITIES INCLUDING WATER LINES AND APPURTENANCES THERETO.

AND THE UNDERSIGNED DOES HEREBY DEDICATE AN EASEMENT TO THE PUBLIC OVER THE AREAS DESIGNATED AS "S.S.E." (SANITARY SEWER EASEMENT) FOR INSTALLATION, OPERATION, USE, MAINTENANCE, REPAIR, REPLACEMENT, RELOCATION, RESTORATION AND REMOVAL OF SEWER LINES AND STRUCTURES.

AND THE UNDERSIGNED DOES HEREBY DEDICATE AN EASEMENT TO THE PUBLIC FOR EMERGENCY VEHICLE ACCESS OVER, UPON, AND ACROSS THOSE AREAS OF LAND DESIGNATED "E.V.A.E." (EMERGENCY VEHICLE ACCESS EASEMENT) FOR THE PURPOSE OF INGRESS AND EGRESS OF EMERGENCY VEHICLES.

AND THE UNDERSIGNED DOES HEREBY DEDICATE AN EASEMENT TO THE PUBLIC OVER THE AREAS DESIGNATED AS "L.S.M.E." (LANDSCAPE MAINTENANCE EASEMENT) FOR LANDSCAPE INSTALLATION, REPAIR AND MAINTENANCE PURPOSES, AND ARE TO BE KEPT OPEN AND FREE FROM BUILDINGS OR STRUCTURES OF ANY KIND, EXCEPT APPLICABLE UTILITY STRUCTURES, IRRIGATION SYSTEMS AND APPURTENANCES THERETO.

AND THE UNDERSIGNED DOES HEREBY RESERVE AN EASEMENT FOR INGRESS AND EGRESS OVER, UPON AND ACROSS THOSE AREAS OF LAND DESIGNATED "P.I.E.E." (PRIVATE INGRESS AND EGRESS EASEMENT) FOR PRIVATE USE AND IS NOT OFFERED FOR DEDICATION TO THE PUBLIC. SAID EASEMENT IS TO BE KEPT OPEN AND FREE OF SURFACE STRUCTURES OF ANY KIND.

AND THE UNDERSIGNED DOES HEREBY RESERVE AN EASEMENT FOR PRIVATE USE, THE AREAS DESIGNATED AS "P.S.D.E." (PRIVATE STORM DRAIN EASEMENT) FOR INSTALLATION, OPERATION, USE, MAINTENANCE, REPAIR, REPLACEMENT, RELOCATION, RESTORATION AND REMOVAL OF STORM DRAINAGE SYSTEMS SERVING THE SUBDIVISION, AND IS NOT OFFERED FOR DEDICATION TO THE PUBLIC.

AND THE UNDERSIGNED DOES HEREBY RESERVE AN EASEMENT FOR PRIVATE USE, THE AREAS DESIGNATED AS "P.S.L.E." (PRIVATE STREET LIGHT EASEMENT) FOR INSTALLATION, OPERATION, USE, MAINTENANCE, REPAIR, REPLACEMENT, RELOCATION, RESTORATION AND REMOVAL OF STREET LIGHTS SERVING THE SUBDIVISION, AND IS NOT OFFERED FOR DEDICATION TO THE PUBLIC.

AND THE UNDERSIGNED DOES HEREBY DECLARE THAT THE AREAS DESIGNATED AS "PARCEL A" ON THE HEREIN MAP, IS COMMON AREA RESERVED AS A PRIVATE STREET, KNOWN AS "CALEB COURT", FOR THE EXCLUSIVE USE OF THE RESIDENTS AND VISITORS OF THIS SUBDIVISION. IT CONTAINS, BUT IS NOT LIMITED TO, PRIVATE INGRESS/EGRESS ACCESS, PRIVATE WALKWAYS, PRIVATE PARKING, PRIVATE UTILITIES, EMERGENCY VEHICLE ACCESS AND PUBLIC UTILITIES. "PARCEL A" IS NOT OFFERED FOR DEDICATION TO THE PUBLIC, AND WILL BE CONVEYED TO THE HOMEOWNERS' ASSOCIATION.

IN WITNESS WHEREOF, THE UNDERSIGNED HAS CAUSED THIS STATEMENT AND THESE DEDICATIONS TO BE EXECUTED THIS ____ DAY OF _____ 2020.

AS OWNER:
CLASSIC 36304 NEWARK BOULEVARD, L.P.,
A CALIFORNIA LIMITED PARTNERSHIP

BY: CLASSIC COMMUNITIES, INC.
ITS: GENERAL PARTNER

BY: _____
ADAM KATES DATE
EXECUTIVE VICE PRESIDENT

SOILS/GEOTECHNICAL REPORT NOTE

A GEOTECHNICAL REPORT ENTITLED "36304-36310 NEWARK BOULEVARD RESIDENTIAL DEVELOPMENT", 36304-36310 NEWARK BOULEVARD, NEWARK, CALIFORNIA AND DATED SEPTEMBER 13, 2018 WAS PREPARED BY CORNERSTONE EARTH GROUP, PROJECT NO. 160-29-1 AND SIGNED BY SCOTT E. FITINGHOFF, G.E. NO. 2379.

CITY ENGINEER'S STATEMENT

I, SOREN E. FAJEAU, CITY ENGINEER OF THE CITY OF NEWARK, DO HEREBY STATE THAT THE HEREIN EMBODIED FINAL MAP, ENTITLED "TRACT 8498", CITY OF NEWARK, ALAMEDA COUNTY, CALIFORNIA, CONSISTING OF FOUR (4) SHEETS, THIS STATEMENT BEING ON SHEET ONE (1) THEREOF, HAS BEEN EXAMINED AND THAT THE SUBDIVISION, AS SHOWN UPON SAID MAP, IS SUBSTANTIALLY THE SAME AS SAID SUBDIVISION APPEARED ON THE APPROVED OR CONDITIONALLY APPROVED TENTATIVE MAP AND ANY APPROVED AMENDMENTS THEREOF; AND THAT ALL PROVISIONS OF THE SUBDIVISION MAP ACT OF THE STATE OF CALIFORNIA AND AMENDMENTS THERETO, AND ANY LOCAL ORDINANCES APPLICABLE AT THE TIME OF APPROVAL OF THE TENTATIVE MAP HAVE BEEN COMPLIED WITH.

IN WITNESS, I HAVE HEREUNTO SET MY HAND THIS ____ DAY OF _____, 2020.

SOREN E. FAJEAU, R.C.E. NO. 66454
CITY ENGINEER, CITY OF NEWARK
ALAMEDA COUNTY, CALIFORNIA

I, MITCHELL L. MOUGHON, SPECIAL ASSISTANT FOR THE CITY OF NEWARK, ALAMEDA COUNTY, CALIFORNIA, DO HEREBY STATE THAT PURSUANT TO SECTION 66450(a)(4) OF THE GOVERNMENT CODE THAT I HAVE EXAMINED THE HEREIN EMBODIED MAP ENTITLED "TRACT 8498", CITY OF NEWARK, ALAMEDA COUNTY, CALIFORNIA, CONSISTING OF FOUR (4) SHEETS, THIS STATEMENT BEING UPON SHEET ONE (1) THEREOF; AND THAT I AM SATISFIED THAT THIS MAP IS TECHNICALLY CORRECT.

IN WITNESS, I HAVE HEREUNTO SET MY HAND THIS ____ DAY OF _____, 2020.

MITCHELL L. MOUGHON, R.C.E. 29509
SPECIAL ASSISTANT FOR THE CITY OF NEWARK
ALAMEDA COUNTY, CALIFORNIA

CLERK OF THE BOARD OF SUPERVISOR'S STATEMENT

STATE OF CALIFORNIA)
COUNTY OF ALAMEDA)

I, ANIKA CAMPBELL-BELTON, CLERK OF THE BOARD OF SUPERVISORS OF THE COUNTY OF ALAMEDA, STATE OF CALIFORNIA, DO HEREBY CERTIFY, AS CHECKED BELOW THAT:

AN APPROVED BOND HAS BEEN FILED WITH THE SUPERVISORS OF THE SAID COUNTY AND STATE IN THE AMOUNT OF \$_____, CONDITIONED FOR PAYMENT OF ALL TAXES AND SPECIAL ASSESSMENTS COLLECTED AS TAXES, WHICH ARE NOW A LIEN AGAINST SAID LAND OR ANY PART THEREOF BUT NOT YET PAYABLE AND WAS DULY APPROVED BY SAID BOARD IN SAID AMOUNT.

ALL TAXES AND SPECIAL ASSESSMENTS COLLECTED AS TAXES HAVE BEEN PAID. AS CERTIFIED BY THE TREASURER-TAX COLLECTOR OF THE COUNTY OF ALAMEDA.

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND THIS ____ DAY OF _____, 20____.

ANIKA CAMPBELL-BELTON
CLERK OF THE BOARD OF SUPERVISORS,
COUNTY OF ALAMEDA, STATE OF CALIFORNIA

BY: _____
DEPUTY COUNTY CLERK

COUNTY RECORDER'S STATEMENT

FILED FOR RECORD THIS ____ DAY OF _____ 20____, AT _____, ____M

IN BOOK _____ OF MAPS, AT PAGES _____, RECORDER'S SERIES NO. _____, AT THE REQUEST OF FIRST AMERICAN TITLE COMPANY, IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF ALAMEDA, STATE OF CALIFORNIA.

FEE: _____ PAID

MELISSA WILK
COUNTY RECORDER
IN AND FOR THE
COUNTY OF ALAMEDA,
STATE OF CALIFORNIA

BY: _____
DEPUTY COUNTY RECORDER

OWNER ACKNOWLEDGMENT

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT

STATE OF _____)SS.
COUNTY OF _____)

ON _____ 20 __, BEFORE ME, _____, A NOTARY PUBLIC,

PERSONALLY APPEARED _____ WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND.

NOTARY'S SIGNATURE: _____

PRINTED NAME: _____

COUNTY OF PRINCIPAL PLACE OF BUSINESS: _____

COMMISSION No.: _____

COMMISSION EXPIRATION DATE: _____

CITY CLERK'S STATEMENT

I, SHEILA HARRINGTON, CITY CLERK AND CLERK OF THE CITY COUNCIL OF THE CITY OF NEWARK, ALAMEDA COUNTY, STATE OF CALIFORNIA, DO HEREBY STATE THAT THE HEREIN EMBODIED MAP ENTITLED "TRACT 8498, CITY OF NEWARK, ALAMEDA COUNTY, CALIFORNIA" CONSISTING OF FOUR (4) SHEETS, THIS STATEMENT BEING ON SHEET ONE (1) THEREOF, WAS PRESENTED TO SAID COUNCIL OF THE CITY OF NEWARK AS PROVIDED BY LAW AT A REGULAR MEETING HELD ON THE ____ DAY OF _____, 20____, AND THAT SAID COUNCIL FOR THE CITY OF NEWARK DID THEREUPON BY RESOLUTION NO. _____ DULY PASSED AND ADOPTED AT SAID MEETING APPROVE SAID MAP AND DID ACCEPT, SUBJECT TO IMPROVEMENT, ON BEHALF OF THE PUBLIC, ALL PARCELS OF LAND AND EASEMENTS OFFERED FOR DEDICATION THEREON FOR PUBLIC USE IN CONFORMITY WITH THE TERMS OF THE OFFERS OF DEDICATION AS SHOWN ON SAID MAP.

SAID COUNCIL PURSUANT TO SECTION 66464(g) OF THE SUBDIVISION MAP ACT, DOES ALSO HEREBY ABANDON AND VACATE IN ITS ENTIRETY, WITHIN THE BOUNDARIES OF THIS MAP, THE FOLLOWING:

1. ALL THAT PORTION OF NEWARK BOULEVARD (ALSO KNOWN AS COUNTY ROAD NO. 8064) FORMERLY KNOWN AS LINCOLN ROAD (COUNTY ROAD NO. 2019, AS IT EXISTED ON OCTOBER 24, 1889) LYING NORTHEASTERLY OF THAT PORTION OF NEWARK BOULEVARD AS CONVEYED TO THE COUNTY OF ALAMEDA IN DEED RECORDED MAY 09, 1955 AS BOOK 7653, PAGE 581 OF OFFICIAL RECORDS AND AS SHOWN ON SHEET 4 OF THIS MAP, AND LYING SOUTHEASTERLY OF THE SOUTHEASTERLY LINE OF LOT 166 OF TRACT 2152, RECORDED IN BOOK 42 OF MAPS, PAGES 35 THROUGH 37, ALAMEDA COUNTY RECORDS.

IN WITNESS THEREOF, I HAVE HEREUNTO SET MY HAND THIS DAY OF _____, 2020

SHEILA HARRINGTON
CITY CLERK AND CLERK OF THE CITY COUNCIL OF THE
CITY OF NEWARK, COUNTY OF ALAMEDA, CALIFORNIA

TRACT 8498

9 LOT SUBDIVISION AND 1 COMMON LOT

CONSISTING OF 4 SHEETS

BEING A SUBDIVISION OF THE LANDS OF EDWARD SOLOMON AND LIDIA SOLOMON, CO-TRUSTEES OF THE SOLOMON FAMILY TRUST, AS DESCRIBED ON THAT QUITCLAIM DEED, FILED FOR RECORD ON MARCH 21, 2013, DOCUMENT NO. 201310627, OFFICIAL RECORDS OF ALAMEDA COUNTY; AND THE LANDS DESCRIBED IN THAT CERTAIN JUDGMENT TO QUIET TITLE ENTERED IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA, IN THE COUNTY OF ALAMEDA, IN THAT CERTAIN ACTION ENTITLED "EDWARD SOLOMON AND LIDIA SOLOMON, CO-TRUSTEES OF THE SOLOMON FAMILY TRUST, PLAINTIFF, VS THE TESTATE AND INTERSTATE OF CALEB B. HALEY, ET AL, DEFENDANTS, CASE NO. RG18907596, RECORDED JANUARY 22, 2019 AS DOCUMENT NO. 2019009753 LYING ENTIRELY WITHIN CITY OF NEWARK, ALAMEDA COUNTY, CALIFORNIA

DATE: FEBRUARY 2020

BKF ENGINEERS-SURVEYORS-PLANNERS
1730 N. FIRST STREET, SUITE 600
SAN JOSE, CALIFORNIA 95112

BENEFICIARY STATEMENT

COMERICA BANK, BENEFICIARY UNDER DEED OF TRUST, RECORDED JANUARY 15, 2020 AS DOCUMENT NO. 2020009425, OFFICIAL RECORDS OF SANTA CLARA COUNTY, ENCUMBERING THE LAND HEREIN SHOWN, HEREBY CONSENT ON BEHALF OF THE BENEFICIARY TO THE MAKING AND FILING OF THIS MAP.

BY: COMERICA BANK

NAME: _____

TITLE: _____

BENEFICIARY ACKNOWLEDGMENT

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT

STATE OF _____)
COUNTY OF _____)SS.

ON _____ 20 __, BEFORE ME, _____, A NOTARY PUBLIC,

PERSONALLY APPEARED _____ WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND.

NOTARY'S SIGNATURE: _____

PRINTED NAME: _____

COUNTY OF PRINCIPAL PLACE OF BUSINESS: _____

COMMISSION No.: _____

COMMISSION EXPIRATION DATE: _____

SURVEYOR'S STATEMENT

THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION AND IS BASED UPON A FIELD SURVEY IN CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCE AT THE REQUEST OF CLASSIC COMMUNITIES, ON MARCH 2019. I HEREBY STATE THAT THIS FINAL MAP SUBSTANTIALLY CONFORMS TO THE CONDITIONALLY APPROVED TENTATIVE MAP IF ANY. THE SURVEY IS TRUE AND CORRECT AS SHOWN; AND THAT ALL MONUMENTS ARE OF THE CHARACTER AND OCCUPY THE POSITIONS INDICATED, OR THEY WILL BE SET IN SUCH POSITIONS ON OR BEFORE DECEMBER 31, 2022; AND THAT THE MONUMENTS ARE, OR WILL BE, SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED.

DATE _____

DAVIS THRESH
P.L.S. NO. 6868

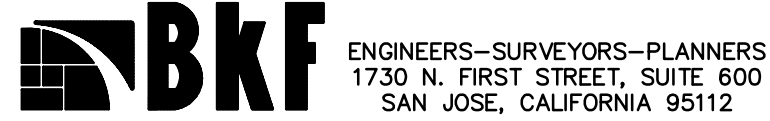


TRACT 8498

9 LOT SUBDIVISION AND 1 COMMON LOT
CONSISTING OF 4 SHEETS

BEING A SUBDIVISION OF THE LANDS OF EDWARD SOLOMON AND LIDIA SOLOMON, CO-TRUSTEES OF THE SOLOMON FAMILY TRUST, AS DESCRIBED ON THAT QUITCLAIM DEED, FILED FOR RECORD ON MARCH 21, 2013, DOCUMENT NO. 201310627, OFFICIAL RECORDS OF ALAMEDA COUNTY; AND THE LANDS DESCRIBED IN THAT CERTAIN JUDGMENT TO QUIET TITLE ENTERED IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA, IN THE COUNTY OF ALAMEDA, IN THAT CERTAIN ACTION ENTITLED "EDWARD SOLOMON AND LIDIA SOLOMON, CO-TRUSTEES OF THE SOLOMON FAMILY TRUST, PLAINTIFF, VS THE TESTATE AND INTERSTATE OF CALEB B. HALEY, ET AL, DEFENDANTS, CASE NO. RG18907596, RECORDED JANUARY 22, 2019 AS DOCUMENT NO. 2019009753 LYING ENTIRELY WITHIN CITY OF NEWARK, ALAMEDA COUNTY, CALIFORNIA

SCALE: 1" = 40' DATE: FEBRUARY 2020



LEGEND

- FOUND 1/8" PIN IN CONCRETE STREET MONUMENT WELL.
- ⊙ SET 2-1/2" BRASS DISK MONUMENT WITH PUNCH MARK IN CONCRETE BASE, INSIDE MONUMENT WELL STAMPED "LS 6868"
- SET 3/4" IRON PIPE WITH PLASTIC PLUG AND TACK, STAMPED "LS 6868"
- DISTINCTIVE TRACT BOUNDARY LINE
- LOT LINE LINE
- ADJOINING LOT LINE
- MONUMENT LINE
- CENTER LINE
- TIE LINE
- M-M MONUMENT TO MONUMENT DISTANCE
- (R) RADIAL BEARING
- M-PL MONUMENT TO PROPERTY LINE DISTANCE
- (T) TOTAL DISTANCE VALUE
- M-CL MONUMENT TO CENTER LINE LINE DISTANCE

REFERENCES

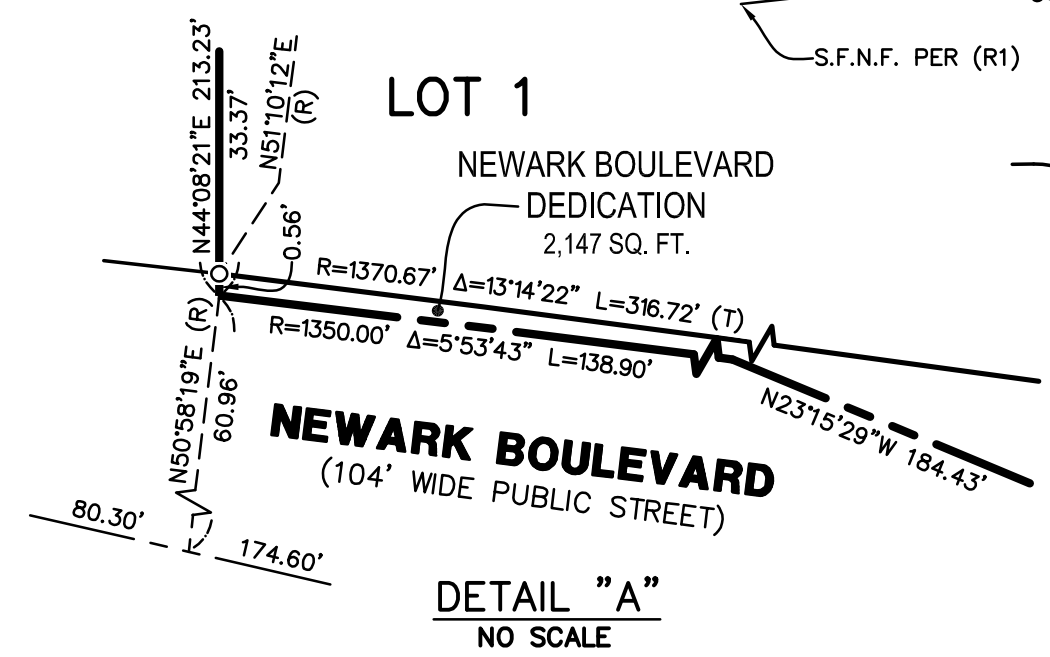
- (R1) TRACT 2152, 42 M 35-37
- (R2) TRACT 2065, 41 M 15
- (R3) DOC. 2013106027

BASIS OF BEARINGS

THE BEARING N49°09'00"E OF THE MONUMENT LINE OF LAFAYETTE DRIVE, BETWEEN FOUND MONUMENTS, AS SAID BEARING IS SHOWN ON THAT CERTAIN MAP OF TRACT 2152, FILED FOR RECORD ON AUGUST 4, 1960 IN BOOK 42 OF MAPS AT PAGE 35, RECORDS OF ALAMEDA COUNTY, WAS TAKEN AS THE BASIS OF BEARINGS FOR THIS MAP.

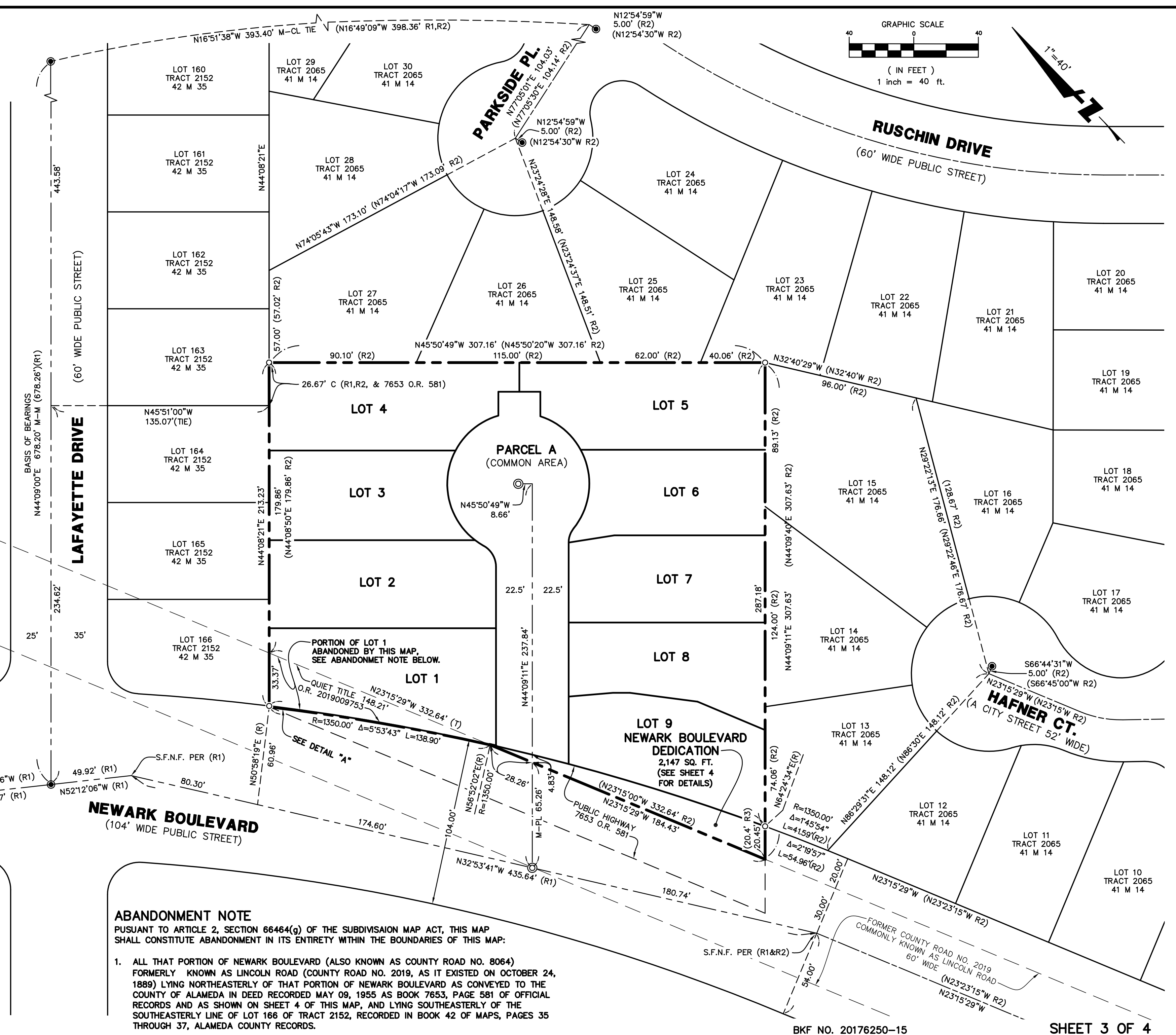
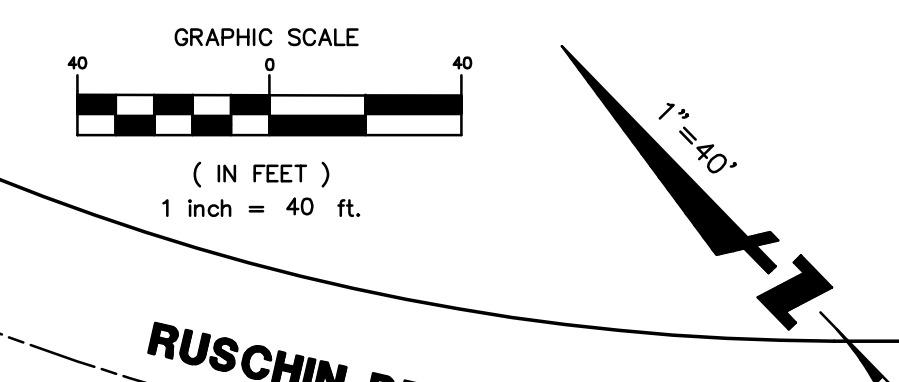
MAP NOTES

- ALL DISTANCES AND DIMENSIONS ARE IN FEET AND DECIMALS THEREOF.
- THE DISTINCTIVE BORDER LINE INDICATES THE BOUNDARY OF THE LAND SUBDIVIDED BY THIS MAP AND CONTAINS AN AREA OF 1.767 ACRES (GROSS) AND 1.718 (NET), MORE OR LESS.
- ALL PROPOSED EASEMENTS ARE SHOWN AND DIMENSIONED ON SHEET 4.
- ALL PROPOSED LOTS ARE DIMENSIONED ON SHEET 4.



ABANDONMENT NOTE
PUSUANT TO ARTICLE 2, SECTION 66464(g) OF THE SUBDIVISAION MAP ACT, THIS MAP SHALL CONSTITUTE ABANDONMENT IN ITS ENTIRETY WITHIN THE BOUNDARIES OF THIS MAP:

- ALL THAT PORTION OF NEWARK BOULEVARD (ALSO KNOWN AS COUNTY ROAD NO. 8064) FORMERLY KNOWN AS LINCOLN ROAD (COUNTY ROAD NO. 2019, AS IT EXISTED ON OCTOBER 24, 1889) LYING NORTHEASTERLY OF THAT PORTION OF NEWARK BOULEVARD AS CONVEYED TO THE COUNTY OF ALAMEDA IN DEED RECORDED MAY 09, 1955 AS BOOK 7653, PAGE 581 OF OFFICIAL RECORDS AND AS SHOWN ON SHEET 4 OF THIS MAP, AND LYING SOUTHEASTERLY OF THE SOUTHEASTERLY LINE OF LOT 166 OF TRACT 2152, RECORDED IN BOOK 42 OF MAPS, PAGES 35 THROUGH 37, ALAMEDA COUNTY RECORDS.



TRACT 8498

9 LOT SUBDIVISION AND 1 COMMON LOT

CONSISTING OF 4 SHEETS

BEING A SUBDIVISION OF THE LANDS OF EDWARD SOLOMON AND LIDIA SOLOMON, CO-TRUSTEES OF THE SOLOMON FAMILY TRUST, AS DESCRIBED ON THAT QUITCLAIM DEED, FILED FOR RECORD ON MARCH 21, 2013, DOCUMENT NO. 201310627, OFFICIAL RECORDS OF ALAMEDA COUNTY; AND THE LANDS DESCRIBED IN THAT CERTAIN JUDGMENT TO QUIET TITLE ENTERED IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA, IN THE COUNTY OF ALAMEDA, IN THAT CERTAIN ACTION ENTITLED "EDWARD SOLOMON AND LIDIA SOLOMON, CO-TRUSTEES OF THE SOLOMON FAMILY TRUST, PLAINTIFF, VS THE TESTATE AND INTERSTATE OF CALEB B. HALEY, ET AL, DEFENDANTS, CASE NO. RG18907596, RECORDED JANUARY 22, 2019 AS DOCUMENT NO. 2019009753 LYING ENTIRELY WITHIN CITY OF NEWARK, ALAMEDA COUNTY, CALIFORNIA

SCALE: 1" = 20'

DATE: FEBRUARY 2020



ENGINEERS-SURVEYORS-PLANNERS
1730 N. FIRST STREET, SUITE 600
SAN JOSE, CALIFORNIA 95112

LEGEND

- FOUND 1/8" PIN IN CONCRETE STREET MONUMENT WELL.
- ⊙ SET 2-1/2" BRASS DISK MONUMENT WITH PUNCH MARK IN CONCRETE BASE, INSIDE MONUMENT WELL STAMPED "LS 6868"
- SET 3/4" IRON PIPE WITH PLASTIC PLUG AND TACK, STAMPED "LS 6868"
- DISTINCTIVE BOUNDARY LINE
- LOT LINE
- - - ADJOINING LOT LINE
- MONUMENT LINE
- - - CENTER LINE
- - - EASEMENT LINE
- - - TIE LINE
- E.V.A.E. EMERGENCY VEHICLE ACCESS EASEMENT
- P.I.E.E. PRIVATE INGRESS & EGRESS EASEMENT
- P.S.L.E. PRIVATE STREET LIGHT EASEMENT
- P.U.E. PUBLIC UTILITY EASEMENT
- P.S.D.E. PRIVATE STORM DRAIN EASEMENT
- S.S.E. SANITARY SEWER EASEMENT
- W.L.E. WATER LINE EASEMENT
- L.S.M.E. LANDSCAPE MAINTENANCE EASEMENT
- M-M MONUMENT TO MONUMENT DISTANCE
- (R) RADIAL BEARING
- M-PL MONUMENT TO PROPERTY LINE DISTANCE
- (T) TOTAL DISTANCE VALUE

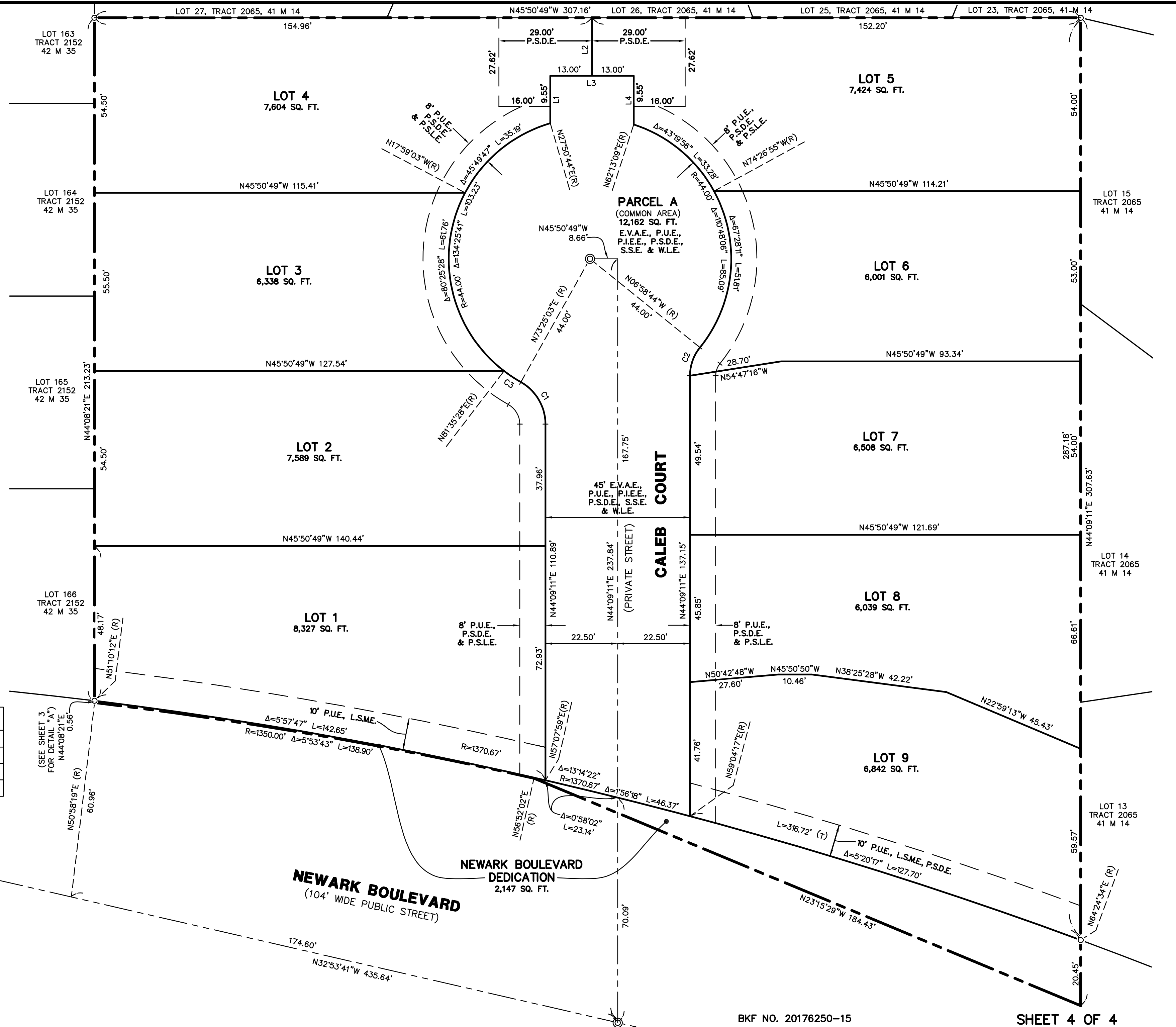
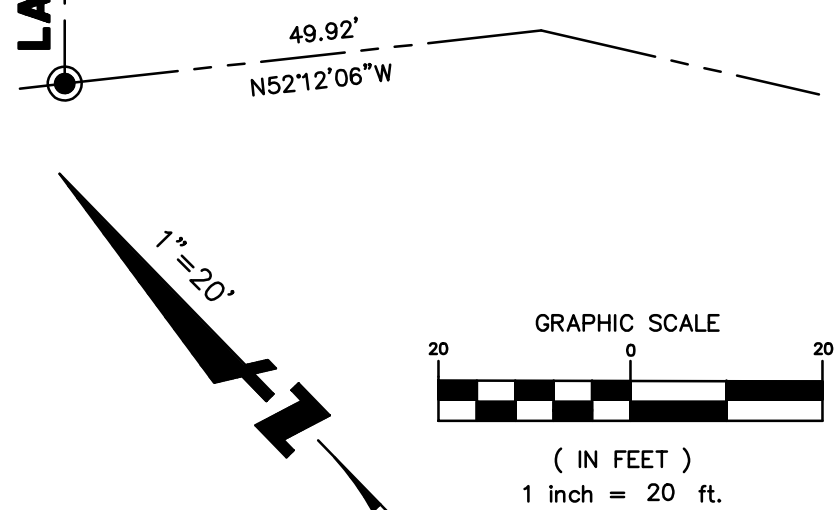
MAP NOTES

- ALL DISTANCES AND DIMENSIONS ARE IN FEET AND DECIMALS THEREOF.
- ALL EASEMENT LINES WITHOUT BEARINGS ARE PARALLEL WITH AND/OR PERPENDICULAR TO THE LOT LINE OR BOUNDARY LINE.

LINE TABLE		
NO.	BEARING	LENGTH
L1	N44°09'11"E	14.77
L2	N44°09'11"E	18.07
L3	N45°50'49"W	26.00
L4	N44°09'11"E	15.17

CURVE TABLE			
NO.	RADIUS	DELTA	LENGTH
C1	15.00'	60°44'08"	15.90'
C2	14.00'	38°52'05"	9.50'
C3	44.00'	8°10'26"	6.28'

LAFAYETTE DRIVE



**CITY OF NEWARK
SUBDIVISION IMPROVEMENT AGREEMENT
TRACT 8498**

This Subdivision Improvement Agreement (hereinafter "Agreement") is made and entered into by and between the CITY OF NEWARK, a municipal corporation (hereinafter "City"), and CLASSIC 36304 NEWARK BOULEVARD, L.P., a California limited partnership (hereinafter "Developer"). City and Developer may be collectively referred to herein as the "parties."

RECITALS

- A.** In accordance with the Subdivision Map Act (California Government Code Sections 66410, *et seq.*), and the Subdivision Ordinance (Newark Municipal Code, Title 16, Chapters 16.04, 16.08, 16.12, 16.16, 16.20, and 16.32), and the Street Ordinance (Newark Municipal Code, Title 12, Chapters 12.04 and 12.08), the Developer has submitted to the City a Final Map (hereinafter "Final Map") for the Project known as Tract 8498 – Classics at Newark in the City of Newark (hereinafter "Project").
- B.** The Project is geographically located within the boundaries of the Tentative Tract Map known as "Tentative Map 8498". The Tentative Map is on file with the City Engineer, and is incorporated herein by reference.
- C.** The City's approval of the Tentative Map was subject to specified conditions of approval (hereinafter "Conditions"). The Conditions are on file with the City Engineer, and are incorporated herein by reference.
- D.** Improvement Plans and Specifications have been prepared on behalf of the Developer, and approved by the City Engineer, which describe the improvements which are required to be constructed by the Developer. The term "Plans and Specifications" shall include _____ sheets of improvement plans titled "Tract Improvement Plans for Tract No. 8498" approved by the City Engineer on _____, 2020. The Plans and Specifications are on file with the City Engineer, and are incorporated herein by reference.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS AND CONDITIONS IDENTIFIED HEREIN, THE PARTIES HEREBY AGREE AS FOLLOWS:

- 1. SCOPE OF WORK.** The Developer shall perform, or cause to be performed, the Work described in the Plans and Specifications and the Conditions (hereinafter "Work"), to the satisfaction of the City Engineer. The Work shall be performed, and all materials and labor shall be provided, at the Developer's sole cost and expense. No change shall be

CITY OF NEWARK – SUBDIVISION IMPROVEMENT AGREEMENT
TRACT 8498

made to the Scope of Work unless authorized in writing by the City Engineer.

2. **PERMITS, LICENSES, AND COMPLIANCE WITH LAW.** The Developer shall, at the Developer's expense, obtain and maintain all necessary permits and licenses for the performance of the Work. The Developer shall comply with all local, state, and federal laws, whether or not said laws are expressly stated in this Agreement.
3. **DEVELOPER'S AUTHORIZED REPRESENTATIVE.** At all times during the progress of the Work, Developer shall have a competent foreperson or superintendent (hereinafter "Authorized Representative") on site with authority to act on behalf of the Developer. The Developer shall, at all times, keep the City Engineer informed in writing of the name and telephone number of the Authorized Representative. The Developer shall, at all times, keep the City Engineer informed in writing of the names and telephone numbers of all contractors and subcontractors performing the Work.
4. **IMPROVEMENT SECURITY.** The Developer shall furnish faithful performance and labor and material security concurrently with the execution of this Agreement by the Developer, and prior to the commencement of any Work. The Developer shall furnish warranty security prior to the City's acceptance of the Work. The form of the security shall be as authorized by the Subdivision Map Act (including Government Code Sections 66499, *et seq.*) and the Newark Municipal Code, and as set forth below:
 - 4(a). **Faithful Performance.** Performance Bonds in the amount of \$880,000 to secure faithful performance of this Agreement (until the date on which the City Council accepts the Work as complete) pursuant to Government Code Sections 66499.1, 66499.4, and 66499.9.
 - 4(b). **Labor and Material.** Materials Bonds in the amount of \$440,000 to secure payment by the Developer to laborers and materialmen pursuant to Government Code Sections 66499.2, 66499.3, and 66499.4.
 - 4(c). **Warranty.** Performance Bonds in the amount of \$88,000 to secure faithful performance of this Agreement (from the date on which the City accepts the Work as complete until one year thereafter) pursuant to Government Code Sections 66499.1, 66499.4, and 66499.9.
5. **BUSINESS LICENSE.** The Developer shall apply for and pay the business license fees, in accordance with Newark Municipal Code Title 5, Chapter 5.04.

**CITY OF NEWARK – SUBDIVISION IMPROVEMENT AGREEMENT
TRACT 8498**

6. INSURANCE. Developer shall, throughout the duration of this Agreement, maintain insurance to cover Developer (including its agents, representatives, contractors, subcontractors, and employees) in connection with the performance of services under this Agreement. This Agreement identifies the minimum insurance levels with which Developer shall comply; however, the minimum insurance levels shall not relieve Developer of any other performance responsibilities under this Agreement (including the indemnity requirements), and Developer may carry, at its own expense, any additional insurance it deems necessary or prudent. Concurrently with the execution of this Agreement by the Developer, and prior to the commencement of any services, the Developer shall furnish written proof of insurance (certificates and endorsements), in a form acceptable to the City. Developer shall provide substitute written proof of insurance no later than 30 days prior to the expiration date of any insurance policy required by this Agreement.

6(a). Minimum Insurance Levels. Developer shall maintain insurance at the following minimum levels:

6(a)(1). Commercial General Liability (with coverage at least as broad as ISO form CG 00 01 01 96) coverage in an amount not less than \$2,000,000 general aggregate and \$2,000,000 per occurrence for general liability, bodily injury, personal injury, and property damage.

6(a)(2). Automobile Liability (with coverage at least as broad as ISO form CA 00 01 07 97, for “any auto”) coverage in an amount not less than \$1,000,000 per accident for bodily injury and property damage.

6(a)(3). Workers’ Compensation coverage as required by the State of California.

6(b). Minimum Limits of Insurance. It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum Insurance coverage requirements and/or limits shall be available to the Additional Insured. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of any Insurance policy or proceeds available to the named Insured; whichever is greater.

6(c). Endorsements. The insurance policies shall be endorsed as follows:

6(c)(1). For the commercial general liability insurance, the City (including its elected officials, employees, volunteers, and agents)

**CITY OF NEWARK – SUBDIVISION IMPROVEMENT AGREEMENT
TRACT 8498**

shall be named as additional insured, and the policy shall be endorsed with a form at least as broad as ISO form CG 20 10 11 85.

6(c)(2). Developer's insurance is primary to any other insurance available to the City with respect to any claim arising out of this Agreement. Any insurance maintained by the City shall be excess of the Developer's insurance and shall not contribute with it.

6(c)(3). Developer's insurance will not be canceled, limited, or allowed to expire without renewal until after 30 days written notice has been given to the City. During the term of this Agreement, Consultant will not materially alter any of the policies or reduce any of the levels of coverage afforded by its insurance policies.

6(c)(4). Maintenance of proper insurance coverage in conformity with this Section 6 is a material element of this Agreement and failure to maintain or renew coverage or to provide evidence of coverage or renewal may be treated by City as a material breach of this Agreement.

6(d). Qualifications of Insurers. All insurance companies providing coverage to Developer shall be insurance organizations authorized by the Insurance Commissioner of the State of California to transact the business of insurance in the State of California, and shall have an A.M Best's rating of not less than "A:VII."

7. REPORTING DAMAGES. If any damage (including death, personal injury or property damage) occurs in connection with the performance of this Agreement, Developer shall immediately notify the City Engineer's office by telephone at 510-578-4290, and Developer shall promptly submit to the City's Risk Manager and the City's Authorized Representative, a written report (in a form acceptable to the City) with the following information: (a) a detailed description of the damage (including the name and address of the injured or deceased person(s), and a description of the damaged property), (b) name and address of witnesses, and (c) name and address of any potential insurance companies.

8. INDEMNIFICATION. To the fullest extent permitted by law, Developer shall indemnify, hold harmless, and defend the City (including its elected officials, officers, volunteers, agents and employees) from and against any and all claims (including all litigation, demands, damages, liabilities, costs, and expenses, and including court costs and attorney's fees) resulting or arising from performance, or failure to perform, under this Agreement (with the exception of the sole negligence or willful misconduct of the City).

**CITY OF NEWARK – SUBDIVISION IMPROVEMENT AGREEMENT
TRACT 8498**

- 9. TIME OF PERFORMANCE.** Time is of the essence in the performance of the Work, and the timing requirements set forth herein shall be strictly adhered to unless otherwise modified in writing in accordance with this Agreement. The Developer shall submit all requests for extensions of time to the City, in writing, no later than ten (10) days after the start of the condition which purportedly caused the delay, and not later than the date on which performance is due.
- 9(a). Commencement of Work.** No later than fifteen (15) days prior to the commencement of Work, the Developer shall provide written notice to the City Engineer of the date on which the Developer shall commence Work. The Developer shall not commence Work until after the notice required by this section is properly provided, and the Developer shall not commence Work prior to the date specified in the written notice.
- 9(b). Schedule of Work.** Concurrently with the written notice of commencement of Work, the Developer shall provide the City with a written schedule of Work, which shall be updated in writing as necessary to accurately reflect the Developer's prosecution of the Work.
- 9(c). Completion of Work.** The Developer shall complete all Work by no later than eighteen (18) months after the City's execution of this Agreement.
- 10. INSPECTION BY THE CITY.** In order to permit the City to inspect the Work, the Developer shall, at all times, provide to the City proper and safe access to the Project site, and all portions of the Work, and to all shops wherein portions of the Work are in preparation.
- 11. DEFAULT.** If either party ("demanding party") has a good faith belief that the other party ("defaulting party") is not complying with the terms of this Agreement, the demanding party shall give written notice of the default (with reasonable specificity) to the defaulting party, and demand the default to be cured within ten days of the notice. If: (a) the defaulting party fails to cure the default within ten days of the notice, or, (b) if more than ten days are reasonably required to cure the default and the defaulting party fails to give adequate written assurance of due performance within ten days of the notice, then (c) the demanding party may terminate this Agreement upon written notice to the defaulting party.
- 11(a).** The Developer shall be in default of this Agreement if the City Engineer determines that any one of the following conditions exist:

**CITY OF NEWARK – SUBDIVISION IMPROVEMENT AGREEMENT
TRACT 8498**

11(a)(1). The Developer is insolvent, bankrupt, or makes a general assignment for the benefit of its creditors.

11(a)(2). The Developer abandons the Project site.

11(a)(3). The Developer fails to perform one or more requirements of this Agreement.

11(a)(4). The Developer fails to replace or repair any damage caused by Developer or its agents, representatives, contractors, subcontractors, or employees in connection with performance of the Work.

11(a)(5). The Developer violates any legal requirement related to the Work.

11(b). In the event that the Developer fails to cure the default, the City may, in the discretion of the City Engineer, take any or all of the following actions:

11(b)(1). Cure the default and charge the Developer for the costs therefor, including administrative costs and interest in an amount equal to seven percent (7 %) per annum from the date of default.

11(b)(2). Demand the Developer to complete performance of the Work.

11(b)(3). Demand the Developer's surety (if any) to complete performance of the Work.

12. ACCEPTANCE OF WORK. Prior to acceptance of the Work by the City Engineer, the Developer shall be solely responsible for maintaining the quality of the Work, and maintaining safety at the Project site. The Developer's obligation to perform the Work shall not be satisfied until after the City Engineer has made a written determination that all obligations of the Agreement have been satisfied and all outstanding fees and charges have been paid, and the City Engineer has accepted the Work as complete.

13. WARRANTY PERIOD. The Developer shall warrant the quality of the Work, in accordance with the terms of the Plans and Specifications, for a period of one year after acceptance of the Work by the City. In the event that (during the one year warranty period) any portion of the Work is determined by the City Engineer to be defective as a result of an obligation of the Developer under this Agreement, the Developer shall be in default.

14. RELATIONSHIP BETWEEN THE PARTIES. Developer is, and at all times shall remain, an independent contractor solely responsible for all acts of its employees, agents, contractors, or subcontractors, including any negligent acts or omissions. Developer is not City's agent, and shall have no authority to act on behalf of the City, or to bind the City to any

**CITY OF NEWARK – SUBDIVISION IMPROVEMENT AGREEMENT
TRACT 8498**

obligation whatsoever, unless the City provides prior written authorization to Developer.

- 15. CONFLICTS OF INTEREST PROHIBITED.** Developer (including its employees, agents, contractors, and subcontractors) shall not maintain or acquire any direct or indirect interest that conflicts with the performance of this Agreement. If Developer maintains or acquires a conflicting interest, any contract with the City (including this Agreement) involving Developer's conflicting interest may be terminated by the City.
- 16. NONDISCRIMINATION.** Developer shall comply with all applicable federal, state, and local laws regarding nondiscriminatory employment practices, whether or not said laws are expressly stated in this Agreement. Developer shall not discriminate against any employee or applicant because of race, color, religious creed, national origin, physical disability, mental disability, medical condition, marital status, sexual orientation, or sex.
- 17. NOTICES.** All notices required or contemplated by this Agreement shall be in writing and shall be delivered to the respective party as set forth in this section. Communications shall be deemed to be effective upon the first to occur of: (a) actual receipt by a party's Authorized Representative, or (b) actual receipt at the address designated below, or (c) three working days following deposit in the United States Mail of registered or certified mail sent to the address designated below. The Authorized Representative of either party may modify their respective contact information identified in this section by providing notice to the other party.

TO: City of Newark

Attn: City Engineer
37101 Newark Boulevard
Newark, CA 94560

**To: Classic 36304 Newark
Boulevard, L.P.**

Attn: Adam Kates
1068 East Meadow Circle
Palo Alto, CA 94303

- 18. HEADINGS.** The heading titles for each paragraph of this Agreement are included only as a guide to the contents and are not to be considered as controlling, enlarging, or restricting the interpretation of the Agreement.
- 19. SEVERABILITY.** If any term of this Agreement (including any phrase, provision, covenant, or condition) is held by a court of competent jurisdiction to be invalid or unenforceable, the Agreement shall be construed as not containing that term, and the remainder of this Agreement shall remain in full force and effect; provided, however, this

**CITY OF NEWARK – SUBDIVISION IMPROVEMENT AGREEMENT
TRACT 8498**

paragraph shall not be applied to the extent that it would result in a frustration of the parties' intent under this Agreement.

- 20. GOVERNING LAW, JURISDICTION, AND VENUE.** The interpretation, validity, and enforcement of this Agreement shall be governed by and interpreted in accordance with the laws of the State of California. Any suit, claim, or legal proceeding of any kind related to this Agreement shall be filed and heard in a court of competent jurisdiction in the County of Alameda.
- 21. ATTORNEY'S FEES.** In the event any legal action is commenced to enforce this Agreement, the prevailing party is entitled to reasonable attorney's fees, costs, and expenses incurred.
- 22. ASSIGNMENT AND DELEGATION.** This Agreement, and any portion thereof, shall not be assigned or transferred, nor shall any of the Developer's duties be delegated, without the written consent of the City. Any attempt to assign or delegate this Agreement without the written consent of the City shall be void and of no force or effect. A consent by the City to one assignment shall not be deemed to be a consent to any subsequent assignment.
- 23. MODIFICATIONS.** This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by both parties.
- 24. WAIVERS.** Waiver of a breach or default under this Agreement shall not constitute a continuing waiver or a waiver of a subsequent breach of the same or any other provision of this Agreement.
- 25. CONFLICTS.** If any conflicts arise between the terms and conditions of this Agreement and the terms and conditions of the attached exhibits or any documents expressly incorporated, the terms and conditions of this Agreement shall control.
- 26. ENTIRE AGREEMENT.** This Agreement, including all documents incorporated herein by reference, comprises the entire integrated understanding between the parties concerning the Work described herein. This Agreement supersedes all prior negotiations, agreements, and understandings regarding this matter, whether written or oral. The documents incorporated by reference into this Agreement are complementary; what is called for in one is binding as if called for in all.

**CITY OF NEWARK – SUBDIVISION IMPROVEMENT AGREEMENT
TRACT 8498**


27. SIGNATURES. The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Agreement on behalf of the respective legal entities of the Developer and the City. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the City and Developer do hereby agree to the full performance of the terms set forth herein.

CLASSIC 36304 NEWARK BOULEVARD, L.P.
a California limited partnership

CITY OF NEWARK,
a municipal corporation

By: Classic Communities, Inc.
Its: General Partner

By: 
(Signature)

By: _____
Alan L. Nagy, Mayor

Name:

Adam Kates
(Print)

ATTEST:

Sheila Harrington, City Clerk

Title: Executive Vice President

APPROVED AS TO FORM:

Kristopher Kokotaylo, City Attorney

CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

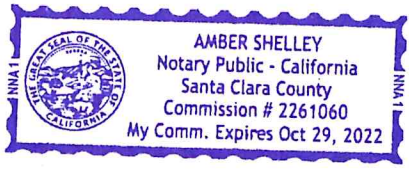
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }
County of Santa Clara

On March 3, 2020 before me, Amber Shelley Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Adam Kates
Name(s) of Signer(s)

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



Place Notary Seal and/or Stamp Above

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

WITNESS my hand and official seal.

Signature Amber Shelley
Signature of Notary Public

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Subdivision improvement agreement

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- Corporate Officer – Title(s): _____
- Partner – Limited General
- Individual Attorney in Fact
- Trustee Guardian or Conservator
- Other: _____

Signer is Representing: _____

Signer's Name: _____

- Corporate Officer – Title(s): _____
- Partner – Limited General
- Individual Attorney in Fact
- Trustee Guardian or Conservator
- Other: _____

Signer is Representing: _____

Bond No. ES00005074
Premium: \$8,800.00
Subject to Renewal

SUBDIVISION
PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS:

THAT WE, CLASSIC 36304 NEWARK BOULEVARD, L.P., a California limited partnership, as Principal, hereinafter called the "CONTRACTOR", and Everest Reinsurance Company, as Surety, are held and firmly bound unto CITY OF NEWARK, State of California in the sum of EIGHT HUNDRED EIGHTY THOUSAND (\$880,000) Dollars, lawful money of the United States of America for the payment of which sum, well and truly, to be made to said City of Newark, we and each of us, bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

Sealed with our seals and dated this 6th day of March, 2020

The condition of the above obligation is such that whereas, the above named Contractor entered into an agreement of even date herewith, with the said City of Newark, State of California, by the terms and conditions of which said agreement, said Contractor agrees to: dedicate and improve Tract 8498, City of Newark, Alameda County, including portions of Newark Boulevard, Caleb Court, and all associated improvements, and furnish all the work and material necessary therefor, in accordance with the plans and specifications now on file in the Office of the City Clerk and the City Engineer, as will more fully appear by reference to the said agreement, which said agreement is hereunto annexed and made a part hereof;

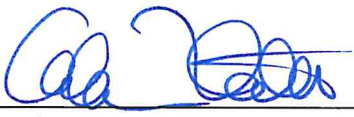
NOW THEREFORE, if the above named Contractor shall well and truly carry out, execute and perform all things by them to be carried out, executed and performed, according to the terms and conditions of said agreement, then this obligation shall become null and void; otherwise to remain in full force and effect.

No alteration of any provisions of said agreement or in said plan and/or specifications, agreed to between the said contractor and the said First Party, shall operate to relieve any surety or sureties from liability on this Bond, and consent to make such alterations without further notice to, or consent by, such surety is hereby given, and the said surety hereby waives the provisions of Section 2819 of the Civil Code of the State of California.

CONTRACTOR:

CLASSIC 36304 NEWARK BOULEVARD, L.P.,
a California limited partnership

By: Classic Communities, Inc.
Its: General Partner

By: 

(Signature)

Name: Adam Kates

(Print)

Title: Executive Vice President

Everest Reinsurance Company

SURETY: 

Gillian Bhaskaran, Attorney-in-Fact

Office Address: 1340 Treat Blvd, Pacific Plaza, Suite 450

City Walnut Creek State CA Zip 94596

Phone: (510) 273-4678

SURETY AGENT: Arthur J. Gallagher & Co.

Home Office Address: 160 W Santa Clara Street, Suite 300

City San Jose State CA Zip 95113

Phone: (408) 973 9500

ACKNOWLEDGMENT

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

State of California
County of Contra Costa)

On March 6, 2020 before me, Brittany Kavan, Notary Public
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature *Brittany Kavan* (Seal)





POWER OF ATTORNEY
EVEREST REINSURANCE COMPANY
DELAWARE

KNOW ALL PERSONS BY THESE PRESENTS: That Everest Reinsurance Company, a corporation of the State of Delaware ("Company") having its principal office located at 477 Martinsville Road, Liberty Corner, New Jersey 07938, do hereby nominate, constitute, and appoint:

Francis E. Cook, Ronald G. Speno, K. Zerounian, Brittany Kavan, Betty L. Tolentino, Virgina L. Black, Susan M. Exline, Kevin Re, T. Le, Julia Ortega, Gillian Bhaskaran

its true and lawful Attorney(s)-in-fact to make, execute, attest, seal and deliver for and on its behalf, as surety, and as its act and deed, where required, any and all bonds and undertakings in the nature thereof, for the penal sum of no one of which is in any event to exceed UNLIMITED, reserving for itself the full power of substitution and revocation.

Such bonds and undertakings, when duly executed by the aforesaid Attorney(s)-in-fact shall be binding upon the Company as fully and to the same extent as if such bonds and undertakings were signed by the President and Secretary of the Company and sealed with its corporate seal.

This Power of Attorney is granted and is signed by facsimile under and by the authority of the following Resolutions adopted by the Board of Directors of Company ("Board") on the 28th day of July 2016:

RESOLVED, that the President, any Executive Vice President, and any Senior Vice President and Anthony Romano are hereby appointed by the Board as authorized to make, execute, seal and deliver for and on behalf of the Company, any and all bonds, undertakings, contracts or obligations in surety or co-surety with others and that the Secretary or any Assistant Secretary of the Company be and that each of them hereby is authorized to attest to the execution of any such bonds, undertakings, contracts or obligations in surety or co-surety and attach thereto the corporate seal of the Company.

RESOLVED, FURTHER, that the President, any Executive Vice President, and any Senior Vice President and Anthony Romano are hereby authorized to execute powers of attorney qualifying the attorney named in the given power of attorney to execute, on behalf of the Company, bonds and undertakings in surety or co-surety with others, and that the Secretary or any Assistant Secretary of the Company be, and that each of them is hereby authorized to attest the execution of any such power of attorney, and to attach thereto the corporate seal of the Company.

RESOLVED, FURTHER, that the signature of such officers named in the preceding resolutions and the corporate seal of the Company may be affixed to such powers of attorney or to any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be thereafter valid and binding upon the Company with respect to any bond, undertaking, contract or obligation in surety or co-surety with others to which it is attached.

IN WITNESS WHEREOF, Everest Reinsurance Company has caused their corporate seals to be affixed hereto, and these presents to be signed by their duly authorized officers this 28th day of July 2016.



Everest Reinsurance Company

Attest: Nicole Chase, Assistant Secretary

By: Anthony Romano, Vice President

On this 28th day of July 2016, before me personally came Anthony Romano, known to me, who, being duly sworn, did execute the above instrument; that he knows the seal of said Company; that the seal affixed to the aforesaid instrument is such corporate seal and was affixed thereto; and that he executed said instrument by like order.

LINDA ROBINS
Notary Public, State of New York
No 01R06239736
Qualified in Queens County
Term Expires April 25, 2023

Linda Robins, Notary Public

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Company, at the Liberty Corner, this 6th day of March 2020.

CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

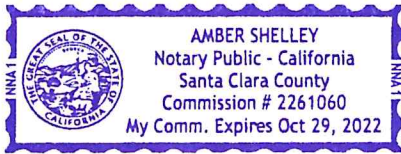
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }
County of Santa Clara }

On March 10, 2020 before me, Amber Shelley, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Adam Kates
Name(s) of Signer(s)

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



Place Notary Seal and/or Stamp Above

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

WITNESS my hand and official seal.

Signature Amber Shelley
Signature of Notary Public

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Performance Bond

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

Corporate Officer – Title(s): _____

Partner – Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer is Representing: _____

Signer's Name: _____

Corporate Officer – Title(s): _____

Partner – Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer is Representing: _____

SUBDIVISION
MATERIALS BOND

KNOW ALL MEN BY THESE PRESENTS:

THAT WHEREAS, CLASSIC 36304 NEWARK BOULEVARD, L.P., a California limited partnership, as Principal, hereinafter called the "CONTRACTOR", has this day, entered into an agreement with the City of Newark, State of California, to dedicate and improve Tract 8498, City of Newark, Alameda County, including portions of Newark Boulevard, Caleb Court, and all associated improvements as per the plans and specifications thereof now on file in the office of the City Clerk and the City Engineer of Newark, and to perform all the work and furnish all materials, in accordance with the specifications therefor, as is more fully set forth in said agreement, which said agreement is hereunto annexed and made a part hereof; and

WHEREAS, Chapter 3 of Division 5 of Title 1 of the Government Code of the State of California and Acts amendatory thereof, require such contractors to file with the body by whom such agreement was awarded a good and sufficient bond to secure the claims to which reference is made in said Code and these presents.

WITNESSETH: That the said Contractor and Everest Reinsurance Company
_____ as Surety, are held and firmly bound unto all material men who may furnish material or supplies to the said Contractor, for the said work contracted to be done, and all mechanics and laborers who may perform work and labor of any kind or nature and for amounts due under the Unemployment Insurance Act of the State of California with respect to such work or labor in the sum of FOUR HUNDRED FORTY THOUSAND (\$440,000) Dollars, lawful money of the United States of America, being not less than one half of the total amount payable by the terms of said agreement, for which payment well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally by these presents.

Sealed with our seals and dated this 6th day of March, 2020.

The condition of the above obligation is such that if the said Contractor in said agreement,


or his subcontractor, shall fail to pay for any materials, provisions, prevender or other supplies, or teams, used in, upon, for or about the performance of the work contracted to be done, or for any work or labor thereon of any kind, or for any amounts due under the Unemployment Insurance Act of the State of California with respect to such work or labor, the said surety will pay the same, in an amount not to exceed said sum hereinbefore specified and, also in case suit is brought upon such bond, a reasonable attorney's fee, to be fixed by the Court, provided that said claim or claims shall be filed and proceedings had, regarding the same, as provided for by the terms of said Code; otherwise this bond shall be null and void.

No alteration of any provision of said agreement or in said plans or specifications agreed to between the said Contractor and the said first party shall operate to relieve any surety or sureties from liability on this bond, and consent to make such alterations is hereby given, and the said surety hereby waives the provisions of Section 2819 of the Civil Code of the State of California.

CONTRACTOR:

CLASSIC 36304 NEWARK BOULEVARD, L.P.,
a California limited partnership

By: Classic Communities, Inc.,
Its: General Partner

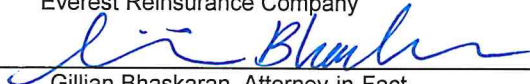
By:  _____
(Signature)

Name: Adam Kates
(Print)

Title: Executive Vice President

Everest Reinsurance Company

SURETY:



Gillian Bhaskaran, Attorney-in-Fact

Office Address: 1340 Treat Blvd, Pacific Plaza, Suite 450

City Walnut Creek State CA Zip 94596

Phone: (510) 273-4678

SURETY AGENT: Arthur J. Gallagher & Co.

Home Office Address: 160 W Santa Clara Street, Suite 300

City San Jose State CA Zip 95113

Phone: (408) 973 9500

ACKNOWLEDGMENT

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

State of California
County of Contra Costa)

On March 6, 2020 before me, Brittany Kavan, Notary Public
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature *Brittany Kavan* (Seal)





POWER OF ATTORNEY
EVEREST REINSURANCE COMPANY
DELAWARE

KNOW ALL PERSONS BY THESE PRESENTS: That Everest Reinsurance Company, a corporation of the State of Delaware ("Company") having its principal office located at 477 Martinsville Road, Liberty Corner, New Jersey 07938, do hereby nominate, constitute, and appoint:

Francis E. Cook, Ronald G. Speno, K. Zerounian, Brittany Kavan, Betty L. Tolentino, Virginia L. Black, Susan M. Exline, Kevin Re, T. Le, Julia Ortega, Gillian Bhaskaran

its true and lawful Attorney(s)-in-fact to make, execute, attest, seal and deliver for and on its behalf, as surety, and as its act and deed, where required, any and all bonds and undertakings in the nature thereof, for the penal sum of no one of which is in any event to exceed UNLIMITED, reserving for itself the full power of substitution and revocation.

Such bonds and undertakings, when duly executed by the aforesaid Attorney(s)-in-fact shall be binding upon the Company as fully and to the same extent as if such bonds and undertakings were signed by the President and Secretary of the Company and sealed with its corporate seal.

This Power of Attorney is granted and is signed by facsimile under and by the authority of the following Resolutions adopted by the Board of Directors of Company ("Board") on the 28th day of July 2016:

RESOLVED, that the President, any Executive Vice President, and any Senior Vice President and Anthony Romano are hereby appointed by the Board as authorized to make, execute, seal and deliver for and on behalf of the Company, any and all bonds, undertakings, contracts or obligations in surety or co-surety with others and that the Secretary or any Assistant Secretary of the Company be and that each of them hereby is authorized to attest to the execution of any such bonds, undertakings, contracts or obligations in surety or co-surety and attach thereto the corporate seal of the Company.

RESOLVED, FURTHER, that the President, any Executive Vice President, and any Senior Vice President and Anthony Romano are hereby authorized to execute powers of attorney qualifying the attorney named in the given power of attorney to execute, on behalf of the Company, bonds and undertakings in surety or co-surety with others, and that the Secretary or any Assistant Secretary of the Company be, and that each of them is hereby authorized to attest the execution of any such power of attorney, and to attach thereto the corporate seal of the Company.

RESOLVED, FURTHER, that the signature of such officers named in the preceding resolutions and the corporate seal of the Company may be affixed to such powers of attorney or to any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be thereafter valid and binding upon the Company with respect to any bond, undertaking, contract or obligation in surety or co-surety with others to which it is attached.

IN WITNESS WHEREOF, Everest Reinsurance Company has caused their corporate seals to be affixed hereto, and these presents to be signed by their duly authorized officers this 28th day of July 2016.



Everest Reinsurance Company

Attest: Nicole Chase, Assistant Secretary

By: Anthony Romano, Vice President

On this 28th day of July 2016, before me personally came Anthony Romano, known to me, who, being duly sworn, did execute the above instrument; that he knows the seal of said Company; that the seal affixed to the aforesaid instrument is such corporate seal and was affixed thereto; and that he executed said instrument by like order.

LINDA ROBINS
Notary Public, State of New York
No 01R06239736
Qualified in Queens County
Term Expires April 25, 2023

Linda Robins, Notary Public

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Company, at the Liberty Corner, this 6th day of March 2020.

CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

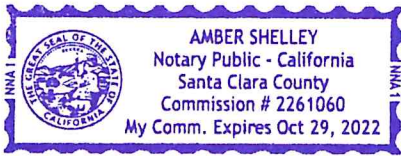
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }
County of Santa Clara }

On March 10, 2020 before me, Amber Shelley, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Adam Kates
Name(s) of Signer(s)

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



Place Notary Seal and/or Stamp Above

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

WITNESS my hand and official seal.

Signature Amber Shelley
Signature of Notary Public

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Materials Bond

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

Corporate Officer – Title(s): _____

Partner – Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer is Representing: _____

Signer's Name: _____

Corporate Officer – Title(s): _____

Partner – Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer is Representing: _____

F.2 Approval of the Final Map and Subdivision Improvement Agreement for Tract 8494 – Magnolia Residences (Goldsilverisland Homes, LLC), a 10-lot residential subdivision at 37256 and 37280 Magnolia Street and 6849 Baine Avenue – from Senior Civil Engineer Cangco. (RESOLUTION)

Background/Discussion – On January 24, 2019, the City Council approved Vesting Tentative Tract Map 8494, a 10-lot residential subdivision at 37256 and 37280 Magnolia Street and 6849 Baine Avenue. The developer, Goldsilverisland Homes, LLC, has submitted the required fees, bonds, and other documents for approval of the Final Map for Tract 8494.

The Final Map for Tract 8494 vacates an eight-foot (8') wide strip of excess public street right-of-way around the project's Magnolia Street, Baine Avenue and Olive Street frontages. In accordance with Section 66436(a)(3)(A)(i) and (A)(ii) of the Subdivision Map Act, all public utilities were notified of the proposed abandonment and given thirty (30) days to provide comments. No comments were received during the thirty-day review period.

The developer has executed a Subdivision Improvement Agreement and has posted a Performance Bond in the amount of \$453,904 and a Materials Bond in the amount of \$226,952. The bonds will guarantee construction of the public improvements on Magnolia Street, Baine Avenue, and Olive Street. Additional right-of-way dedication is not required on Magnolia Street, Baine Avenue or Olive Street as part of Tract 8494.

The Final Map for Tract 8494 has been reviewed and found to be in conformance with Vesting Tentative Tract Map 8494 and the Conditions of Approval, and is now ready for City Council approval. Recording of the Final Map and issuance of subsequent permits and approvals for construction activity will be at the discretion of the City Engineer.

Financial Impact – No additional public street improvements are required as part of Tract 8494; therefore, there is no financial impact.

Attachments – Final Map; Subdivision Improvement Agreement; Resolution

Action – Staff recommends that the City Council, by resolution, approve the Final Map and Subdivision Improvement Agreement for Tract 8494 – Magnolia Residences (Goldsilverisland Homes, LLC), a 10-lot residential subdivision at 37256 and 37280 Magnolia Street and 6849 Baine Avenue.

RESOLUTION NO.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
NEWARK APPROVING THE FINAL MAP AND
SUBDIVISION IMPROVEMENT AGREEMENT FOR TRACT
8494 – MAGNOLIA RESIDENCES (GOLDSILVERISLAND
HOMES, LLC), A 10-LOT RESIDENTIAL SUBDIVISION AT
37256 AND 37280 MAGNOLIA STREET AND 6849 BAINE
AVENUE

WHEREAS, on January 24, 2019, with Resolution No. 10,884, the City Council of the City of Newark approved Vesting Tentative Tract Map 8494, a 10-lot residential subdivision on an approximately 1.04-acre project site at 37256 and 37280 Magnolia Street and 6849 Baine Avenue;

WHEREAS, City staff and the City Engineer have reviewed the submissions of the subdivider, including the proposed Final Map, and have found that all conditions of approval for the Tentative Map have been satisfied, with the exception of the completion of required public improvements; and

WHEREAS, the subdivider wishes to enter into a Subdivision Improvement Agreement and record the Final Map. The Subdivision Improvement Agreement will require the subdivider to complete the public improvements in a timely manner, and the improvements will be subject to a security as required by the Subdivision Improvement Agreement; and

WHEREAS, upon completion of all improvements, the City will accept the improvements and accept all offers of dedication of public right-of-way at that time.

NOW THEREFORE, BE IT RESOLVED BY THE City Council of the City of Newark that the City Council does hereby approve the final map and improvement plans for Tract 8494, City of Newark, County of Alameda, State of California, and that the Mayor is authorized and hereby directed to execute a Subdivision Improvement Agreement between the City of Newark and Goldsilverisland Homes, LLC, for the improvements of said tract.

BE IT FURTHER RESOLVED that the City Council does hereby accept, subject to improvement, all parcels of land offered for public use in conformity with the terms of offer of dedication as shown on the final map for Tract 8494.

BE IT FURTHER RESOLVED that the eight-foot (8') wide strip of public street right-of-way around the project's Magnolia Street, Baine Avenue and Olive Street frontages, as shown on the final map for Tract 8498, is hereby vacated and abandoned.

BE IT FURTHER RESOLVED that the City Council does hereby approve the Performance Bond in the amount of \$453,904 and the Materials Bond in the amount of \$226,952 posted by the developer to secure the installation of improvements in accordance with the plans and specifications and the Subdivision Improvement Agreement.

BE IT FURTHER RESOLVED that the recording of the final map and final approval for the start of construction activity for Tract 8494, including issuance of all related construction permits, shall be at the discretion of the City Engineer.

OWNER'S STATEMENT

THE UNDERSIGNED, GOLDSILVERISLAND HOMES, LLC, HEREINAFTER REFERRED TO AS OWNER, DOES HEREBY STATE THAT IT IS THE OWNER OR HAS AN INTEREST IN THE LAND DELINEATED AND EMBRACED WITHIN THE HEAVY BROKEN LINES ON THE EMBODIED MAP ENTITLED "TRACT NO. 8494, CITY OF NEWARK, COUNTY OF ALAMEDA, CALIFORNIA" CONSISTING OF TWO (2) SHEETS, THIS STATEMENT BEING ON SHEET ONE (1) THEREOF,

AND THAT SAID OWNER ACQUIRED TITLE TO SAID LAND BY VIRTUE OF GRANT DEED RECORDED JULY 25, 2018, SERIES NO. 2018146049 OF OFFICIAL RECORDS OF ALAMEDA COUNTY, AND THAT IT CONSENTS TO THE PREPARATION AND FILING OF THIS MAP.

AND THAT SAID OWNER DOES HEREBY DEDICATE TO THE PUBLIC FOREVER, EASEMENTS WITH THE RIGHT OF INGRESS AND EGRESS FOR THE CONSTRUCTION AND MAINTENANCE OF APPLICABLE STRUCTURES AND APPURTENANCES UNDER, UPON, AND OVER ANY AREA OR STRIP OF LAND DESIGNATED AS: "P.U.E." (PUBLIC UTILITY EASEMENT) AND "L.E." (LANDSCAPE EASEMENT) AS DELINEATED AND DESIGNATED WITHIN THE HEAVY BROKEN LINES OF THIS MAP, SAID AREAS OR STRIPS OF LAND TO BE KEPT OPEN AND FREE FROM BUILDINGS AND STRUCTURES OF ANY KIND EXCEPT APPLICABLE UTILITY STRUCTURES AND APPURTENANCES, IRRIGATIONS SYSTEMS AND APPURTENANCES AND LAWFUL FENCES.

AND THAT SAID OWNER DOES HEREBY RESERVE FOR THE BENEFIT OF THE OWNERS OF LOT 1 TO LOT 10, AN EASEMENT UNDER, UPON, AND OVER THE AREA OF LAND DESIGNATED AS "PSDE" (PRIVATE STORM DRAINAGE EASEMENT) AS DELINEATED AND DESIGNATED WITHIN THE HEAVY BROKEN LINES OF THIS MAP ON THIS MAP. SAID PRIVATE STORM DRAINAGE EASEMENT IS NOT OFFERED FOR DEDICATION TO THE PUBLIC.

IN WITNESS WHEREOF, SAID OWNER HAS CAUSED THESE STATEMENTS TO BE EXECUTED ON THE DATE NEXT TO ITS SIGNATURE HEREON BELOW.

AS OWNER: GOLDSILVERISLAND HOMES, LLC

BY: [Signature] DATE 3/3/2020
BY: YING-MIN LI DATE

OWNER'S ACKNOWLEDGMENT

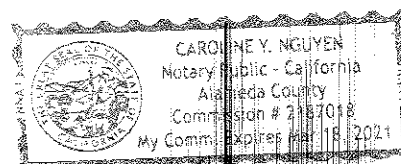
A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA }
COUNTY OF ALAMEDA } SS.
ON 03/03/2020, 2020, BEFORE ME, CAROLINE Y. NGUYEN, A NOTARY PUBLIC, PERSONALLY APPEARED YING-MIN LI WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND

NOTARY'S SIGNATURE [Signature]
PRINTED NOTARY'S NAME CAROLINE Y. NGUYEN
NOTARY'S PRINCIPAL PLACE OF BUSINESS FREMONT, CA
NOTARY'S COMMISSION NUMBER 2187018
EXPIRATION OF NOTARY'S COMMISSION 03/18/2021



TRACT NO. 8494

CONSISTING OF TWO (2) SHEETS

BEING A RESUBDIVISION OF LOTS 15, 16, & 17 AND PORTION OF LOTS 12, 13, & 14, BLOCK 237 AS SAID BLOCK IS SHOWN ON THE "MAP OF THE TOWN OF NEWARK" FILED FOR RECORD IN BOOK 17 OF MAPS AT PAGE 10, ALAMEDA COUNTY RECORDS, AND LYING ENTIRELY WITHIN THE

CITY OF NEWARK
ALAMEDA COUNTY CALIFORNIA

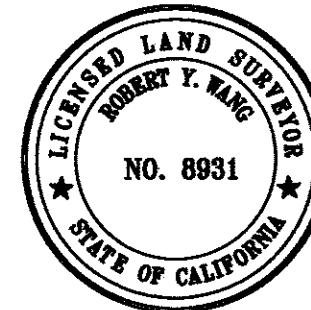
MARCH, 2020

RW RW ENGINEERING, INC.
505 ALTAMONT DRIVE
MILPITAS, CA 95035

SURVEYOR'S STATEMENT

THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION AND IS BASED UPON A FIELD SURVEY IN CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCE AT THE REQUEST OF GOLDSILVERISLAND PROPERTIES, LLC IN FEBRUARY OF 2018. I HEREBY STATE THAT ALL MONUMENTS ARE OF THE CHARACTER AND OCCUPY THE POSITIONS INDICATED, OR THAT THEY WILL BE SET IN THOSE POSITIONS WITHIN ONE (1) YEAR FROM RECORDATION OF THIS MAP, AND THAT THE MONUMENTS ARE, OR WILL BE, SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED, AND THAT THIS PARCEL MAP SUBSTANTIALLY CONFORMS TO THE APPROVED OR CONDITIONALLY APPROVED TENTATIVE MAP.

DATE: 3/2/2020 [Signature]
ROBERT Y. WANG, LS 8931



CLERK OF THE BOARD OF SUPERVISORS

I, ANIKA CAMPBELL-BELTON, CLERK OF THE BOARD OF SUPERVISORS OF THE COUNTY OF ALAMEDA, STATE OF CALIFORNIA, DO HEREBY STATE AS CHECKED BELOW THAT:

- AN APPROVED BOND HAS BEEN FILED WITH BOARD OF SUPERVISORS OF SAID COUNTY AND STATE IN THE AMOUNT OF _____, CONDITIONED FOR THE PAYMENT OF ALL TAXES AND SPECIAL ASSESSMENT COLLECTED AS TAXES WHICH ARE NOW A LIEN AGAINST THE LAND EMBRACED WITHIN THE EXTERIOR BOUNDARY LINES UPON THE HEREIN EMBODIED TRACT MAP OR ANY PORTION THEREOF, BUT NOT YET PAYABLE AND WAS DULY APPROVED BY SAID BOARD IN SAID AMOUNT.
- ALL TAXES AND SPECIAL ASSESSMENT COLLECTED AS TAXES HAVE BEEN PAID, AS CERTIFIED BY THE TREASURER-TAX COLLECTOR OF ALAMEDA COUNTY.

IN WITNESS WHEREOF I HAVE HEREUNTO SET MY HAND ON THIS _____ DAY OF _____, 2020
ANIKA CAMPBELL-BELTON, CLERK OF THE BOARD OF SUPERVISORS OF THE COUNTY OF ALAMEDA, STATE OF CALIFORNIA

BY: _____
DEPUTY CLERK

CITY ENGINEER'S STATEMENT

I, SOREN FAJEAU, CITY ENGINEER FOR THE CITY OF NEWARK, COUNTY OF ALAMEDA, CALIFORNIA, DO HEREBY STATE THAT I HAVE EXAMINED HEREIN EMBODIED TRACT MAP ENTITLED "TRACT NO. 8494, CITY OF NEWARK, COUNTY OF ALAMEDA, CALIFORNIA" CONSISTING OF TWO (2) SHEETS, THIS STATEMENT BEING ON SHEET ONE (1) THEREOF; THAT THE SUBDIVISION AS SHOWN ON SAID MAP IS SUBSTANTIALLY THE SAME AS AS SAID SUBDIVISION APPEARED ON THE TENTATIVE MAP, IF ANY, AND ANY APPROVED ALTERATIONS THEREOF; THAT ALL PROVISIONS OF THE SUBDIVISION MAP ACT OF THE STATE OF CALIFORNIA, AND AMENDMENTS THERETO AND OF ANY LOCAL ORDINANCE APPLICABLE AT THE TIME OF APPROVAL OF THE TENTATIVE MAP, IF ANY, HAVE BEEN COMPLIED WITH.

IN WITNESS, I HAVE SET MY HAND THIS _____ DAY OF _____, 2020

[Signature]
SOREN FAJEAU, R.C.E. NO. 66454
REGISTRATION EXPIRES JUNE 30, 2020
CITY ENGINEER FOR THE CITY OF NEWARK
ALAMEDA COUNTY, CALIFORNIA

I, MITCHELL L MOUGHON, SPECIAL ASSISTANT FOR THE CITY OF NEWARK, DO HEREBY STATE THAT I HAVE EXAMINED THE HEREIN EMBODIED FINAL MAP ENTITLED "TRACT 8494, CITY OF NEWARK, COUNTY OF ALAMEDA" CONSISTING OF TWO (2) SHEETS, THIS STATEMENT BEING ON SHEET ONE (1) THEREOF, AND THAT I AM SATISFIED THAT THE MAP IS TECHNICAL CORRECT.

IN WITNESS, I HAVE SET MY HAND THIS _____ DAY OF _____, 2020

[Signature]
MITCHELL L MOUGHON, R.C.E. NO. 29509
REGISTRATION EXPIRES MARCH 31, 2021
SPECIAL ASSISTANT FOR THE FOR THE CITY OF NEWARK
ALAMEDA COUNTY, CALIFORNIA

CITY CLERK'S STATEMENT

I, SHEILA HARRINGTON, CITY CLERK AND CLERK OF THE COUNCIL OF THE CITY OF NEWARK, COUNTY OF ALAMEDA, STATE OF CALIFORNIA, DO HEREBY STATE THAT THE HEREIN EMBODIED FINAL MAP ENTITLED "TRACT NO. 8494, CITY OF NEWARK, ALAMEDA COUNTY", CONSISTING OF TWO (2) SHEETS, THIS STATEMENT BEING ON SHEET ONE (1) THEREOF, WAS PRESENTED TO SAID COUNCIL OF THE CITY OF NEWARK AS PROVIDED BY LAW AT A MEETING HELD ON THE _____ DAY OF _____, 20____, AND THAT SAID COUNCIL OF THE CITY OF NEWARK DID THEREUPON BY RESOLUTION NO. _____ DULY PASSED AND ADOPTED AT SAID MEETING, APPROVED SAID MAP AND ACCEPTED SUBJECT TO IMPROVEMENT ON BEHALF OF THE PUBLIC ALL PARCELS OF LAND AND EASEMENTS OFFERED FOR DEDICATION FOR PUBLIC USE IN CONFORMITY WITH THE TERMS OF THE OFFERS OF DEDICATION AS SHOWN ON SAID MAP.

AND THAT BY SAID RESOLUTION DID ACCEPT THE ABANDONMENT OF PORTIONS OF OLIVE STREET BAINE AVENUE, AND MAGNOLIA STREET CREATED BY THE "MAP OF THE TOWN OF NEWARK" FILED IN BOOK 17 OF MAPS, PAGE 10, ALAMEDA COUNTY RECORDS, SAID PORTIONS TO BE ABANDONED AS SHOWN ON THE MAP.

IN WITNESS, I HAVE SET MY HAND THIS _____ DAY OF _____, 2020

[Signature]
SHEILA HARRINGTON, CITY CLERK AND CLERK OF THE CITY COUNCIL OF CITY OF NEWARK, ALAMEDA COUNTY, CALIFORNIA

RECORDER'S STATEMENT

SERIES NO. _____ FEE \$ _____ PAID.
ACCEPTED FOR RECORD AND FILED THIS _____ DAY OF _____, 2020, AT _____ M. IN BOOK _____ OF MAPS, AT PAGE(S) _____, ALAMEDA COUNTY RECORDS, AT THE REQUEST OF RW ENGINEERING, INC. IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF ALAMEDA, STATE OF CALIFORNIA

MELISSA WILK
COUNTY RECORDER, ALAMEDA COUNTY, STATE OF CALIFORNIA

BY: _____
DEPUTY

BASIS OF BEARINGS

THE BEARING N33°00'16"E OF THE CENTERLINE OF BAINE AVENUE BETWEEN FOUND MONUMENTS AS SHOWN ON THAT CERTAIN PARCEL MAP 6178 FILED IN BOOK 198 OF MAPS AT PAGE 97, ALAMEDA COUNTY COUNTY RECORDS, AND AS FOUND MONUMENTED WAS TAKEN AS THE BASIS OF BEARINGS SHOWN UPON THIS MAP.

REFERENCES

- R1 PARCEL MAP 6178 (198 M 97)
- R2 TOWN OF NEWARK (17 M 10)
- R3 CORNER RECORD 9882 (BK 94 PG 40)

NOTES

1. ALL DISTANCES AND DIMENSIONS SHOWN ARE IN FEET AND DECIMALS THEREOF.
2. DIMENSIONS ARE 90° MEASUREMENTS UNLESS OTHERWISE NOTED.
3. THE AREA WITHIN THE DISTINCTIVE BORDER IS 1.036 ACRE, MORE OR LESS.
4. THE DISTINCTIVE BORDER LINE DENOTES THE BOUNDARY OF THE SUBDIVISION.

LEGEND

- DISTINCTIVE BORDER AND BOUNDARY
- NEW PARCEL LINE
- - - ADJACENT PROPERTY LINE
- CENTERLINE OR MONUMENT LINE
- - - EASEMENT LINE
- - - TIE LINE
- SET 3/4" IRON PIPE WITH PLASTIC PLUG & TACK, TAGGED LS 8931
- FOUND 1/2" REBAR & PLASTIC CAP "PLS 7393" PER R3
- ⊙ FOUND 2.75" DIAMETER BRASS DISC WITH PUNCH, IN MONUMENT WELL, PER R1
- ⊗ FOUND NAIL & 3/4" BRASS TAG "PLS 7393" PER R3
- × FOUND CUT CROSS PER R1 & R3
- () RECORD DATA
- (T) TOTAL
- M-M MONUMENT TO MONUMENT
- P.U.E. PUBLIC UTILITY EASEMENT
- P.S.D.E. PRIVATE STORM DRAINAGE EASEMENT
- L.E. LANDSCAPE EASEMENT
- S.F. SQUARE FEET

TRACT NO. 8494

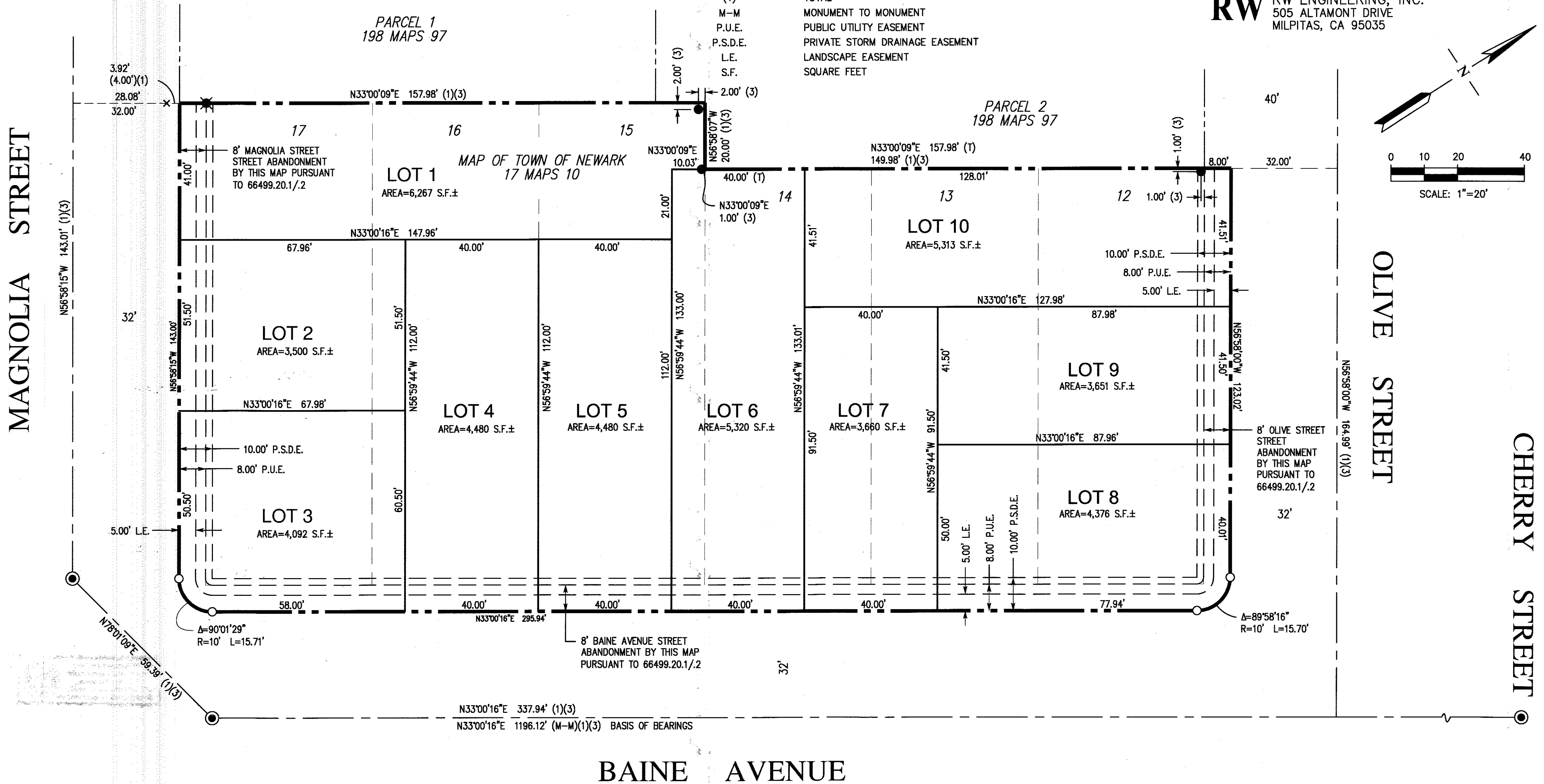
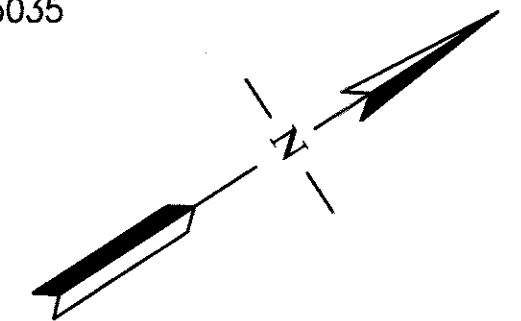
CONSISTING OF TWO (2) SHEETS

BEING A RESUBDIVISION OF LOTS 15, 16, & 17 AND PORTION OF LOTS 12, 13, & 14, BLOCK 237 AS SAID BLOCK IS SHOWN ON THE "MAP OF THE TOWN OF NEWARK" FILED FOR RECORD IN BOOK 17 OF MAPS AT PAGE 10, ALAMEDA COUNTY RECORDS, AND LYING ENTIRELY WITHIN THE

CITY OF NEWARK
ALAMEDA COUNTY CALIFORNIA

MARCH, 2020

RW RW ENGINEERING, INC.
505 ALTAMONT DRIVE
MILPITAS, CA 95035



N33°00'16"E 337.94' (1)(3)
N33°00'16"E 1196.12' (M-M)(1)(3) BASIS OF BEARINGS

BAINE AVENUE

**CITY OF NEWARK
SUBDIVISION IMPROVEMENT AGREEMENT
TRACT 8494**

This Subdivision Improvement Agreement (hereinafter “Agreement”) is made and entered into by and between the CITY OF NEWARK, a municipal corporation (hereinafter "City"), GOLDSILVERISLAND HOMES, LLC., a California limited liability company (hereinafter "Developer"), and MISSION PEAK BUILDER, LLC., a limited liability company (hereinafter “Contractor”). City, Developer and Contractor may be collectively referred to herein as the “parties.”

RECITALS

- A.** In accordance with the Subdivision Map Act (California Government Code Sections 66410, *et seq.*), and the Subdivision Ordinance (Newark Municipal Code, Title 16, Chapters 16.04, 16.08, 16.12, 16.16, 16.20, and 16.32), and the Street Ordinance (Newark Municipal Code, Title 12, Chapters 12.04 and 12.08), the Developer has submitted to the City a Final Map (hereinafter “Final Map”) for the Project known as Tract 8494 Magnolia Residences in Newark (hereinafter “Project”).
- B.** The Project is geographically located within the boundaries of the Tentative Tract Map known as “Vesting Tentative Tract Map 8494”. The Tentative Map is on file with the City Engineer, and is incorporated herein by reference.
- C.** The City’s approval of the Tentative Map was subject to specified conditions of approval (hereinafter “Conditions”). The Conditions are on file with the City Engineer, and are incorporated herein by reference.
- D.** Improvement Plans and Specifications have been prepared on behalf of the Developer, and approved by the City Engineer, which describe the improvements which are required to be constructed by the Developer. The term “Plans and Specifications” shall include ____ sheets of improvement plans titled Tract 8494 Improvement Plans,” approved by the City Engineer on _____, 2020. The Plans and Specifications are on file with the City Engineer, and are incorporated herein by reference.
- E.** The Developer has hired Contractor to construct the required private improvements on its behalf. In consideration of Developer’s hiring Contractor, Contractor has agreed to provide required insurance and to be a party to this Agreement.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS AND CONDITIONS IDENTIFIED HEREIN, THE PARTIES HEREBY AGREE AS FOLLOWS:

**CITY OF NEWARK – SUBDIVISION IMPROVEMENT AGREEMENT
TRACT 8494**

1. **SCOPE OF WORK.** The Developer shall perform, or cause to be performed, the Work described in the Plans and Specifications and the Conditions (hereinafter “Work”), to the satisfaction of the City Engineer. The Work shall be performed, and all materials and labor shall be provided, at the Developer’s sole cost and expense. No change shall be made to the Scope of Work unless authorized in writing by the City Engineer.
2. **PERMITS, LICENSES, AND COMPLIANCE WITH LAW.** The Developer and/or Contractor shall, at the Developer and/or Contractor’s expense, obtain and maintain all necessary permits and licenses for the performance of the Work. The Developer and/or Contractor shall comply with all local, state, and federal laws, whether or not said laws are expressly stated in this Agreement.
3. **DEVELOPER’S AUTHORIZED REPRESENTATIVE.** At all times during the progress of the Work, Developer shall have a competent foreperson or superintendent (hereinafter “Authorized Representative”) on site with authority to act on behalf of the Developer. The Developer shall, at all times, keep the City Engineer informed in writing of the name and telephone number of the Authorized Representative. The Developer shall, at all times, keep the City Engineer informed in writing of the names and telephone numbers of all contractors and subcontractors performing the Work.
4. **IMPROVEMENT SECURITY.** The Developer shall furnish faithful performance and labor and material security concurrently with the execution of this Agreement by the Developer, and prior to the commencement of any Work. The Developer shall furnish warranty security prior to the City's acceptance of the Work. The form of the security shall be as authorized by the Subdivision Map Act (including Government Code Sections 66499, *et seq.*) and the Newark Municipal Code, and as set forth below:
 - 4(a). **Faithful Performance.** Performance Bonds in the amount of \$453,904 to secure faithful performance of this Agreement (until the date on which the City Council accepts the Work as complete) pursuant to Government Code Sections 66499.1, 66499.4, and 66499.9.
 - 4(b). **Labor and Material.** Materials Bonds in the amount of \$226,952 to secure payment by the Developer to laborers and materialmen pursuant to Government Code Sections 66499.2, 66499.3, and 66499.4.
 - 4(c). **Warranty.** Performance Bonds in the amount of \$45,390 to secure faithful performance of this Agreement (from the date on which the City accepts the Work as complete until one year thereafter)

**CITY OF NEWARK – SUBDIVISION IMPROVEMENT AGREEMENT
TRACT 8494**

pursuant to Government Code Sections 66499.1, 66499.4, and 66499.9.

5. **BUSINESS LICENSE.** The Developer and Contractor shall each apply for and pay the business license fees, in accordance with Newark Municipal Code Title 5, Chapter 5.04.

6. **INSURANCE.** Contractor shall, throughout the duration of this Agreement, maintain insurance to cover Contractor (including its agents, representatives, subcontractors, employees, and including Developer) in connection with the performance of services under this Agreement, including the Work. This Agreement identifies the minimum insurance levels with which Contractor shall comply; however, the minimum insurance levels shall not relieve Contractor of any other performance responsibilities under this Agreement (including the indemnity requirements), and Contractor may carry, at its own expense, any additional insurance it deems necessary or prudent. Concurrently with the execution of this Agreement by the Developer, and prior to the commencement of any services, the Contractor shall furnish written proof of insurance (certificates and endorsements), in a form acceptable to the City. Contractor shall provide substitute written proof of insurance no later than 30 days prior to the expiration date of any insurance policy required by this Agreement.
 - 6(a). **Minimum Insurance Levels.** Contractor shall maintain insurance at the following minimum levels:
 - 6(a)(1). **Commercial General Liability** (with coverage at least as broad as ISO form CG 00 01 01 96) coverage in an amount not less than \$5,000,000 general aggregate and \$2,000,000 per occurrence for general liability, bodily injury, personal injury, and property damage.
 - 6(a)(2). **Automobile Liability** (with coverage at least as broad as ISO form CA 00 01 07 97, for “any auto”) coverage in an amount not less than \$1,000,000 per accident for bodily injury and property damage.
 - 6(a)(3). **Workers’ Compensation** coverage as required by the State of California.

 - 6(b). **Minimum Limits of Insurance.** It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum Insurance coverage requirements and/or limits shall be available to the Additional Insured. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of

**CITY OF NEWARK – SUBDIVISION IMPROVEMENT AGREEMENT
TRACT 8494**

coverage of any Insurance policy or proceeds available to the named Insured; whichever is greater.

6(c). Endorsements. The insurance policies shall be endorsed as follows:

6(c)(1). For the commercial general liability insurance, the City (including its elected officials, employees, volunteers, and agents) shall be named as additional insured, and the policy shall be endorsed with a form at least as broad as ISO form CG 20 10 11 85.

6(c)(2). Contractor's insurance is primary to any other insurance available to the City with respect to any claim arising out of this Agreement. Any insurance maintained by the City shall be excess of the Contractor's insurance and shall not contribute with it.

6(c)(3). Contractor's insurance will not be canceled, limited, or allowed to expire without renewal until after 30 days written notice has been given to the City. During the term of this Agreement, Contractor will not materially alter any of the policies or reduce any of the levels of coverage afforded by its insurance policies.

6(c)(4). Maintenance of proper insurance coverage in conformity with this Section 6 is a material element of this Agreement and failure to maintain or renew coverage or to provide evidence of coverage or renewal may be treated by City as a material breach of this Agreement.

6(d). Qualifications of Insurers. All insurance companies providing coverage to Contractor shall be insurance organizations authorized by the Insurance Commissioner of the State of California to transact the business of insurance in the State of California, and shall have an A.M Best's rating of not less than "A:VII."

7. REPORTING DAMAGES. If any damage (including death, personal injury or property damage) occurs in connection with the performance of this Agreement, Developer shall immediately notify the City Engineer's office by telephone at 510-578-4290, and Developer shall promptly submit to the City's Risk Manager and the City's Authorized Representative, a written report (in a form acceptable to the City) with the following information: (a) a detailed description of the damage (including the name and address of the injured or deceased person(s), and a description of the damaged property), (b) name and address of witnesses, and (c) name and address of any potential insurance companies.

8. INDEMNIFICATION. To the fullest extent permitted by law, Developer and Contractor shall indemnify, hold harmless, and defend the City (including its elected officials, officers, volunteers, agents and employees) from and against any and all claims (including all litigation, demands, damages,

**CITY OF NEWARK – SUBDIVISION IMPROVEMENT AGREEMENT
TRACT 8494**

liabilities, costs, and expenses, and including court costs and attorney's fees) resulting or arising from performance, or failure to perform, under this Agreement (with the exception of the sole negligence or willful misconduct of the City).

9. TIME OF PERFORMANCE. Time is of the essence in the performance of the Work, and the timing requirements set forth herein shall be strictly adhered to unless otherwise modified in writing in accordance with this Agreement. The Developer shall submit all requests for extensions of time to the City, in writing, no later than ten (10) days after the start of the condition which purportedly caused the delay, and not later than the date on which performance is due.

9(a). Commencement of Work. No later than fifteen (15) days prior to the commencement of Work, the Developer shall provide written notice to the City Engineer of the date on which the Developer shall commence Work. The Developer shall not commence Work until after the notice required by this section is properly provided, and the Developer shall not commence Work prior to the date specified in the written notice.

9(b). Schedule of Work. Concurrently with the written notice of commencement of Work, the Developer shall provide the City with a written schedule of Work, which shall be updated in writing as necessary to accurately reflect the Developer's prosecution of the Work.

9(c). Completion of Work. The Developer shall complete all Work by no later than five hundred (500) days after the City's execution of this Agreement.

10. INSPECTION BY THE CITY. In order to permit the City to inspect the Work, the Developer and Contractor shall, at all times, provide to the City proper and safe access to the Project site, and all portions of the Work, and to all shops wherein portions of the Work are in preparation.

11. DEFAULT. If any party ("demanding party") has a good faith belief that any other party ("defaulting party") is not complying with the terms of this Agreement, the demanding party shall give written notice of the default (with reasonable specificity) to the defaulting party, and demand the default to be cured within ten days of the notice. If: (a) the defaulting party fails to cure the default within ten days of the notice, or, (b) if more than ten days are reasonably required to cure the default and the defaulting party fails to give adequate written assurance of due performance within

**CITY OF NEWARK – SUBDIVISION IMPROVEMENT AGREEMENT
TRACT 8494**

ten days of the notice, then (c) the demanding party may terminate this Agreement upon written notice to the defaulting party.

11(a). The Developer shall be in default of this Agreement if the City Engineer determines that any one of the following conditions exist:

11(a)(1). The Developer is insolvent, bankrupt, or makes a general assignment for the benefit of its creditors.

11(a)(2). The Developer abandons the Project site.

11(a)(3). The Developer fails to perform one or more requirements of this Agreement.

11(a)(4). The Developer fails to replace or repair any damage caused by Developer or its agents, representatives, contractors, subcontractors, or employees in connection with performance of the Work.

11(a)(5). The Developer violates any legal requirement related to the Work.

11(b). In the event that the Developer fails to cure the default, the City may, in the discretion of the City Engineer, take any or all of the following actions:

11(b)(1). Cure the default and charge the Developer for the costs therefor, including administrative costs and interest in an amount equal to seven percent (7 %) per annum from the date of default.

11(b)(2). Demand the Developer to complete performance of the Work.

11(b)(3). Demand the Developer's surety (if any) to complete performance of the Work.

11(c). The Contractor shall be in default of this Agreement if the City Engineer determines that any one of the following conditions exist:

11(c)(1). The Contractor is insolvent, bankrupt, or makes a general assignment for the benefit of its creditors.

11(c)(2). The Contractor abandons the Project site.

11(c)(3). The Contractor fails to perform one or more requirements of this Agreement.

11(c)(4). The Contractor fails to replace or repair any damage caused by Contractor or its agents, representatives, contractors, subcontractors, or employees in connection with performance of the Work.

11(c)(5). The Contractor violates any legal requirement related to the Work.

**CITY OF NEWARK – SUBDIVISION IMPROVEMENT AGREEMENT
TRACT 8494**

- 11(d).** In the event that the Contractor fails to cure the default, the City may, in the discretion of the City Engineer, take any or all of the following actions:
- 11(d)(1).** Cure the default and charge the Contractor for the costs therefor, including administrative costs and interest in an amount equal to seven percent (7 %) per annum from the date of default.
 - 11(d)(2).** Demand the Contractor to complete performance of the Work.
 - 11(d)(3).** Demand the Contractor's surety (if any) to complete performance of the Work.
- 12. ACCEPTANCE OF WORK.** Prior to acceptance of the Work by the City Engineer, the Developer shall be solely responsible for maintaining the quality of the Work, and maintaining safety at the Project site. The Developer's obligation to perform the Work shall not be satisfied until after the City Engineer has made a written determination that all obligations of the Agreement have been satisfied and all outstanding fees and charges have been paid, and the City Engineer has accepted the Work as complete.
- 13. WARRANTY PERIOD.** The Developer shall warrant the quality of the Work, in accordance with the terms of the Plans and Specifications, for a period of one year after acceptance of the Work by the City. In the event that (during the one year warranty period) any portion of the Work is determined by the City Engineer to be defective as a result of an obligation of the Developer under this Agreement, the Developer shall be in default.
- 14. RELATIONSHIP BETWEEN THE PARTIES.** Developer and Contractor are, and at all times shall remain, independent contractors solely responsible for all acts of its employees, agents, contractors, or subcontractors, including any negligent acts or omissions. Developer and Contractor are not City's agent, and shall have no authority to act on behalf of the City, or to bind the City to any obligation whatsoever, unless the City provides prior written authorization to Developer and Contractor.
- 15. CONFLICTS OF INTEREST PROHIBITED.** Developer (including its employees, agents, contractors, and subcontractors) shall not maintain or acquire any direct or indirect interest that conflicts with the performance of this Agreement. If Developer maintains or acquires a conflicting interest, any contract with the City (including this Agreement) involving Developer's conflicting interest may be terminated by the City.
- 16. NONDISCRIMINATION.** Developer and Contractor shall comply with all applicable federal, state, and local laws regarding nondiscriminatory employment practices, whether or not said laws are expressly stated in this Agreement. Developer and Contractor shall not discriminate against

**CITY OF NEWARK – SUBDIVISION IMPROVEMENT AGREEMENT
TRACT 8494**

any employee or applicant because of race, color, religious creed, national origin, physical disability, mental disability, medical condition, marital status, sexual orientation, or sex.

- 17. NOTICES.** All notices required or contemplated by this Agreement shall be in writing and shall be delivered to the respective party as set forth in this section. Communications shall be deemed to be effective upon the first to occur of: (a) actual receipt by a party's Authorized Representative, or (b) actual receipt at the address designated below, or (c) three working days following deposit in the United States Mail of registered or certified mail sent to the address designated below. The Authorized Representative of either party may modify their respective contact information identified in this section by providing notice to the other party.

TO: City of Newark

Attn: City Engineer
37101 Newark Boulevard
Newark, CA 94560

To: Goldsilverisland Homes, LLC.

Attn: Ying-Min Li
577 Salmar Avenue, Suite 107
Campbell, CA 95008
yingminli@hotmail.com

To: Mission Peak Builder LLC

Attn: _____

- 18. HEADINGS.** The heading titles for each paragraph of this Agreement are included only as a guide to the contents and are not to be considered as controlling, enlarging, or restricting the interpretation of the Agreement.
- 19. SEVERABILITY.** If any term of this Agreement (including any phrase, provision, covenant, or condition) is held by a court of competent jurisdiction to be invalid or unenforceable, the Agreement shall be construed as not containing that term, and the remainder of this Agreement shall remain in full force and effect; provided, however, this paragraph shall not be applied to the extent that it would result in a frustration of the parties' intent under this Agreement.
- 20. GOVERNING LAW, JURISDICTION, AND VENUE.** The interpretation, validity, and enforcement of this Agreement shall be governed by and interpreted in accordance with the laws of the State of California. Any suit, claim, or legal proceeding of any kind related to this Agreement shall be

**CITY OF NEWARK – SUBDIVISION IMPROVEMENT AGREEMENT
TRACT 8494**

filed and heard in a court of competent jurisdiction in the County of Alameda.

- 21. ATTORNEY'S FEES.** In the event any legal action is commenced to enforce this Agreement, the prevailing party is entitled to reasonable attorney's fees, costs, and expenses incurred.
- 22. ASSIGNMENT AND DELEGATION.** This Agreement, and any portion thereof, shall not be assigned or transferred, nor shall any of the Developer's or Contractor's duties be delegated, without the written consent of the City. Any attempt to assign or delegate this Agreement without the written consent of the City shall be void and of no force or effect. A consent by the City to one assignment shall not be deemed to be a consent to any subsequent assignment.
- 23. MODIFICATIONS.** This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by both parties.
- 24. WAIVERS.** Waiver of a breach or default under this Agreement shall not constitute a continuing waiver or a waiver of a subsequent breach of the same or any other provision of this Agreement.
- 25. CONFLICTS.** If any conflicts arise between the terms and conditions of this Agreement and the terms and conditions of the attached exhibits or any documents expressly incorporated, the terms and conditions of this Agreement shall control.
- 26. ENTIRE AGREEMENT.** This Agreement, including all documents incorporated herein by reference, comprises the entire integrated understanding between the parties concerning the Work described herein. This Agreement supersedes all prior negotiations, agreements, and understandings regarding this matter, whether written or oral. The documents incorporated by reference into this Agreement are complementary; what is called for in one is binding as if called for in all.
- 27. SIGNATURES.** The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Agreement on behalf of the respective legal entities of the Developer, Contractor and the City. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the City, Contractor and Developer do hereby agree to the full performance of the terms set forth herein.

**CITY OF NEWARK – SUBDIVISION IMPROVEMENT AGREEMENT
TRACT 8494**

GOLDSILVERISLAND HOMES, LLC.
a California limited liability company

CITY OF NEWARK,
a municipal corporation

By: _____
(Signature)

By: _____
Alan L. Nagy, Mayor

Name: _____
(Print)

Title: _____

ATTEST:

Sheila Harrington, City Clerk

MISSION PEAK BUILDER, LLC.
a California limited liability company

By: _____
(Signature)

APPROVED AS TO FORM:

Name: _____
(Print)

Kristopher Kokotaylo, City Attorney

Title: _____

3496339.1

F.3 Authorize the carry-over unspent appropriation for a mobile command vehicle and amend the 2018-2020 Biennial Budget – from Police Lieutenant Macias. (RESOLUTION)

Background/Discussion – The Alameda County Sheriff’s Office (ACSO) submitted an application for the 2016 and 2017 State Homeland Security Grant Program (SHSGP) on behalf of various agencies within the county. The Alameda County Board of Supervisors accepted funding for the Newark Police Department in the amount of \$35,000 in Fiscal Year 2016-2017 and \$100,000 in Fiscal Year 2017-2018, thereby increasing total grant funding to a total of \$135,000.

On March 14, 2019, City Council authorized the City to accept the U.S. Department of Homeland Security, California Governor’s Office of Emergency Services 2017 State Homeland Security Grant awards, and authorized the purchase of a mobile command vehicle. At that time, staff also requested additional General Fund funding in the amount of \$75,997.

A total of \$210,997 was previously approved and appropriated in fiscal 2018-2019. All of the associated funds were not spent in the fiscal year that they were initially designated because of a delay in the approval process by the U.S. Department of Homeland Security and California Governor’s Office of Emergency Services (Cal OES) during a time of transition to a new administration. There is a purchasing window of three years for State Homeland Security Grant awards. This vehicle was purchased and received within the approved timeframe.

Staff now requests the authorization to carry-over the unspent appropriation and amend the 2018-2020 Biennial Budget as follows:

From: 010-1030-3550 Federal Grants	\$135,000
010-0000-2991 Unallocated Fund Balance	\$ 75,997
To: 010-1030-7052 Police Vehicle	\$210,997

Attachment - Resolution

Action – Staff recommends that the City Council, by resolution, authorize the City of Newark to carry-over unspent appropriation for a mobile command vehicle and amend the 2018-2020 Biennial Budget.

RESOLUTION NO.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
NEWARK AUTHORIZING THE AUTHORIZE THE CITY OF
NEWARK TO CARRY-OVER UNSPENT APPROPRIATION
FOR A MOBILE COMMAND VEHICLE AND AMEND THE
2018-2020 BIENNIAL BUDGET

WHEREAS, the Alameda County Sheriff's Office (ACSO) submitted an application for the 2016 and 2017 State Homeland Security Grant Program (SHSGP) on behalf of various agencies within the county; and

WHEREAS, the Alameda County Board of Supervisors accepted funding for the Newark Police Department in the amount of \$35,000 in Fiscal Year 2016-2017 and \$100,000 in Fiscal Year 2017-2018; and

WHEREAS, the Alameda County Office of Emergency Services authorized the combination of these funds to purchase a mobile command vehicle; and

WHEREAS, on March 14, 2019 City Council authorized the City to accept the U.S. Department of Homeland Security, California Governor's Office of Emergency Services (Cal OES) 2017 State Homeland Security Grant awards and amended the 2018-2020 Biennial Budget for a mobile command vehicle; and

WHEREAS, at that time, staff requested additional funding in the amount of \$75,996.89 through an amendment to the 2018-2020 Biennial Budget, resulting in a project total of \$210,997; and

WHEREAS, grant funding in the amount of \$135,000 was received from the Alameda County Sheriff's Office on February 13, 2020 and was deposited into account 010-1030-3550.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Newark authorizes City staff to carry-over the unspent appropriation and amend the 2018-2020 Biennial Budget as follows:

From: 010-1030-3550 Federal Grants	\$135,000
010-0000-2991 Unallocated Fund Balance	\$ 75,997
To: 010-1030-7052 Police Vehicle	\$210,997

F.4 Approval of a Contractual Service Agreement with Avenu/Muniservices, LLC to provide consulting and auditing services for City of Newark's Utility User Tax revenues and to amend the 2018-2020 Biennial Budget and Capital Improvement Plan – Finance Director Lee. (RESOLUTION)

Background/Discussion – It is a good practice to periodically conduct an independent audit for the records and reporting of all of the utility companies. In December 2019, a Request for Proposals (RFP) for revenue audit and analysis service was issued. Two firms responded, but only Avenu/MuniServices offered Utility User Tax (UUT) audit and analysis services.

Avenu/MuniServices is one of the few firms in the United States conducting audits to verify the proper fees are collected from electric, natural gas, cable, and waste hauler companies. For every error/omission identified and confirmed, the firm will prepare the appropriate documentation to facilitate the recovery of revenue due to the City. In addition, the firm will provide an annual report that outlines the year's activities in review, revenue forecasts, year-over-year (YOY) comparison charts, and revenue generated from compliance activities.

The annual fee for inclusion in the UUT audit is \$40,000 per year. A budget amendment is necessary to appropriate \$40,000 in fiscal year 2019-2020 to account number 010-1025-5271 for the first fiscal year of consulting and auditing services of the UUT. Because this is a multi-year agreement, the remaining contract amount will be appropriated as part of the biennial budget process for a total expenditure of funds over the term of the contract not-to-exceed \$120,000.

Attachments – Resolution, Contractual Services Agreement with Avenu/Muniservices, LLC

Action - Staff recommends that the City Council, by resolution, authorize the City Manager to execute a professional agreement with Avenu/Muniservices, LLC in the amount not to exceed \$120,000 to provide consulting and auditing services for Utility User Tax revenues and to amend the 2018-2020 Biennial Budget and Capital Improvement Plan for Fiscal Year 2019-2020.

RESOLUTION NO.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEWARK AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACTUAL SERVICE AGREEMENT WITH AVENU/MUNISERVICES, LLC TO PROVIDE CONSULTING AND AUDITING SERVICES FOR UTILITY USER TAX REVENUES AND AMENDING THE 2018-2020 BIENNIAL BUDGET AND CAPITAL IMPROVEMENT PLAN FOR FISCAL YEAR 2019-2020

WHEREAS, the City of Newark (“City”) is in need of audits to verify that proper fees are collected from electric, natural gas, cable, and waste hauler companies; and

WHEREAS, the City issued a Request for Proposals (RFP) in accordance with the City’s Purchasing Rules and Regulations for the desired services and received a total of two responses; and

WHEREAS, Avenu/Muniservices, LLC response to the RFP was determined to be the only responder to include Utility User Tax audit and analysis services.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Newark, that all the foregoing recitals are true and correct and are hereby incorporated as though fully set forth herein.

BE IT FURTHER RESOLVED by the City Council of the City of Newark that the City Manager is hereby authorized to execute a contractual service agreement with Avenu/MuniServices, LLC for Utility User Tax consulting and auditing services, in a form approved by the City Attorney, for an amount not to exceed \$120,000.

BE IT FURTHER RESOLVED that the City Council of the City of Newark does hereby amend the 2018-2020 Biennial Budget and Capital Improvement Plan for fiscal year 2019-2020 to appropriate \$40,000 to account number 010-1025-5271.

**CONTRACTUAL SERVICES AGREEMENT
CONSULTANTS**

This Service Agreement (hereinafter “Agreement”) is made and entered into this day of _____, 20____ by and between the **CITY OF NEWARK**, a municipal corporation (“City”), and **MUNISERVICES, LLC**, a a limited liability company (“Consultant”), collectively the “Parties”.

W I T N E S S E T H:

WHEREAS, City requested proposals to perform the services generally including:

UTILITY USER TAX (UUT) AUDIT AND ANALYSIS

WHEREAS, in response to City’s request, Consultant submitted a proposal and, after negotiations, Consultant agreed to perform the Services more particularly described in Exhibit “A” (“Services”), in return for the compensation described in this Agreement and Exhibit “B”.

WHEREAS, in reliance upon Consultant’s documentation of its qualifications, as set forth in Exhibit “C”, City finds that Consultant has demonstrated the requisite qualifications, experience, training, and expertise to perform the requested Services.

NOW, THEREFORE, the Parties hereto agree as follows:

1. CONSULTANT’S SERVICES. Consultant shall perform Services described, and in the time, place, and manner specified in Exhibit “A” in accordance with the terms and conditions of this Agreement. In the event of a conflict in or inconsistency between the terms of this Agreement and Exhibit “A”, the Agreement shall control.

2. TIME FOR PERFORMANCE. Time is of the essence in the performance of Services under this Agreement and Consultant shall generally adhere to the schedule set forth in Exhibit “A”; provided, that City shall grant reasonable extensions of time for the performance of such Services occasioned by governmental reviews of Consultant’s work product or other unavoidable delays occasioned by circumstances, provided, further, that such unavoidable delays shall not include strikes, lockouts, work stoppages, or other labor disturbances conducted by, or on behalf of, Consultant’s officers or employees. Any Services for which times for performance are not specified in this Agreement shall be commenced and completed by Consultant in a reasonably prompt and timely manner based upon the circumstances and direction communicated to Consultant.

Consultant acknowledges the importance to City of City’s performance schedule and agrees to put forth its best professional efforts to perform its Services under this Agreement in a manner consistent with that schedule. City understands, however, that Consultant’s performance must be governed by sound professional practices.

3. COMPENSATION.

A. **“Not to Exceed” Compensation.** City shall compensate Consultant for all Services performed by Consultant hereunder in an amount based upon Consultant’s hourly or other rates set forth in Exhibit “B”. The payments specified in Exhibit “B” shall be the only payments to be made to Consultant for Services rendered pursuant to this Agreement.

Notwithstanding the foregoing, the combined total of compensation and costs payable hereunder shall not exceed the sum of 120,000 and No/100 Dollars (\$120,000.00) not including contingency fees from city-specific compliance audit services, unless the performance of services and/or reimbursement of costs and expenses in excess of said amounts have been approved in advance of performing such services or incurring such costs and expenses by City, evidenced in writing authorizing such additional amount.

B. **Method of Billing.** To request payment, Consultant shall submit monthly invoices to City identifying Services performed and the charges therefore (including an identification of personnel who performed Services, hours worked, hourly rates, and reimbursable expenses), based upon Consultant’s billing rates (set forth on Exhibit “B” hereto).

Consultant shall submit all billings for said Services to City in the manner specified in Exhibit “B”; or, if no manner is specified in Exhibit “B”, then according to the usual and customary procedures and practices which Consultant uses for billing clients similar to City.

Invoices shall be sent to:

City of Newark
Attn: Finance Department
37101 Newark Blvd.
Newark, CA 94560

Upon completion of Services, City shall sign off and acknowledge that all terms and conditions have been satisfactorily met; upon which, unless waived by City in writing, Consultant shall prepare an itemized statement, briefly describing by task and/or labor category the items billed.

C. **Payment.** Upon receipt of an invoice, City shall make payments to Consultant on a monthly basis, or at such other times as may be specified in Exhibit “B”, for Services, which are performed in accordance with this Agreement to the satisfaction of City.

D. **Consultant’s Failure to Perform.** In the event that Consultant performs Services that do not comply with the requirements of this Agreement, Consultant shall, upon receipt of written notice from City, re-perform the services (without additional compensation to Consultant). If Consultant’s failure to perform in accordance with this Agreement causes damages to City, Consultant shall reimburse City for the damages incurred (which may be charged as an offset to Consultant’s payment).

4. **ADDITIONAL SERVICES.** In the event City desires the performance of additional services not otherwise included within Services, such services shall be authorized by

written task order approved in advance of the performance thereof. Such task order shall include a description of the services to be performed thereunder, the maximum compensation and reimbursement of costs and expenses payable therefore, the time of performance thereof, and such other matters as the Parties deem appropriate for the accomplishment of such services. Except to the extent modified by a task order, all other terms and conditions of this Agreement shall be deemed incorporated in each such task order.

5. INDEPENDENT CONSULTANT. At all times during the term of this Agreement, Consultant shall be, and is an independent consultant and shall not be an employee or agent of City. Consultant shall not be entitled to any benefit, right, or compensation other than that provided in this Agreement. City shall have the right to control Consultant only insofar as the results of Consultant's Services; however, City shall not have the right to control the means by which Consultant accomplishes Services rendered pursuant to this Agreement.

Except as City may specify in writing, Consultant shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. Consultant shall have no authority, express or implied, pursuant to this Agreement to bind City to any obligation whatsoever.

6. PERSONNEL. Consultant understands that, in entering into this Agreement, City has relied upon Consultant's ability to perform in accordance with its representations regarding the qualifications of Consultant, including the qualifications of its Authorized Representative, its designated personnel, and its Subconsultants, if any, identified in Exhibit "C". Therefore, Consultant shall not replace its Authorized Representative, or any of the designated personnel or Subconsultants identified in Exhibit "C", without the prior written consent of City. All Services shall be performed by, or under, the direct supervision of Consultant's Authorized Representative.

Consultant agrees to include with all Subconsultants in their subcontract the same requirements and provisions of this Agreement including the indemnity and Insurance requirements to the extent they apply to the scope of the Subconsultant's work. Subconsultants hired by Consultant agree to be bound to Consultant and City in the same manner and to the same extent as Consultant is bound to City under this Agreement. Subconsultant further agrees to include these same provisions with any Sub-subconsultant. A copy of this Agreement's Indemnity and Insurance provisions will be furnished to the Subconsultant upon request. The Consultant shall require all Sub-subconsultants to provide a valid certificate of insurance and the required endorsements included in this Agreement prior to commencement of any Services and will provide proof of compliance to the City.

In the event that City, in its sole discretion, at any time during the term of this Agreement, desires the removal of any of Consultant's designated personnel or Subconsultants, Consultant shall, immediately upon receiving notice from City of such desire of City, cause the removal of such person or persons.

7. FACILITIES AND EQUIPMENT. Consultant shall, at its sole cost and expense, furnish all facilities and equipment which may be required for furnishing Services.

8. INFORMATION AND DOCUMENTATION.

A. Information from City. City has made an effort to provide Consultant with all information necessary for Consultant's performance of Services. If Consultant believes additional information is required, Consultant shall promptly notify City and City will provide to Consultant all relevant non-privileged information in City's possession.

B. Consultant's Accounting Records. Consultant shall maintain all accounting records related to this Agreement in accordance with generally accepted accounting principles and state law requirements, and in no event for less than four (4) years. Consultant's accounting records shall include, at a minimum, all documents which support Consultant's costs and expenses related to this Agreement, including personnel, subconsultants' invoices and payments, and reimbursable expenses. Consultant's accounting records shall be made available to City within a reasonable time after City's request, during normal business hours.

C. Ownership of Work Product. All original documents prepared by Consultant (including its employees and subconsultants) for this Agreement ("Work Product"), whether complete or in progress, are the property of City and shall be given to City at the completion of Consultant's Services, or upon demand of City. Consultant shall have a right to make and keep copies of the Work Product except for any confidential information. Consultant shall not reveal the Work Product or the confidential information contained in the Work Product, or make it available, to any third party without the prior written consent of City.

9. CONFLICTS OF INTEREST PROHIBITED. Consultant (including its employees, agents, and subconsultants) shall not maintain or acquire any direct or indirect interest that conflicts with the performance of this Agreement. Consultant shall comply with all requirements of the Political Reform Act (California Government Code Section 81000, *et seq.*) and other laws relating to conflicts of interest, including: (a) Consultant shall not make or participate in a decision made by City if it is reasonably foreseeable that the decision may have a material effect on Consultant's economic interest, and (b) if required by law, Consultant shall file financial disclosure forms with the City Clerk. If Consultant maintains or acquires a conflicting interest, any contract with City (including this Agreement) involving Consultant's conflicting interest may be terminated by City.

10. NONDISCRIMINATION. Consultant shall comply with all applicable federal, state, and local laws regarding nondiscriminatory employment practices, whether or not said laws are expressly stated in this Agreement. Consultant shall not discriminate against any employee or applicant because of race, color, religious creed, national origin, physical disability, mental disability, medical condition, marital status, sexual orientation, sex, age, or any other basis, as defined in California Civil Code Section 51.

11. COMPLIANCE WITH LAW AND STANDARD OF CARE. Consultant shall comply with all applicable legal requirements including all federal, state, and local laws (including ordinances and resolutions), whether or not said laws are expressly stated in this Agreement. Consultant shall perform Services using a standard of care equal to, or greater than, the degree of skill and diligence ordinarily used by reputable professionals, with a level of experience and training similar to Consultant, performing under circumstances similar to those required by this Agreement.

12. RESERVED.

13. RESERVED.

14. INSURANCE. Consultant shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, his agents, representatives, subconsultants, or employees.

A. Verification of Coverage.

Consultant shall furnish City with original certificates of insurance and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are to be received and approved by City before work commences.

Proof of Insurance shall be mailed to the following address or any subsequent address as may be directed in writing by the City Risk Manager:

CITY OF NEWARK
Attn: Risk Manager
37101 Newark Boulevard
Newark, CA 94560

City reserves the right to require and obtain complete, certified copies of all required insurance policies and endorsements at any time. Failure to exercise this right at any time shall not constitute a waiver of right to exercise later. Consultant shall immediately furnish City with certificates of renewal for each policy that is renewed during the term of this Agreement.

B. Minimum Scope of Insurance.

Coverage shall be at least as broad as:

1. Insurance Services Office Form Number CG 00 01 covering Commercial General Liability on an occurrence basis, including products and completed operations, property damage, bodily injury, and personal and advertising injury; and
2. Insurance Services Office Form Number CA 00 01 covering Code 1, (any auto), or Code 8 (hired) and Code 9 (non-owned) if consultant has no owned autos; and
3. Workers' Compensation insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance; and
4. Errors and Omissions Liability insurance appropriate to the Consultant's profession. Architects' and Engineers' coverage is to be endorsed to include contractual liability.

C. Minimum Limits of Insurance.

It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum Insurance coverage requirements and/or limits shall be available to the Additional Insured. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of and Insurance policy or proceeds available to the named Insured; whichever is greater.

Consultant shall maintain limits no less than:

1. General Liability: **\$2,000,000** per occurrence for (including products and completed operations, property damage, bodily injury, and personal and advertising injury) bodily injury, personal injury, and property damage. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: **\$1,000,000** per accident for bodily injury and property damage.
3. Employer's Liability: **\$1,000,000** per accident for bodily injury or disease.
4. Errors and Omissions Liability: **\$1,000,000** per occurrence or claim; \$2,000,000 aggregate.

D. Deductibles and Self-Insured Retentions.

Any deductibles or self-insured retentions must be declared to and approved by the City Risk Manager. At the option of City, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects to City, its officers, officials, directors, employees, contractors, agents, and volunteers, or (2) Consultant shall provide a financial guarantee satisfactory to City guaranteeing payment of losses and related investigations, claim administration, and defense expenses in an amount specified by the City Risk Manager or designee.

E. Claims Made Policies.

For all "claims made" coverage, in the event that Consultant changes insurance carriers Consultant shall purchase "tail" coverage or otherwise provide for continuous coverage covering the Term of this Agreement and not less than five (5) years thereafter. Proof of such "tail" or other continuous coverage shall be required at any time that the Consultant changes to a new carrier.

F. Wasting Policies.

No policy required by this paragraph 14 shall include a “wasting” policy limit (i.e. limit that is eroded by the cost of defense).

G. Remedies.

In addition to any other remedies City may have if Consultant fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, City may, at its sole option exercise any of the following remedies, which are alternatives to other remedies City may have and are not the exclusive remedy for Consultant’s breach:

1. Obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under the Agreement;
2. Order Consultant to stop work under this Agreement or withhold any payment that becomes due to Consultant hereunder, or both stop work and withhold any payment, until Consultant demonstrates compliance with the requirements hereof; and/or
3. Terminate this Agreement.

H. Acceptability of Insurers.

Insurance is to be placed with insurers with a current A.M. Best’s rating of no less than A:VII, unless otherwise acceptable to the City Risk Manager. All insurance companies providing coverage to Consultant shall be insurance organizations authorized by the Insurance Commissioner of the State of California to transact the business of insurance in the State of California.

I. Other Insurance Provisions.

The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. Additional Insureds. City, its officers, officials, directors, employees and volunteers (“Additional Insureds”) are to be covered as insureds with respect to liability arising out of work or operations performed by or on behalf of Consultant; including materials, parts or equipment furnished in connection with such work or operations.
2. Primary Coverage. For any claims related to Services, Consultant’s insurance coverage shall be primary insurance as respects City, its officers, officials, directors, employees, and volunteers. Any insurance or self-insurance maintained by City, its officers, officials, directors, employees, or volunteers shall be excess of Consultant’s insurance and shall not be contribute with it. Consultant’s policy will not seek contribution from the City’s insurance or self-insurance.

3. Notice of Cancellation. Each insurance policy required above shall provide that coverage shall not be canceled during the term of this Agreement without notice to City.

4. Civil Code § 2782. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the California Civil Code.

5. Deductibles and Self-Insured Retentions (SIR). All deductibles and self-insured retentions must be disclosed to the City Risk Manager for approval and shall not reduce the limits of liability. Policies containing any SIR provision shall provide or be endorsed to provide that the SIR may be satisfied by either the named Insured or the City.

6. Subconsultants. Consultant shall include all subconsultants as insureds under its policies or shall require and verify separate certificates and endorsements have been obtained for each subconsultant. All coverages for subconsultants shall be subject to all of the requirements stated herein.

7. Waiver of Subrogation. With respect to Workers' Compensation and Employer's Liability Coverage, the insurer shall agree to waive all rights of subrogation against City, its officers, officials, directors, employees, and volunteers for losses arising from work performed by Consultant for City.

8. Coverage is Material Element. Maintenance of proper insurance coverage in conformity with the provision of this paragraph 14 is a material element of this Agreement and failure to maintain or renew coverage or to provide evidence of coverage or renewal may be treated by City as a material breach of this Agreement.

9. Variation. The City Risk Manager may approve a variation in these insurance requirements upon a determination that the coverage, scope, limits, and form of such insurance are either not commercially available or that City's interests are otherwise fully protected. Any variation granted shall be done in writing and shall be made a part of this Agreement as Appendix "A".

15. REPORTING DAMAGES. If any damage (including but not limited to death, personal injury or property damage) occurs in connection with the performance of this Agreement, Consultant shall immediately notify the City Risk Manager's office by telephone at 510-578-4428, and Consultant shall promptly submit to the City's Risk Manager and the City's Administrator (see paragraph 19, herein below) a written report (in a form acceptable to City) with the following information: (a) name(s) and address(es) of the injured or deceased person(s), (b) name(s) and address(es) of witnesses, (c) name(s) and address(es) of Consultant's insurance company(ies), and (d) a detailed description of the damage(s) and whether any City property was involved.

16. INDEMNIFICATION/SAVE HARMLESS. To the fullest extent permitted by law, the Consultant shall: (1) immediately defend, and (2) indemnify City, its, officers, officials, directors, employees, and volunteers from and against all liabilities regardless of nature or type arising out of or resulting from Consultant's performance of Services, or any negligent or wrongful

act or omission of Consultant or Consultant's officers, employees, agents, or subconsultants. Liabilities subject to the duties to defend and indemnify include, without limitation all claims, losses, damages, penalties, fines, and judgments; associated investigation and administrative expenses; defense costs, including but not limited to reasonable attorneys' fees; court costs; and costs of alternative dispute resolution. Consultant's obligation to indemnify applies unless it is adjudicated that its liability was caused by the sole active negligence or sole willful misconduct of an indemnified party. If it is finally adjudicated that liability is caused by the comparative active negligence or willful misconduct of an indemnified party, Consultant's indemnification obligation shall be reduced in proportion to the established comparative liability of the indemnified party.

In the event that Consultant or any employee, agent, or subconsultant of Consultant providing services under this Agreement is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

The duty to defend is a separate and distinct obligation from Consultant's duty to indemnify. Consultant shall be obligated to defend, in all legal, equitable, administrative, or special proceedings, with counsel approved by City immediately upon tender to Consultant of the claim in any form or at any stage of an action or proceeding, whether or not liability is established. An allegation or determination of comparative active negligence or willful misconduct by an indemnified party does not relieve the Consultant from its separate and distinct obligation to defend City. The obligation to defend extends through final judgment, including exhaustion of any appeals. The defense obligation includes an obligation to provide independent defense counsel if Consultant asserts that liability is caused in whole or in part by the negligence or willful misconduct of the indemnified party. If it is finally adjudicated that liability was caused by the sole active negligence or sole willful misconduct of an indemnified party, Consultant may submit a claim to City for reimbursement of reasonable attorneys' fees and defense costs.

The review, acceptance or approval of Consultant's work or work product by any indemnified party shall not affect, relieve or reduce Consultant's indemnification or defense obligations. This paragraph survives completion of Services or the termination of this contract. The provisions of this paragraph are not limited by and do not affect the provisions of this contract relating to insurance.

Consultant/Subconsultant's responsibility for such defense and indemnity obligations shall survive the termination or completion of this Agreement for the full period of time allowed by law. The defense and indemnification obligations of this Agreement are undertaken in addition to, and shall not in any way be limited by, the insurance obligations contained in this Agreement.

17. LICENSES, PERMITS, ETC. Consultant represents and warrants to City that it has all licenses, permits, qualifications, and approvals of whatsoever nature that are legally required for Consultant to practice its profession. Consultant represents and warrants to City that Consultant shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals which are legally required for Consultant to

practice its profession. In addition to the foregoing, Consultant shall obtain and maintain during the term hereof a valid City of Newark Business License.

18. TERM/TERMINATION.

A. The term of this Agreement shall commence upon the date first hereinabove written and shall expire upon completion of performance of Services hereunder by Consultant.

B. Notwithstanding the provisions of paragraph 18 Section A above, City may terminate this Agreement at any time and without cause upon written notification to Consultant. Consultant may cancel this Agreement upon thirty (30) days' written notice to City and shall include in such notice the reasons for cancellation. In the event of such termination, City shall compensate Consultant for Services rendered and reimburse Consultant for costs and expenses incurred, to the date of termination, calculated in accordance with the provisions of paragraph 3. In ascertaining the Services actually rendered to the date of termination, consideration shall be given both to completed work and work in process of completion. Nothing herein contained shall be deemed a limitation upon the right of City to terminate this Agreement for cause, or otherwise to exercise such rights or pursue such remedies as may accrue to City hereunder.

19. CONTRACT ADMINISTRATION. This Agreement shall be administered by _____ of the City of Newark ("Administrator"). All correspondence shall be directed to or through the Administrator or his/her designee.

20. NOTICES. Written notices required or convenient hereunder shall be delivered personally or by depositing the same with the United States Postal Service, first class (or equivalent) postage prepaid and addressed, in the case of Consultant, to:

MUNISERVICES, LLC.

CITY OF NEWARK

THOMAS ADAMS

KRYSTEN LEE

Consultant

Administrator

Address: 7625 N Palm Ave.
Attn: Contracts Dept.
Fresno, CA 93711

City of Newark
Attn: Krysten Lee
37101 Newark Boulevard
Newark, CA 94560

21. PARAGRAPH HEADINGS. Paragraph headings used herein are for convenience only and shall not be deemed to be a part of such paragraphs and shall not be construed to change the meaning thereof.

22. EXHIBITS. All exhibits referred to herein are attached hereto and are by this reference incorporated herein.

23. SEVERABILITY. If any term of this Agreement (including any phrase, provision, covenant, or condition) is held by a court of competent jurisdiction to be invalid or unenforceable,

the Agreement shall be construed as not containing that term, and the remainder of this Agreement shall remain in full force and effect; provided, however, this paragraph shall not be applied to the extent that it would result in a frustration of the Parties' intent under this Agreement.

24. GOVERNING LAW, JURISDICTION, AND VENUE. The interpretation, validity, and enforcement of this Agreement shall be governed by and interpreted in accordance with the laws of the State of California. Any suit, claim, or legal proceeding of any kind related to this Agreement shall be filed and heard in a court of competent jurisdiction in the County of Alameda.

25. ATTORNEY'S FEES. In the event any legal action is commenced to enforce this Agreement, the prevailing party is entitled to reasonable attorney's fees, costs, and expenses incurred.

26. ASSIGNABILITY. Neither Consultant nor City shall subconsult, assign, sell, mortgage, hypothecate, or otherwise transfer their respective interests or obligations in this Agreement without the express prior written consent of the non-transferring party.

27. MODIFICATIONS. This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by both Parties.

28. WAIVERS. Waiver of breach or default under this Agreement shall not constitute a continuing waiver of a subsequent breach of the same or any other provision of this Agreement.

29. ENTIRE AGREEMENT. This Agreement, including all documents incorporated herein by reference, comprises the entire integrated understanding between the Parties concerning the Services. This Agreement supersedes all prior negotiations, agreements, and understandings regarding this matter, whether written or oral. The documents incorporated by reference into this Agreement are complementary; what is called for in one is binding as if called for in all.

30. SIGNATURES. The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Agreement on behalf of the respective legal entities of Consultant and City. This Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns.

31. COVENANT AGAINST CONTINGENT FEES. Consultant hereby warrants that Consultant has not employed or retained any company or person, other than a *bona fide* employee working for Consultant, to solicit or secure this Agreement, and Consultant has not paid or agreed to pay any company or person, other than a *bona fide* employee, any fee, commission, percentage, brokerage fee, gift, or any other consideration contingent upon or resulting from the award or formation of this Agreement. For breach or violation of this warranty, City shall have the right to annul this Agreement without liability or, at City's discretion, to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift or contingent fee.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement the day and year first hereinabove written.

CITY OF NEWARK,

MUNISERVICES, LLC

a municipal corporation

dba Avenu MuniServices, LLC.

By _____
City of Newark

By _____
Consultant

Date _____

Date _____

MIKE MELKA, CFO.
Printed Name

Attest:

City Clerk

Date _____

Approved as to form:

City Attorney

Date _____

MUNISERVICES

/ AN AVENU INSIGHTS & ANALYTICS COMPANY /

City of Newark

EXHIBIT A SCOPE OF WORK

Audit and Consulting for:

Utility User Tax



January 20, 2020

Submitted By:
Avenu Insights & Analytics/MuniServices
1264 Hawkes Flight Court #270
El Dorado Hills, CA 95762

Scope of Work

Utility Users Tax Audit and Consulting

Avenu/MuniServices conducts audits to verify the proper fees are collected from electric, natural gas, cable and waste hauler companies. We began offering franchise fee and utility tax audit services in 1990, and we currently provide these services to over 70 local government clients, which represents more than 70 percent of UUT revenues in California. To date, this service has recovered more than \$300 million in additional franchise fee revenue for cities as well as increased future revenue due to improved compliance. Avenu/MuniServices' Utility Users Tax (UUT) service monitors gas, electricity and telecommunications, (wired, wireless and Prepaid Wireless) utilities.

We have performed hundreds of franchise fee audits for cities large and small in states including California, Delaware, Georgia, Indiana, Louisiana, Nevada, Oklahoma, Oregon, Pennsylvania, Texas and Washington. As part of these audits, Avenu/MuniServices has reviewed records of numerous utilities ranging from national companies such as Comcast and Waste Management to regional providers like Atlanta Gas and Light and Southern California Edison.

We accomplish this through our team of analysts, auditors, attorneys, and project managers who analyze, manage, and protect UUT revenues. Our discovery methods and enforcement tools assure that utilities comply with tax regulations and remit the correct amounts, whether they are for natural gas, electricity, or telecommunications and video utilities. We further protect future revenue by remaining current on pending legislation, new technologies and recommending ordinance changes. Any statutory requirement for third-party review of UUT payments is met through Avenu/MuniServices.

UUT Program Objectives and Scope

The UUT Compliance Program's services will protect the City's existing UUT revenues from erosion due to new legislation, new technologies, outdated ordinance language and inaccurate information, focusing on these areas:

- ▶ Compliance
- ▶ Administrative
- ▶ Legislative Review and Implementation Strategy
- ▶ Ordinance Review, Administrative Rulings, and Tax Inquiries

Compliance Activities

Avenu/MuniServices will provide the following Compliance Activities:

1. **UUT Tax Application Review.** Avenu/MuniServices will conduct a "focused" compliance review of the major service providers on behalf of one or more cities to assure that the provider's "tax application" matrix reflecting all of the provider's current products and service, is being taxed properly, for the benefit of City and other client cities.
2. **UUT Payment Review.** Identification of possible gaps in payments, irregularities, calculation mistakes (e.g., wrong tax rate), and other payment errors to the City, provided that the City provides Avenu/MuniServices with regular UUT payment history. MuniServices will assist the City with the appropriate compliance correspondence and enforcement actions.

- 3. Comparative Analysis of UUT Payments.** Avenu/MuniServices will periodically perform a comparative analysis of a service provider's UUT payments to the City with other neighboring or comparable client cities, after adjusting for rate, population, and median household income. Avenu/MuniServices will also perform a comparative analysis of the franchise and UUT payments for gas and electricity.
- 4. Detection.**
 - a. Avenu/MuniServices will annually update its proprietary database of "new telecom service providers" and send out a PUC 799 notice letter to such new providers on City's behalf. The current list exceeds 1,500 providers.
 - b. Avenu/MuniServices will annually update its proprietary database of new "video service providers" and send out a notice letter to such new providers on City's behalf.
 - c. Avenu/MuniServices will annually review the SB 278 lists of the major gas and electric companies to identify new non-core gas and direct access electric customers, as well as new third-party providers, and take appropriate steps to assure that the UUT is being applied to "commodity" purchases.
- 5. Exemption Review.** Avenu/MuniServices will periodically review the exemption lists of the major service providers regarding non-residential customers.
- 6. Optional City Specific Compliance Reviews.** At City's option, Avenu/MuniServices will offer "City-Specific" reviews on a performance fee or other negotiated basis, if the above activities or other factors (e.g., non-response by utility provider) would suggest that there is a reasonable need to do so.

Administrative Activities

- 1. UUT Payment History.** Avenu/MuniServices will provide the City, on a monthly or otherwise mutually agreed upon basis, with a spreadsheet reflecting the City's UUT payments by provider and utility category (based on remittance data provided by City to Avenu/MuniServices).
- 2. Prepaid Wireless (AB1717) Monitoring and Analysis.** For direct sellers, Avenu/MuniServices will monitor the monthly prepaid wireless payments and perform a comparative analysis with similar cities to determine accuracy and identify any potential discrepancies. For major direct sellers, Avenu/MuniServices will perform a tax application review under Item 1 above. We will identify online prepaid wireless sellers and send an annual notice letter to ensure compliance with AB1717. Avenu/MuniServices will engage and follow-up with the California Department of Tax & Fee Administration (CDTFA) on any issues, problems and discrepancies affecting your City's prepaid wireless revenue collections by retail sellers, including online sellers, to the extent that MuniServices has access to CDTFA documents through a City resolution authorizing Avenu/MuniServices to have such access.
- 3. UUT Website.** Prepare and maintain an accurate copy of the City's UUT ordinance and its administrative rules and interpretations on the uutinfo.org website, including a link to the City's web page (if desired). Model forms for exemptions and remittances, administrative rulings, and other tax compliance documents will be maintained on the www.uutinfo.org website.
- 4. Revenue Forecasts and Management Reports.** Avenu/MuniServices will provide an annual report that outlines the year's activities in review, revenue forecasts, year-over-year (YOY)

comparison charts and revenue generated from compliance activities. This report contains an analysis of UUT revenues, and a five-year revenue forecast on each of the utility business segments (electric, gas, CATV, wired telecom, wireless telecom, etc.).

- 5. Tax Application and Geocode Inquiries.** Avenu/MuniServices will provide technical assistance to City staff and provide timely analysis and draft responses to tax application inquiries from utility companies and will assist in responding to citizens regarding their utility bills and the computation of the UUT. Avenu/MuniServices will assist City and the utility service providers in correcting geocoding errors in response to taxpayer complaints.

Revenue Protection and Enhancement Activities

Avenu/MuniServices provides the following Revenue Protection and Enhancement Activities:

- 1. Legislative Review Services.** Avenu/MuniServices will monitor proposed state and federal legislation to identify issues affecting the City's UUT or utility franchise revenues and, make recommendations to client cities, their lobbyists, and other potential stakeholders or municipal advocates and otherwise assist in developing effective consensus positions and coordinated advocacy.
- 2. Technology and Marketing Analysis.** Avenu/MuniServices will identify, monitor and anticipate changes in technology, services, or marketing of services, which may have an impact on future UUT revenues.

UUT Ordinance Advisory Services

Avenu/MuniServices will provide the following advisory services related to your City's UUT Ordinance:

- ▶ Analysis and recommendation (including drafting amendment language) on proposed state and federal legislation.
- ▶ Assistance with tax application issues, including taxation of new technologies or services; including preparation of Administrative Rulings.
- ▶ Assistance on issues involving "bundling rule" and tax allocation/apportionment.
- ▶ Assistance on nexus issues (re: tax application and collection).
- ▶ Review of city's tax info/forms on uutinfo.org.
- ▶ Assistance on Voluntary Disclosure Agreements (offers to compromise owed taxes).
- ▶ On request, review of exemption status of individual utility user.

UUT Legislative and Regulatory Review Services

Avenu/MuniServices monitors proposed state and federal legislation to identify issues affecting the City's UUT or utility franchise revenues, and, if justified, make recommendations to the City and its lobbyists. Avenu/MuniServices uses its own in-house counsel on matters requiring legislative and legal analysis. Our Government Relations team works in collaboration with counsel and other stakeholders including representatives from the League of California Cities, the California Society of Municipal Finance Officers, the California Municipal Revenue Tax Association, Special Districts Association, City advocates, utility providers, the Public Utilities Commission, CDTFA, BOE, and others.

Our team will work with the City for the further protection of revenues including advocacy efforts on state and federal bills affecting taxation of broadband telecommunication networks; taxation of wireless services; and taxation of on-line sales and certain digital goods. Our Government Relations team manages its communication with clients through a strong public relations program and provides crisis

assistance on policy matters. We also maintain a website and posts published works on policy issues including an industry respected publication, "Policy Update."

Franchise Fees Audit and Consulting (As Requested - Optional)

Avenu/MuniServices' Franchise Fee reviews are designed to verify that our clients have received the appropriate franchise revenues due for any eligible audit periods. We review available documents and reports concerning franchise fee computation, review franchise agreements or governing ordinances/regulations relating to the jurisdiction's franchise fees and analyze the customer base to verify that customers are correctly coded to the proper jurisdiction, that the utilities are properly interpreting and applying the levies to their revenues, and that the utility providers' reporting strategies are appropriate for the intended purpose, scope and application of the governments' tax and fee levies.

Avenu/MuniServices provides:

- ▶ A team of qualified and experienced tax attorneys, CPA's, tax examiners, and audit specialists devoted specifically to auditing utility taxpayers for local utility tax and franchise fee compliance.
- ▶ Experience in auditing utilities of all types spanning jurisdictions of all sizes throughout the country.
- ▶ An exclusive focus on our local government client base, with no potential for conflict of interest.
- ▶ The resources necessary to initiate the project immediately upon award and schedule multiple concurrent audits as necessary.

Timeline. We anticipate each Franchise Fee audit will take approximately 125+ hours to complete and our project schedule is outlined below. Upon mutual agreement, Avenu/MuniServices will begin scheduling specific compliance reviews within 30 days of the execution of a contract with the City. Although we can assure the City of sufficient auditing resources to initiate these reviews without delay on our part, the actual start date and time to completion for any given engagement will be largely dependent upon the timely cooperation of the franchise provider under review, as well as the complexity of the actual review, and the time required to resolve any post-audit issues that the franchise provider may raise regarding the results reported.

Because our experience has been that audit engagements proceed at an uneven pace, such that records are not always available from the franchisees at the time we are ready to examine them, we recommend to the City a timetable in which we would contact all franchisees selected for review as soon as possible after contract execution, to advise them that we are authorized to review their records on behalf of the City and request appropriate documentation. Reviews of individual franchisees can then proceed concurrently, as quickly as the franchisees are willing and able to provide the documentation necessary for our examiners to begin their review.

Month 1	30 Days from Contract Execution: Authorization & notification letter to franchisees. 1st Request for Information submitted & request for first fieldwork date set.
Month 2-3	Fieldwork begins pending franchisees has been able to gather all necessary substantiating documentation timely. Testing & analysis being done.
Month 3-4	Initial adjustments, areas of concern or issues are reviewed with franchisees and/or City staff. Additional documentation requested or provided.

Month 4-5	Finalization of findings, reports written, and work papers compiled. Findings reviewed with City staff and exit conference scheduled with franchisees.
Month 5-6	Final report presented to City and franchisees. Payment received by City of any additional monies owed, if applicable.

Process & Deliverables. Avenu/MuniServices starts with a review of customer statements where we look for completeness, accuracy, and that all monies collected are submitted to the city. Steps we take include:

- ▶ Compare the franchisee’s payments, exclusions, and other computations related to the franchise agreement, or relevant state law.
- ▶ Compare the actual payments made to the city for timeliness and accuracy
- ▶ Review findings with providers and obtain the franchisee’s position on the findings
- ▶ Report and present the results, potential monies due, and any penalties and interest
- ▶ Identify residents and businesses that are not paying the appropriate level of taxes or fees, potential additional monies due based upon erroneous interpretations of governing regulations, and any applicable penalties and interest
- ▶ Provide supporting documents to assist the city to collect underpaid franchise fees

City Assistance. Avenu/MuniServices will require letters of authorization from the city clearly establishing our authority to conduct examinations on the city’s behalf. We also require copies of franchise agreements, any amendments or subsequent agreements relating to franchise fee collection, any prior reports prepared by the internal or external auditors concerning how fees are calculated, and a five-year history of franchise payments made by the franchisee.

Additional Reviews as Needed (Optional). While performing franchise fee or utility user tax reviews, Avenu/MuniServices may discover discrepancies or other evidence of non-compliance by a specific utility or franchisee. In such as case we may request permission to conduct a city-specific compliance review of a service provider. The City and Avenu/MuniServices would agree to the parameters of these audits beforehand.

Required Documentation from the City

To conduct any UUT/Franchise Fee City Specific Reviews, Avenu/MuniServices would require the same amount of City support as provided in the past, including items such as copies of payment information, annual copy of SB 278 data, etc.

MUNISERVICES

/ AN AVENU INSIGHTS & ANALYTICS COMPANY /

City of Newark

EXHIBIT B PAYMENT

Audit and Consulting for: Utility User Tax



Submitted By:
Avenu Insights & Analytics/MuniServices
1264 Hawkes Flight Court #270
El Dorado Hills, CA 95762

Compensation

Utility User Tax Audit Services Pricing

Fixed Fee

The fixed fee acknowledges and compensates Avenu/MuniServices for the costs associated with legal review, policy/legislative advocacy, and technical expertise. The Fixed fee will be in the amount of \$40,000 per year, payable at \$10,000 per quarter, commencing upon execution of the contract. Beginning January 1, 2021, the fixed fee will be adjusted by the percentage change in the Consumer Price Index – West Urban (CPI-WU) as reported by the Bureau of Labor Statistics, but not to exceed an increase of 3.00%. The CPI-WU used for the adjustment for the next fiscal year will be the CPI-WU for June of the previous fiscal year.

Contingency Fee on Additional Revenues Discovered

The contingency fee compensates Avenu/MuniServices for new revenue generated through our UUT compliance and discovery activities. A 30% Contingency Fee will be applied for additional UUT revenues generated as a result of Avenu/MuniServices' compliance and discovery activities through the UUT Program. These include discoveries from the annual telecom compliance letters MuniServices' sends out to all telecom providers and the annual SB 278 review MuniServices conducts for non-core gas and electric suppliers. The 30% Contingency Fee applies to any additional revenue received by the City for eighteen (18) months following the discovery. In addition, the 30% Contingency Fee applies to all retroactive recovery (past periods), including penalties and interest.

As Requested / Optional Services

Franchise Fees Audit Services Pricing

Avenu/MuniServices frequently provides Franchise Fee audit services concurrent with Utility Users Tax audit services. Avenu/MuniServices will provide the Franchise Fee Compliance services on a combined fixed-fee and contingency fee basis. The contingency fee is based on additional revenue paid to the City as a direct result of the Franchise Fee Compliance Services audit. The contingency fee will apply to the current tax year, all eligible prior period revenues, and include any applicable penalties, interest, late charges and any other associated fees. The following is the fee structure:

- i. A fixed fee in the amount of \$7,500 per audit, plus a contingency fee.
- ii. A contingency fee of 30% on all current tax year, all eligible prior period revenues, and any applicable penalties, interest, late charges and any other associated fees due and collected from the audit. The contingency fee will be reduced to 25% if the City contracts for multiple audits.

These fees do not include any out-of-pocket expenses or travel-related expenses, which will be billed at actual rates incurred, not to exceed \$2,500 without pre-approval from the City. (Note that these audits rarely, if ever, require travel). The fixed fee is subtracted from the findings prior to calculating the contingency fee due and can be reduced if the City contracts to audit more than one provider per utility type if applicable. Contingent fees will be invoiced upon issuance of the final report(s) to the City. If Avenu/MuniServices is being compensated in whole or in part based upon a contingency of the amount

collected from the service provider, and the City elects to enter into a settlement with the service provider, or to collect less than the amount of franchise fees, penalties, and interest determined legally collectible from the service provider pursuant to the audit, or if they elect not to retroactively pursue past due amounts and only to implement changes prospectively, Avenu/MuniServices contingency fees for the audit will remain due based upon the principal amount determined legally collectible from the Utility or cable provider, including any penalties and interest thereon.

Additional Consulting Services

Our proposed services and associated costs will cover the entire scope of work requested by the City and we do not anticipate any ‘out-of-scope’ work required. However, should the City desire additional services outside of the agreed upon scope of work and both parties agree on the scope of the additional consulting services, then Avenu/MuniServices shall provide the additional consulting services on a Time and Materials basis at hourly rates based on the job classification (rates are subject to change):

Avenu/MuniServices Hourly Rate Schedule	
Position	Hourly Rate
Principal	\$200
Project Manager/Director	\$175
Client Success Manager	\$150
Senior Analyst	\$125
Information Technology	\$175
Analyst	\$100
Administrative	\$75

MUNISERVICES

/ AN AVENU INSIGHTS & ANALYTICS COMPANY /

City of Newark

EXHIBIT C QUALIFICATIONS

**Audit and Consulting for:
Utility User Tax**



January 29, 2020

Submitted By:
Avenu Insights & Analytics/MuniServices
1264 Hawkes Flight Court #270
El Dorado Hills, CA 95762

QUALIFICATIONS

Since our founding over four decades ago, Avenu/MuniServices has successfully supported thousands of towns, cities and counties with our full suite of compliance auditing and revenue enhancement services. We are public sector experts and we understand the challenges faced by cities like Newark. We support numerous cities surrounding in the San Francisco Bay Area with these same services. Our refined methodologies and processes are a direct result of the nearly 30 years we have been providing auditing services.

In 2018, Avenu/MuniServices generated over \$1.3 billion in new general fund tax revenue for its local government clients. We earned our reputation as the premiere revenue enhancement partner to the public sector through our comprehensive audit services, proprietary data analytics, accurate forecasting, cost-effective administration services, and our commitment to our clients. In addition to our audit and administration services, Avenu/MuniServices has been recognized by our customers for our accuracy in our forecasting services, which enable local governments to make informed business decisions and create sound public policy. Our proven success stems from our highly experienced nationwide team of certified examiners and accountants who use their region-specific expertise. These experts have decades of experience researching and interpreting local ordinances, regulations, statues, and laws.

“In 2018, Avenu/MuniServices generated over \$1.3 billion in new general fund tax revenue for its local government clients”

Figure 1 - Avenu/MuniServices offers consistent and quantifiable results

Avenu/MuniServices is the only firm in California and throughout the United States, offering proprietary revenue enhancement audit services encompassing all general sources of municipal tax revenue including Business License Administration, Discovery, Audit and Collections; Sales and Transactions and Use Tax Audit and Reporting Services; Transient Occupancy Tax Audit and Compliance; Franchise Fee Compliance Audits; Property Tax Audit; Utility Users Taxes and Cannabis Audit and Consulting Services.


 <p>EXPERIENCED PROFESSIONALS</p> <p>Our experienced professional staff consisting of Certified Revenue Examiners and Certified Public Accountants complete annual training directly related to government compliance auditing as statutorily mandated</p>	 <p>ON-SITE EXAMINATIONS</p> <p>Avenu works with your team to provide on-site taxpayer examinations by searching for financial or management inaccuracies, inadvertent irregularities, or potential fraudulent reporting practices.</p>	 <p>ON-GOING EDUCATION</p> <p>Avenu helps ensure future compliance by providing best practices and education to taxpayers on current shortfalls, existing mandates, and any changes in legislation.</p>
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Figure 2 - Avenu/MuniServices offers proven methodologies

Why Choose Avenu/MuniServices?

- ▶ **Focus:** Avenu/MuniServices only provides services to local government agencies. Our exclusive focus allows us to avoid real and/or perceived conflicts of interest with taxpayers and other business groups. Our approach qualifies us to review confidential taxpayer information and other restricted data that could be out of reach for specialty consulting and public accounting firms who could be barred access due to various conflicts of interest.
- ▶ **Discovery:** Avenu/MuniServices identifies non-compliant entities and assists in bringing these entities into compliance. If a full- service program is not necessary, we can design a program to assist in identifying non-compliant entities using an existing recovery program.
- ▶ **Local Tax Compliance Auditing:** Professional auditors provide clients with audit assistance to verify the accuracy of the amount received from a taxpayer or collector. Avenu/MuniServices works on behalf of its clients to provide a wide variety of revenue audits such as Sales/Use Tax, Business/Occupational License Tax, Transient Occupancy Tax, Sugary Beverage & Alcohol Tax, Solid Waste and Recycling Fees, Unclaimed Property Audit & Recovery, Utility Users Tax and Utility Franchise Fees.
- ▶ **National Taxpayer Auditing:** Avenu/MuniServices has developed a variety of new and innovative national audit programs for the public sector. We study, evaluate and make recommendations for our clients based on our existing national taxpayer auditing program. The experience we have gained through this program results in improved identification of non-compliant businesses and reduces the associated city-specific audit costs.
- ▶ **Misallocation Reviews:** Avenu/MuniServices reviews and verifies its clients' allocation of tax revenues made by the agency responsible for the collection and distribution of the tax.
- ▶ **Delinquent Collections:** Our proven and innovative collection methods capitalize on the tax expertise of our staff to decrease debt pools while upholding the "taxpayer courtesy standards" maintained by municipal government.
- ▶ **Tax Administration:** Avenu/MuniServices targets critical business processes such as data entry and processing, billing services, application and claims processing, compliance and taxpayer support services. We process over \$744 million in business tax revenues annually, over \$2.4 billion in complex tax transactions, and over 405,000 unique tax returns. Avenu/MuniServices offers the convenience of on-line filing and payment options for taxpayers and on-line reporting for the jurisdiction.
- ▶ **Revenue Information Services:** Avenu/MuniServices provides revenue information in a way that gives our clients a better understanding of their revenue base. Avenu/MuniServices provides real-time data and analytics products for our clients to track revenues as well as historical trend data and the ability to forecast future revenues.

Staffing

Avenu/MuniServices offers the City of Newark a highly skilled and dedicated team of experts ready to continue their support of the City. As we have demonstrated in our long-standing partnership, we are committed to Newark's success and our Executive, Senior Management, and Advisory teams are easily accessed and are deeply involved in day-to-day operations.

Most of our senior staff each have over twenty years of experience in local government finance, tax audit, and tax administration, providing a level of expertise unmatched in the industry. We will not use any sub-consultants for this project, so we are directly accountable for all aspects of operations and revenue enhancement.

We have a Government Relations team and in-house lobbyist in Sacramento that monitors legislative and regulatory activity to ensure our clients are informed on legislative updates. Our team of former municipal executives, sales tax and data & analytics experts, along with our national footprint, provides us with a unique opportunity to continuously develop new and innovative ways to uncover businesses that are incorrectly reporting taxes. To demonstrate our expertise, Avenu/MuniServices received industry-wide recognition by being listed on the GovTech100 for our role supporting our local government clients.



Figure 3 - Avenu/MuniServices was listed on the 2019 GovTech100 for our support of local governments

Executive and Management Team

Paul Colangelo, Chief Executive Officer. Paul has nearly 20 years of executive leadership and a track record as a trusted advisor at the state and local levels. Paul not only leads the operations, strategy, and growth of Avenu/MuniServices, he is directly involved in the day-to-day operations of our Sales and Use Tax teams. Paul previously served as President and COO at Library Systems & Services, as well as President of Appriss — where his strategic vision led to the portfolio revenue growth and diversification. Before Appriss, Paul was Vice President of Convergys Global Business Unit, managing client services programs in government, automotive, and transportation markets. Paul earned his bachelor's degree from Seton Hall University and his MBA from Strayer University. And as part of his ongoing commitment to serving state and local communities nationwide, he serves an active member on the National Center for Missing & Exploited Children Law Enforcement Advisory Board, Blessings in a Backpack National Board, and the Netwisedata & Spokeo Advisory Board.

Jonathan Gerth, Esq., Vice President Audit. Jonathan manages our Audit Division and will have overall responsibility for implementation and successful completion of the auditing services for this contract. Jonathan has extensive professional experience in legal, business and accounting environments, including advanced federal, state and local governmental functions and tax compliance. He began his career as a tax attorney and appeals officer for the Internal Revenue Service's Division of Chief Counsel and Compliance in Dallas, Texas. Jonathan has held a wide variety of legal roles in our audit department consisting of legal tax support and strategic analysis on compliance audits, tax controversy and advocacy, regulatory compliance initiatives, reforms in audit, assessment and collection practices, and intensive litigation support.

Thomas Adams, Client Success Manager. Tom has over 20 years of experience in municipal government including work for the City of San Jose, the City and County of San Francisco, and the City of San Rafael. Most recently, Tom worked on redevelopment and economic development projects for over twelve years. Tom has extensive experience working on sales tax and revenue analysis, municipal operating and capital budgets, and strategic planning. Tom is a member of California Society of Municipal Finance Officers (CSMFO), the Government Finance Officers Association (GFOA), and the International Council of Shopping Centers (ICSC).

Audit Team

John Thrasher III, CPA AVP Audit Operations. John is responsible for the day to day direction, implementation, and development of the Audit Division for Avenu/MuniServices. John has more than 20 years of professional accounting, tax and consulting experience. Prior to joining Avenu/MuniServices, John was founder and managing member of a full-service accounting and consulting firm that focused on growing small to mid-sized privately held businesses. John began his career in public accounting, serving as a Manager in the assurance practice of Ernst and Young, and later as Senior Manager in the assurance practice of PricewaterhouseCoopers. John is a licensed Certified Public Accountant (CPA) in the state of Alabama.

Chris Wills, CRE, Audit Manager. Chris oversees audit operations for all national Utility Tax clients. Chris has been with our Birmingham office since 2008 and has developed a specialty practice within the company working on Utility Tax engagements. The franchise and utility audits span industries such as telecommunications, cable, electricity, solid waste and natural gas. An auditing professional with extensive knowledge of sales tax, consumer's use tax, utility license taxes, franchise fees, testing methodology, and evaluation of company internal controls, Chris has built a wide array of resources and knowledge specific to each industry, which has been pivotal in developing audit issues for our clients. **Education:** Chris received his BS degree in Accounting from Jacksonville State University and is a Certified Revenue Examiner.

Tim Olson, Senior Auditor, is responsible for monitoring, detection and documentation of non-compliance errors/omissions resulting from MuniServices' utility users tax compliance reviews with the Telecommunications Industry. He interfaces with the telecomm service providers and individual end users to determine whether there is non-compliance with local utility user's tax ordinances. In addition to monitoring the Telecommunications Industry, Tim also conducts Transient Occupancy Tax audits. Tim has over twenty years of finance and audit related experience. **Education:** Tim has a B.A. in Business Administration from California State University, San Bernardino.

Gennaro DiMassa, Senior Auditor. Gennaro, a Certified Public Accountant, inactive, is responsible for Avenu/MuniServices' TOT Compliance program and is a senior auditor. He is responsible for the review and analysis of the Transient Occupancy Tax paid by hotels for compliance with City ordinances. He has ten years of audit experience with a major recovery audit firm and practiced seven years as a CPA with a major CPA firm in the Los Angeles area.

Tami Nguyen, Senior Auditor. Tami is responsible for the company's TOT Compliance program. She is also responsible for the review and analysis for Transient Occupancy Tax paid by hotels for compliance with City ordinances. She conducts on site audits and helps prepare management reports for our client contacts. Prior to joining Avenu/MuniServices, she worked for a major home builder as a Treasury Analyst.

Chantha Sor, Local Tax Compliance Auditor, Enrolled Agent. Chantha has expertise in Business License City code analysis and application. This is useful to determine Taxpayer audit candidates. Chantha also consults to analyze code to determine potential changes to maximize revenue generation for his assigned City projects. He has also developed custom interview questions and audit techniques for all business types. Chantha previously worked for the Internal Revenue Service in the Small Business Self-Employed Division as a Revenue Agent. As a Revenue Agent, he performed federal tax audits. His audits included Individual, Corporation, and Partnership tax returns. He has experience in contacting and communicating with Unenrolled Tax Preparers, Enrolled Agents, Certified Public Accountants, and Tax Attorneys. Special projects also included supervision of IRS Revenue Agents and testified in Tax Court as an expert witness. He is well versed on the Internal Revenue Code Sections. **Education:** Chantha graduated from California State University, Fresno and received a Bachelor of Science Degree in Business Administration with the option of Accounting

Government Relations/Legislative Advocacy Team

Francesco D. Mancia, MBA, VP Government Relations & Business Development. Fran is responsible for overseeing company Legislative, Regulatory, and Government Relations work at the state and federal level. Fran has a strong working knowledge of local government general fund tax laws and state and federal regulatory and legislative issues that impact local governments. He monitors, analyzes and leads company lobbying efforts related to legislation, state mandates, and regulatory changes and policies that affect client revenue streams. Fran currently serves as a member of the League of California Cities Revenue and Taxation Policy Committee. Fran was a Regent of the University of California in 2017-2018.

F.5 Approval of a Contractual Services Agreement with HdL Coren & Cone for Property Tax Audit and Information Services and to amend the 2018-2020 Biennial Budget and Capital Improvement Plan – Finance Director Lee. (RESOLUTION)

Background/Discussion – In December 2019, staff issued a Request for Proposals (RFP) for property tax audit and information services. The scope of the work is to review and audit records of the City’s property tax revenue source and to support the City in recovering and preventing tax delinquencies. Only two firms who specialize in revenue audits and revenue recovery for cities responded – Avenu/MuniServices, LLC, and HdL Coren & Cone (HdLCC).

Staff evaluated the proposals based on various criteria including but not limited to the applicability of the firm’s experience as it relates to the RFP’s scope of work and pricing. HdL Coren & Cone was found to be the firm with a more extensive client list and experience with Property Tax audits and services.

Founded in 1992, HdL Coren & Cone (HdLCC) developed the first computer software system in California for tracking property tax revenues for counties, cities, and special districts. The company was the first in the state to go beyond using parcel data for allocation audits by developing specialized reports and models to assist government agencies by using the data for parcel administration, focused economic development strategies, and revenue projections. The staff consists of 15 qualified analysts, auditors, and information systems technology professionals.

Services include generating a variety of reports detailing property and revenue trends for the entire City and custom-defined geographic areas. These reports can be used for budgeting purposes, planning, economic development, and public information. The firm has the technology and methodology to identify the misallocation of property taxes and has the ability to recover misallocated revenue due to the City.

The contract is for an amount not to exceed \$81,625 for a five-year term. A budget amendment is necessary to appropriate \$16,325 in fiscal year 2019-2020 to account number 010-1025-5271 for the first fiscal year of the analysis and compliance review services. Because this is a multi-year agreement, the remaining contract amount will be appropriated as part of the biennial budget process for a total expenditure of funds over the term of the contract not-to-exceed \$81,625.

Attachments – Resolution, Contractual Services Agreement with HdL Coren & Cone

Action - Staff recommends that the City Council, by resolution, authorize the City Manager to execute a professional agreement with HdL Coren & Cone for Property Tax Audits and Information Services and amending the 2018-2020 Biennial Budget and Capital Improvement Plan for Fiscal Year 2019-2020.

RESOLUTION NO.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEWARK AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACTUAL SERVICE AGREEMENT WITH HDL COREN & CONE FOR PROPERTY TAX AUDIT AND INFORMATION SERVICES AND AMENDING THE 2018-2020 BIENNIAL BUDGET AND CAPITAL IMPROVEMENT PLAN FOR FISCAL YEAR 2019-2020

WHEREAS, the City of Newark (“City”) wishes to maximize its revenue by securing payment of all taxes owed to the City and is in need of consulting and auditing services for Property Taxes; and

WHEREAS, the City issued a Request for Proposals (RFP) in accordance with the City’s Purchasing Rules and Regulations for the desired services and received a total of two responses; and

WHEREAS, HDL COREN & CONE was determined to provide the best value to the City for the desired services based on years of experiences in property tax compliances services, which includes discovery, audit and recovery services, as well as demonstrated success in recovering property tax for other local municipalities.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Newark, that all the foregoing recitals are true and correct and are hereby incorporated as though fully set forth herein.

BE IT FURTHER RESOLVED by the City Council of the City of Newark that the City Manager is hereby authorized to execute the contractual service agreement with HDL Coren and Cone, in a form approved by the City Attorney, for property tax compliance services

BE IT FURTHER RESOLVED that the City Council of the City of Newark does hereby amend the 2018-2020 Biennial Budget and Capital Improvement Plan for fiscal year 2019-2020 to appropriate \$16,325 to account number 010-1025-5271.

**CONTRACTUAL SERVICES AGREEMENT
CONSULTANTS**

This Service Agreement (hereinafter “Agreement”) is made and entered into this 13TH day of FEBRUARY, 2020 by and between the **CITY OF NEWARK**, a municipal corporation (“City”), and HDL COREN & CONE, a California Corporation (“Consultant”), collectively the “Parties”.

WITNESSETH:

WHEREAS, City requested proposals to perform the services generally including: Property tax management, audit, and information services.

WHEREAS, in response to City’s request, Consultant submitted a proposal and, after negotiations, Consultant agreed to perform the Services more particularly described in Exhibit “A” (“Services”), in return for the compensation described in this Agreement and Exhibit “B”.

WHEREAS, in reliance upon Consultant’s documentation of its qualifications, as set forth in Exhibit “C”, City finds that Consultant has demonstrated the requisite qualifications, experience, training, and expertise to perform the requested Services.

NOW, THEREFORE, the Parties hereto agree as follows:

1. CONSULTANT’S SERVICES. Consultant shall perform Services described, and in the time, place, and manner specified in Exhibit “A” in accordance with the terms and conditions of this Agreement. In the event of a conflict in or inconsistency between the terms of this Agreement and Exhibit “A”, the Agreement shall control.

2. TIME FOR PERFORMANCE. Time is of the essence in the performance of Services under this Agreement and Consultant shall generally adhere to the schedule set forth in Exhibit “A”; provided, that City shall grant reasonable extensions of time for the performance of such Services occasioned by governmental reviews of Consultant’s work product or other unavoidable delays occasioned by circumstances, provided, further, that such unavoidable delays shall not include strikes, lockouts, work stoppages, or other labor disturbances conducted by, or on behalf of, Consultant’s officers or employees. Any Services for which times for performance are not specified in this Agreement shall be commenced and completed by Consultant in a reasonably prompt and timely manner based upon the circumstances and direction communicated to Consultant.

Consultant acknowledges the importance to City of City’s performance schedule and agrees to put forth its best professional efforts to perform its Services under this Agreement in a manner consistent with that schedule. City understands, however, that Consultant’s performance must be governed by sound professional practices.

3. COMPENSATION.

A. **“Not to Exceed” Compensation.** City shall compensate Consultant for all Services performed by Consultant hereunder in an amount based upon Consultant’s hourly or other rates set forth in Exhibit “B”. The payments specified in Exhibit “B” shall be the only payments to be made to Consultant for Services rendered pursuant to this Agreement.

Notwithstanding the foregoing, the combined total of compensation and costs payable hereunder shall not exceed the sum of eighty-one thousand six hundred twenty-five and No/100 Dollars (\$81,625.00) plus contingency based services in Exhibit “B” for the performance of services and/or reimbursement of costs and expenses in excess of said amounts that have been approved in advance of performing such services or incurring such costs and expenses by City, evidenced in writing authorizing such additional amount.

B. **Method of Billing.** To request payment, Consultant shall submit quarterly invoices to City identifying Services performed and the charges therefore (including an identification of personnel who performed Services, hours worked, hourly rates, and reimbursable expenses), based upon Consultant’s billing rates (set forth on Exhibit “B” hereto).

Consultant shall submit all billings for said Services to City in the manner specified in Exhibit “B”; or, if no manner is specified in Exhibit “B”, then according to the usual and customary procedures and practices which Consultant uses for billing clients similar to City.

Invoices shall be sent to:

City of Newark
Attn: Finance Department
37101 Newark Blvd.
Newark, CA 94560

Upon completion of Services, City shall sign off and acknowledge that all terms and conditions have been satisfactorily met; upon which, unless waived by City in writing, Consultant shall prepare an itemized statement, briefly describing by task and/or labor category the items billed.

C. **Payment.** Upon receipt of an invoice, City shall make payments to Consultant on a quarterly basis, or at such other times as may be specified in Exhibit “B”, for Services, which are performed in accordance with this Agreement to the satisfaction of City.

D. **Consultant’s Failure to Perform.** In the event that Consultant performs Services that do not comply with the requirements of this Agreement, Consultant shall, upon receipt of written notice from City, re-perform the services (without additional compensation to Consultant). If Consultant’s failure to perform in accordance with this Agreement causes damages to City, Consultant shall reimburse City for the damages incurred (which may be charged as an offset to Consultant’s payment).

4. **ADDITIONAL SERVICES.** In the event City desires the performance of additional services not otherwise included within Services, such services shall be authorized by

written task order approved in advance of the performance thereof. Such task order shall include a description of the services to be performed thereunder, the maximum compensation and reimbursement of costs and expenses payable therefore, the time of performance thereof, and such other matters as the Parties deem appropriate for the accomplishment of such services. Except to the extent modified by a task order, all other terms and conditions of this Agreement shall be deemed incorporated in each such task order.

5. INDEPENDENT CONSULTANT. At all times during the term of this Agreement, Consultant shall be, and is an independent consultant and shall not be an employee or agent of City. Consultant shall not be entitled to any benefit, right, or compensation other than that provided in this Agreement. City shall have the right to control Consultant only insofar as the results of Consultant's Services; however, City shall not have the right to control the means by which Consultant accomplishes Services rendered pursuant to this Agreement.

Except as City may specify in writing, Consultant shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. Consultant shall have no authority, express or implied, pursuant to this Agreement to bind City to any obligation whatsoever.

6. PERSONNEL. Consultant understands that, in entering into this Agreement, City has relied upon Consultant's ability to perform in accordance with its representations regarding the qualifications of Consultant, including the qualifications of its Authorized Representative, its designated personnel, and its Subconsultants, if any, identified in Exhibit "C". Therefore, Consultant shall not replace its Authorized Representative, or any of the designated personnel or Subconsultants identified in Exhibit "C", without the prior written consent of City. All Services shall be performed by, or under, the direct supervision of Consultant's Authorized Representative.

Consultant agrees to include with all Subconsultants in their subcontract the same requirements and provisions of this Agreement including the indemnity and Insurance requirements to the extent they apply to the scope of the Subconsultant's work. Subconsultants hired by Consultant agree to be bound to Consultant and City in the same manner and to the same extent as Consultant is bound to City under this Agreement. Subconsultant further agrees to include these same provisions with any Sub-subconsultant. A copy of this Agreement's Indemnity and Insurance provisions will be furnished to the Subconsultant upon request. The Consultant shall require all Sub-subconsultants to provide a valid certificate of insurance and the required endorsements included in this Agreement prior to commencement of any Services and will provide proof of compliance to the City.

In the event that City, in its sole discretion, at any time during the term of this Agreement, desires the removal of any of Consultant's designated personnel or Subconsultants, Consultant shall, immediately upon receiving notice from City of such desire of City, cause the removal of such person or persons.

7. FACILITIES AND EQUIPMENT. Consultant shall, at its sole cost and expense, furnish all facilities and equipment which may be required for furnishing Services.

8. INFORMATION AND DOCUMENTATION.

A. Information from City. City has made an effort to provide Consultant with all information necessary for Consultant's performance of Services. If Consultant believes additional information is required, Consultant shall promptly notify City and City will provide to Consultant all relevant non-privileged information in City's possession.

B. Consultant's Accounting Records. Consultant shall maintain all accounting records related to this Agreement in accordance with generally accepted accounting principles and state law requirements, and in no event for less than four (4) years. Consultant's accounting records shall include, at a minimum, all documents which support Consultant's costs and expenses related to this Agreement, including personnel, subconsultants' invoices and payments, and reimbursable expenses. Consultant's accounting records shall be made available to City within a reasonable time after City's request, during normal business hours.

C. Ownership of Work Product. All original documents prepared by Consultant (including its employees and subconsultants) for this Agreement ("Work Product"), whether complete or in progress, are the property of City and shall be given to City at the completion of Consultant's Services, or upon demand of City. Consultant shall have a right to make and keep copies of the Work Product except for any confidential information. Consultant shall not reveal the Work Product or the confidential information contained in the Work Product, or make it available, to any third party without the prior written consent of City.

D. Non-Disclosure of Proprietary Information. In performing its duties under this Agreement, Consultant will produce reports, technical information and other compilations of data to City. These reports, technical information and compilations of data are derived by Consultant using methodologies, formulae, programs, techniques and other processes designed and developed by Consultant at a substantial expense. Consultant's reports, technical information, compilations of data, methodologies, formulae, software, programs, techniques and other processes designed and developed by Consultant shall be referred to as Proprietary Information. Consultant's Proprietary Information is not generally known by the entities with which Consultant competes.

Consultant desires to protect its Proprietary Information. Accordingly, City agrees that neither it nor any of its employees, agents, independent contractors or other persons or organizations over which it has control, will at any time during or after the term of this Agreement, directly or indirectly use any of Consultant's Proprietary Information for any purpose not associated with Consultant's activities. Further, City agrees that neither it nor any of its employees, agents, independent contractors or other persons or organizations over which it has control, will disseminate or disclose any of Consultant's Proprietary Information to any person or organization not connected with Consultant, without the express written consent of Consultant. Consultant acknowledges that the City is obligated to make certain records publicly available pursuant to the California Public Records Act (Gov. Code Section 6250, *et seq.*) and other related disclosure laws. To the extent that the City receives a request for Proprietary Information, the City will claim any exemptions that it deems applicable to prevent disclosure of such information as allowed by law.

Any use of the Proprietary Information or any other reports, records, documents or other materials prepared by Consultant hereunder for other projects and/or use of uncompleted documents without

specific written authorization by the Consultant will be at the City's sole risk and without liability to Consultant, and the City shall indemnify the Consultant for all damages resulting therefrom.

9. CONFLICTS OF INTEREST PROHIBITED. Consultant (including its employees, agents, and subconsultants) shall not maintain or acquire any direct or indirect interest that conflicts with the performance of this Agreement. Consultant shall comply with all requirements of the Political Reform Act (California Government Code Section 81000, *et seq.*) and other laws relating to conflicts of interest, including: (a) Consultant shall not make or participate in a decision made by City if it is reasonably foreseeable that the decision may have a material effect on Consultant's economic interest, and (b) if required by law, Consultant shall file financial disclosure forms with the City Clerk. If Consultant maintains or acquires a conflicting interest, any contract with City (including this Agreement) involving Consultant's conflicting interest may be terminated by City.

10. NONDISCRIMINATION. Consultant shall comply with all applicable federal, state, and local laws regarding nondiscriminatory employment practices, whether or not said laws are expressly stated in this Agreement. Consultant shall not discriminate against any employee or applicant because of race, color, religious creed, national origin, physical disability, mental disability, medical condition, marital status, sexual orientation, sex, age, or any other basis, as defined in California Civil Code Section 51.

11. COMPLIANCE WITH LAW AND STANDARD OF CARE. Consultant shall comply with all applicable legal requirements including all federal, state, and local laws (including ordinances and resolutions), whether or not said laws are expressly stated in this Agreement. Consultant shall perform Services using a standard of care equal to, or greater than, the degree of skill and diligence ordinarily used by reputable professionals, with a level of experience and training similar to Consultant, performing under circumstances similar to those required by this Agreement.

12. INSURANCE. Consultant shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, his agents, representatives, subconsultants, or employees.

A. Verification of Coverage.

Consultant shall furnish City with original certificates of insurance and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are to be received and approved by City before work commences.

Proof of Insurance shall be mailed to the following address or any subsequent address as may be directed in writing by the City Risk Manager:

CITY OF NEWARK

Attn: Risk Manager
37101 Newark Boulevard
Newark, CA 94560

City reserves the right to require and obtain complete, certified copies of all required insurance policies and endorsements at any time. Failure to exercise this right at any time shall not constitute a waiver of right to exercise later. Consultant shall immediately furnish City with certificates of renewal for each policy that is renewed during the term of this Agreement.

B. Minimum Scope of Insurance.

Coverage shall be at least as broad as:

1. Insurance Services Office Form Number CG 00 01 covering Commercial General Liability on an occurrence basis, including products and completed operations, property damage, bodily injury, and personal and advertising injury; and
2. Insurance Services Office Form Number CA 00 01 covering Code 1, (any auto), or Code 8 (hired) and Code 9 (non-owned) if consultant has no owned autos; and
3. Workers' Compensation insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance; and
4. Errors and Omissions Liability insurance appropriate to the Consultant's profession. Architects' and Engineers' coverage is to be endorsed to include contractual liability.

C. Minimum Limits of Insurance.

It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum Insurance coverage requirements and/or limits shall be available to the Additional Insured. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of and Insurance policy or proceeds available to the named Insured; whichever is greater.

Consultant shall maintain limits no less than:

- | | |
|---|--|
| 1. General Liability:
(including products and completed operations, property damage, bodily injury, and personal and advertising injury) | \$2,000,000 per occurrence for bodily injury, personal injury, and property damage. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit. |
| 2. Automobile Liability: | \$1,000,000 per accident for bodily injury and property damage. |
| 3. Employer’s Liability: | \$1,000,000 per accident for bodily injury or disease. |
| 4. Errors and Omissions Liability: | \$1,000,000 per occurrence or claim; \$2,000,000 aggregate. |

D. Deductibles and Self-Insured Retentions.

Any deductibles or self-insured retentions must be declared to and approved by the City Risk Manager. At the option of City, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects to City, its officers, officials, directors, employees, contractors, agents, and volunteers, or (2) Consultant shall provide a financial guarantee satisfactory to City guaranteeing payment of losses and related investigations, claim administration, and defense expenses in an amount specified by the City Risk Manager or designee.

E. Claims Made Policies.

For all “claims made” coverage, in the event that Consultant changes insurance carriers Consultant shall purchase “tail” coverage or otherwise provide for continuous coverage covering the Term of this Agreement and not less than five (5) years thereafter. Proof of such “tail” or other continuous coverage shall be required at any time that the Consultant changes to a new carrier.

F. Wasting Policies.

No policy required by this paragraph 12 shall include a “wasting” policy limit (ie. limit that is eroded by the cost of defense).

G. Remedies.

In addition to any other remedies City may have if Consultant fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, City may, at its sole option exercise any of the following remedies, which

are alternatives to other remedies City may have and are not the exclusive remedy for Consultant's breach:

1. Obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under the Agreement;
2. Order Consultant to stop work under this Agreement or withhold any payment that becomes due to Consultant hereunder, or both stop work and withhold any payment, until Consultant demonstrates compliance with the requirements hereof; and/or
3. Terminate this Agreement.

H. Acceptability of Insurers.

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the City Risk Manager. All insurance companies providing coverage to Consultant shall be insurance organizations authorized by the Insurance Commissioner of the State of California to transact the business of insurance in the State of California.

I. Other Insurance Provisions.

The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. Additional Insureds. City, its officers, officials, directors, employees and volunteers ("Additional Insureds") are to be covered as insureds with respect to liability arising out of work or operations performed by or on behalf of Consultant; including materials, parts or equipment furnished in connection with such work or operations.

2. Primary Coverage. For any claims related to Services, Consultant's insurance coverage shall be primary insurance as respects City, its officers, officials, directors, employees, and volunteers. Any insurance or self-insurance maintained by City, its officers, officials, directors, employees, or volunteers shall be excess of Consultant's insurance and shall not be contribute with it. Consultant's policy will not seek contribution from the City's insurance or self-insurance.

3. Notice of Cancellation. Each insurance policy required above shall provide that coverage shall not be canceled during the term of this Agreement without notice to City.

4. Civil Code § 2782. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the California Civil Code.

5. Deductibles and Self-Insured Retentions (SIR). All deductibles and self-insured retentions must be disclosed to the City Risk Manager for approval and shall not

reduce the limits of liability. Policies containing any SIR provision shall provide or be endorsed to provide that the SIR may be satisfied by either the named Insured or the City.

6. Subconsultants. Consultant shall include all subconsultants as insureds under its policies or shall require and verify separate certificates and endorsements have been obtained for each subconsultant. All coverages for subconsultants shall be subject to all of the requirements stated herein.

7. Waiver of Subrogation. With respect to Workers' Compensation and Employer's Liability Coverage, the insurer shall agree to waive all rights of subrogation against City, its officers, officials, directors, employees, and volunteers for losses arising from work performed by Consultant for City.

8. Coverage is Material Element. Maintenance of proper insurance coverage in conformity with the provision of this paragraph 12 is a material element of this Agreement and failure to maintain or renew coverage or to provide evidence of coverage or renewal may be treated by City as a material breach of this Agreement.

9. Variation. The City Risk Manager may approve a variation in these insurance requirements upon a determination that the coverage, scope, limits, and form of such insurance are either not commercially available or that City's interests are otherwise fully protected. Any variation granted shall be done in writing and shall be made a part of this Agreement as Appendix "A".

13. REPORTING DAMAGES. If any damage (including but not limited to death, personal injury or property damage) occurs in connection with the performance of this Agreement, Consultant shall immediately notify the City Risk Manager's office by telephone at 510-578-4428, and Consultant shall promptly submit to the City's Risk Manager and the City's Administrator (see paragraph 17, herein below) a written report (in a form acceptable to City) with the following information: (a) name(s) and address(es) of the injured or deceased person(s), (b) name(s) and address(es) of witnesses, (c) name(s) and address(es) of Consultant's insurance company(ies), and (d) a detailed description of the damage(s) and whether any City property was involved.

14. INDEMNIFICATION/SAVE HARMLESS. To the fullest extent permitted by law, the Consultant shall: (1) immediately defend, and (2) indemnify City, its, officers, officials, directors, employees, and volunteers from and against all liabilities regardless of nature or type arising out of or resulting from Consultant's performance of Services, or any negligent or wrongful act or omission of Consultant or Consultant's officers, employees, agents, or subconsultants. Liabilities subject to the duties to defend and indemnify include, without limitation all claims, losses, damages, penalties, fines, and judgments; associated investigation and administrative expenses; defense costs, including but not limited to reasonable attorneys' fees; court costs; and costs of alternative dispute resolution. Consultant's obligation to indemnify applies unless it is adjudicated that its liability was caused by the sole active negligence or sole willful misconduct of an indemnified party. If it is finally adjudicated that liability is caused by the comparative active negligence or willful misconduct of an indemnified party, Consultant's indemnification obligation shall be reduced in proportion to the established comparative liability of the indemnified party.

In the event that Consultant or any employee, agent, or subconsultant of Consultant providing services under this Agreement is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

The duty to defend is a separate and distinct obligation from Consultant's duty to indemnify. Consultant shall be obligated to defend, in all legal, equitable, administrative, or special proceedings, with counsel approved by City immediately upon tender to Consultant of the claim in any form or at any stage of an action or proceeding, whether or not liability is established. An allegation or determination of comparative active negligence or willful misconduct by an indemnified party does not relieve the Consultant from its separate and distinct obligation to defend City. The obligation to defend extends through final judgment, including exhaustion of any appeals. The defense obligation includes an obligation to provide independent defense counsel if Consultant asserts that liability is caused in whole or in part by the negligence or willful misconduct of the indemnified party. If it is finally adjudicated that liability was caused by the sole active negligence or sole willful misconduct of an indemnified party, Consultant may submit a claim to City for reimbursement of reasonable attorneys' fees and defense costs.

The review, acceptance or approval of Consultant's work or work product by any indemnified party shall not affect, relieve or reduce Consultant's indemnification or defense obligations. This paragraph survives completion of Services or the termination of this contract. The provisions of this paragraph are not limited by and do not affect the provisions of this contract relating to insurance.

Consultant/Subconsultant's responsibility for such defense and indemnity obligations shall survive the termination or completion of this Agreement for the full period of time allowed by law. The defense and indemnification obligations of this Agreement are undertaken in addition to, and shall not in any way be limited by, the insurance obligations contained in this Agreement.

15. LICENSES, PERMITS, ETC. Consultant represents and warrants to City that it has all licenses, permits, qualifications, and approvals of whatsoever nature that are legally required for Consultant to practice its profession. Consultant represents and warrants to City that Consultant shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals which are legally required for Consultant to practice its profession. In addition to the foregoing, Consultant shall obtain and maintain during the term hereof a valid City of Newark Business License.

16. TERM/TERMINATION.

A. The term of this Agreement shall commence upon the date first hereinabove written and shall continue for a three-year period, with automatic renewal of two additional one-year terms, unless either party provides notice of its intention not to renew 15 days prior to the end of the then-current term.

B. Notwithstanding the provisions of paragraph 16 Section A above, City may terminate this Agreement at any time and without cause upon written notification to Consultant. Consultant may cancel this Agreement upon thirty (30) days' written notice to City and shall include in such notice the reasons for cancellation. In the event of such termination, City shall compensate Consultant for Services rendered and reimburse Consultant for costs and expenses incurred, to the date of termination, calculated in accordance with the provisions of paragraph 3. In ascertaining the Services actually rendered to the date of termination, consideration shall be given both to completed work and work in process of completion. Nothing herein contained shall be deemed a limitation upon the right of City to terminate this Agreement for cause, or otherwise to exercise such rights or pursue such remedies as may accrue to City hereunder.

17. CONTRACT ADMINISTRATION. This Agreement shall be administered by _____ of the City of Newark ("Administrator"). All correspondence shall be directed to or through the Administrator or his/her designee.

18. NOTICES. Written notices required or convenient hereunder shall be delivered personally or by depositing the same with the United States Postal Service, first class (or equivalent) postage prepaid and addressed, in the case of Consultant, to:

HdL Coren & Cone

CITY OF NEWARK

PAULA CONE

KRYSTEN LEE

Consultant

Administrator

Address: HdL Coren & Cone
Attn: Paula Cone
120 S State College Boulevard
Suite 200
Brea, CA 92821

City of Newark
Attn: Krysten Lee
37101 Newark Boulevard
Newark, CA 94560

19. PARAGRAPH HEADINGS. Paragraph headings used herein are for convenience only and shall not be deemed to be a part of such paragraphs and shall not be construed to change the meaning thereof.

20. EXHIBITS. All exhibits referred to herein are attached hereto and are by this reference incorporated herein.

21. SEVERABILITY. If any term of this Agreement (including any phrase, provision, covenant, or condition) is held by a court of competent jurisdiction to be invalid or unenforceable, the Agreement shall be construed as not containing that term, and the remainder of this Agreement shall remain in full force and effect; provided, however, this paragraph shall not be applied to the extent that it would result in a frustration of the Parties' intent under this Agreement.

22. GOVERNING LAW, JURISDICTION, AND VENUE. The interpretation, validity, and enforcement of this Agreement shall be governed by and interpreted in accordance with the

laws of the State of California. Any suit, claim, or legal proceeding of any kind related to this Agreement shall be filed and heard in a court of competent jurisdiction in the County of Alameda.

23. ATTORNEY'S FEES. In the event any legal action is commenced to enforce this Agreement, the prevailing party is entitled to reasonable attorney's fees, costs, and expenses incurred.

24. ASSIGNABILITY. Neither Consultant nor City shall subconsult, assign, sell, mortgage, hypothecate, or otherwise transfer their respective interests or obligations in this Agreement without the express prior written consent of the non-transferring party.

25. MODIFICATIONS. This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by both Parties.

26. WAIVERS. Waiver of breach or default under this Agreement shall not constitute a continuing waiver of a subsequent breach of the same or any other provision of this Agreement.

27. ENTIRE AGREEMENT. This Agreement, including all documents incorporated herein by reference, comprises the entire integrated understanding between the Parties concerning the Services. This Agreement supersedes all prior negotiations, agreements, and understandings regarding this matter, whether written or oral. The documents incorporated by reference into this Agreement are complementary; what is called for in one is binding as if called for in all.

28. SIGNATURES. The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Agreement on behalf of the respective legal entities of Consultant and City. This Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns.

29. COVENANT AGAINST CONTINGENT FEES. Consultant hereby warrants that Consultant has not employed or retained any company or person, other than a *bona fide* employee working for Consultant, to solicit or secure this Agreement, and Consultant has not paid or agreed to pay any company or person, other than a *bona fide* employee, any fee, commission, percentage, brokerage fee, gift, or any other consideration contingent upon or resulting from the award or formation of this Agreement. For breach or violation of this warranty, City shall have the right to annul this Agreement without liability or, at City's discretion, to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift or contingent fee.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement the day and year first hereinabove written.

CITY OF NEWARK,
a municipal corporation

HdL Coren & Cone
a California corporation

By _____
City of Newark

By Paula J. Cone
Consultant

Date _____

Date 01/27/2020

Paula J. Cone
Printed Name

Attest:

City Clerk

Date _____

Approved as to form:

City Attorney

Date _____

EXHIBIT A

SCOPE OF SERVICES

Using HdLCC's custom software, a data set of all parcels in the City will be established and be available via the internet through the HdLCC Web-Based Property Tax Program. This data is prepared from the Alameda County Lien Date Rolls that is purchased annually in July. HdLCC updates the original County roll with any transfers in ownership, which have occurred between the lien date and the current month and updates the ownership information (name and mailing address), date of transfer, sale price, and document (deed) number monthly.

A. Reports and Analytical Services

HdLCC furnishes a variety of reports detailing property and revenue trends for the entire City and for custom defined geographic areas. These reports can be used for budgeting purposes, planning, economic development and public information. Among the reports provided are top 25, 50, 100-property owner/taxpayer listings, multiple ownership properties, non-owner occupied parcels, identification of property ownership transfers and completed construction projects for tracking of reassessments. We also provide the City with quarterly reports of successful, pending and historical assessment appeals.

HdL Coren and Cone will reconcile the annual Auditor/Controller Assessed Valuations Report and will furnish a breakdown of assessed values within the City and RDA.

The identification of escaping revenue through the use of property tax data sets has been a targeted focus for HdLCC during the past 26 years. With the reduction of tax revenues through legislated Educational Revenue

Augmentation Fund (ERAF), cities, counties, agencies and special districts have been focusing on ways to increase the limited resources already stretched thin. The unsecured roll contains property owners which, when matched with a business license data set can be used to identify escaping revenues. For instance, property leased to businesses in your jurisdiction is taxed to the lessor of the property. We find that frequently, the lessors are not properly registered with a city business license. When notified and properly licensed, these businesses will generate additional revenue for the city.

The use of the secured roll will assist in identifying owners of rented residential, commercial, or industrial properties that do not have a business license with the City should one be required.

The company will provide the following reports based on the current year lien date rolls and will provide the reports annually, quarterly or monthly as appropriate: Reports are also available from prior years if required.

- A five-year history of the values within the City, and custom (city defined) geographic areas;
- A listing of the largest value changes, positive and negative between tax years;
- An annual parcel listing of properties with parcel number changes between tax years identifying parcel splits and combines;
- A listing of the major property owners for the City including the combined assessed values of their property and property use code designation;
- A listing of the major property tax payers, including an estimate of the property taxes to be allocated to the City/Agency;

- A listing of property transfers which occurred since the lien date ordered by month—sales listing;
- A listing of parcels that have not changed ownership since the enactment of Proposition 13;
- A comparison of property within the City by county use-code designation;
- A multiple year comparison of growth by use code designation over a 5-year period;
- A listing by parcel of new construction activity to identify non-residential parcels with new construction activity and to provide reports for use in the City's preparation of Proposition 4 and 111 State Appropriation Limit calculations;
- A listing of multiple owned parcels;
- A listing of absentee owner parcels;
- Calculate an estimate of property tax revenue anticipated to be received for the fiscal year by the City based upon the initial information provided by the County and subject to modification. This estimate shall not be used to secure the indebtedness of the City.
- Analyses based on geo areas designated by the City to include assessed valuations and square footage computations for use in economic analysis and community development planning.
- One and five-year budget projections for the city general fund and special districts. This report is interactive for tax modeling.

B. Identification and Correction of Errors

HdLCC has the technology, methodology and trained staff to analyze all secured parcels within the City and Successor Agency to identify costly errors resulting in the misallocation of property taxes.

The company has the ability to audit the secured and unsecured property tax rolls two ways, first reviewing the entire county to find parcels miscoded to other jurisdictions; and second, reviewing the parcels within the city, county or agency to ensure that each is coded to the appropriate taxing entity. To date, we have recovered in excess of \$95 million in net revenue for our client agencies in 44 counties statewide. Our advanced technology, accuracy and track record have placed us in a unique position to be hired by cities to find additional revenues after audits have been performed by prior consultants. In addition, by filing audit results with the County Assessor in a timely manner, we can assure that the repetitive errors from previous years will not re-occur.

Upon approval of the contract, the company will perform an analysis of the Assessor Rolls to identify all parcels on both the secured and unsecured tax rolls and verify that parcel assessed valuations and the resulting taxes are correctly allocated to the City or its Successor Agency. This analysis is accomplished through the use of specialized computer software, assessor maps, city GIS maps, city records, other pertinent documents, and field investigations. The review will include the lien date secured and unsecured data for the current tax year as well as historical data back for a total of four (4) tax years.

C. Information Provided Quarterly

- In counties where the Clerk or the Board or County Assessor provides property tax appeals available in an automated format, HdL Coren & Cone prepares reports including a listing of property tax appeals filed on properties in the city and former RDA project areas. These reports are prepared for both the City General Fund portion of the City and

Successor Agency and include a history of all appeals filed; the disposition of those appeals, successful appeals, pending appeals, Proposition 8 appeals and a report to assist the City/Successor Agency in determining the potential impact of pending appeals.

- A listing of property transfers that have occurred since the last report will be available through the software provided and updated on a quarterly basis. This data will include the new owner/seller of the property, new mailing address if not the situs address, the date of sale, the sale price when verified, document number, and transaction type.

D. Legislative Analysis

- HdLCC will monitor and report on issues related to property tax legislation and coordinate with City’s staff in connection with passed and potential property tax legislation and regulations.

E. Property Tax Application and Database

The screenshot displays the HdLCC software interface for 'The City Of Newark' with 16,648 Assessments. The search bar shows 'Amnt / Owner / Location...'. The main content area is titled 'Secured Assessment Details' and provides the following information:

- Sec. Parcel:** 901-0185-033-00
- Location:** 39800 EUREKA DR, NEWARK, NJ 07102
- TRA:** 11-006
- City:** NEWARK
- Use Category:** Industrial
- Zip Code:** 07102
- Agency:** Newark General Fund
- Use Code:** 4202
- Exem Desc:** Network General Fund
- Owner:** APPLE COMPUTER INC
- DBA:** APPLE COMPUTER INC
- Mail Name:** APPLE COMPUTER INC
- Mail Addr:** 1 INFINITE LOOP, CUPERTINO, CA 95014-2083
- Absentee:** [Icon]
- Taxable:** \$234,469,470
- Net AV:** \$0
- HOK:** \$0
- General Fund Revenue:** \$403,884.12
- Successor Agency Revenue:** \$0.00
- Tax Bill:** \$2,275,639.32

A table below shows the tax history from 2011 to 2019:

Year	Land	Imprvmts.	Fixtures	Pers.Prop.	Subtotal	Exems	Net Total	% Change
2019	\$12,249,900	\$56,701,431	\$64,164,042	\$101,354,097	\$234,469,470	\$0	\$234,469,470	-22.03%
2018	\$12,009,800	\$55,590,048	\$74,403,407	\$158,710,894	\$300,714,149	\$0	\$300,714,149	-18.08%
2017	\$11,774,400	\$54,500,374	\$80,493,850	\$203,332,397	\$367,101,021	\$0	\$367,101,021	-16.48%
2016	\$11,543,600	\$53,431,927	\$94,331,973	\$280,216,181	\$439,523,681	\$0	\$439,523,681	-86.76%
2015	\$11,370,300	\$52,629,726	\$0	\$0	\$64,000,026	\$0	\$64,000,026	-86.20%
2014	\$11,147,600	\$51,598,887	\$111,314,514	\$289,860,980	\$463,721,981	\$0	\$463,721,981	12.67%
2013	\$11,097,300	\$44,596,633	\$101,568,956	\$254,298,830	\$411,561,741	\$0	\$411,561,741	5.67%
2012	\$10,879,800	\$43,722,420	\$49,318,589	\$285,575,222	\$389,496,031	\$0	\$389,496,031	82.81%
2011	\$10,666,500	\$28,598,521	\$21,532,528	\$152,266,739	\$211,063,827	\$0	\$211,063,827	25.53%

The interface also includes a map view on the right showing the property location and a 'Layers' panel on the far right.

HdLCC provides a web-based software application to clients as a user-friendly tool to access the City's property tax data. HdLCC provides updates to the data portion of the product on monthly basis to reflect changes in ownership, updated appeals filings, and deed recordings.

As modifications and enhancements are made to the program, clients receive the enhanced version of the software at no additional cost.

Training will be provided to city staff within the first two months after the execution of the agreement for property tax management and audit services and is available annually for new staff members or staff requiring a refresher course. If additional training sessions are required, the fees in the compensation section under hourly fees will be charged.

The help manual available within the program is easy to navigate and user friendly. HdLCC staff is available Monday through Friday, 8 a.m. to 5 p.m. to answer questions and assist staff on the use of the software. Assistance is available either by phone or via email.

The City will be granted a site license for the application, providing no limit to the number of users. HdLCC will not charge an annual maintenance fee for the software program. Periodically, as the program changes and product enhancements are developed, upgrades or new releases of the software are issued at no additional cost to the client.

F. Successor Agency Services

Successor Agency Services including but not limited to:

- Annual tax increment projections and, as requested, cash flow analysis for the Successor Agency by Project Area
- Review of Redevelopment Obligation Payment Schedules (ROPS) as requested.
- Provide property tax information to the Oversight Board at the direction of the Successor Agency

- Provide access to the Oversight Board to City and former redevelopment agency documents at the direction of the Successor Agency
- Monitor the County distribution of tax-sharing revenues to the taxing entities of the former redevelopment agency
- Advice and consultation on the City/Successor Agency's preparation of required reports, such as revenue projections; review of Recognized Obligation Payment Schedules (ROPS), submittals to the Oversight Board and/or County or State agencies, and new or revised legislative requirements
- Analysis of legislative and judicial matters impacting Redevelopment Property Tax Trust Fund (RPTTF) revenues to the Successor Agency and to the City.

Optional Services

Optional services are available for a fixed fee. These services include:

- Mello-Roos Special Tax studies
- Independent redevelopment and financial consultant reports such as escrow release reports and additional bond tests.
- Preparation of fiscal consulting reports for tax allocation bonds and other financings.

G. Proposed Work Plan/Staffing Schedule

The methodology that the company follows in identifying, correcting and recovering property tax errors includes the following:

Task I Establishment of County Data Set

Task II Identify and Correct Errors

Task III Prepare Reports

Task IV Ongoing Analysis

HdL Coren & Cone has ample staff to devote to the tasks required in this request for qualifications. Our knowledgeable staff will be assigned to ensure that the deadlines for deliverables are met and that requests placed by City staff are handled expeditiously.

Timeline for Property Tax Analysis and Audit Services:

- County assessment rolls are purchased annually in July.
- The property data program will be available for access via the internet within 30 days of the execution of the agreement. Parcel data will be updated monthly to include the most current ownership information due to parcel transfers.
- The first secured audit will be performed and submitted to the Assessor no later than 60 days from the date of the contract. Future audits will be performed no less than once every two years and submitted no later than March 1st.
- The unsecured audits for the City will be completed and submitted to the County Assessor for corrective action within 90 days of receipt of county rolls. The City will receive file copies of submittals simultaneous with submissions to the County Assessor.
- Data collection from the county assessor's and auditor controller's offices for reports is performed in August and September each year and preliminary reports will be delivered to the City prior to the end of December annually.
- The final tax ratio percentages are available from the auditor controller's office annually in February/March. Final reports will be prepared and delivered prior to the end of April annually.

EXHIBIT B

PAYMENT

Based on the number of parcels within Newark (15,112), our standard fee for property tax services is **\$4,081.25 per quarter**, (\$16,325 year) plus 25% of net tax revenues recovered for the City in the audits performed over the period allowable by State statute (current year and 3 prior lien date years). Net tax revenues mean the taxes received by the City through our audit efforts.

Work that is requested by the City and that is beyond the scope of services outlined in this proposal shall be charged on a time and material basis. No work shall be performed without prior written approval of the City. Fees for these services are as follows:

Partner	\$225 per hour	Senior Analyst	\$100 per hour
Principal	\$195 per hour	Analyst	\$ 65 per hour
Programmer	\$175 per hour	Administrative	\$ 45 per hour
Associate	\$150 per hour		

Hourly rates are exclusive of expenses. Expenses, reasonable travel and lodging fees are billed at 1.15 times actual incurred costs.

EXHIBIT C
QUALIFICATIONS

Property taxes in California have evolved into an extremely complex system that requires experience and expertise to fully monitor. There are two broad categories of property (real and personal), three tax rolls (secured, unsecured and state assessed), and numerous peculiarities such as possessory interest and the distribution of tax revenue from private aircraft. The revenues generated by the property tax system need to be distributed to a myriad of taxing entities including cities, counties, schools, special districts and successor agencies. The company's extensive property tax information systems allow us to perform tax audits and provide information and analysis from a city's property tax data to city staff quickly and accurately.

HdL Coren & Cone is dedicated to helping cities, counties, successor agencies and special districts maximize revenues through allocation audits, financial and economic analysis and provision of related software products. Recognized as the industry leader, the firm has provided property tax audit and information services to several California's largest cities including; Los Angeles, San Diego, Long Beach, Oakland, Stockton and Fresno.

The firm's staff have performed thousands of secured and unsecured property tax audits for client agencies over the past twenty-five years and recovered millions of dollars in misallocated property tax revenue. Our management team and staff pride themselves on being highly responsive to client needs and cordial in our contacts with county staff. This philosophy has served our clients and the company well. This is evident by the fact that 83% of our property tax audit and information services clients have been using our services for more than 10 years and 50% of our clients have been under contract for more than 15 years.

Since 2000, HdLCC has recovered \$52.8 million of property tax revenue for California cities and their former redevelopment agencies. This total includes recoveries from both the secured and unsecured tax rolls.

3466580.1

F.6 Approval of a Contractual Service Agreement with Avenu/MuniServices, LLC to provide consulting and auditing services for the City of Newark's Transient Occupancy Tax and to amend the 2018-2020 Biennial Budget and Capital Improvement Plan – Finance Director Lee. (RESOLUTION)

Background/Discussion – It is a good practice to periodically conduct an independent audit for the records and reporting of all of the lodging operators. In December 2019, a Request for Proposals (RFP) for Transient Occupancy Tax (TOT) audit was issued, and two firms who specialize in revenue audits and revenue recovery for cities responded – Avenu/MuniServices, LLC and HdL Coren & Cone (HdLCC). The scope of the work is to evaluate the accuracy and reasonableness of the Transient Occupancy Tax revenue payments received by the City. For every error/omission identified and confirmed, the firm will prepare the appropriate documentation to facilitate the recovery of revenue due to the City.

Both firms' audit services consist of two inter-related audit phases. Phase I is the analysis of each lodging property. Upon completion of the analysis, the City then identifies the number of audit and compliance reviews they wish to pursue. Phase 2 is compliance analysis and audit. Avenu/MuniServices' charges \$900 per lodging property for Phase 1 and \$1,300 per property reviewed for Phase 2. HdLCC charges \$1,500 per property reviewed, inclusive of both Phases. After a thorough review, staff noted that Avenu/MuniServices' charges were slightly higher than HdLCC, but HdLCC's expertise appeared to be more specialized in Property Tax. Consequently, staff recommends that Avenu/MuniServices, LLC, to perform the audit.

Avenu/MuniServices' TOT audit and compliance program are designed to protect and enhance a City's lodging tax revenues. Since 1990, Avenu/MuniServices has reviewed more than 9,000 lodging providers through TOT documentation review and on-site hotel business audits.

The annual fee for the TOT audit is approximately \$16,000 per year. A budget amendment is necessary to appropriate \$16,000 in fiscal year 2019-2020 to account number 010-1025-5271 for the first fiscal year of the analysis and compliance review services. Because this is a multi-year agreement, the remaining contract amount will be appropriated as part of the biennial budget process for a total expenditure of funds over the term of the contract not-to-exceed \$50,000.

Attachments – Resolution, Contractual Services Agreement with Avenu/Muniservices, LLC

Action - Staff recommends that the City Council, by resolution, authorize the City Manager to execute a contractual services agreement with Avenu/Muniservices, LLC to provide consulting and auditing services for Transient Occupancy Tax and to amend the 2018-2020 Biennial Budget and Capital Improvement Plan for Fiscal Year 2019-2020.

RESOLUTION NO.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEWARK AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACTUAL SERVICES AGREEMENT WITH AVENU/MUNISERVICES, LLC TO PROVIDE CONSULTING AND AUDITING SERVICES FOR THE TRANSIENT OCCUPANCY TAX AND AMENDING THE 2018-2020 BIENNIAL BUDGET AND CAPITAL IMPROVEMENT PLAN FOR FISCAL YEAR 2019-2020

WHEREAS, Newark Municipal Code Chapter 3.16 requires a Transient Occupancy Tax be applied to occupancy of lodging facilities in the City; the current tax rate is 10 percent; and

WHEREAS, the City of Newark (“City”) is in need of consulting and auditing services for the Transient Occupancy Tax and

WHEREAS, the City issued a Request for Proposals (RFP) in accordance with the City’s Purchasing Rules and Regulations for the desired services and received a total of two responses; and

WHEREAS, Avenu/Muniservices, LLC response to the RFP was determined to provide the best value to the City for the desired services.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Newark, that all the foregoing recitals are true and correct and are hereby incorporated as though fully set forth herein.

BE IT FURTHER RESOLVED by the City Council of the City of Newark that the City Manager is hereby authorized to execute the contractual services agreement with Avenu/MuniServices, LLC for Transient Occupancy Tax consulting services, in a form approved by the City Attorney, for an amount not to exceed \$50,000.

BE IT FURTHER RESOLVED that the City Council of the City of Newark does hereby amend the 2018-2020 Biennial Budget and Capital Improvement Plan for fiscal year 2019-2020 to appropriate \$16,000 to Account Number 010-1025-5271.

20014

CONTRACTUAL SERVICES AGREEMENT

CONSULTANTS

This Service Agreement (hereinafter "Agreement") is made and entered into this 29th day of FEBRUARY, 2020 by and between the **CITY OF NEWARK**, a municipal corporation ("City"), and **MUNISERVICES, LLC. dba AVENU MUNISERVICES, LLC.**, a limited liability company ("**Consultant**"), collectively the "Parties".

WITNESSETH:

WHEREAS, City requested proposals to perform the services generally including:

TRANSIENT OCCUPANCY TAX (TOT) AUDIT AND ANALYSIS

WHEREAS, in response to City's request, Consultant submitted a proposal, and, after negotiations, Consultant agreed to perform the Services more particularly described in Exhibit "A" ("Services"), in return for the compensation described in this Agreement and Exhibit "B".

WHEREAS, in reliance upon Consultant's documentation of its qualifications, as set forth in Exhibit "C", City finds that Consultant has demonstrated the requisite qualifications, experience, training, and expertise to perform the requested Services.

NOW, THEREFORE, the Parties hereto agree as follows:

1. **CONSULTANT'S SERVICES.** Consultant shall perform Services described, and in the time, place, and manner specified in Exhibit "A" in accordance with the terms and conditions of this Agreement. In the event of a conflict in or inconsistency between the terms of this Agreement and Exhibit "A", the Agreement shall control.

2. **TIME FOR PERFORMANCE.** Time is of the essence in the performance of Services under this Agreement and Consultant shall generally adhere to the schedule set forth in Exhibit "A"; provided, that City shall grant reasonable extensions of time for the performance of such Services occasioned by governmental reviews of Consultant's work product or other unavoidable delays occasioned by circumstances, provided, further, that such unavoidable delays shall not include strikes, lockouts, work stoppages, or other labor disturbances conducted by, or on behalf of, Consultant's officers or employees. Any Services for which times for performance are not specified in this Agreement shall be commenced and completed by Consultant in a reasonably prompt and timely manner based upon the circumstances and direction communicated to Consultant.

Consultant acknowledges the importance to City of City's performance schedule and agrees to put forth its best professional efforts to perform its Services under this Agreement in a manner consistent with that schedule. City understands, however, that Consultant's performance must be governed by sound professional practices.

3. **COMPENSATION.**

A. **“Not to Exceed” Compensation.** City shall compensate Consultant for all Services performed by Consultant hereunder in an amount based upon Consultant’s hourly or other rates set forth in Exhibit “B”. The payments specified in Exhibit “B” shall be the only payments to be made to Consultant for Services rendered pursuant to this Agreement.

Notwithstanding the foregoing, the combined total of compensation and costs payable hereunder shall not exceed the sum of Fifty Thousand Dollars (\$50,000.00) unless the performance of services and/or reimbursement of costs and expenses in excess of said amounts have been approved in advance of performing such services or incurring such costs and expenses by City, evidenced in writing authorizing such additional amount.

B. **Method of Billing.** To request payment, Consultant shall submit monthly invoices to City identifying Services performed and the charges therefore (including an identification of personnel who performed Services, hours worked, hourly rates, and reimbursable expenses), based upon Consultant’s billing rates (set forth on Exhibit “B” hereto).

Consultant shall submit all billings for said Services to City in the manner specified in Exhibit “B”; or, if no manner is specified in Exhibit “B”, then according to the usual and customary procedures and practices which Consultant uses for billing clients similar to City.

Invoices shall be sent to:

City of Newark
Attn: Finance Department
37101 Newark Blvd.
Newark, CA 94560

Upon completion of Services, City shall sign off and acknowledge that all terms and conditions have been satisfactorily met; upon which, unless waived by City in writing, Consultant shall prepare an itemized statement, briefly describing by task and/or labor category the items billed.

C. **Payment.** Upon receipt of an invoice, City shall make payments to Consultant on a monthly basis, or at such other times as may be specified in Exhibit “B”, for Services, which are performed in accordance with this Agreement to the satisfaction of City.

D. **Consultant’s Failure to Perform.** In the event that Consultant performs Services that do not comply with the requirements of this Agreement, Consultant shall, upon receipt of written notice from City, re-perform the services (without additional compensation to Consultant). If Consultant’s failure to perform in accordance with this Agreement causes damages to City, Consultant shall reimburse City for the damages incurred (which may be charged as an offset to Consultant’s payment).

4. **ADDITIONAL SERVICES.** In the event City desires the performance of additional services not otherwise included within Services, such services shall be authorized by written task order approved in advance of the performance thereof. Such task order shall include

a description of the services to be performed thereunder, the maximum compensation and reimbursement of costs and expenses payable therefore, the time of performance thereof, and such other matters as the Parties deem appropriate for the accomplishment of such services. Except to the extent modified by a task order, all other terms and conditions of this Agreement shall be deemed incorporated in each such task order.

5. **INDEPENDENT CONSULTANT.** At all times during the term of this Agreement, Consultant shall be, and is an independent consultant and shall not be an employee or agent of City. Consultant shall not be entitled to any benefit, right, or compensation other than that provided in this Agreement. City shall have the right to control Consultant only insofar as the results of Consultant's Services; however, City shall not have the right to control the means by which Consultant accomplishes Services rendered pursuant to this Agreement.

Except as City may specify in writing, Consultant shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. Consultant shall have no authority, express or implied, pursuant to this Agreement to bind City to any obligation whatsoever.

6. **PERSONNEL.** Consultant understands that, in entering into this Agreement, City has relied upon Consultant's ability to perform in accordance with its representations regarding the qualifications of Consultant, including the qualifications of its Authorized Representative, its designated personnel, and its Subconsultants, if any, identified in Exhibit "C". Therefore, Consultant shall not replace its Authorized Representative, or any of the designated personnel or Subconsultants identified in Exhibit "C", without the prior written consent of City. All Services shall be performed by, or under, the direct supervision of Consultant's Authorized Representative.

Consultant agrees to include with all Subconsultants in their subcontract the same requirements and provisions of this Agreement including the indemnity and Insurance requirements to the extent they apply to the scope of the Subconsultant's work. Subconsultants hired by Consultant agree to be bound to Consultant and City in the same manner and to the same extent as Consultant is bound to City under this Agreement. Subconsultant further agrees to include these same provisions with any Sub-subconsultant. A copy of this Agreement's Indemnity and Insurance provisions will be furnished to the Subconsultant upon request. The Consultant shall require all Sub-subconsultants to provide a valid certificate of insurance and the required endorsements included in this Agreement prior to commencement of any Services and will provide proof of compliance to the City.

In the event that City, in its sole discretion, at any time during the term of this Agreement, desires the removal of any of Consultant's designated personnel or Subconsultants, Consultant shall, immediately upon receiving notice from City of such desire of City, cause the removal of such person or persons.

7. **FACILITIES AND EQUIPMENT.** Consultant shall, at its sole cost and expense, furnish all facilities and equipment which may be required for furnishing Services.

8. INFORMATION AND DOCUMENTATION.

A. Information from City. City has made an effort to provide Consultant with all information necessary for Consultant's performance of Services. If Consultant believes additional information is required, Consultant shall promptly notify City and City will provide to Consultant all relevant non-privileged information in City's possession.

B. Consultant's Accounting Records. Consultant shall maintain all accounting records related to this Agreement in accordance with generally accepted accounting principles and state law requirements, and in no event for less than four (4) years. Consultant's accounting records shall include, at a minimum, all documents which support Consultant's costs and expenses related to this Agreement, including personnel, subconsultants' invoices and payments, and reimbursable expenses. Consultant's accounting records shall be made available to City within a reasonable time after City's request, during normal business hours.

C. Ownership of Work Product. All original documents prepared by Consultant (including its employees and subconsultants) for this Agreement ("Work Product"), whether complete or in progress, are the property of City and shall be given to City at the completion of Consultant's Services, or upon demand of City. Consultant shall have a right to make and keep copies of the Work Product except for any confidential information. Consultant shall not reveal the Work Product or the confidential information contained in the Work Product, or make it available, to any third party without the prior written consent of City.

9. CONFLICTS OF INTEREST PROHIBITED. Consultant (including its employees, agents, and subconsultants) shall not maintain or acquire any direct or indirect interest that conflicts with the performance of this Agreement. Consultant shall comply with all requirements of the Political Reform Act (California Government Code Section 81000, *et seq.*) and other laws relating to conflicts of interest, including: (a) Consultant shall not make or participate in a decision made by City if it is reasonably foreseeable that the decision may have a material effect on Consultant's economic interest, and (b) if required by law, Consultant shall file financial disclosure forms with the City Clerk. If Consultant maintains or acquires a conflicting interest, any contract with City (including this Agreement) involving Consultant's conflicting interest may be terminated by City.

10. NONDISCRIMINATION. Consultant shall comply with all applicable federal, state, and local laws regarding nondiscriminatory employment practices, whether or not said laws are expressly stated in this Agreement. Consultant shall not discriminate against any employee or applicant because of race, color, religious creed, national origin, physical disability, mental disability, medical condition, marital status, sexual orientation, sex, age, or any other basis, as defined in California Civil Code Section 51.

11. COMPLIANCE WITH LAW AND STANDARD OF CARE. Consultant shall comply with all applicable legal requirements including all federal, state, and local laws (including ordinances and resolutions), whether or not said laws are expressly stated in this Agreement. Consultant shall perform Services using a standard of care equal to, or greater than, the degree of skill and diligence ordinarily used by reputable professionals, with a level of experience and training similar to Consultant, performing under circumstances similar to those required by this Agreement.

12. **RESERVED.**

13. **RESERVED.**

14. **INSURANCE.** Consultant shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, his agents, representatives, subconsultants, or employees.

A. Verification of Coverage.

Consultant shall furnish City with original certificates of insurance and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are to be received and approved by City before work commences.

Proof of Insurance shall be mailed to the following address or any subsequent address as may be directed in writing by the City Risk Manager:

CITY OF NEWARK
Attn: Risk Manager
37101 Newark Boulevard
Newark, CA 94560

City reserves the right to require and obtain complete, certified copies of all required insurance policies and endorsements at any time. Failure to exercise this right at any time shall not constitute a waiver of right to exercise later. Consultant shall immediately furnish City with certificates of renewal for each policy that is renewed during the term of this Agreement.

B. Minimum Scope of Insurance.

Coverage shall be at least as broad as:

1. Insurance Services Office Form Number CG 00 01 covering Commercial General Liability on an occurrence basis, including products and completed operations, property damage, bodily injury, and personal and advertising injury; and
2. Insurance Services Office Form Number CA 00 01 covering Code 1, (any auto), or Code 8 (hired) and Code 9 (non-owned) if consultant has no owned autos; and
3. Workers' Compensation insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance; and

4. Errors and Omissions Liability insurance appropriate to the Consultant's profession. Architects' and Engineers' coverage is to be endorsed to include contractual liability.

C. Minimum Limits of Insurance.

It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum Insurance coverage requirements and/or limits shall be available to the Additional Insured. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of and Insurance policy or proceeds available to the named Insured; whichever is greater.

Consultant shall maintain limits no less than:

- | | |
|---|--|
| 1. General Liability:
(including products and completed operations, property damage, bodily injury, and personal and advertising injury) | \$2,000,000 per occurrence for bodily injury, personal injury, and property damage. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit. |
| 2. Automobile Liability: | \$1,000,000 per accident for bodily injury and property damage. |
| 3. Employer's Liability: | \$1,000,000 per accident for bodily injury or disease. |
| 4. Errors and Omissions Liability: | \$1,000,000 per occurrence or claim; \$2,000,000 aggregate. |

D. Deductibles and Self-Insured Retentions.

Any deductibles or self-insured retentions must be declared to and approved by the City Risk Manager. At the option of City, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects to City, its officers, officials, directors, employees, contractors, agents, and volunteers, or (2) Consultant shall provide a financial guarantee satisfactory to City guaranteeing payment of losses and related investigations, claim administration, and defense expenses in an amount specified by the City Risk Manager or designee.

E. Claims Made Policies.

For all “claims made” coverage, in the event that Consultant changes insurance carriers Consultant shall purchase “tail” coverage or otherwise provide for continuous coverage covering the Term of this Agreement and not less than five (5) years thereafter. Proof of such “tail” or other continuous coverage shall be required at any time that the Consultant changes to a new carrier.

F. Wasting Policies.

No policy required by this paragraph 14 shall include a “wasting” policy limit (i.e. limit that is eroded by the cost of defense).

G. Remedies.

In addition to any other remedies City may have if Consultant fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, City may, at its sole option exercise any of the following remedies, which are alternatives to other remedies City may have and are not the exclusive remedy for Consultant’s breach:

1. Obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under the Agreement;
2. Order Consultant to stop work under this Agreement or withhold any payment that becomes due to Consultant hereunder, or both stop work and withhold any payment, until Consultant demonstrates compliance with the requirements hereof; and/or
3. Terminate this Agreement.

H. Acceptability of Insurers.

Insurance is to be placed with insurers with a current A.M. Best’s rating of no less than A:VII, unless otherwise acceptable to the City Risk Manager. All insurance companies providing coverage to Consultant shall be insurance organizations authorized by the Insurance Commissioner of the State of California to transact the business of insurance in the State of California.

I. Other Insurance Provisions.

The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. Additional Insureds. City, its officers, officials, directors, employees and volunteers (“Additional Insureds”) are to be covered as insureds with respect to liability arising out of work or operations performed by or on behalf of Consultant; including materials, parts or equipment furnished in connection with such work or operations.

2. Primary Coverage. For any claims related to Services, Consultant's insurance coverage shall be primary insurance as respects City, its officers, officials, directors, employees, and volunteers. Any insurance or self-insurance maintained by City, its officers, officials, directors, employees, or volunteers shall be excess of Consultant's insurance and shall not be contribute with it. Consultant's policy will not seek contribution from the City's insurance or self-insurance.

3. Notice of Cancellation. Each insurance policy required above shall provide that coverage shall not be canceled during the term of this Agreement without notice to City.

4. Civil Code § 2782. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the California Civil Code.

5. Deductibles and Self-Insured Retentions (SIR). All deductibles and self-insured retentions must be disclosed to the City Risk Manager for approval and shall not reduce the limits of liability. Policies containing any SIR provision shall provide or be endorsed to provide that the SIR may be satisfied by either the named Insured or the City.

6. Subconsultants. Consultant shall include all subconsultants as insureds under its policies or shall require and verify separate certificates and endorsements have been obtained for each subconsultant. All coverages for subconsultants shall be subject to all of the requirements stated herein.

7. Waiver of Subrogation. With respect to Workers' Compensation and Employer's Liability Coverage, the insurer shall agree to waive all rights of subrogation against City, its officers, officials, directors, employees, and volunteers for losses arising from work performed by Consultant for City.

8. Coverage is Material Element. Maintenance of proper insurance coverage in conformity with the provision of this paragraph 14 is a material element of this Agreement and failure to maintain or renew coverage or to provide evidence of coverage or renewal may be treated by City as a material breach of this Agreement.

9. Variation. The City Risk Manager may approve a variation in these insurance requirements upon a determination that the coverage, scope, limits, and form of such insurance are either not commercially available or that City's interests are otherwise fully protected. Any variation granted shall be done in writing and shall be made a part of this Agreement as Appendix "A".

15. REPORTING DAMAGES. If any damage (including but not limited to death, personal injury or property damage) occurs in connection with the performance of this Agreement, Consultant shall immediately notify the City Risk Manager's office by telephone at 510-578-4428, and Consultant shall promptly submit to the City's Risk Manager and the City's Administrator (see paragraph 19, herein below) a written report (in a form acceptable to City) with the following information: (a) name(s) and address(es) of the injured or deceased person(s), (b) name(s) and

address(es) of witnesses, (c) name(s) and address(es) of Consultant's insurance company(ies), and (d) a detailed description of the damage(s) and whether any City property was involved.

16. INDEMNIFICATION/SAVE HARMLESS. To the fullest extent permitted by law, the Consultant shall: (1) immediately defend, and (2) indemnify City, its, officers, officials, directors, employees, and volunteers from and against all liabilities regardless of nature or type arising out of or resulting from Consultant's performance of Services, or any negligent or wrongful act or omission of Consultant or Consultant's officers, employees, agents, or subconsultants. Liabilities subject to the duties to defend and indemnify include, without limitation all claims, losses, damages, penalties, fines, and judgments; associated investigation and administrative expenses; defense costs, including but not limited to reasonable attorneys' fees; court costs; and costs of alternative dispute resolution. Consultant's obligation to indemnify applies unless it is adjudicated that its liability was caused by the sole active negligence or sole willful misconduct of an indemnified party. If it is finally adjudicated that liability is caused by the comparative active negligence or willful misconduct of an indemnified party, Consultant's indemnification obligation shall be reduced in proportion to the established comparative liability of the indemnified party.

In the event that Consultant or any employee, agent, or subconsultant of Consultant providing services under this Agreement is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

The duty to defend is a separate and distinct obligation from Consultant's duty to indemnify. Consultant shall be obligated to defend, in all legal, equitable, administrative, or special proceedings, with counsel approved by City immediately upon tender to Consultant of the claim in any form or at any stage of an action or proceeding, whether or not liability is established. An allegation or determination of comparative active negligence or willful misconduct by an indemnified party does not relieve the Consultant from its separate and distinct obligation to defend City. The obligation to defend extends through final judgment, including exhaustion of any appeals. The defense obligation includes an obligation to provide independent defense counsel if Consultant asserts that liability is caused in whole or in part by the negligence or willful misconduct of the indemnified party. If it is finally adjudicated that liability was caused by the sole active negligence or sole willful misconduct of an indemnified party, Consultant may submit a claim to City for reimbursement of reasonable attorneys' fees and defense costs.

The review, acceptance or approval of Consultant's work or work product by any indemnified party shall not affect, relieve or reduce Consultant's indemnification or defense obligations. This paragraph survives completion of Services or the termination of this contract. The provisions of this paragraph are not limited by and do not affect the provisions of this contract relating to insurance.

Consultant/Subconsultant's responsibility for such defense and indemnity obligations shall survive the termination or completion of this Agreement for the full period of time allowed by law. The defense and indemnification obligations of this Agreement are

undertaken in addition to, and shall not in any way be limited by, the insurance obligations contained in this Agreement.

17. LICENSES, PERMITS, ETC. Consultant represents and warrants to City that it has all licenses, permits, qualifications, and approvals of whatsoever nature that are legally required for Consultant to practice its profession. Consultant represents and warrants to City that Consultant shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals which are legally required for Consultant to practice its profession. In addition to the foregoing, Consultant shall obtain and maintain during the term hereof a valid City of Newark Business License.

18. TERM/TERMINATION.

A. The term of this Agreement shall commence upon the date first hereinabove written and shall expire upon completion of performance of Services hereunder by Consultant.

B. Notwithstanding the provisions of paragraph 18 Section A above, City may terminate this Agreement at any time and without cause upon written notification to Consultant. Consultant may cancel this Agreement upon thirty (30) days' written notice to City and shall include in such notice the reasons for cancellation. In the event of such termination, City shall compensate Consultant for Services rendered and reimburse Consultant for costs and expenses incurred, to the date of termination, calculated in accordance with the provisions of paragraph 3. In ascertaining the Services actually rendered to the date of termination, consideration shall be given both to completed work and work in process of completion. Nothing herein contained shall be deemed a limitation upon the right of City to terminate this Agreement for cause, or otherwise to exercise such rights or pursue such remedies as may accrue to City hereunder.

19. CONTRACT ADMINISTRATION. This Agreement shall be administered by **KRYSTEN LEE** of the City of Newark ("Administrator"). All correspondence shall be directed to or through the Administrator or his/her designee.

20. NOTICES. Written notices required or convenient hereunder shall be delivered personally or by depositing the same with the United States Postal Service, first class (or equivalent) postage prepaid and addressed, in the case of Consultant, to:

MUNISERVICES, LLC.

CITY OF NEWARK

Consultant

Administrator

Address: MuniServices, LLC.
7625 N Palm Ave
Attn: Thomas Adams
Fresno CA 93711

City of Newark
Attn: Krysten Lee
37101 Newark Boulevard
Newark, CA 94560

21. PARAGRAPH HEADINGS. Paragraph headings used herein are for convenience only and shall not be deemed to be a part of such paragraphs and shall not be construed to change the meaning thereof.

22. EXHIBITS. All exhibits referred to herein are attached hereto and are by this reference incorporated herein.

23. SEVERABILITY. If any term of this Agreement (including any phrase, provision, covenant, or condition) is held by a court of competent jurisdiction to be invalid or unenforceable, the Agreement shall be construed as not containing that term, and the remainder of this Agreement shall remain in full force and effect; provided, however, this paragraph shall not be applied to the extent that it would result in a frustration of the Parties' intent under this Agreement.

24. GOVERNING LAW, JURISDICTION, AND VENUE. The interpretation, validity, and enforcement of this Agreement shall be governed by and interpreted in accordance with the laws of the State of California. Any suit, claim, or legal proceeding of any kind related to this Agreement shall be filed and heard in a court of competent jurisdiction in the County of Alameda.

25. ATTORNEY'S FEES. In the event any legal action is commenced to enforce this Agreement, the prevailing party is entitled to reasonable attorney's fees, costs, and expenses incurred.

26. ASSIGNABILITY. Neither Consultant nor City shall subconsult, assign, sell, mortgage, hypothecate, or otherwise transfer their respective interests or obligations in this Agreement without the express prior written consent of the non-transferring party.

27. MODIFICATIONS. This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by both Parties.

28. WAIVERS. Waiver of breach or default under this Agreement shall not constitute a continuing waiver of a subsequent breach of the same or any other provision of this Agreement.

29. ENTIRE AGREEMENT. This Agreement, including all documents incorporated herein by reference, comprises the entire integrated understanding between the Parties concerning the Services. This Agreement supersedes all prior negotiations, agreements, and understandings regarding this matter, whether written or oral. The documents incorporated by reference into this Agreement are complementary; what is called for in one is binding as if called for in all.


30. SIGNATURES. The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Agreement on behalf of the respective legal entities of Consultant and City. This Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns.

31. COVENANT AGAINST CONTINGENT FEES. Consultant hereby warrants that Consultant has not employed or retained any company or person, other than a *bona fide* employee working for Consultant, to solicit or secure this Agreement, and Consultant has not paid or agreed to pay any company or person, other than a *bona fide* employee, any fee, commission, percentage, brokerage fee, gift, or any other consideration contingent upon or resulting from the award or

formation of this Agreement. For breach or violation of this warranty, City shall have the right to annul this Agreement without liability or, at City's discretion, to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift or contingent fee.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement the day and year first hereinabove written.

CITY OF NEWARK,
a municipal corporation

By 

City of Newark

Date 2-25-20

MUNISERVICES, LLC.
dba Avenu MuniServices, LLC.

By 

Consultant

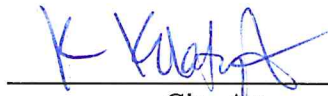
Date 2/19/2020

Mike Melka
Printed Name

Attest:


City Clerk

Date 2/25/2020

Approved as to form:


City Attorney

Date 2/25/2020

EXHIBIT A
SCOPE OF SERVICES

Transient Occupancy Tax (TOT) Audit Services

Avenu/MuniServices' Transient Occupancy Tax (TOT) audit and compliance program is designed to protect and enhance your city's lodging tax revenues. Since 1990, Avenu/MuniServices has reviewed more than 9,000 lodging providers through TOT documentation review and on-site hotel business audits. In the past five years alone, we have generated more than \$25 million in additional hotel tax revenue for our clients. To achieve the goal of full TOT compliance along with a cost-effective process, we tailor our TOT services to each client based on their specific lodging providers. Our TOT services include a cooperative process designed to help lodging providers better understand lodging regulations and remain in compliance with City ordinances. In addition to our TOT programs for hotels, we have extensive experience with short-term rental (STR) administration, discovery, and compliance.

To facilitate the audit process, the City will need to provide certain information: 1) existing taxpayer data, 2) authorization to act on the City's behalf in accepting filings, payments and compliance/collection efforts, and 3) a designated City contact(s) to whom we will provide reports (via the online Client Reporting Portal) to enable responsible City oversight of the program. Avenu/MuniServices agrees that it shall keep all information it receives concerning City taxpayers confidential and shall use it solely for tax administration and/or compliance purposes.

The Transient Occupancy Tax (TOT) Compliance Program

Our approach to TOT Audit and Compliance has proven to be effective in successfully completing lodging tax audits on behalf of our clients and it helps ensure long term compliance. To facilitate the audit process, the City shall provide copies of returns submitted by all domiciled lodging providers for the most recent forty-eight (48) months or the period covered by the applicable statute of limitation, whichever is shorter, to Avenu/MuniServices prior to the start of Phase 1. If the City has the full return data digitized, submitting such in electronic format would be preferable.

Within 90 days of Avenu/MuniServices' receipt of the lodging provider "return information" from the City, we will initiate the Compliance Program. This audit program is a single service consisting of a two-phase process. The Phase 2 portion of the project is not possible without the Phase 1 work. However, the City can elect to complete a reduced number of audits to meet any funding constraints.

Analysis - Phase 1.

1. **Inventory.** Establish a comprehensive inventory of all lodging properties subject to taxation by the City and the database elements (public and private databases) needed to facilitate further analysis to identify and locate lodging providers not properly registered with the City and not appearing on the City rolls as TOT remitters.
2. **Analysis.** Analyze lodging provider "return information" to identify unusual or suspicious reporting and/or activities that warrant further review.

3. **Data collection.** Conduct unobtrusive collection of information on each property, including number of rooms, occupancy rate, transient and non-transient guests, exemptions, property's condition, business dynamics, etc.
4. **Reporting.** Provide a detailed analysis report to the City identifying lodging providers who might require additional investigation or review to determine their compliance with the City's TOT ordinance and coordinate with the City to review the analysis report.
5. **Identify Phase 2 reviews.** Work with the City to develop a list of lodging providers subject to a compliance review of lodging and tax records.

Audit and Compliance Review - Phase 2. Based on our historical experience, a typical average of 30% of properties reviewed in Phase 1 will be recommended for Phase 2.

- a. **Records.** Provide the City with a detailed list of all records required from lodging providers, together with a draft engagement announcement letter to be sent to each lodging provider.
- b. **Examine & Verify.** Review records pertaining to TOT for each lodging provider selected for a compliance review and verify the accuracy of filed TOT returns with daily and monthly activity summaries.
 - 1) Review a random sample of the daily and monthly summaries to determine if the daily summaries reconcile to the monthly summaries.
 - 2) If Avenu/MuniServices believes such a review is necessary, review secondary and tertiary documentation such as bank statements to verify that deposits reconcile with the reported revenue on the TOT returns or other tax filings.
 - 3) Review exempted revenue for proper supporting documentation.
- c. **Compliance Report.** Submit and review with the City a compliance review report that includes:
 - 1) All review findings;
 - 2) Documentation for each error/omission identified and confirmed by Avenu/MuniServices that is necessary to facilitate recovery of revenue due from lodging providers for prior periods.
 - 3) Draft notices of deficiency determination, commendation and warning letters as applicable.
- d. **Findings.** Assist the City in reviewing any matters submitted in extenuation and mitigation by lodging providers in contesting a deficiency determination. Prepare and document any changes to the compliance review findings and provide revised tax, interest or penalty amounts due the City.
- e. **Consulting.** During the term of this Agreement, provide up to ten (10) hours of additional consulting time to assist the City in evaluating or implementing any of the proposed actions suggested by the above report.

TOT Report Deliverables

The Compliance Program – Audit - Phase 1. Avenu/MuniServices will provide the City with a detailed analysis report identifying lodging providers who might require additional investigation or review to determine their compliance with the City's TOT ordinance.

The Compliance Program - Compliance Review - Phase 2. Avenu/MuniServices will provide City staff with a detailed list of all records required to be made available by lodging providers for the reviews, together with a draft engagement announcement letter to be sent to each lodging provider. This Phase will include:

- ▶ Avenu/MuniServices review findings
- ▶ For each identified and confirmed error/omission, we will request accompanying documentation that Avenu/MuniServices believes is necessary to facilitate recovery of revenue due from lodging providers for prior periods;
- ▶ Draft notices of deficiency determination, commendation and warning letters as applicable; and recommendations

Within 30 days of completing all audit reviews, Avenu/MuniServices will provide a summary report of all findings to the City.

TOT Project Schedule

- 1. Start-up of TOT Audit Process (within first 30-60 days)**
 - a. Procedural meeting with the City
 - b. Request Documentation from City
 - 48 Months of Returns for all properties (or properties City selected)
 - Current TOT Ordinance and any related information

- 2. Property Review and Hotels Selected for Audits (within 90 days)**
 - a. When we receive the returns, we enter the data into our worksheets to develop trends, property comparison, exempt rent to gross rent variation, etc. We research the statistics on the City and properties. Based on this data, we select specific properties for audit (if the City hasn't requested specific properties).
 - b. We will submit to the City an Audit Report identifying the properties and reasons they were selected.
 - c. Once the City approves the hotels selected for audits, we will forward the City Announcement Letters that need to be mailed to the properties on City letterhead. Once the City sends out the letters to the properties, we request they send us a copy of the signed letters.

- 3. Start-up of TOT Audits (30 days later)**
 - a. Auditors will contact the City for a brief conference call to discuss the audit timeline.
 - b. Once the timeline has been approved, Avenu/MuniServices issues an Appointment Letter with a list of required information.
 - c. The date for the on-site review allows the property 30 days of preparation time.

- 4. Desk Audits and Field Audits (8 weeks later)**
 - a. Conduct a review search on specifics of hotels to determine/confirm number of rooms, any special requirements and any other charges to which guests may be charged.
 - b. One week after the Appointment Letters are mailed, contact hotel operator to confirm date and time of audit, explain procedures, and request data for sample months (such as Month End Reports, Property Management System, Profit & Loss Statements, Exemption Reports).
 - c. Conduct on-site review.

- 5. Provide Final Audit Report to the City (30 days following completion of audit program)**
 - a. Auditors will submit (via email) all the Commendation/Deficiency Letters that need to be submitted to the hoteliers by the City.
 - b. City will receive an electronic copy of the Final Audit Report.

City Assistance

For Avenu/MuniServices to conduct the Analysis and Compliance services we will request assistance from the City in the following areas:

- ▶ Prior to the start of the work to be performed, provide Avenu/MuniServices with (1) the most recent registration to collect the tax and (2) returns for the time period requested as needed to compile a historical database for the period of the statute of limitations. If the City has the full return data digitized, submitting such in electronic format would be preferable.
- ▶ Inform Avenu/MuniServices of any circumstances concerning current existing payees.
- ▶ Inform Avenu/MuniServices of the development of new lodging properties no later than the Certificate of Occupancy being granted.
- ▶ Cooperate in the transition by reviewing proposed processing and materials, offering comments and suggestions and providing timely approvals.

EXHIBIT B

PAYMENT

Transient Occupancy Tax (TOT) Audit Services Pricing

Transient Occupancy Tax (TOT) Audit and Compliance Services

Avenu/MuniServices provides our hotel and lodging property TOT audits on a fixed fee basis. Our TOT audit services consist of two inter-related audit phases. The phase 1 review must be done first, and it must include all lodging properties within the City. Phase 2 cannot proceed without a Phase 1 review first being completed. The City can determine the number of Phase 2 audits that they wish for Avenu/MuniServices to complete (typically we recommend roughly 33% of lodging properties for Phase 2 audit but it is up to the City to determine the number). The City may choose to audit traditional hotels and motels only, short-term rentals only, or to audit both types of lodging properties at the same time.

Phase I: Analysis

The City will pay Avenu/MuniServices a fixed fee of \$900 per lodging property. This fee applies to all lodging properties located in the City limits. Avenu will invoice this upon delivery of the analysis report. Phase 1 analysis/compliance review also can be done for short-term rentals at a fixed fee of \$500 per short-term rental property (again, this fee would apply to all short-term rental properties within the city).

Phase II: Audit and Compliance Review

The City will pay Avenu/MuniServices a fixed fee of \$1,300 per lodging property reviewed unless the City does not approve the list of lodging properties for Compliance Review within 90 days of submission, in which the cost will increase to \$1,500 per lodging property reviewed. Avenu/MuniServices will invoice this upon delivery of the compliance report with payment to be made within thirty-days (30) of receipt of invoice. Phase II audit also can be done for short-term rentals for a fixed fee of \$1,600 per property.

Travel and Out-of-Pocket for Audit Services

For the Transient Occupancy Tax services Avenu/MuniServices will also charge the City out-of-pocket expenses for reasonable travel costs related to the performance of the audits. Travel Costs include, but are not limited to, the costs of car rental, gasoline, or other transportation. These out-of-pocket expenses will not exceed \$2,500 per visit. If we expect to spend more than \$2,500 we will get prior approval from the City for any amounts over the allotted \$2,500. The out-of-pocket expenses will be invoiced to the City upon delivery of the final report to the City.

Typically for years two and three there will not be a need to audit every property within the statute. Avenu/MuniServices however will continue to monitor the lodging properties reporting and notify the City of any anomaly and then charge \$500 per property for any of those that require further compliance review. Should the City elect the full Phase 1 and 2 service for years two and three our standard pricing shown above will apply.

Additional Consulting Services

Our proposed services and associated costs will cover the entire scope of work requested by the City and we do not anticipate any 'out-of-scope' work required. However, should the City desire additional services outside of the agreed upon scope of work and both parties agree on the scope of the additional consulting services, then Avenu/MuniServices shall provide the additional consulting services on a Time and Materials basis at hourly rates based on the job classification (rates are subject to change):

Avenu/MuniServices Hourly Rate Schedule	
Position	Hourly Rate
Principal	\$200
Project Manager/Director	\$175
Client Success Manager	\$150
Senior Analyst	\$125
Information Technology	\$175
Analyst	\$100
Administrative	\$75

EXHIBIT C

QUALIFICATIONS

Since our founding over four decades ago, Avenu/MuniServices has successfully supported thousands of towns, cities and counties with our full suite of compliance auditing and revenue enhancement services. We are public sector experts and we understand the challenges faced by cities like Newark. We support numerous cities surrounding in the San Francisco Bay Area with these same services. Our refined methodologies and processes are a direct result of the nearly 30 years we have been providing auditing services.

In 2018, Avenu/MuniServices generated over \$1.3 billion in new general fund tax revenue for its local government clients. We earned our reputation as the premiere revenue enhancement partner to the public sector through our comprehensive audit services, proprietary data analytics, accurate forecasting, cost-effective administration services, and our commitment to our clients. In addition to our audit and administration services, Avenu/MuniServices has been recognized by our customers for our accuracy in our forecasting services, which enable local governments to make informed business decisions and create sound public policy. Our proven success stems from our highly experienced nationwide team of certified examiners and accountants who use their region-specific expertise. These experts have decades of experience researching and interpreting local ordinances, regulations, statutes, and laws.

Avenu/MuniServices is the only firm in California and throughout the United States, offering proprietary revenue enhancement audit services encompassing all general sources of municipal tax revenue including Business License Administration, Discovery, Audit and Collections; Sales and Transactions and Use Tax Audit and Reporting Services; Transient Occupancy Tax Audit and Compliance; Franchise Fee Compliance Audits; Property Tax Audit; Utility Users Taxes and Cannabis Audit and Consulting Services.



EXPERIENCED PROFESSIONALS

Our experienced professional staff consisting of Certified Revenue Examiners and Certified Public Accountants complete annual training directly related to government compliance auditing as statutorily mandated



ON-SITE EXAMINATIONS

Avenu works with your team to provide on-site taxpayer examinations by searching for financial or management inaccuracies, inadvertent irregularities, or potential fraudulent reporting practices



ON-GOING EDUCATION

Avenu helps ensure future compliance by providing best practices and education to taxpayers on current shortfalls, existing mandates, and any changes in legislation

Why Choose Avenu/MuniServices?

- ▶ **Focus:** Avenu/MuniServices only provides services to local government agencies. Our exclusive focus allows us to avoid real and/or perceived conflicts of interest with taxpayers and other business groups. Our approach qualifies us to review confidential taxpayer information and other restricted data that could be out of reach for specialty consulting and public accounting firms who could be barred access due to various conflicts of interest.
- ▶ **Discovery:** Avenu/MuniServices identifies non-compliant entities and assists in bringing these entities into compliance. If a full- service program is not necessary, we can design a program to assist in identifying non-compliant entities using an existing recovery program.
- ▶ **Local Tax Compliance Auditing:** Professional auditors provide clients with audit assistance to verify the accuracy of the amount received from a taxpayer or collector. Avenu/MuniServices works on behalf of its clients to provide a wide variety of revenue audits such as Sales/Use Tax, Business/Occupational License Tax, Transient Occupancy Tax, Sugary Beverage & Alcohol Tax, Solid Waste and Recycling Fees, Unclaimed Property Audit & Recovery, Utility Users Tax and Utility Franchise Fees.
- ▶ **National Taxpayer Auditing:** Avenu/MuniServices has developed a variety of new and innovative national audit programs for the public sector. We study, evaluate and make recommendations for our clients based on our existing national taxpayer auditing program. The experience we have gained through this program results in improved identification of non-compliant businesses and reduces the associated city-specific audit costs.
- ▶ **Misallocation Reviews:** Avenu/MuniServices reviews and verifies its clients' allocation of tax revenues made by the agency responsible for the collection and distribution of the tax.
- ▶ **Delinquent Collections:** Our proven and innovative collection methods capitalize on the tax expertise of our staff to decrease debt pools while upholding the "taxpayer courtesy standards" maintained by municipal government.
- ▶ **Tax Administration:** Avenu/MuniServices targets critical business processes such as data entry and processing, billing services, application and claims processing, compliance and taxpayer support services. We process over \$744 million in business tax revenues annually, over \$2.4 billion in complex tax transactions, and over 405,000 unique tax returns. Avenu/MuniServices offers the convenience of on-line filing and payment options for taxpayers and on-line reporting for the jurisdiction.
- ▶ **Revenue Information Services:** Avenu/MuniServices provides revenue information in a way that gives our clients a better understanding of their revenue base. Avenu/MuniServices provides real-time data and analytics products for our clients to track revenues as well as historical trend data and the ability to forecast future revenues.

A. Staffing

Avenu/MuniServices offers the City of Newark a highly skilled and dedicated team of experts ready to continue their support of the City. As we have demonstrated in our long-standing partnership, we are committed to Newark's success and our Executive, Senior Management, and Advisory teams are easily accessed and are deeply involved in day-to-day operations.

Most of our senior staff each have over twenty years of experience in local government finance, tax audit, and tax administration, providing a level of expertise unmatched in the industry. We will not use any sub-consultants for this project, so we are directly accountable for all aspects of operations and revenue enhancement.

We have a Government Relations team and in-house lobbyist in Sacramento that monitors legislative and regulatory activity to ensure our clients are informed on legislative updates. Our team of former municipal executives, sales tax and data & analytics experts, along with our national footprint, provides us with a unique opportunity to continuously develop new and innovative ways to uncover businesses that are incorrectly reporting taxes. To demonstrate our expertise, Avenu/MuniServices received industry-wide recognition by being listed on the GovTech100 for our role supporting our local government clients.

B. Executive and Management Team

Paul Colangelo, Chief Executive Officer. Paul has nearly 20 years of executive leadership and a track record as a trusted advisor at the state and local levels. Paul not only leads the operations, strategy, and growth of Avenu/MuniServices, he is directly involved in the day-to-day operations of our Sales and Use Tax teams. Paul previously served as President and COO at Library Systems & Services, as well as President of Appriss — where his strategic vision led to the portfolio revenue growth and diversification. Before Appriss, Paul was Vice President of Convergys Global Business Unit, managing client services programs in government, automotive, and transportation markets. Paul earned his bachelor's degree from Seton Hall University and his MBA from Strayer University. And as part of his ongoing commitment to serving state and local communities nationwide, he serves an active member on the National Center for Missing & Exploited Children Law Enforcement Advisory Board, Blessings in a Backpack National Board, and the Netwisedata & Spokeo Advisory Board.

Jonathan Gerth, Esq., Vice President Audit. Jonathan manages our Audit Division and will have overall responsibility for implementation and successful completion of the auditing services for this contract. Jonathan has extensive professional experience in legal, business and accounting environments, including advanced federal, state and local governmental functions and tax compliance. He began his career as a tax attorney and appeals officer for the Internal Revenue Service's Division of Chief Counsel and Compliance in Dallas, Texas. Jonathan has held a wide variety of legal roles in our audit department consisting of legal tax support and strategic analysis on compliance audits, tax controversy and advocacy, regulatory compliance initiatives, reforms in audit, assessment and collection practices, and intensive litigation support.

Thomas Adams, Client Success Manager. Tom has over 20 years of experience in municipal government including work for the City of San Jose, the City and County of San Francisco, and the City of San Rafael. Most recently, Tom worked on redevelopment and economic development projects for over twelve years. Tom has extensive experience working on sales tax and revenue analysis, municipal operating and capital budgets, and strategic planning. Tom is a member of California Society of Municipal Finance Officers (CSMFO), the Government Finance Officers Association (GFOA), and the International Council of Shopping Centers (ICSC).

C. Audit Team

John Thrasher III, CPA AVP Audit Operations. John is responsible for the day to day direction, implementation, and development of the Audit Division for Avenu/MuniServices. John has more than 20 years of professional accounting, tax and consulting experience. Prior to joining Avenu/MuniServices, John was founder and managing member of a full-service accounting and consulting firm that focused on growing small to mid-sized privately held businesses. John began his career in public accounting, serving as a Manager in the assurance practice of Ernst and Young, and later as Senior Manager in the assurance practice of PricewaterhouseCoopers. John is a licensed Certified Public Accountant (CPA) in the state of Alabama.

Chris Wills, CRE, Audit Manager. Chris oversees audit operations for all national Utility Tax clients. Chris has been with our Birmingham office since 2008 and has developed a specialty practice within the company working on Utility Tax engagements. The franchise and utility audits span industries such as telecommunications, cable, electricity, solid waste and natural gas. An auditing professional with extensive knowledge of sales tax, consumer's use tax, utility license taxes, franchise fees, testing methodology, and evaluation of company internal controls, Chris has built a wide array of resources and knowledge specific to each industry, which has been pivotal in developing audit issues for our clients. **Education:** Chris received his BS degree in Accounting from Jacksonville State University and is a Certified Revenue Examiner.

Tim Olson, Senior Auditor, is responsible for monitoring, detection and documentation of non-compliance errors/omissions resulting from MuniServices' utility users tax compliance reviews with the Telecommunications Industry. He interfaces with the telecomm service providers and individual end users to determine whether there is non-compliance with local utility user's tax ordinances. In addition to monitoring the Telecommunications Industry, Tim also conducts Transient Occupancy Tax audits. Tim has over twenty years of finance and audit related experience. **Education:** Tim has a B.A. in Business Administration from California State University, San Bernardino.

Gennaro DiMassa, Senior Auditor. Gennaro, a Certified Public Accountant, inactive, is responsible for Avenu/MuniServices' TOT Compliance program and is a senior auditor. He is responsible for the review and analysis of the Transient Occupancy Tax paid by hotels for compliance with City ordinances. He has ten years of audit experience with a major recovery audit firm and practiced seven years as a CPA with a major CPA firm in the Los Angeles area.

Tami Nguyen, Senior Auditor. Tami is responsible for the company's TOT Compliance program. She is also responsible for the review and analysis for Transient Occupancy Tax paid by hotels for compliance with City ordinances. She conducts on site audits and helps prepare management reports for our client contacts. Prior to joining Avenu/MuniServices, she worked for a major home builder as a Treasury Analyst.

Chantha Sor, Local Tax Compliance Auditor, Enrolled Agent. Chantha has expertise in Business License City code analysis and application. This is useful to determine Taxpayer audit candidates. Chantha also consults to analyze code to determine potential changes to maximize revenue generation for his assigned City projects. He has also developed custom interview questions and audit techniques for all business types. Chantha previously worked for the Internal Revenue Service in the Small Business Self-Employed Division as a Revenue Agent. As a Revenue Agent, he performed federal tax audits. His audits included Individual, Corporation, and Partnership tax returns. He has experience in contacting and communicating with Unenrolled Tax Preparers, Enrolled Agents, Certified Public Accountants, and Tax Attorneys. Special projects also included supervision of IRS Revenue Agents and testified in Tax Court as an expert witness. He is well versed on the Internal Revenue Code Sections. **Education:** Chantha graduated from California State University, Fresno and received a Bachelor of Science Degree in Business Administration with the option of Accounting

D. Government Relations/Legislative Advocacy Team

Francesco D. Mancía, MBA, VP Government Relations & Business Development. Fran is responsible for overseeing company Legislative, Regulatory, and Government Relations work at the state and federal level. Fran has a strong working knowledge of local government general fund tax laws and state and federal regulatory and legislative issues that impact local governments. He monitors, analyzes and leads company lobbying efforts related to legislation, state mandates, and regulatory changes and policies that affect client revenue streams. Fran currently serves as a member of the League of California Cities Revenue and Taxation Policy Committee. Fran was a Regent of the University of California in 2017-2018.

F.7 Acceptance of the Comprehensive Annual Financial Report (CAFR) for the period ended June 30, 2019 – from Finance Director Lee. (MOTION)

Background/Discussion – Following the close of each fiscal year, the City’s external auditors conduct an audit of the City’s financial records and assist in the compilation of the Comprehensive Annual Financial Report (CAFR). The objective of this general purpose external financial reporting is accountability. The goal of the financial statement audit is to provide users with a reasonable assurance, from an independent source, that the information presented in the statements is reliable. The audit for the fiscal year ended June 30, 2019, was recently completed by Lance, Soll & Lunghard, LLP (LSL). LSL was approved by the City Council as the City’s independent auditor on May 23, 2019 and this is LSL’s first year of an initial four year engagement.

As part of the year-end closing process, staff presents the audited Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. 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 2018/19. LSL audited the report and issued an unmodified “clean” 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 report. The Statement of Net Position provides information regarding the financial position of the City, including all assets and liabilities and the Statement of Activities provides information regarding the city’s revenues and expenses. In the Transmittal Letter and Management Discussion and Analysis, the Finance Manager provides a narrative overview and analysis of the City’s financial activities and performance during the fiscal year.

Financial Highlights for FY 2019

Government-wide:

- At June 30, 2019, the assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by \$167.6 million (net position). This is an increase of \$17.8 million from the prior fiscal year. Of this amount, \$31.1 million are restricted, and (\$11.0) million represents unrestricted net position.
- Government-wide revenues include program revenues of \$26 million and general revenues of \$58.6 million, an increase of \$10.2 million total revenues from the prior fiscal year.
- Government-wide expenses totaled \$66.8 million, an increase of \$4 million from the prior year's total of \$62.8 million.

Governmental Funds:

- At the close of fiscal year 2018-2019, the City's governmental funds reported combined fund balances of \$113 million, an increase of \$19.4 million in comparison with the prior fiscal year.
- Governmental Fund revenues were \$84.7 million in fiscal year 2018-2019, increased by \$9.7 million from fiscal year 2018.
- Governmental Fund expenditures were \$64.7 million in fiscal year 2018-2019, an increase of \$3.9 million more than fiscal year 2018.
- Approximately 33% of the fund balance (\$36.8 million) is unassigned and available for spending at the government's discretion, although \$7.8 million is designated as catastrophic and \$5.2 million as 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 specific purposes (\$31.1 million), 3) committed for specific purposes (\$13.6 million), or 4) assigned for specific purposes (\$31.2 million).

A final version of the CAFR will be available on the City's website for public transparency.

Attachments – CAFR

Action – Staff recommends that the City Council, by motion, accept the Comprehensive Annual Financial Report (CAFR) for the period ended June 30, 2019.

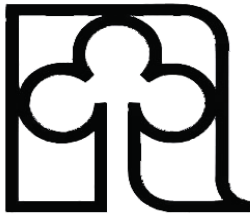
City of Newark

Newark, California

Comprehensive Annual Financial Report

For the year ended June 30, 2019

Prepared by:
Finance Department
Krysten Lee
Finance Manager



CITY OF NEWARK
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR FISCAL YEAR ENDED JUNE 30, 2019

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CITY OF NEWARK
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
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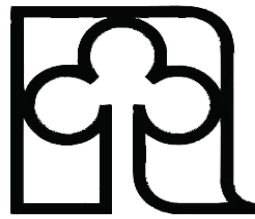
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CITY OF NEWARK, CALIFORNIA

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

March 30, 2020

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

I am pleased to present the City's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. 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 presented in conformance with generally accepted accounting principles (GAAP). This report was prepared by the City's Finance Department to fulfill that requirement.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control the City has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than an absolute, assurance that the City's financial statements are free of any material misstatements.

The independent certified public accounting firm, Lance, Soll and Lunghard Certified Public Accountants (LSL CPAs) has rendered its unmodified opinion on the City's financial statements for the year ended June 30, 2019. The independent auditor's report is presented at the front of the financial section of this CAFR.

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.

Profile of the City of Newark, California

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, 2019, the City's population was estimated by the California Department of Finance at 48,712, approximately 2.9% of the 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 various department heads.

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 the 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 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 are 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. The City Council must approve all budget amendments and transfers between funds 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 and is also authorized to assign funds from the unassigned fund balance per GASB 54.

Local Economy

The City's geographic location in the San Francisco Bay Area (Bay Area) is a significant factor affecting its economic position. The City's healthy housing market and consumer spending continue to drive the local economy. In fiscal year 2018-2019, the City of Newark economy experienced a modest improvement similar to the rest of the State – as did other neighboring cities in the San Francisco Bay Area. The City's primary revenue sources, property tax, and sales tax continue to reflect a healthy community.

Since 2014, over 2600 new homes have been occupied or are under construction in Newark. Proposals to redevelop Newark's regional retail center under the NewPark Specific Plan are submitted and in review and will continue through fiscal year 2020. In Summer 2019, Staybridge Suites and Springhill Suites hotels opened adjacent to NewPark Mall and I-880, increasing total hotel rooms citywide to over 1600 rooms.

Several businesses continue to expand their Newark footprint, and several Peninsula-headquartered companies have chosen to open offices here in Newark to reduce the number of employees crossing the Bay.

New housing units being added to the assessor's roll, coupled with commercial developments in the community and higher property values, have led to a steady increase in local property tax revenues. Developments in the community, combined with increased consumer confidence and a strong labor market, have all contributed to the strengthening of the local economy.

Sales tax continues to increase but at a slower pace. Automobile sales have been lagging along with business-to-business transactions. Still, a strongly growing sector in the sales tax area is the county pool, where tax generated from online purchases is distributed. Voters approved Measure GG; a ½ cent sales tax is also providing an increase in general fund revenues.

Despite a thriving economy, the City faces similar challenges as do other local jurisdictions in California. Management is still cautious regarding the outlook for the future due to the continued growth of expenditures related to personnel costs and deferred infrastructure improvements. In addition, the State's continued policy to push services down to the local level without reallocating revenue to support service delivery is a continued challenge.

The City continues to be prudent with its financial resources by monitoring expenditures closely and maintaining sufficient reserves to help mitigate the City's budget should another recession scenario occur.

Long-Term Financial Planning

The City established the General Fund Emergency Reserves, which is approximately 15% of the final operating expenditures, to be set aside for catastrophic events. This \$7.8 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 Fiscal Uncertainty Reserve was developed as a budget-balancing reserve, to mitigate a possible economic slowdown, recession, or other revenue losses. The Fund Balance Policy sets this reserve at 10% of the final operating expenditures. For fiscal year 2018-2019, the balance is \$5.2 million.

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 \$5.0 million, and the ending balance for fiscal year 2018-2019 is \$10.8 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 unfunded 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 was established by the City to fund capital improvement projects. This reserve increases from surplus funds generated by the General Fund and proceeds from the sale of the City's capital assets. There were a budgeted transfer of \$5.2 million and impact fee revenues of \$3.2 million, bringing the reserves to \$25.1 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 would 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 \$5.0 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.
- ***NewPark Place Specific Plan*** – The Specific Plan has been approved to provide guidelines for further revitalizing the surrounding NewPark Mall area, which is envisioned to include premier retail, restaurant, entertainment, residential, office, and community spaces.
- ***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.
- ***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.

GASB 54

The City is required to produce its financial statements in conformity with GASB 54. This GASB requirement concerns mainly the designation of fund balance into use categories. In addition, GASB Statement No. 54 clarifies how rainy-day amounts are reported by treating stabilization arrangements as a specified purpose. Please refer to Note 11 for more information.

GASB 68 & 71

These accounting standards deal with reporting of pension liabilities. These statements establish standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. These standards were designed to improve and provide transparency to the accounting, and financial reporting for state and local government defined benefit pension plans and to bring governmental employer accounting and reporting standards closer in line with private sector requirements. The City implemented GASB Statement No. 68 and GASB Statement No. 71 in fiscal year 2014-2015. In prior years, information on the pension liabilities was disclosed in the note disclosure and required supplementary information sections of the CAFR. With the implementation of GASB 68, the net pension liability is reported on the face of the Statement of Net Position, effectively reducing an entity's overall net position. Thus, GASB 68 changed the accounting and financial reporting requirements of pension obligations by reporting pension obligations not only on the note disclosure and required supplementary information sections but also on the face of the basic financial statements. GASB 68 affected the reporting and accounting "presentation" of the City's pension liability; however, it is not a new liability, and the City has been disclosing and is profoundly aware of this liability.

GASB 75

Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions: The primary objective of this statement is to improve accounting and financial reporting by state and local governments for post-employment benefits other than pensions (other post-employment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all post-employment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability, and inter-period equity, and creating additional transparency.

This statement replaced the requirements of Statements No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB. Statement No. 75, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, established new accounting and financial reporting requirements for OPEB plans.

The scope of this statement addresses accounting and financial reporting for OPEB that is provided to the employees of State and local governmental employers. This statement established standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB are also addressed.

In addition, this Statement details the recognition and disclosure requirements for employers with payables to defined benefit OPEB plans that are administered through trusts that meet the specified criteria and for employers whose employees are provided with defined contribution OPEB. This statement also addresses certain circumstances in which a non-employer entity provides financial support for OPEB of employees of another entity. The City has implemented GASB 75 in fiscal year 2017-2018.

GASB 88

Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements: The primary objective of this statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. The requirements of the statement are effective for reporting periods beginning after June 15, 2018. The City will be implementing GASB Statement No. 88 for disclosures in the fiscal year 2018-2019 financial statements.

Gann Limit vs. Appropriations Subject to Limit

Proposition 4, the "Gann Initiative," was passed by California voters in 1978, and is intended to limit government appropriations. The Tax Appropriations Limit is based on actual appropriations during the State of California Fiscal Year 1978-79 and adjusted each year using population and inflation adjustment factors that have occurred in subsequent years.

On June 28, 2018, the City Council adopted Resolution No. 10815, establishing the Fiscal Year 2018-2019 Tax Appropriations Limit to \$376,055,491. The City's Tax Appropriations Limit was calculated using the percentage change in California per capita income as the price factor adjustment since the Local assessment roll data necessary to calculate the percentage change in the nonresidential assessed valuation is generally not available from the County Assessor's Office until well into the fiscal year. In the absence of final information on this important factor, it is recommended that the known California per capita personal income of 3.85 percent be adopted for Fiscal Year 2019-2020. For the population adjustment factor, it is recommended that the City's percent change in the population of 3.25 percent be adopted for Fiscal Year 2019-2020 since the higher percentage change in population is most advantageous to the City.

In accordance with Proposition 111 guidelines, and based on the above information, the proposed Fiscal Year 2019-2020 Tax Appropriations Limit is \$ 403,225,969. The 2019-2020 Biennial Budget appropriations subject to the limit are estimated to be well below the proposed Tax Appropriations Limit.

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 (CAFR) for the fiscal year ended June 30, 2018. 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 our current CAFR continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirement, and we are submitting it to GFOA to determine its eligibility for another certificate.

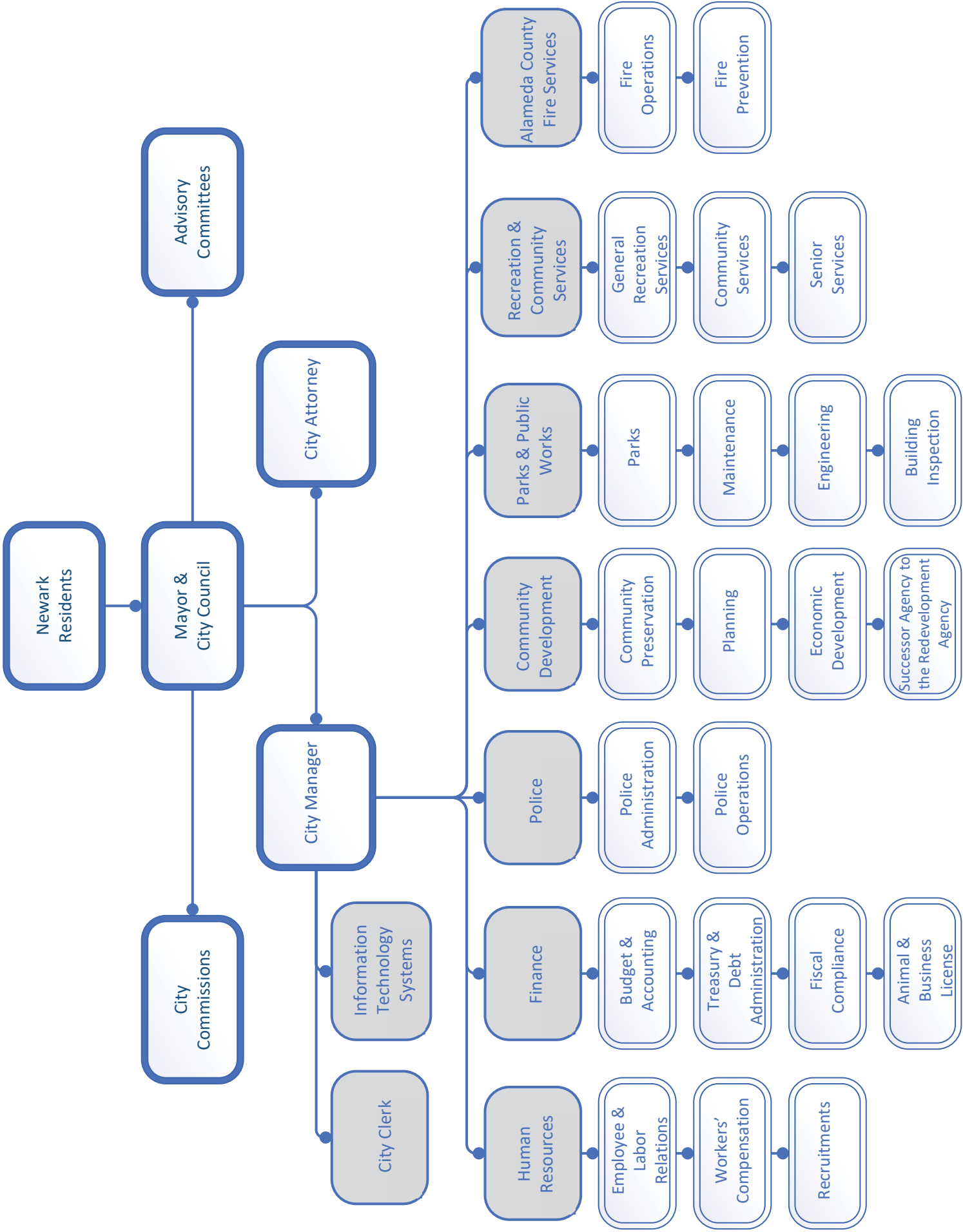
The preparation of the CAFR would not be possible without the dedicated efforts of the entire Finance Department staff. I would like to express special acknowledgment to our auditors LSL CPAs, for their cooperation and assistance.

Finally, sincere appreciation is expressed to the City Manager, the Mayor, and members of the City Council for their unfailing support for maintaining the highest standards of professionalism in review and management of the City's finances.

Respectfully submitted,



Krysten Lee
Finance Manager



Newark Mayor & City Council

June 30, 2019



Alan L. Nagy
Mayor



Maria "Sucy" Collazo
Vice Mayor



Michael K. Hannon
Council Member



Mike Bucci
Council Member



Luis L. Freitas
Council Member



CITY STAFF

June 30, 2019

CITY MANAGER
David Benoun

CITY ATTORNEY
Kristopher Kokotaylo

EXECUTIVE TEAM

FINANCE MANAGER
Krysten Lee

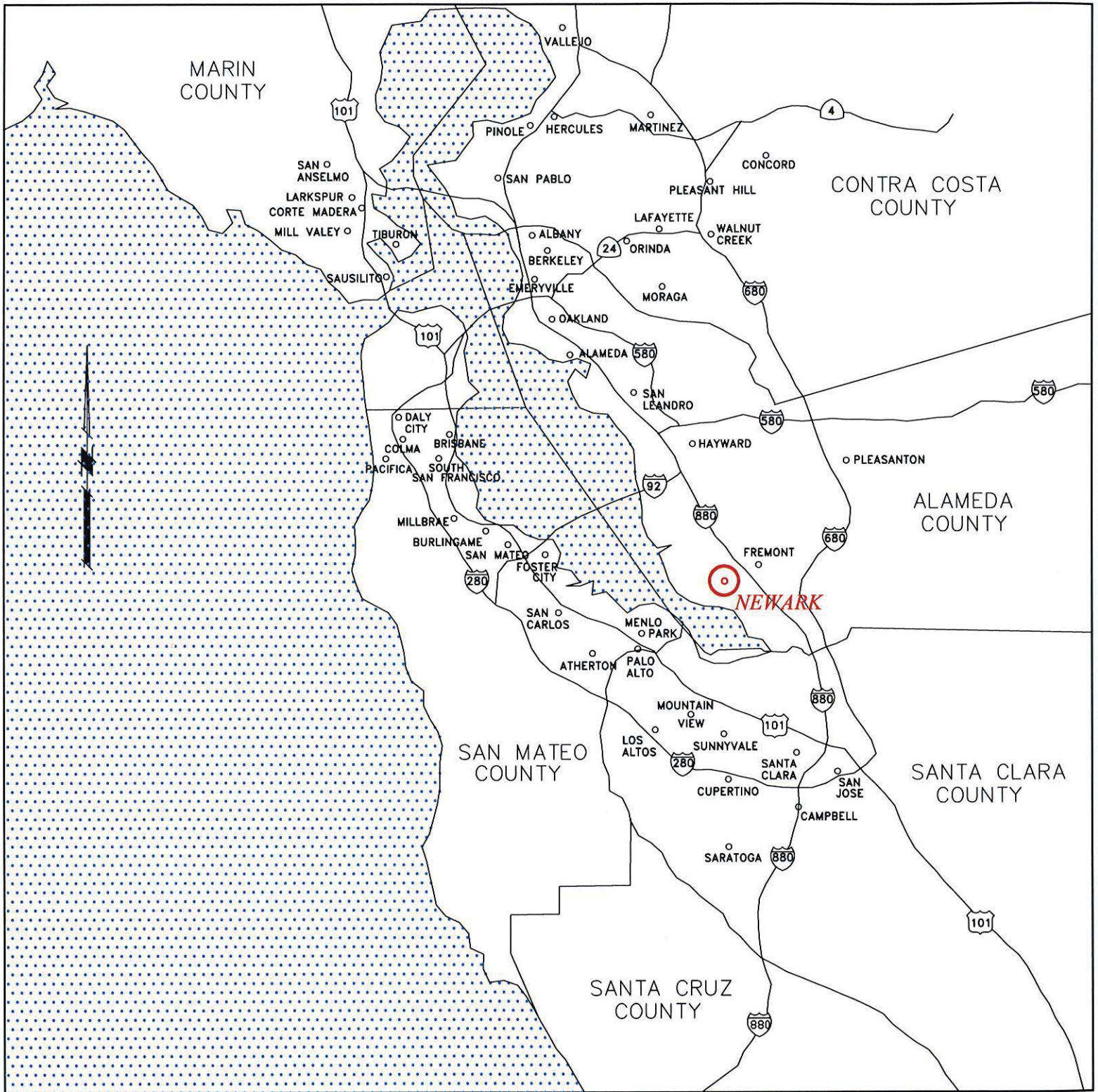
POLICE CHIEF
Michael Carroll

PUBLIC WORK DIRECTOR
Soren Fajeau

RECREATION & COMMUNITY SERVICES DIRECTOR
David Zehnder

HUMAN RESOURCES DIRECTOR
Sandy Abe

FIRE CHIEF (ALAMEDA CO. FIRE DEPARTMENT)
David Rocha





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Newark
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO



INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of 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 City of Newark, California, (the City) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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
City of Newark, California

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 of Newark, California, as of June 30, 2019, 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, the budgetary comparison schedules for the general fund, state construction maintenance special revenue fund, the schedule of changes in net pension liability and related ratios – agent multiple employer plan, the schedule of plan contributions – agent multiple employer plan, the schedule of proportionate share of the net pension liability – cost sharing plan, the schedule of plan contributions – cost sharing plan, the schedule of changes in net OPEB liability and related ratios, and the schedule of OPEB contributions 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 and schedules 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 schedules 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects in relation to the basic financial statements as a whole.

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



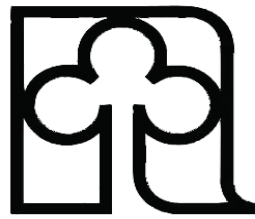
To the Honorable Mayor and Members of the City Council
City of Newark, California

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2020 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Lance, Solt & Loughard, LLP

Sacramento, California
March 30, 2020





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, 2019. 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

Government-wide:

- At June 30, 2019, the assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by \$167.6 million (net position). This is an increase of \$17.8 million from the prior fiscal year. Of this amount, \$31.1 million are restricted, and (\$9.1) million represents unrestricted net position.
- Government-wide revenues include program revenues of \$26 million and general revenues of \$58.6 million, an increase of \$10.2 million total revenues from the prior fiscal year.
- Government-wide expenses totaled \$66.8 million, an increase of \$4 million from the prior year's total of \$62.8 million.

Governmental Funds:

- At the close of fiscal year 2018-2019, the City's governmental funds reported combined fund balances of \$113 million, an increase of \$19.4 million in comparison with the prior fiscal year.
- Governmental Fund revenues were \$84.7 million in fiscal year 2018-2019, increased by \$9.7 million from fiscal year 2018.
- Governmental Fund expenditures were \$64.7 million in fiscal year 2018-2019, an increase of \$3.9 million more than fiscal year 2018.
- Approximately 33% of the fund balance (\$36.8 million) is unassigned and available for spending at the government's discretion, although \$7.8 million is designated as catastrophic and \$5.2 million as 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 specific purposes (\$31.1 million), 3) committed for specific purposes (\$13.6 million), or 4) assigned for specific purposes (\$31.2 million).



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 readers with a broad overview of the City's financial position and activities, using accounting methods similar to those in private-sector businesses. 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 residual amount 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 revenues earned and expenses incurred during the fiscal year are reported in this statement, regardless of the timing of related cash flows.

The Government-wide Financial Statements only present governmental activities 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 essentially 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.

The City reports 21 governmental funds. The major governmental funds are the General Fund, State Construction Maintenance Special Revenue Fund, Housing Impact Fee Special Revenue Fund, Park



OVERVIEW OF THE FINANCIAL STATEMENTS, Continued

Fund Financial Statements, Continued

Improvement, 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 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 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 presented 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.

Combined 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, 2019 and 2018.

Comparative Statements of Net Position
June 30, 2019 and 2018
(Amounts in Millions)

	Governmental Activities	
	2019	2018
Assets:		
Cash and investments	\$121.2	\$97.1
Capital assets, net	153.6	151.7
Other assets	8.2	7.1
Total assets	<u>283.0</u>	<u>255.9</u>
Deferred outflow of resources	<u>18.4</u>	<u>22.6</u>
Liabilities:		
Long-term liabilities	117.4	117.4
Other Liabilities	12.1	7.9
Total liabilities	<u>129.5</u>	<u>125.3</u>
Deferred inflow of resources	<u>4.4</u>	<u>3.2</u>
Net Position:		
Net investment in capital assets	145.6	143.0
Restricted	31.1	43.0
Unrestricted	(9.1)	(36.0)
Total net position - before restatement	<u>\$167.6</u>	<u>\$150.0</u>
Restatement*		(0.3)
Total net position - restated	<u>\$167.6</u>	<u>\$149.8</u>

* FY19 beginning balance has been restated to correct net position previously reported at June 30, 2018 and as discussed in Note 14

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 and deferred inflows by \$167.6 million (net position). The increase of \$17.8 million from the prior fiscal year is mainly due to the increase in Cash and Investments.

The City invested \$35 million into CAMP in which the interest and dividends helped increase cash and investment earnings for the year. In addition, the combination of increased funding for capital projects and an increase in general revenue with expenses relatively staying the same compared to the prior year, resulted in a bigger surplus this current fiscal year.

During the fiscal year 2019, the City made corrections that resulted in restatements (see Note 14) to beginning net position. This is summarized by the change in net position as recorded in the Statement of Activities, which flows through the Statement of Net Position.

The most significant portion of the City's net position, \$145.6 million, reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and vehicles), less any related outstanding debt used in acquiring those assets. The City uses these capital assets to provide a variety of services to its residents;



GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

consequently, they are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources 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, \$31.1 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 (\$9.1) million represents the 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 is currently reported as a deficit due to the recognition of the net pension liabilities as required by GASB 68 and due to the Net OPEB liabilities as required by GASB 75.

The following table shows the condensed comparative Statements of Activities and Changes in Net Position for the fiscal years ended June 30, 2019 and 2018.

Comparative Statements of Activities and Changes in Net Position
June 30, 2019 and 2018
(Amounts in Millions)

	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
Revenues:		
Program revenues:		
Charges for services	\$20.1	\$17.2
Operating grants and contributions	0.9	0.6
Capital grants and contributions	5.0	2.8
Total program revenues	<u>26.0</u>	<u>20.6</u>
General revenues:		
Taxes:		
General property taxes	20.7	19.2
Sales tax	19.0	16.4
Franchise fees	4.0	3.8
Transient occupancy tax	6.7	6.4
Utility users tax	3.3	3.7
Others local taxes	2.2	2.3
Use of money and property	2.0	0.9
Miscellaneous	0.7	1.0
Total general revenues	<u>58.6</u>	<u>53.8</u>
Total revenues	<u>84.6</u>	<u>74.4</u>
Expenses:		
General government	6.7	6.1
Public safety:		
Fire	10.8	11.4
Police	24.0	21.8
Public works	16.8	8.6
Community development	2.2	6.9
Recreation	6.0	7.6
Interest on long-term debt	0.3	0.4
Total expenses	<u>66.8</u>	<u>62.8</u>
Increase (decrease) in net position	17.8	11.6
Net position - beginning	150.0	142.0
Restatement	(0.3)	(3.6)
Net position - beginning, restated*	149.8	138.4
Net position - ending	<u>\$167.6</u>	<u>\$150.0</u>

* FY19 beginning balance has been restated to correct net position previously reported at June 30, 2018 and as discussed in Note 14



GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

The City's expenses totaled \$66.8 million in fiscal year 2018-2019. These expenses were offset by program revenues of \$26.0 million and general revenues of \$58.6 million, resulting in a \$17.8 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 residents. Fiscal year 2018-2019 charges for services revenue was \$2.9 million higher compared to the prior fiscal year, which was due to an increase in revenue from zoning and housing impact fees. Community development maintenance fees were also categorized into charges for services this year, whereas in prior years were classified as Other Revenue. Revenue from operating grants and contributions had an increase this year as well due to strong motion fees and police grants. Capital Grants and Contributions were \$2.2 million higher. The surge was due to an increase in revenue from SB 1 gasoline tax and State Highway Users Tax.

General Revenues – Comprises of the largest source of revenue for the City, both the City's property tax revenues and sales tax revenues were higher by 8% and 16%, respectively, compared to the prior fiscal year. The assessed value of secured property in the City has continued to increase, resulting in higher property tax income. Sales tax increased by \$2.6 million due to an increase in consumer spending. Transient occupancy tax revenue also increased by 5%, which reflects the continued consumer confidence in the economy.

Expenses – Expenses increased in total by \$4.0 million. Most of this increase is the result of the construction of the new Civic Center, the rising development in the City, maintenance on streets, and pension costs.

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 the fiscal year.

On June 30, 2019, the City's governmental funds reported combined fund balances of \$113 million, an increase of \$19.4 million in comparison with the prior fiscal year. Approximately 33% of the fund balance amount (\$36.8 million) is unassigned and 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 specific purposes (\$31.1 million), 3) committed for specific purposes (\$13.6 million), or 4) assigned for specific purposes (\$31.2 million). Further details of the fund balances can be found in Note 11 in the disclosures.

Governmental revenues in fiscal year 2018-2019 were \$84.7 million, an increase of \$9.7 million from fiscal year 2018. The increase in General Fund are primarily related to increases in property taxes and sales taxes due to the sustained economy and new development added to the tax roll. Transaction use tax generated \$5.7 million.



FUND FINANCIAL ANALYSIS, Continued

Governmental Funds, Continued

Other significant components of the increase are in the State Construction Maintenance Special Revenue Fund and Housing Impact Fee Special Revenue Fund.

Governmental expenditures in fiscal year 2018-2019 were \$64.7 million, an increase of \$3.9 million from the prior fiscal year. This increase was due to the construction of the new Civic Center, maintenance on streets, pension costs, and departmental restructuring that added several positions citywide.

General Fund

The General Fund is the primary operating fund of the City. At June 30, 2019, the spendable assigned and unassigned fund balance of the General Fund was \$41.3 million, while total fund balance was \$52.5 million. The City Council has maintained 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 \$8.5 million from fiscal year 2018. Revenues exceeded expenditures, including transfers out, by \$8.8 million. Transfers out were from the General Fund to the Capital Projects Funds, Debt Service Funds, and Park Improvement Fund.

State Construction Maintenance Special Revenue Fund

The State Construction Maintenance Special Revenue Fund showed \$0.9 million of revenue over expenditures during fiscal year 2018-2019. The increase was from SB 1 gasoline tax and State Highway Users Tax. Fiscal year 2017-2018 was the first year that SB1 took effect and was only a partial year. Fiscal year 2018-2019 reflects the full year of revenue.

Capital Projects Fund

The Capital Projects Fund showed a \$1.6 million deficiency of expenditures over revenue during fiscal year 2018-2019, mostly attributable to the construction of the new Civic Center. The net change in fund balance, however, was increased by \$3.2 million due to transfers in from the General Fund.

Proprietary Funds

The City's proprietary funds consist of the Internal Service Funds with a combined total net position of \$7.1 million at the end of fiscal year 2018-2019. Total operating expenses of \$4.8 million were less than operating revenues of \$6.4 million. Adding transfers in of \$0.2 million from the General Fund, the result was a \$1.9 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 2018-2019 was the first year of the City's biennial budget, which was adopted on June 14, 2018. The General Fund revenue budget for fiscal year 2018-2019 was amended during the year by \$2.9 million. Actual revenues were \$1.2 million over the final amended budget and \$4 million over the original budget. This increase was primarily due to higher property tax assessed valuations and higher than anticipated sales tax revenue. Actual expenditures, excluding transfers out, for the fiscal year were \$5.7 million under the final amended budget and \$5.1 million under the original budget. The variances reflect a lower than anticipated volume of development activity, lower contract services, and vacancies in the departments.

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, 2019, the City's capital assets used in governmental activities amounted to \$153.6 million, net of depreciation.

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

	Governmental Activities	
	2019	2018
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	8.3	5.4
Buildings and Improvements	44.5	44.3
Infrastructure:		
Streets	76.8	75.7
Sidewalks, curbs, gutters, and walls	17.2	16.2
Street lights	3.2	3.2
Traffic signals	3.9	3.9
Equipment	11.7	11.3
Less: accumulated depreciation	(55.9)	(52.2)
Total capital assets	<u>\$ 153.6</u>	<u>\$ 151.7</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, 2019, the City had long-term debt outstanding of \$8.0 million compared to \$8.6 million in the prior year. The City's long-term debt obligations at June 30, 2019 and 2018 were as follows (amounts in millions):

	Governmental Activities	
	2019	2018
Certificates of participation	\$ 2.20	\$ 2.20
Bank refunding	5.80	6.30
Capital lease obligations	0.02	0.10
Total	\$ 8.02	\$ 8.60

Not included in the above total outstanding debt amount is the Area Improvement District Special Assessment Bonds issued to finance public improvements within specific districts in the City. At June 30, 2019, a total of \$4.5 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 district's 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 CURRENT BIENNIAL BUDGET

The City's adopted biennial budget for 2018-2020 recognized that:

- The economy will continue to be steady, but the imprint of the recession continues to play a role in future planning, making it prudent to continue using conservative projections and retaining emergency reserves.
- The Labor Compensation Agreements will expire in June 2019. The 2018-2020 budget document included salary increases for FY 2018-19 but did not include increases for FY 2019-20 which 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, allocation of resources 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.



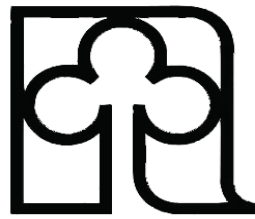
REQUEST FOR INFORMATION

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.

CITY OF NEWARK

STATEMENT OF NET POSITION
 JUNE 30, 2019

	Governmental Activities
Assets:	
Current Assets:	
Pooled cash and investments	\$ 121,183,403
Receivables:	
Accounts	185,610
Taxes	5,464,166
Special assessments	75,102
Accrued interest	415,783
Prepaid costs	72,482
Due from other governments	974,791
Inventories	169,072
Due from Successor Redevelopment Agency	184,225
Restricted assets:	
Cash with fiscal agent	636,305
Total Current Assets	<u>129,360,939</u>
Noncurrent Assets:	
Capital assets not being depreciated	52,176,182
Capital assets, net of depreciation	101,453,464
Total Noncurrent Assets	<u>153,629,646</u>
Total Assets	<u>282,990,585</u>
Deferred Outflows of Resources:	
Pension related amounts	17,754,455
OPEB related amounts	685,208
Total Deferred Outflows of Resources	<u>18,439,663</u>
Liabilities:	
Current Liabilities:	
Accounts payable	6,988,043
Accrued liabilities	163,470
Accrued interest	29,995
Unearned revenue	680,822
Deposits payable	1,072,182
Compensated absences due in one year	1,773,955
Claims payable due in one year	817,422
Bonds payable due in one year	576,251
Total Current Liabilities	<u>12,102,140</u>
Noncurrent liabilities:	
Compensated absences due in more than one year	17,919
Claims payable due in more than one year	1,410,671
Bonds payable due in more than one year	7,450,555
Net pension liability	102,628,196
Net OPEB liability	5,898,668
Total Noncurrent Liabilities	<u>117,406,009</u>
Total Liabilities	<u>129,508,149</u>
Deferred Inflows of Resources:	
Pension related amounts	4,115,113
OPEB related amounts	253,798
Total Deferred Inflows of Resources	<u>4,368,911</u>
Net Position:	
Net investment in capital assets	145,602,840
Restricted for:	
Community development projects	20,649,661
Special projects	686,101
Parks and recreation	1,786,015
Public works	2,377,776
Capital projects	4,877,380
Debt service	699,516
Unrestricted	(9,126,101)
Total Net Position	<u>\$ 167,553,188</u>



CITY OF NEWARK

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position	
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Total Governmental Activities
Functions/Programs					
Governmental Activities:					
General government	\$ 6,655,764	\$ 10,650	\$ 45,493	\$ -	\$ (6,599,621)
Public safety					
Fire	10,821,306	193,414	264,878	-	(10,363,014)
Police	24,011,513	1,182,376	174,934	-	(22,654,203)
Community development	2,172,541	7,421,705	405,819	135,318	5,790,301
Recreation and community services	6,017,348	5,899,092	-	1,083,585	965,329
Public works	16,837,273	5,367,411	-	3,811,718	(7,658,144)
Interest on long-term debt	329,645	-	-	-	(329,645)
Total Governmental Activities	\$ 66,845,390	\$ 20,074,648	\$ 891,124	\$ 5,030,621	(40,848,997)
General Revenues:					
Taxes:					
Property taxes, levied for general purpose					20,699,783
Transient occupancy taxes					6,717,286
Sales taxes					19,040,583
Franchise taxes					3,970,458
Utility users tax					3,289,168
Other taxes					2,161,783
Motor vehicle in lieu - unrestricted					22,784
Use of money and property					2,045,056
Other					686,329
Total General Revenues					58,633,230
Change in Net Position					17,784,233
Net Position at Beginning of Year, as previously reported					150,014,997
Restatement of Beginning Net Position					(246,042)
Net Position at End of Year					\$ 167,553,188

CITY OF NEWARK

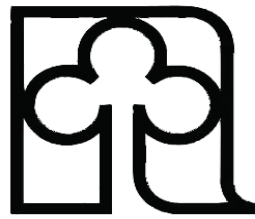
**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019**

	General	Special Revenue Funds		Capital Projects Funds
		State Construction Maintenance Special Revenue Fund	Housing Impact Fee Special Revenue Fund	Capital Projects Fund
Assets:				
Pooled cash and investments	\$ 51,071,597	\$ 1,536,116	\$ 18,673,921	\$ 25,881,676
Receivables:				
Accounts	165,778	-	-	-
Taxes	5,230,214	77,716	-	-
Accrued interest	415,783	-	-	-
Special assessments	-	-	-	-
Prepaid costs	69,482	-	-	-
Due from other governments	392,561	36,579	-	-
Due from other funds	35,542	-	-	-
Inventories	115,670	-	-	-
Due from Successor Redevelopment Agency	184,225	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 57,680,852	\$ 1,650,411	\$ 18,673,921	\$ 25,881,676
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 3,324,534	\$ 145,670	\$ -	\$ 776,459
Accrued liabilities	162,563	-	-	-
Unearned revenues	680,822	-	-	-
Deposits payable	1,059,413	12,769	-	-
Due to other funds	-	-	-	-
Total Liabilities	5,227,332	158,439	-	776,459
Fund Balances:				
Nonspendable	369,377	-	-	-
Restricted	-	1,491,972	18,673,921	-
Committed	10,788,846	-	-	-
Assigned	4,516,725	-	-	25,105,217
Unassigned	36,778,572	-	-	-
Total Fund Balances	52,453,520	1,491,972	18,673,921	25,105,217
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 57,680,852	\$ 1,650,411	\$ 18,673,921	\$ 25,881,676

CITY OF NEWARK

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019**

	<u>Capital Projects Funds</u>		
	<u>Park Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Pooled cash and investments	\$ 6,273,435	\$ 10,140,445	\$ 113,577,190
Receivables:			
Accounts	-	19,832	185,610
Taxes	-	156,236	5,464,166
Accrued interest	-	-	415,783
Special assessments	-	75,102	75,102
Prepaid costs	-	-	69,482
Due from other governments	-	537,601	966,741
Due from other funds	-	-	35,542
Inventories	-	-	115,670
Due from Successor Redevelopment Agency	-	-	184,225
Restricted assets:			
Cash and investments with fiscal agents	-	636,305	636,305
Total Assets	\$ 6,273,435	\$ 11,565,521	\$ 121,725,816
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	\$ 2,173,251	\$ 299,840	\$ 6,719,754
Accrued liabilities	-	401	162,964
Unearned revenues	-	-	680,822
Deposits payable	-	-	1,072,182
Due to other funds	-	35,542	35,542
Total Liabilities	2,173,251	335,783	8,671,264
Fund Balances:			
Nonspendable	-	-	369,377
Restricted	4,100,184	6,810,372	31,076,449
Committed	-	2,793,464	13,582,310
Assigned	-	1,625,902	31,247,844
Unassigned	-	-	36,778,572
Total Fund Balances	4,100,184	11,229,738	113,054,552
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 6,273,435	\$ 11,565,521	\$ 121,725,816



CITY OF NEWARK

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2019

Fund balances of governmental funds		\$ 113,054,552
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.		151,721,654
Long-term debt and compensated absences that have not been included in the governmental fund activity:		
Bonds payable	\$ (8,026,806)	
Compensated absences	<u>(1,791,874)</u>	(9,818,680)
Net pension liability not included in the governmental fund activity		(102,628,196)
Net OPEB liability not included in the governmental fund activity		(5,898,668)
Deferred outflows related to pension items are not included in the governmental fund activity		17,754,455
Deferred inflows to pension items are not included in the governmental fund activity		(4,115,113)
Deferred outflows related to OPEB items are not included in the governmental fund activity		685,208
Deferred inflows related to OPEB items are not included in the governmental fund activity		(253,798)
Accrued interest payable for the current portion of interest due on bonds has not been reported in the governmental funds.		(29,995)
Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.		
Pooled cash and investments	\$ 7,606,213	
Prepaid costs	3,000	
Due from other governments	8,050	
Inventories	53,402	
Capital assets, net of accumulated depreciation	1,907,992	
Accounts payable	(268,289)	
Accrued liabilities	(506)	
Claims payable	<u>(2,228,093)</u>	<u>7,081,769</u>
Net Position of Governmental Activities		<u>\$ 167,553,188</u>

CITY OF NEWARK

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

	General	Special Revenue Funds		Capital Projects Funds
		State Construction Maintenance Special Revenue Fund	Housing Impact Fee Special Revenue Fund	Capital Projects Fund
Revenues:				
Taxes	\$ 55,879,061	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses and permits	3,638,188	-	-	-
Intergovernmental	303,408	1,839,848	-	-
Charges for services	4,928,012	-	6,297,354	3,230,905
Use of money and property	1,017,659	49,989	300,983	488,246
Fines and forfeitures	965,802	-	-	-
Miscellaneous	511,065	-	-	-
Total Revenues	67,243,195	1,889,837	6,598,337	3,719,151
Expenditures:				
Current:				
General government	5,770,710	-	-	-
Public safety				
Fire	10,801,242	-	-	-
Police	20,771,736	-	-	-
Community development	1,441,208	-	-	-
Recreation and community services	5,348,141	-	-	-
Public works	8,044,475	345,051	-	4,551,128
Capital outlay	-	602,467	-	736,767
Debt service:				
Principal retirement	22,913	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	52,200,425	947,518	-	5,287,895
Excess (Deficiency) of Revenues Over (Under) Expenditures	15,042,770	942,319	6,598,337	(1,568,744)
Other Financing Sources (Uses):				
Transfers in	-	-	-	5,177,128
Transfers out	(6,287,728)	-	-	(362,522)
Total Other Financing Sources (Uses)	(6,287,728)	-	-	4,814,606
Net Change in Fund Balances	8,755,042	942,319	6,598,337	3,245,862
Fund Balances, Beginning of Year, as previously reported	43,944,520	549,653	12,075,584	21,859,355
Restatements	(246,042)	-	-	-
Fund Balances, Beginning of Year, as restated	43,698,478	549,653	12,075,584	21,859,355
Fund Balances, End of Year	\$ 52,453,520	\$ 1,491,972	\$ 18,673,921	\$ 25,105,217

CITY OF NEWARK

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

	Capital Projects Funds		Total Governmental Funds
	Park Improvement	Other Governmental Funds	
Revenues:			
Taxes	\$ -	\$ -	\$ 55,879,061
Special assessments	-	528,927	528,927
Licenses and permits	-	-	3,638,188
Intergovernmental	308,596	3,034,612	5,486,464
Charges for services	-	1,014,387	15,470,658
Use of money and property	-	141,814	1,998,691
Fines and forfeitures	-	-	965,802
Miscellaneous	-	175,264	686,329
Total Revenues	308,596	4,895,004	84,654,120
Expenditures:			
Current:			
General government	-	3,651	5,774,361
Public safety			
Fire	-	20,064	10,821,306
Police	-	198,722	20,970,458
Community development	-	416,585	1,857,793
Recreation and community services	-	206,196	5,554,337
Public works	-	91,100	13,031,754
Capital outlay	2,615,360	1,885,688	5,840,282
Debt service:			
Principal retirement	-	533,237	556,150
Interest and fiscal charges	-	329,765	329,765
Total Expenditures	2,615,360	3,685,008	64,736,206
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,306,764)	1,209,996	19,917,914
Other Financing Sources (Uses):			
Transfers in	362,522	862,000	6,401,650
Transfers out	-	-	(6,650,250)
Total Other Financing Sources (Uses)	362,522	862,000	(248,600)
Net Change in Fund Balances	(1,944,242)	2,071,996	19,669,314
Fund Balances, Beginning of Year, as previously reported	6,044,426	9,157,742	93,631,280
Restatements	-	-	(246,042)
Fund Balances, Beginning of Year, as restated	6,044,426	9,157,742	93,385,238
Fund Balances, End of Year	\$ 4,100,184	\$ 11,229,738	\$ 113,054,552

CITY OF NEWARK

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019**

Net change in fund balances - total governmental funds		\$ 19,669,314
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlay	\$ 5,553,549	
Depreciation	<u>(3,545,062)</u>	2,008,487
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Principal repayments	<u>556,150</u>	556,150
Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.		
		1,541
Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
		28,432
Pension expenses recognized in accordance with GASB 68 not recognized in the governmental fund activity.		
		(6,328,513)
OPEB expenses recognized in accordance with GASB 75 not recognized in the governmental fund activity.		
		(1,751)
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.		
		(70,862)
Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The net revenues (expenses) of the internal service funds is reported with governmental activities.		
		<u>1,921,435</u>
Change in Net Position of Governmental Activities		<u>\$ 17,784,233</u>

CITY OF NEWARK

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2019

	<u>Governmental Activities - Internal Service Funds</u>
Assets:	
Current:	
Pooled cash and investments	\$ 7,606,213
Prepaid costs	3,000
Due from other governments	8,050
Inventories	53,402
	<u>7,670,665</u>
Total Current Assets	
Noncurrent:	
Capital assets - net of accumulated depreciation	1,907,992
	<u>1,907,992</u>
Total Noncurrent Assets	
	<u>1,907,992</u>
Total Assets	
	<u>9,578,657</u>
Liabilities:	
Current:	
Accounts payable	268,289
Accrued liabilities	506
Claims payable, due within one year	817,422
	<u>1,086,217</u>
Total Current Liabilities	
Noncurrent:	
Claims payable, due in more than one year	1,410,671
	<u>1,410,671</u>
Total Noncurrent Liabilities	
	<u>1,410,671</u>
Total Liabilities	
	<u>2,496,888</u>
Net Position:	
Investment in capital assets	1,907,992
Unrestricted	5,173,777
	<u>7,081,769</u>
Total Net Position	
	<u>\$ 7,081,769</u>

CITY OF NEWARK

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2019

	Governmental Activities - Internal Service Funds
Operating Revenues:	
Interdepartmental charges	\$ 6,295,402
Miscellaneous	114,235
	<hr/>
Total Operating Revenues	6,409,637
	<hr/>
Operating Expenses:	
Personnel services	1,300,110
Materials and supplies	601,232
Contractual services	1,260,650
Utilities	708,480
Insurance claims and premiums	647,874
Depreciation expense	263,400
	<hr/>
Total Operating Expenses	4,781,746
	<hr/>
Operating Income (Loss)	1,627,891
	<hr/>
Nonoperating Revenues (Expenses):	
Interest expense	(1,421)
Gain (loss) on disposal of capital assets	46,365
	<hr/>
Total Nonoperating Revenues (Expenses)	44,944
	<hr/>
Income (Loss) Before Transfers	1,672,835
Transfers in	248,600
	<hr/>
Changes in Net Position	1,921,435
	<hr/>
Net Position:	
Beginning of Year	5,160,334
	<hr/>
End of Fiscal Year	\$ 7,081,769
	<hr/> <hr/>

CITY OF NEWARK

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2019

	Governmental Activities - Internal Service Funds
Cash Flows from Operating Activities:	
Cash received from interfund service provided	\$ 6,295,402
Cash paid to suppliers for goods and services	(3,620,898)
Cash paid to employees for services	(1,299,604)
Cash received from (payments to) others	122,887
	<hr/>
Net Cash Provided by Operating Activities	1,497,787
	<hr/>
Cash Flows from Non-Capital Financing Activities:	
Cash transfers in	248,600
	<hr/>
Net Cash Used by Non-Capital Financing Activities	248,600
	<hr/>
Cash Flows from Capital and Related Financing Activities:	
Acquisition and construction of capital assets	(198,581)
Principal paid on capital debt	(45,076)
Interest paid on capital debt	(1,421)
Proceeds from sales of capital assets	46,365
	<hr/>
Net Cash Used by Capital and Related Financing Activities	(198,713)
	<hr/>
Net Increase in Cash and Cash Equivalents	1,547,674
Cash and Cash Equivalents at Beginning of Year	6,058,539
	<hr/>
Cash and Cash Equivalents at End of Year	\$ 7,606,213
	<hr/>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	\$ 1,627,891
	<hr/>
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:	
Depreciation	263,400
(Increase) decrease in due from other governments	8,652
(Increase) decrease in inventories	6,213
Increase (decrease) in accounts payable	(69,482)
Increase (decrease) in accrued liabilities	506
Increase (decrease) in unearned revenues	(1,900)
Increase (decrease) in claims and judgments	(337,493)
	<hr/>
Total Adjustments	(130,104)
	<hr/>
Net Cash Provided by Operating Activities	\$ 1,497,787
	<hr/>

CITY OF NEWARK

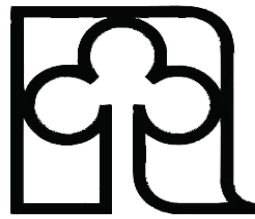
STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2019

	<u>Agency Funds</u>	<u>Private-Purpose Trust Fund RDA Successor Agency Funds</u>
Assets:		
Pooled cash and investments	\$ 4,442,535	\$ 125,788
Restricted assets:		
Cash and investments with fiscal agents	1,445	-
Total Assets	<u>4,443,980</u>	<u>125,788</u>
Liabilities:		
Unearned revenues	-	31,447
Due to City	-	184,225
Due to external parties/other agencies	4,443,980	-
Total Liabilities	<u>\$ 4,443,980</u>	<u>215,672</u>
Net Position:		
Held in trust for RDA Successor Funds		(89,884)
Total Net Position		<u>\$ (89,884)</u>

CITY OF NEWARK

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2019

	<u>Private-Purpose Trust Fund RDA Successor Agency Funds</u>
Additions:	
Taxes	\$ 62,894
Total Additions	<u>62,894</u>
Changes in Net Position	62,894
Net Position - Beginning of the Year	<u>(152,778)</u>
Net Position - End of the Year	<u>\$ (89,884)</u>



NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

Note 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.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 1: Summary of Significant Accounting Policies (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 regard 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 State CASp Fee Fund accounts for fees collected from business license applicants which are applied to the sale of business licenses and renewals. The local jurisdictions retain the majority of the funds for use within their jurisdiction and share a portion with DSA for program oversight. Senate Bill (SB) 1186 requires local jurisdictions to account for it in a separate fund. In previous years, these amounts were included in the General fund but as of fiscal year ending June 30, 2019, are categorized as a Special Revenue Fund.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 1: Summary of Significant Accounting Policies (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.

The Park Improvement Fund – accounts for funds received from developers and grants to maintain City-owned parks.

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.

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.

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 1: Summary of Significant Accounting Policies (Continued)

I. 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.

Fund Financial Statements

GASB Statement 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.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 1: Summary of Significant Accounting Policies (Continued)**m. New Accounting Pronouncements**

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this statement are effective for reporting periods beginning after June 15, 2018.

Note 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, 2019:

	Government-Wide Statement of Net Position	Fiduciary Funds Statement of Net Position	Total
	Governmental Activities		
Cash and investments	\$ 121,183,403	\$ 4,568,323	\$ 125,751,726
Restricted cash and investments	636,305	1,445	637,750
Total	\$ 121,819,708	\$ 4,569,768	\$ 126,389,476

CITY OF NEWARK

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2019

Note 2: Cash and Investments (Continued)

At June 30, 2019, the City's pooled cash and investments, including restricted funds consisted of the following:

City Treasury:	
Deposits	
Cash on hand	\$ 6,400
Deposits with banks	25,299,632
Total deposits	<u>25,306,032</u>
Investments:	
California Local Agency Investment Fund	65,000,000
California Asset Management Program	35,445,694
Total investments	<u>100,445,694</u>
Total City Treasury	<u>125,751,726</u>
Cash and Investment with Fiscal Agents:	
Money market funds	637,750
Total Restricted Cash and Investments	<u>637,750</u>
Total Cash and Investments	<u>\$ 126,389,476</u>

a. Deposits

The carrying amount of the City's cash deposit was \$25,299,632 at June 30, 2019. Bank balances and petty cash before reconciling items were \$26,051,307 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.

CITY OF NEWARK

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2019

Note 2: Cash and Investments (Continued)

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
California Asset Management Program	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:

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 Asset Management Program	None	None
California Local Agency Investment Fund	None	None
Investment approved by Municipal Bond Insurer	None	None

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 2: Cash and Investments (Continued)**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, 2019:

Investment Type	Totals	Remaining Maturity
		(in Months)
		12 Months or Less
LAIF	\$ 65,000,000	\$ 65,000,000
CAMP	35,445,694	35,445,694
Money market funds	637,750	637,750
	<u>\$ 101,083,444</u>	<u>\$ 101,083,444</u>

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.

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, 2019, 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, 2019, the City had \$65,000,000 invested in LAIF, which had invested 1.77 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 1.00171179 to the total investments held by LAIF.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 2: Cash and Investments (Continued)

e. California Asset Management Program

The City participates in the California Asset Management Program (CAMP). CAMP was established in 1989 and has been providing professional investment services to California public agencies. The CAMP Pool is a permitted investment for all local agencies under California Government Code Section 53601(p). The Pool is managed to earn a high rate of return while preserving principal, providing liquidity and seeking a stable net asset value of \$1.00. Similar to any type of investments, there are several factors such as interest risk, market risk, and etc. that could affect the Pool's performance.

As of June 30, 2019, the City had \$35,455,694 invested in CAMP.

f. 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), the California Asset Management Program (CAMP) and money market funds are not subject to leveling disclosure.

Note 3: Interfund Transactions

a. Transfers In/Out

Transfers in/out for the year ended as of June 30, 2019, were as follows:

	Transfers In				Total
	Capital Projects Fund	Park Improvement Fund	Nonmajor Governmental Funds	Internal Service Funds	
Transfers Out					
General Fund	\$ 5,177,128	\$ -	\$ 862,000	\$ 248,600	\$ 6,287,728
Capital Projects Fund	-	362,522	-	-	362,522
TOTAL	<u>\$ 5,177,128</u>	<u>\$ 362,522</u>	<u>\$ 862,000</u>	<u>\$ 248,600</u>	<u>\$ 6,650,250</u>

Transfers to the General Fund from the Capital Projects Fund were to fund the construction of the Sportsfield Park project.

Transfers from the General Fund to the Capital Projects Fund were to fund services approved in the Service Restoration Plan for Utility Users Tax revenue as well as the new Civic Center.

Transfers from the General Fund to the Internal Service Funds were to fund services approved in the Service Restoration Plan for Utility Users Tax revenue.

CITY OF NEWARK

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 3: Interfund Transactions (Continued)

b. Due to/from other funds

<u>Due to other funds</u>	<u>Due from other funds</u>	
	General Fund	
Non-Major Governmental Fund	\$	35,542
Total	\$	35,542

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

Note 4: Capital Assets

Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance July 1, 2018	Transfers	Additions	Deletions	Balance June 30, 2019
Governmental activities:					
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	5,362,446	(1,015,676)	3,913,074	-	8,259,844
Total nondepreciable assets	49,278,784	(1,015,676)	3,913,074	-	52,176,182
Depreciable assets:					
Buildings and land improvements	44,262,213	240,942	11,922	-	44,515,077
Infrastructure					
Streets	75,677,199	226,486	923,908	-	76,827,593
Sidewalks, curbs, gutters and walls	16,204,763	548,248	400,050	-	17,153,061
Street lights	3,249,607	-	-	-	3,249,607
Traffic signals	3,936,784	-	-	-	3,936,784
Machinery and equipment	11,265,690	-	503,176	38,506	11,730,360
Total depreciable assets	154,596,256	1,015,676	1,839,056	38,506	157,412,482
Less accumulated depreciation:					
Buildings and improvements	(14,657,454)	-	(734,506)	-	(15,391,960)
Infrastructure					
Streets	(19,571,621)	-	(1,961,807)	-	(21,533,428)
Sidewalks, curbs, gutters and walls	(4,512,225)	-	(474,558)	-	(4,986,783)
Street lights	(1,421,550)	-	(129,781)	-	(1,551,331)
Traffic signals	(3,570,010)	-	(54,020)	-	(3,624,030)
Machinery and equipment	(8,456,202)	-	(453,790)	38,506	(8,871,486)
Total accumulated depreciation	(52,189,062)	-	(3,808,462)	38,506	(55,959,018)
Net depreciable assets	102,407,194	1,015,676	(1,969,406)		101,453,464
Governmental activities capital assets, net	\$ 151,685,978	\$ -	\$ 1,943,668	\$ -	\$ 153,629,646

CITY OF NEWARK

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 4: Capital Assets (Continued)

Depreciation expense was charged to various governmental functions as follows:

General Government	\$ 99,664
Public Safety	244,753
Public Works	2,664,134
Community Development	80,977
Recreation and Community Services	455,534
Internal Service Funds	263,400
Total Depreciation	<u><u>\$ 3,808,462</u></u>

Note 5: Long-term Debt

The City's long-term debt is comprised the following at June 30, 2019:

	Balance June 30, 2018	Additions	Retirements	Balance June 30, 2019	Amounts Due Within One Year	Amounts Due in More than One Year
Governmental Activities:						
Direct Borrowings:						
2012 Bank refinancing \$9,703,757; 3.5% due 2028	\$ 6,300,949	\$ -	\$ (533,237)	\$ 5,767,712	\$ 557,157	\$ 5,210,555
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 2019	45,076	-	(45,076)	-	-	-
Capital Lease Obligation Equipment lease, due 2020	42,007	-	(22,913)	19,094	19,094	-
Total	<u>\$ 8,628,032</u>	<u>\$ -</u>	<u>\$ (601,226)</u>	<u>\$ 8,026,806</u>	<u>\$ 576,251</u>	<u>\$ 7,450,555</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.

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.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 5: Long-term Debt (Continued)**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 2004. 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 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
2020	\$ 576,251	\$ 309,037
2021	575,340	289,379
2022-2026	3,195,894	1,127,368
2027-2031	3,079,321	544,293
2032-2036	600,000	30,000
Total	<u>\$ 8,026,806</u>	<u>\$ 2,300,077</u>

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 \$8,262,257 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, 2019, the remaining balance outstanding on these bonds was \$4,452,355.

CITY OF NEWARK

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 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, 2019 were as follows:

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019	Due Within One Year	Due in More than One Year
Governmental Activities	\$ 1,820,306	\$ 1,657,746	\$ (1,686,178)	\$ 1,791,874	\$ 1,773,955	\$ 17,919

Note 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, 2019 by individual plan are described in the following table. In previous years, of the governmental funds, the General Fund was used to liquidate pension liabilities:

	Deferred Employer Contributions	Deferred Outflows - Pension	Net Pension Liability	Deferred Inflows - Pension	Pension expense
CALPERS Miscellaneous					
Agent Multiple Employer Plan	\$ 3,231,257	\$ 4,768,885	\$ 40,819,004	\$ 430,615	\$ 6,414,144
CALPERS Safety					
Cost Sharing Plan	5,046,191	12,985,570	61,809,192	3,684,498	8,191,817
Total	<u>\$ 8,277,448</u>	<u>\$ 17,754,455</u>	<u>\$ 102,628,196</u>	<u>\$ 4,115,113</u>	<u>\$ 14,605,961</u>

b. CalPERS Plan

General Information about the Pension Plan

Plan Description – All qualified permanent and probationary employees are eligible to participate in the City's Miscellaneous Plan, an 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. All safety qualified permanent and probationary employees are eligible to participate in the City's Safety Plan, a cost-sharing 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.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 7: Defined Benefit Pension Plan (Continued)

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits (age 52 for Miscellaneous PEPRA members). 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, 2019, are summarized as follows:

	<u>Miscellaneous Classic</u>	<u>Miscellaneous PEPRA</u>
Hire Date	Prior to January 1, 2013	On or after January 1, 2013
Benefit vesting schedule	5 years service	5 years service
Benefit payment	Monthly for life	Monthly for life
Retirement age ⁽¹⁾	50	52
Monthly benefits, as a % of annual salary	2.50% at age 55	2.00% at age 62
Required employee contribution rates	8.000%	6.250%
Required employer contribution rates	9.099%	11.986%
Required UAL payment	\$ 2,687,458	\$ -

	<u>Safety Classic</u>	<u>Safety PEPRA</u>
Hire Date	Prior to January 1, 2013	On or after January 1, 2013
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Retirement age ⁽¹⁾	50	50
Monthly benefits, as a % of annual salary	3.00% at age 50	2.70% at age 57
Required employee contribution rates	9.00%	11.50%
Required employer contribution rates	20.556%	12.14%
Required UAL payment	\$ 4,056,794	\$ 2,389

(1) Members with five or more years of PERS service are eligible to retire at age 50 with statutorily reduced benefits (age 52 for MISC PEPRA members).

Employees Covered – At June 30, 2019, the following employees were covered by the benefit terms for the Miscellaneous Plan:

Inactive employees or beneficiaries currently receiving benefits	203
Inactive employees entitled to but not yet receiving benefits	202
Active employees	123
Total	<u>528</u>

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 7: Defined Benefit Pension Plan (Continued)

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.

Net Pension Liability

The City's net pension liability for each 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, 2018, using an annual actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown on the following page.

Actuarial Assumptions – The total pension liabilities in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Salary increases	Varies by Entry Age and Service
Mortality ⁽¹⁾	Derived using CALPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.55% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

⁽¹⁾ The mortality table used was developed based on CALPERS' specific data. The table includes 15 years of mortality improvements using society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Change of Assumptions – In 2018, demographic assumptions and inflation rates were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate in 2018.

Discount Rate – The discount rate used to measure the total pension liability was 7.15% for the Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 7: Defined Benefit Pension Plan (Continued)

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

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	50.00%	4.80%	5.98%
Global Fixed Income	28.00%	1.00%	2.62%
Inflation Sensitive	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	100.00%		

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

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

CITY OF NEWARK

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2019

Note 7: Defined Benefit Pension Plan (Continued)

Changes in the Net Pension Liability

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/ (Asset)
Balance at June 30, 2017 (MD)	\$ 112,068,003	\$ 71,364,751	\$ 40,703,252
Changes in the year:			
Service cost	1,958,908	-	1,958,908
Interest on the total pension liability	7,893,622	-	7,893,622
Differences between actual and expected experience	1,112,052	-	1,112,052
Changes in assumptions	(761,857)	-	(761,857)
Net plan to plan resource movement	-	(176)	176
Contribution - employer	-	3,091,582	(3,091,582)
Contribution - employee	-	1,232,724	(1,232,724)
Net Investment income	-	6,085,231	(6,085,231)
Benefit payments, including refunds of employee contributions	(5,994,674)	(5,994,674)	-
Administrative expenses	-	(111,206)	111,206
Other miscellaneous income/(expense)	-	(211,182)	211,182
Net changes	<u>4,208,051</u>	<u>4,092,299</u>	<u>115,752</u>
Balance at June 30, 2018 (MD)	<u>\$ 116,276,054</u>	<u>\$ 75,457,050</u>	<u>\$ 40,819,004</u>

As of June 30, 2019, the City reported a net pension liability of \$61,809,192 for its proportionate share of the net pension liability of the safety plan.

The City's proportionate share of the net pension liability of the safety risk pool for the safety plan as of measurement dates June 30, 2017 and 2018 were as follows:

Proportion - June 30, 2017	1.024669%
Proportion - June 30, 2018	1.053407%
Change - Increase (Decrease)	<u>0.028738%</u>

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2019

Note 7: Defined Benefit Pension Plan (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:

	Miscellaneous Plan	Safety Plan
1% Decrease	6.15%	
Net Pension Liability	\$ 55,541,797	\$ 87,445,443
Current Discount Rate	7.15%	
Net Pension Liability	\$ 40,819,004	\$ 61,809,192
1% Increase	8.15%	
Net Pension Liability	\$ 28,588,930	\$ 40,804,875

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

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 7: Defined Benefit Pension Plan (Continued)**Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions**

For the year ended June 30, 2019, the City recognized pension expense of \$6,414,144 and \$8,191,817, for the Miscellaneous and Safety plan, respectively. At June 30, 2019, 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
Miscellaneous Plan		
Pension contributions subsequent to measurement date	\$ 3,231,257	\$ -
Differences between actual and expected experience	641,409	-
Changes in assumptions	787,949	430,615
Net differences between projected and actual earnings on pension plan investments	108,270	-
Total	\$ 4,768,885	\$ 430,615
	Deferred Outflows of Resources	Deferred Inflows of Resources
Safety Plan		
Pension contributions subsequent to measurement date	\$ 5,046,191	\$ -
Differences between actual and expected experience	1,328,072	5,038
Changes in assumptions	6,064,559	818,217
Net differences between projected and actual earnings on pension plan investments	418,479	-
Adjustment due to differences in proportions	128,269	2,218,380
Difference in proportionate share	-	642,863
Total	12,985,570	3,684,498
Total All Plans	\$ 17,754,455	\$ 4,115,113

\$3,231,257 and \$5,046,191 for the Miscellaneous and Safety plan, respectively, 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, 2020. 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:

Measurement Period Ending June 30,	Deferred Outflow/(Inflows) of Resources		
	Miscellaneous Plan	Safety Plan	Total
2019	\$ 1,863,387	\$ 4,482,805	\$ 6,346,192
2020	224,287	2,275,948	2,500,235
2021	(768,200)	(2,075,751)	(2,843,951)
2022	(212,461)	(428,121)	(640,582)
Total	\$ 1,107,013	\$ 4,254,881	\$ 5,361,894

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 8: Other Post-Employment Benefits

a. Plan Description

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).

b. Employees Covered

As of the June 30, 2017 actuarial valuation, the following current and former employees were covered by the benefit terms under the Retiree Health Plan:

Inactive employees or beneficiaries currently receiving benefits	82
Inactive employees entitled to but not yet receiving benefits	101
Active Employees	175
Total	<u>358</u>

c. Contribution

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.

For the measurement period 2017-2018 the City contributed \$354,000, including \$97,000 in implicit rate subsidy and a \$257,000 deposit to CERBT

d. Net OPEB Liability/Actuarial methods and assumptions:

The City's net OPEB liability was measured as of June 30, 2018 and the total OPEB Liability used to calculate the net OPEB liability was determined by actuarial valuation dated June 30, 2017 actuarial methods and assumptions:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.00%
Inflation	2.75%
Contribution Policy	Contributes full ADC
Projected Salary Increase	3.25%
Assumed wage Inflation	3.00%
Investment Rate of Return	6.75%
Mortality	MacLeod Watts Scale 2017
Post Retirement Benefit Increase	MacLeod Watts Scale 2017
Healthcare cost trend rates	5.00% to 7.50%

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 8: Other Post-Employment Benefits (Continued)

e. Discount Rate

The discount rate used to measure the total OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long term expected rate of return on OPEB plan investments was applied to all periods of projected benefits payments to determine the total OPEB liability.

f. Changes in the net OPEB Liability

The changes in the net OPEB liability for the OPEB plan are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/ (Asset)
Balance at June 30, 2017 (MD)	\$ 7,243,779	\$ 1,675,942	\$ 5,567,837
Changes in the year:			
Service cost	339,211	-	339,211
Interest on Total OPEB Liability	387,888	-	387,888
Changes in assumptions	103,950	-	103,950
Changes in benefit terms	-	-	-
Contribution - employer	-	354,000	(354,000)
Investment experience	-	23,308	(23,308)
Net investment income	-	126,130	(126,130)
Administrative expenses	-	(1,002)	1,002
Other expenses	-	(2,218)	2,218
Benefit payments, including refunds of employee contributions	(223,221)	(223,221)	-
Net changes	<u>607,828</u>	<u>276,997</u>	<u>330,831</u>
Balance at June 30, 2018 (MD)	<u>\$ 7,851,607</u>	<u>\$ 1,952,939</u>	<u>\$ 5,898,668</u>

g. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for the measurement period ended June 30, 2018:

	1% Decrease 6.00%	Current Discount 7.00%	1% Increase 8.00%
Net OPEB Liability	\$ 6,866,104	\$ 5,898,668	\$ 5,087,595

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2019

Note 8: Other Post-Employment Benefits (Continued)

h. Sensitivity of the Net OPEB Liability to Changes in Health Care Cost Trend Rates

The following presents the net OPEB liability of the City if it were calculated using health care cost trend rates that is one percentage point lower or one percentage point higher than the current rate, for the measurement period ended June 30, 2018:

	1% Decrease	Current Healthcare Trend Rate	1% Increase
Net OPEB Liability	\$ 4,833,756	\$ 5,898,668	\$ 7,399,985

i. Recognition of Deferred Outflow and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on OPEB plan investments	5 years
All other amounts	Expected average remaining service lifetime (EARSL) of all members

j. OPEB Expense and Deferred Outflows/ (Inflows) of Resources Related to OPEB

For the fiscal year ended June 30, 2019, the City recognized OPEB expense of \$578,368. For the fiscal year ended June 30, 2019, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 576,617	\$ -
Changes in assumptions	108,591	201,887
Net differences between projected and actual earnings on plan investments	-	51,911
Total	<u>\$ 685,208</u>	<u>\$ 253,798</u>

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 8: Other Post-Employment Benefits (Continued)

The \$576,617 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2018 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2020. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Fiscal Year Ending June 30:	
2020	\$ (25,821)
2021	(25,821)
2022	(25,819)
2023	(14,730)
2024	(10,070)
Thereafter	(42,946)

Note 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.

Prior to July 2018, the City participated in ABAG Plan Corporation. In 2017, Pooled Liability Assurance Network Joint Powers Agency (PLAN JPA) was established, and on July 1, 2018, replaced the ABAG PLAN. PLAN JPA provides liability insurance coverage, claims and risk management to its participating members. PLAN JPA 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, 2019, the City paid PLAN JPA \$558,262 in premiums. PLAN JPA has not determined the value of the City's interest in its net position. Financial statements may be obtained from PLAN JPA, 1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833.

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, 2019, the City contribution was \$254,317. Audited financial statements may be obtained from Bickmore Risk Services, 1831 K Street, Sacramento, California 95814.

CITY OF NEWARK

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2019

Note 9: Risk Management (Continued)

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.

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

	2019			2018	2017
	General Liability Claims	Workers' Compensation Claims	Total		
Liability at beginning of fiscal year	\$ 472,257	\$ 2,093,329	\$ 2,565,586	\$ 3,192,449	\$ 2,830,212
Claims and changes in estimates	431,494	(254,547)	176,947	311,039	1,738,614
Claims payments	(84,878)	(429,562)	(514,440)	(937,902)	(1,376,377)
Liability at end of fiscal year	818,873	1,409,220	2,228,093	2,565,586	3,192,449
Current Portion	\$ 214,498	\$ 602,924	\$ 817,422	\$ 732,747	\$ 722,972

Note 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, 2019, the outstanding loan from the City to the Redevelopment Successor Agency was \$184,225.

CITY OF NEWARK

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2019

Note 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, 2019 is as follows:

Major Governmental Funds							
	General Fund	State Construction Maintenance Special Revenue Fund	Housing Impact Fee Special Revenue Fund	Capital Projects Fund	Park Improvement	Other Government Funds	Total
Fund Balances							
Nonspendable fund balance:							
Supplies and other assets	\$ 185,152	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 185,152
Due from Successor Redevelopment Agency	184,225	-	-	-	-	-	184,225
	<u>369,377</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>369,377</u>
Restricted fund balance for:							
Public safety	-	-	-	-	-	650,009	650,009
Community development	-	-	18,673,921	-	-	93,054	18,766,975
Highway and streets	-	1,491,972	-	-	-	2,671,819	4,163,791
Recycling programs	-	-	-	-	-	688,174	688,174
Health and welfare	-	-	-	-	-	36,092	36,092
Park improvement	-	-	-	-	4,100,184	-	4,100,184
PEG activities	-	-	-	-	-	777,196	777,196
Debt reserves	-	-	-	-	-	699,516	699,516
Landscape and lighting	-	-	-	-	-	1,194,512	1,194,512
	<u>-</u>	<u>1,491,972</u>	<u>18,673,921</u>	<u>-</u>	<u>4,100,184</u>	<u>6,810,372</u>	<u>31,076,449</u>
Committed fund balance for:							
General city plan development	-	-	-	-	-	2,793,464	2,793,464
Pension/OPEB Reserves	10,788,846	-	-	-	-	-	10,788,846
	<u>10,788,846</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,793,464</u>	<u>13,582,310</u>
Assigned fund balance for:							
Fire side fund	440,000	-	-	-	-	-	440,000
Equipment replacement	3,100,000	-	-	-	-	-	3,100,000
Community development	903,542	-	-	-	-	-	903,542
Waste disposal program	73,183	-	-	-	-	-	73,183
Art in public places	-	-	-	-	-	1,625,902	1,625,902
Capital assets acquisition	-	-	-	25,105,217	-	-	25,105,217
	<u>4,516,725</u>	<u>-</u>	<u>-</u>	<u>25,105,217</u>	<u>-</u>	<u>1,625,902</u>	<u>31,247,844</u>
Unassigned fund balance							
Catastrophic contingencies	7,830,064	-	-	-	-	-	7,830,064
Fiscal uncertainty	5,220,043	-	-	-	-	-	5,220,043
Unallocated	23,728,465	-	-	-	-	-	23,728,465
	<u>36,778,572</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,778,572</u>
Total Fund Balances	\$ 52,453,520	\$ 1,491,972	\$ 18,673,921	\$ 25,105,217	\$ 4,100,184	\$ 11,229,738	\$ 113,054,552

CITY OF NEWARK

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 12: Construction and Other Significant Commitments

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

	Project Authorizations	Expenditures	Unexpended Authorizations
Park Construction	\$ 6,577,957	\$ 2,600,409	\$ 3,977,548
Street Construction	4,317,163	2,246,194	2,070,969
Capital Improvements	72,384,878	4,751,666	67,633,212

The City had no significant encumbrances outstanding as of June 30, 2019.

Note 13: Deficit Fund Balance

As of June 30, 2019, no nonmajor funds of the City report a deficit fund balance/net position.

Note 14: Restatement Net Position and Fund Balance

The City restated the General Fund balance and governmental activities net position that was previously reported at June 30, 2018 by \$246,042. This restatement was related to correction needed pertaining to Utility Users Tax Revenue.

Note 15: Subsequent Events

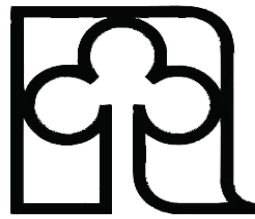
Issuance of Debt

In August 2019, the City issued 2019 Certificates of Participation in the amount of \$63,345,000 to refund certain outstanding obligations of the City and finance a portion of the costs of construction of the new civic center facility.

COVID-19 Pandemic

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in China, and has since spread to a number of other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, several states in the U.S., including California, have declared a state of emergency.

Potential impacts to our future tax revenues include disruptions or restrictions on our current employees' ability to work. Any of the foregoing could negatively impact our revenues and we currently can't anticipate all of the ways in which this health epidemic, COVID-19, could adversely impact our government agency. Although we are continuing to monitor and assess the effects of the COVID-19 pandemic on our government agency, the ultimate impact of the COVID-19 outbreak or a similar health epidemic is highly uncertain and subject to change.



REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NEWARK

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 52,895,700	\$ 52,995,700	\$ 55,879,061	\$ 2,883,361
Special assessments	240,000	240,000	-	(240,000)
Licenses and permits	3,711,000	4,573,669	3,638,188	(935,481)
Intergovernmental	265,000	265,000	303,408	38,408
Charges for services	4,373,000	5,588,100	4,928,012	(660,088)
Use of money and property	350,000	765,000	1,017,659	252,659
Fines and forfeitures	865,000	925,000	965,802	40,802
Miscellaneous	510,000	714,250	511,065	(203,185)
Total Revenues	63,209,700	66,066,719	67,243,195	1,176,476
Expenditures:				
Current:				
General government				
Mayor/Council	300,800	315,215	227,308	87,907
City Attorney	766,500	766,500	762,430	4,070
City Clerk	374,800	374,800	239,433	135,367
Management Services	961,100	961,100	800,319	160,781
Human Resources Services	1,403,300	1,403,300	1,238,964	164,336
Information Systems	1,281,100	1,281,100	1,125,391	155,709
Financial Services	1,364,200	1,366,200	1,376,865	(10,665)
Public safety				
Patrol	13,865,700	13,954,697	13,276,727	677,970
Investigations	2,905,300	2,905,300	2,236,153	669,147
Records & Communications	4,310,300	4,310,300	3,958,831	351,469
Police Reserves	140,200	146,500	90,059	56,441
Animal Control	296,300	296,300	295,444	856
Police Administration	917,600	917,600	914,522	3,078
Emergency Services, Fire & Life	11,355,700	11,355,700	10,801,242	554,458
Community development				
Planning	1,121,100	1,135,400	425,041	710,359
Community Preservation	458,200	458,200	326,939	131,261
Community Development Maintenance	342,100	342,100	(42)	342,142
Economic Development	734,000	734,000	689,270	44,730
Recreation and community services				
General Recreation Services	835,300	835,300	812,131	23,169
Youth/Adult Sports, Fitness & Wellness	851,800	851,800	904,069	(52,269)
George M. Silliman Activity & Family	2,484,200	2,514,200	2,423,351	90,849
Community Center Licenses Child Care	585,300	585,300	516,194	69,106
Senior Services	509,600	513,850	509,546	4,304
Library Support	182,600	182,600	182,850	(250)
Public works				
Building Inspection	2,134,300	2,178,769	1,687,731	491,038
Engineering	2,168,300	2,368,300	1,997,603	370,697
Weed Abatement	18,000	18,000	10,024	7,976
Street Lighting & Traffic Signals	562,000	680,000	649,705	30,295
Street Repairs	825,500	792,100	775,795	16,305
Environmental Services	1,022,600	1,015,500	900,712	114,788
Park & Landscape Maintenance	2,192,500	2,300,190	2,022,905	277,285
Debt service:				
Principal retirement	23,000	23,000	22,913	87
Total Expenditures	57,293,300	57,883,221	52,200,425	5,682,796
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,916,400	8,183,498	15,042,770	6,859,272
Other Financing Sources (Uses):				
Transfers out	-	(6,274,522)	(6,287,728)	(13,206)
Total Other Financing Sources (Uses)	-	(6,274,522)	(6,287,728)	(13,206)
Net Change in Fund Balances	5,916,400	1,908,976	8,755,042	6,846,066
Fund Balances, Beginning of Year, as restated	43,698,478	43,698,478	43,698,478	-
Fund Balances, End of Year	\$ 49,614,878	\$ 45,607,454	\$ 52,453,520	\$ 6,846,066

CITY OF NEWARK

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
STATE CONSTRUCTION MAINTENANCE SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,804,000	\$ 3,252,955	\$ 1,839,848	\$ (1,413,107)
Use of money and property	-	-	49,989	49,989
Total Revenues	1,804,000	3,252,955	1,889,837	(1,363,118)
Expenditures:				
Current:				
Public works	-	1,710,382	345,051	1,365,331
Capital outlay	-	2,071,573	602,467	1,469,106
Total Expenditures	-	3,781,955	947,518	2,834,437
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,804,000	(529,000)	942,319	1,471,319
Net Change in Fund Balances	1,804,000	(529,000)	942,319	1,471,319
Fund Balances, Beginning of Year	549,653	549,653	549,653	-
Fund Balances, End of Year	\$ 2,353,653	\$ 20,653	\$ 1,491,972	\$ 1,471,319

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY ACCOUNTING AND CONTROL
JUNE 30, 2019**

Note 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.

For the fiscal year ending June 30, 2019, the following funds had no adopted annual budgets:

Housing Impact Fee Special Revenue Fund
Community Development Act
Recycle AB 939
State CASp Fee

CITY OF NEWARK

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
BUDGETARY ACCOUNTING AND CONTROL
JUNE 30, 2019

Note 1: Budgetary Basis of Accounting (Continued)

b. Expenditures over Appropriations

The following General Fund Departments had expenditures over appropriations for the fiscal year ended June 30, 2019:

<u>Department</u>	<u>Budget</u>	<u>Actual</u>	<u>Excess</u>
General Government			
Financial Services	\$ 1,366,200	\$ 1,376,865	\$ (10,665)
Recreation and community services			
Youth/Adult Sports, Fitness & Wellnes	851,800	904,069	(52,269)
Library Support	182,600	182,850	(250)

CITY OF NEWARK

**MISCELLANEOUS PLAN - AGENT MULTIPLE-EMPLOYER
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
 AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	2015	2016	2017	2018	2019
TOTAL PENSION LIABILITY					
Service Cost	\$ 1,565,207	\$ 1,428,480	\$ 1,526,903	\$ 1,741,959	\$ 1,958,908
Interest	6,903,386	7,153,135	7,430,465	7,606,416	7,893,622
Difference between Expected and Actual Experience	-	(336,919)	(296,888)	98,578	1,112,052
Changes in Assumptions	-	(1,677,534)	-	6,040,949	(761,857)
Benefit Payments, Including					
Refunds of Employee Contributions	(4,796,901)	(5,054,891)	(5,339,676)	(5,585,662)	(5,994,674)
Net Change in Total Pension Liability	3,671,692	1,512,271	3,320,804	9,902,240	4,208,051
Total Pension Liability - Beginning	93,660,996	97,332,688	98,844,959	102,165,763	112,068,003
Total Pension Liability - Ending (a)	\$ 97,332,688	\$ 98,844,959	\$ 102,165,763	\$ 112,068,003	\$ 116,276,054
PLAN FIDUCIARY NET POSITION					
Contributions - Employer	\$ 1,672,308	\$ 1,771,614	\$ 2,089,006	\$ 2,252,015	\$ 3,091,582
Contributions - Employee	1,133,861	980,547	1,026,537	1,148,693	1,232,724
Plan to Plan Resource Movement	-	-	-	-	(176)
Net Investment Income	10,440,289	1,509,133	377,065	7,421,654	6,085,231
Benefit Payments, Including					
Refunds of Employee Contributions	(4,796,901)	(5,054,891)	(5,339,676)	(5,585,662)	(5,994,674)
Administrative Expense	-	(76,731)	(41,512)	(97,779)	(111,206)
Other Miscellaneous Income/(Expense)	-	95	-	(401)	(211,182)
Net Change in Fiduciary Net Position	8,449,557	(870,233)	(1,888,580)	5,138,520	4,092,299
Plan Fiduciary Net Position - Beginning	60,535,487	68,985,044	68,114,811	66,226,231	71,364,751
Plan Fiduciary Net Position - Ending (b)	\$ 68,985,044	\$ 68,114,811	\$ 66,226,231	\$ 71,364,751	\$ 75,457,050
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	\$ 28,347,644	\$ 30,730,148	\$ 35,939,532	\$ 40,703,252	\$ 40,819,004
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.88%	68.91%	64.82%	63.68%	64.89%
Covered Payroll	\$ 8,387,860	\$ 8,555,244	\$ 8,944,772	\$ 9,900,873	\$ 10,929,418
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	337.96%	359.20%	401.79%	411.11%	373.48%

(1) Historical information is required only for measurement years for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only five years are shown.

Notes to Schedule:Benefit Changes:

There were no changes to benefit terms. However, the figures above do not include any liability impact that may have resulted from plan changes which occurred after the measurement dates. 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:

In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate in 2018. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amount reported were based on the 7.5 percent discount rate.

CITY OF NEWARK

MISCELLANEOUS PLAN - AGENT MULTIPLE-EMPLOYER
 SCHEDULE OF PLAN CONTRIBUTIONS
 AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	2015	2016	2017	2018	2019
Actuarially Determined Contribution	\$ 1,773,777	\$ 2,089,006	\$ 2,252,317	\$ 2,937,068	\$ 3,231,257
Contribution in Relation to the Actuarially Determined Contribution	<u>(1,773,777)</u>	<u>(2,089,006)</u>	<u>(2,252,317)</u>	<u>(2,937,068)</u>	<u>(3,231,257)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 8,555,244	\$ 8,944,772	\$ 9,900,873	\$ 10,929,418	\$ 11,040,727
Contributions as a Percentage of Covered Payroll	20.73%	23.35%	22.75%	26.87%	29.27%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only five years are shown.

Note to Schedule:

Valuation Date:	June 30, 2016
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll, closed
Assets valuation method	Market Value
Discount rate	-
Projected Salary Increases	Varies by Entry Age and Service
Inflation	2.75%
Payroll growth	3.00%
Individual salary growth	A merit scale varying by duration of employment coupled with an assumed annual inflation of 2.75% and an annual production growth of 0.25%.

CITY OF NEWARK

**COST-SHARING MULTIPLE EMPLOYER SAFETY PLAN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS ⁽¹⁾**

	2015	2016	2017	2018	2019
Measurement Date	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018
Proportion of the Net Pension Liability*	0.64192%	0.66006%	0.62991%	0.61737%	0.64142%
Proportionate Share of the Net Pension Liability	\$ 39,942,949	\$ 45,305,899	\$ 54,506,282	\$ 61,226,071	\$ 61,809,192
Covered Payroll	\$ 6,720,767	\$ 7,186,807	\$ 7,171,629	\$ 7,362,907	\$ 7,381,368
Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	594.3%	630.4%	760.0%	831.5%	837.4%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.3%	73.3%	74.1%	73.3%	75.3%

*Represents the portion of the net pension liability compared to the total risk pool for both safety and miscellaneous plans.

Notes to Schedule of Proportionate Share of the Net Pension Liability:

Benefit Changes: None

Changes of Assumptions: In 2015, there were no changes. In 2016, the discount rate was changed from 7.5 percent (net of administration expenses) to 7.65 percent. In 2017, the accounting discount rate reduced from 7.65 to 7.15 percent. In 2018, demographic assumptions and inflate rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

⁽¹⁾ Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only five years are shown.

CITY OF NEWARK

**COST-SHARING MULTIPLE EMPLOYER SAFETY PLAN
SCHEDULE OF PLAN CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS ⁽¹⁾**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Actuarially Determined Contribution	\$ 2,526,932	\$ 3,262,170	\$ 3,595,377	\$ 4,766,942	\$ 5,046,191
Contribution in Relation to the Actuarially Determined Contribution	<u>(2,526,932)</u>	<u>(3,262,170)</u>	<u>(3,595,377)</u>	<u>(4,766,942)</u>	<u>(5,046,191)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 7,186,807	\$ 7,171,629	\$ 7,362,907	\$ 7,381,368	\$ 9,025,651
Contributions as a Percentage of Covered Payroll	35.2%	45.5%	48.8%	64.6%	55.9%

Notes to Schedule of Plan Contributions:

Methods and assumptions used to determine contribution rates:

Valuation Date: June 30, 2016
 Actuarial cost method: Entry age normal
 Amortization method: Level percentage of payroll
 Remaining amortization period: 21 Years as of the Valuation Date
 Assets valuation method: Market Value
 Inflation: 2.75% compounded annually
 Salary Increases: 3.00% compounded annually

 Investment rate of return: 7.375% compounded annually (net of investment and administrative)
 Retirement age: 50 and 57 years
 Mortality: Scale BB published by the Society of Actuaries

⁽¹⁾ Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only five years are shown.

CITY OF NEWARK

**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	2018	2019
Total OPEB Liability		
Service cost	\$ 357,973	\$ 339,211
Interest on the total OPEB liability	345,706	387,888
Actual and expected experience difference	-	-
Changes in assumptions	(232,385)	103,950
Changes in benefit terms	-	-
Benefit payments	(205,783)	(223,221)
Net change in total OPEB liability	265,511	607,828
Total OPEB liability - beginning	6,978,268	7,243,779
Total OPEB liability - ending (a)	7,243,779	7,851,607
Plan Fiduciary Net Position		
Contribution - employer	315,000	354,000
Net investment income	161,324	126,130
Benefit payments	(205,783)	(223,221)
Administrative expense	(845)	(1,002)
Investment experience	-	23,308
Other expenses	-	(2,218)
Net change in plan fiduciary net position	269,696	276,997
Plan fiduciary net position - beginning	1,406,246	1,675,942
Plan fiduciary net position - ending (b)	1,675,942	1,952,939
Net OPEB Liability - ending (a) - (b)	\$ 5,567,837	\$ 5,898,668
Plan fiduciary net position as a percentage of the total OPEB liability	23.14%	24.87%
Covered-employee payroll	\$ 15,780,296	\$ 17,438,452
Net OPEB asset as a percentage of covered-employee payroll	35.28%	33.83%

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

Notes to Schedule: None

Changes in assumptions: In 2019 the discount rate was changed from 7.25% to 7.00%.

CITY OF NEWARK

**SCHEDULE OF OPEB CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	2018	2019
Actuarially Determined Contribution	\$ 537,000	\$ 572,265
Contribution in Relation to the Actuarially Determined Contributions	(354,000)	(576,617)
Contribution Deficiency (Excess)	<u>\$ 183,000</u>	<u>\$ (4,352)</u>
Covered-employee payroll	\$ 17,438,452	\$ 20,956,996
Contributions as a percentage of covered-employee payroll	2.03%	2.75%

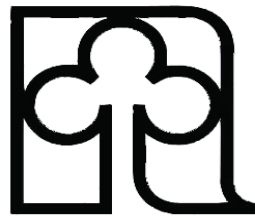
(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

Notes to Schedule:

*Actuarial methods and assumptions used to set the actuarially determined contribution for Fiscal Year 2018 were from the June 30, 2017 actuarial valuation.

Methods and assumptions used to determine contributions:

Actuarial Cost Method	Entry Age Normal
Amortization Valuation Method/Period	Level percent of payroll
Asset Valuation Method	Market value
Discount Rate	7.00%
Inflation	2.75%
Mortality	CalPERS 2014



SUPPLEMENTARY INFORMATION

NON-MAJOR GOVERNMENTAL FUNDS

The following funds are reported in total on the Governmental Fund Financial Statements under the column Other 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 - ACTC – Accounts for Measure B funds from the Alameda County Transportation Commission (ACTC) 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 - ACTC – Accounts for Measure B funds from the Alameda County Transportation Commission (ACTC) to be used for the maintaining of local streets and roadways, funding bikes and pedestrian projects, and providing paratransit services to the senior community.

RMRA SB1 Special Revenue Fund – Accounts for Senate Bill 1 that increases gasoline and diesel taxes and vehicle registration fees to fund for basic road maintenance, rehabilitation, and critical safety projects on local streets and roads.

Hazardous Materials Program – Accounts for grant proceeds for specific hazardous materials education and mitigation programs.

State CASp Fee – Accounts for fees collected from business licenses and renewals for the Certified Access Specialists (CASp). The CASp fee is mandated by California SB1186 and its purpose is to increase disability access and compliance with construction related accessibility requirements.

CAPITAL PROJECTS FUNDS

PEG Fees – Accounts for funding used to support PEG activities and the capital costs needed for repair, replacement, and maintenance of equipment used to broadcast Council meetings, or to make technological upgrades to the Council chambers

Art in Public Places – Accounts for funds collected from developers to be used for the procurement and enhancement of public art.

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.

DEBT SERVICE FUND

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.

CITY OF NEWARK

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2019

	<u>Special Revenue Funds</u>			
	<u>Paramedic Tax</u>	<u>Alameda County Fire Fees</u>	<u>Police Grants</u>	<u>Community Development Act</u>
Assets:				
Pooled cash and investments	\$ 431,542	\$ 64,485	\$ 155,969	\$ -
Receivables:				
Accounts	-	-	-	-
Taxes	885	-	-	-
Special assessments	-	-	-	-
Due from other governments	-	-	-	135,317
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	<u>\$ 432,427</u>	<u>\$ 64,485</u>	<u>\$ 155,969</u>	<u>\$ 135,317</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 2,471	\$ 6,721
Accrued liabilities	-	-	401	-
Due to other funds	-	-	-	35,542
Total Liabilities	<u>-</u>	<u>-</u>	<u>2,872</u>	<u>42,263</u>
Fund Balances:				
Restricted	432,427	64,485	153,097	93,054
Committed	-	-	-	-
Assigned	-	-	-	-
Total Fund Balances	<u>432,427</u>	<u>64,485</u>	<u>153,097</u>	<u>93,054</u>
Total Liabilities and Fund Balances	<u>\$ 432,427</u>	<u>\$ 64,485</u>	<u>\$ 155,969</u>	<u>\$ 135,317</u>

	Special Revenue Funds			
	Community Development Maint. Fees	Recycle AB 939	Measure D - Recycling	Measure B - ACTC
Assets:				
Pooled cash and investments	\$ 2,805,052	\$ 57,164	\$ 559,763	\$ 910,016
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Special assessments	-	-	-	-
Due from other governments	-	-	119,086	155,865
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 2,805,052	\$ 57,164	\$ 678,849	\$ 1,065,881
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 11,588	\$ -	\$ 47,839	\$ 112,359
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	11,588	-	47,839	112,359
Fund Balances:				
Restricted	-	57,164	631,010	953,522
Committed	2,793,464	-	-	-
Assigned	-	-	-	-
Total Fund Balances	2,793,464	57,164	631,010	953,522
Total Liabilities and Fund Balances	\$ 2,805,052	\$ 57,164	\$ 678,849	\$ 1,065,881

CITY OF NEWARK

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2019

	Special Revenue Funds			
	Measure BB - ACTC	RMRA SB1 Special Revenue	Hazardous Materials Program	State CASp Fee
Assets:				
Pooled cash and investments	\$ 790,840	\$ 744,115	\$ 36,145	\$ 9,107
Receivables:				
Accounts	-	-	-	-
Taxes	-	155,351	-	-
Special assessments	-	-	-	-
Due from other governments	127,333	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	<u>\$ 918,173</u>	<u>\$ 899,466</u>	<u>\$ 36,145</u>	<u>\$ 9,107</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 85,680	\$ 13,662	\$ 53	\$ 9,107
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	<u>85,680</u>	<u>13,662</u>	<u>53</u>	<u>9,107</u>
Fund Balances:				
Restricted	832,493	885,804	36,092	-
Committed	-	-	-	-
Assigned	-	-	-	-
Total Fund Balances	<u>832,493</u>	<u>885,804</u>	<u>36,092</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 918,173</u>	<u>\$ 899,466</u>	<u>\$ 36,145</u>	<u>\$ 9,107</u>

CITY OF NEWARK

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

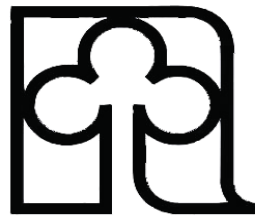
(CONTINUED)

	Capital Projects Funds			Debt Service Funds
	PEG Fees	Art in Public Places	Landscape and Lighting District	Public Financing Authority
Assets:				
Pooled cash and investments	\$ 757,844	\$ 1,625,902	\$ 1,129,290	\$ 63,211
Receivables:				
Accounts	19,832	-	-	-
Taxes	-	-	-	-
Special assessments	-	-	75,102	-
Due from other governments	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	636,305
Total Assets	\$ 777,676	\$ 1,625,902	\$ 1,204,392	\$ 699,516
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 480	\$ -	\$ 9,880	\$ -
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	480	-	9,880	-
Fund Balances:				
Restricted	777,196	-	1,194,512	699,516
Committed	-	-	-	-
Assigned	-	1,625,902	-	-
Total Fund Balances	777,196	1,625,902	1,194,512	699,516
Total Liabilities and Fund Balances	\$ 777,676	\$ 1,625,902	\$ 1,204,392	\$ 699,516

CITY OF NEWARK

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2019

	Total Other Governmental Funds
Assets:	
Pooled cash and investments	\$ 10,140,445
Receivables:	
Accounts	19,832
Taxes	156,236
Special assessments	75,102
Due from other governments	537,601
Restricted assets:	
Cash and investments with fiscal agents	636,305
Total Assets	<u>\$ 11,565,521</u>
Liabilities and Fund Balances:	
Liabilities:	
Accounts payable	\$ 299,840
Accrued liabilities	401
Due to other funds	35,542
Total Liabilities	<u>335,783</u>
Fund Balances:	
Restricted	6,810,372
Committed	2,793,464
Assigned	1,625,902
Total Fund Balances	<u>11,229,738</u>
Total Liabilities and Fund Balances	<u>\$ 11,565,521</u>



CITY OF NEWARK

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	Special Revenue Funds			
	Paramedic Tax	Alameda County Fire Fees	Police Grants	Community Development Act
Revenues:				
Special assessments	\$ 252,262	\$ -	\$ -	\$ -
Intergovernmental	-	-	174,934	135,318
Charges for services	-	-	24,400	-
Use of money and property	-	-	1,983	-
Miscellaneous	-	-	-	-
Total Revenues	252,262	-	201,317	135,318
Expenditures:				
Current:				
General government	-	-	-	-
Public safety				
Fire	4,193	3,500	-	-
Police	-	-	198,722	-
Recreation and community services	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	134,417
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	4,193	3,500	198,722	134,417
Excess (Deficiency) of Revenues Over (Under) Expenditures	248,069	(3,500)	2,595	901
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	248,069	(3,500)	2,595	901
Fund Balances, Beginning of Year	184,358	67,985	150,502	92,153
Fund Balances, End of Year	\$ 432,427	\$ 64,485	\$ 153,097	\$ 93,054

CITY OF NEWARK

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

(CONTINUED)

	Special Revenue Funds			
	Community Development Maintenance Fees	Recycle AB 939	Measure D - Recycling	Measure B - ACTC
Revenues:				
Special assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	160,538	947,619
Charges for services	909,863	-	-	-
Use of money and property	45,211	-	9,022	14,668
Miscellaneous	-	-	-	-
Total Revenues	955,074	-	169,560	962,287
Expenditures:				
Current:				
General government	-	-	-	-
Public safety				
Fire	-	-	-	-
Police	-	-	-	-
Recreation and community services	290,368	-	126,217	-
Parks and recreation	-	-	-	103,098
Public works	-	-	-	-
Capital outlay	113,549	-	-	896,948
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	403,917	-	126,217	1,000,046
Excess (Deficiency) of Revenues Over (Under) Expenditures	551,157	-	43,343	(37,759)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	551,157	-	43,343	(37,759)
Fund Balances, Beginning of Year	2,242,307	57,164	587,667	991,281
Fund Balances, End of Year	\$ 2,793,464	\$ 57,164	\$ 631,010	\$ 953,522

CITY OF NEWARK

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	Special Revenue Funds			
	Measure BB - ACTC	RMRA SB1 Special Revenue	Hazardous Materials Program	State CASp Fee
Revenues:				
Special assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental	774,615	818,822	12,616	10,150
Charges for services	-	-	-	-
Use of money and property	12,748	13,689	582	-
Miscellaneous	-	-	-	-
Total Revenues	787,363	832,511	13,198	10,150
Expenditures:				
Current:				
General government	-	-	-	-
Public safety				
Fire	-	-	12,371	-
Police	-	-	-	-
Recreation and community services	-	-	-	-
Parks and recreation	103,098	-	-	-
Public works	-	-	-	10,150
Capital outlay	474,253	266,521	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	577,351	266,521	12,371	10,150
Excess (Deficiency) of Revenues Over (Under) Expenditures	210,012	565,990	827	-
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	210,012	565,990	827	-
Fund Balances, Beginning of Year	622,481	319,814	35,265	-
Fund Balances, End of Year	\$ 832,493	\$ 885,804	\$ 36,092	\$ -

CITY OF NEWARK

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

(CONTINUED)

	Capital Project Funds			Debt Service Funds
	PEG Fees	Art in Public Places	Landscape and Lighting District	Public Financing Authority
Revenues:				
Special assessments	\$ -	\$ -	\$ 276,665	\$ -
Intergovernmental	-	-	-	-
Charges for services	80,124	-	-	-
Use of money and property	12,215	-	18,201	13,495
Miscellaneous	-	175,264	-	-
Total Revenues	92,339	175,264	294,866	13,495
Expenditures:				
Current:				
General government	3,651	-	-	-
Public safety				
Fire	-	-	-	-
Police	-	-	-	-
Recreation and community services	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	-	80,950	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	533,237
Interest and fiscal charges	-	-	-	329,765
Total Expenditures	3,651	-	80,950	863,002
Excess (Deficiency) of Revenues Over (Under) Expenditures	88,688	175,264	213,916	(849,507)
Other Financing Sources (Uses):				
Transfers in	-	-	-	862,000
Total Other Financing Sources (Uses)	-	-	-	862,000
Net Change in Fund Balances	88,688	175,264	213,916	12,493
Fund Balances, Beginning of Year	688,508	1,450,638	980,596	687,023
Fund Balances, End of Year	\$ 777,196	\$ 1,625,902	\$ 1,194,512	\$ 699,516

CITY OF NEWARK

COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2019

	Total Other Governmental Funds
Revenues:	
Special assessments	\$ 528,927
Intergovernmental	3,034,612
Charges for services	1,014,387
Use of money and property	141,814
Miscellaneous	175,264
	<hr/>
Total Revenues	4,895,004
	<hr/>
Expenditures:	
Current:	
General government	3,651
Public safety	
Fire	20,064
Police	198,722
Recreation and community services	416,585
Parks and recreation	206,196
Public works	91,100
Capital outlay	1,885,688
Debt service:	
Principal retirement	533,237
Interest and fiscal charges	329,765
	<hr/>
Total Expenditures	3,685,008
	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,209,996
	<hr/>
Other Financing Sources (Uses):	
Transfers in	862,000
	<hr/>
Total Other Financing Sources (Uses)	862,000
	<hr/>
Net Change in Fund Balances	2,071,996
	<hr/>
Fund Balances, Beginning of Year	9,157,742
	<hr/>
Fund Balances, End of Year	\$ 11,229,738
	<hr/> <hr/>

CITY OF NEWARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 PARAMEDIC TAX
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Special assessments	\$ -	\$ 128,033	\$ 252,262	\$ 124,229
Total Revenues	-	128,033	252,262	124,229
Expenditures:				
Current:				
Public Safety - Fire	-	-	4,193	(4,193)
Total Expenditures	-	-	4,193	(4,193)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	128,033	248,069	120,036
Net Change in Fund Balances	-	128,033	248,069	120,036
Fund Balances, Beginning of Year	184,358	184,358	184,358	-
Fund Balances, End of Year	\$ 184,358	\$ 312,391	\$ 432,427	\$ 120,036

CITY OF NEWARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 ALAMEDA COUNTY FIRE FEES
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
Public Safety - Fire	\$ -	\$ 3,500	\$ 3,500	\$ -
Total Expenditures	-	3,500	3,500	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(3,500)	(3,500)	-
Net Change in Fund Balances	-	(3,500)	(3,500)	-
Fund Balances, Beginning of Year	67,985	67,985	67,985	-
Fund Balances, End of Year	\$ 67,985	\$ 64,485	\$ 64,485	\$ -

CITY OF NEWARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 POLICE GRANTS
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 170,000	\$ 174,934	\$ 4,934
Charges for services	30,000	30,000	24,400	(5,600)
Use of money and property	-	-	1,983	1,983
Total Revenues	30,000	200,000	201,317	1,317
Expenditures:				
Current:				
Public Safety - Police	145,900	217,900	198,722	19,178
Total Expenditures	145,900	217,900	198,722	19,178
Excess (Deficiency) of Revenues Over (Under) Expenditures	(115,900)	(17,900)	2,595	20,495
Net Change in Fund Balances	(115,900)	(17,900)	2,595	20,495
Fund Balances, Beginning of Year	150,502	150,502	150,502	-
Fund Balances, End of Year	\$ 34,602	\$ 132,602	\$ 153,097	\$ 20,495

CITY OF NEWARK

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT MAINTANENCE FEES
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 1,300,000	\$ 1,300,000	\$ 909,863	\$ (390,137)
Use of money and property	-	-	45,211	45,211
Total Revenues	1,300,000	1,300,000	955,074	(344,926)
Expenditures:				
Current:				
Community development	-	6,200	290,368	(284,168)
Capital outlay	-	391,000	113,549	277,451
Total Expenditures	-	397,200	403,917	(6,717)
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,300,000	902,800	551,157	(351,643)
Net Change in Fund Balances	1,300,000	902,800	551,157	(351,643)
Fund Balances, Beginning of Year	2,242,307	2,242,307	2,242,307	-
Fund Balances, End of Year	\$ 3,542,307	\$ 3,145,107	\$ 2,793,464	\$ (351,643)

CITY OF NEWARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 MEASURE D - RECYCLING
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 100,000	\$ 160,538	\$ 60,538
Use of money and property	-	-	9,022	9,022
Total Revenues	-	100,000	169,560	69,560
Expenditures:				
Current:				
Community development	-	252,200	126,217	125,983
Total Expenditures	-	252,200	126,217	125,983
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(152,200)	43,343	195,543
Net Change in Fund Balances	-	(152,200)	43,343	195,543
Fund Balances, Beginning of Year	587,667	587,667	587,667	-
Fund Balances, End of Year	\$ 587,667	\$ 435,467	\$ 631,010	\$ 195,543

CITY OF NEWARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 MEASURE B - ACTC
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 200,000	\$ 1,061,359	\$ 947,619	\$ (113,740)
Use of money and property	-	-	14,668	14,668
Total Revenues	200,000	1,061,359	962,287	(99,072)
Expenditures:				
Current:				
Recreation and community services	123,500	202,883	103,098	99,785
Capital outlay	-	658,476	896,948	(238,472)
Total Expenditures	123,500	861,359	1,000,046	(138,687)
Excess (Deficiency) of Revenues Over (Under) Expenditures	76,500	200,000	(37,759)	(237,759)
Net Change in Fund Balances	76,500	200,000	(37,759)	(237,759)
Fund Balances, Beginning of Year	991,281	991,281	991,281	-
Fund Balances, End of Year	\$ 1,067,781	\$ 1,191,281	\$ 953,522	\$ (237,759)

CITY OF NEWARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 MEASURE BB - ACTC
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 705,926	\$ 774,615	\$ 68,689
Use of money and property	-	-	12,748	12,748
Total Revenues	-	705,926	787,363	81,437
Expenditures:				
Current:				
Recreation and community services	123,500	126,917	103,098	23,819
Public works	-	123,909	-	123,909
Capital outlay	-	455,100	474,253	(19,153)
Total Expenditures	123,500	705,926	577,351	128,575
Excess (Deficiency) of Revenues Over (Under) Expenditures	(123,500)	-	210,012	210,012
Net Change in Fund Balances	(123,500)	-	210,012	210,012
Fund Balances, Beginning of Year	622,481	622,481	622,481	-
Fund Balances, End of Year	\$ 498,981	\$ 622,481	\$ 832,493	\$ 210,012

CITY OF NEWARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 RMRA SB1 SPECIAL REVENUE
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 758,193	\$ 818,822	\$ 60,629
Use of money and property	-	-	13,689	13,689
Total Revenues	-	758,193	832,511	74,318
Expenditures:				
Capital outlay	-	1,011,193	266,521	744,672
Total Expenditures	-	1,011,193	266,521	744,672
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(253,000)	565,990	818,990
Net Change in Fund Balances	-	(253,000)	565,990	818,990
Fund Balances, Beginning of Year	319,814	319,814	319,814	-
Fund Balances, End of Year	\$ 319,814	\$ 66,814	\$ 885,804	\$ 818,990

CITY OF NEWARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 HAZARDOUS MATERIALS PROGRAM
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 12,370	\$ 12,616	\$ 246
Use of money and property	-	-	582	582
Total Revenues	-	12,370	13,198	828
Expenditures:				
Current:				
Public Safety - Fire	-	12,370	12,371	(1)
Total Expenditures	-	12,370	12,371	(1)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	827	827
Net Change in Fund Balances	-	-	827	827
Fund Balances, Beginning of Year	35,265	35,265	35,265	-
Fund Balances, End of Year	\$ 35,265	\$ 35,265	\$ 36,092	\$ 827

CITY OF NEWARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 CAPITAL PROJECTS FUND
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 4,500,000	\$ 4,500,000	\$ 3,230,905	\$ (1,269,095)
Use of money and property	75,000	75,000	488,246	413,246
Total Revenues	4,575,000	4,575,000	3,719,151	(855,849)
Expenditures:				
Current:				
Public works	-	-	4,551,128	(4,551,128)
Capital outlay	-	77,017,000	736,767	76,280,233
Total Expenditures	-	77,017,000	5,287,895	71,729,105
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,575,000	(72,442,000)	(1,568,744)	70,873,256
Other Financing Sources (Uses):				
Transfers in	-	5,050,000	5,177,128	127,128
Transfers out	-	-	(362,522)	362,522
Total Other Financing Sources (Uses)	-	5,050,000	4,814,606	489,650
Net Change in Fund Balances	4,575,000	(67,392,000)	3,245,862	71,362,906
Fund Balances, Beginning of Year	21,859,355	21,859,355	21,859,355	-
Fund Balances, End of Year	\$ 26,434,355	\$ (45,532,645)	\$ 25,105,217	\$ 71,362,906

CITY OF NEWARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 PARK IMPROVEMENT
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,000,000	\$ 2,000,000	\$ 308,596	\$ (1,691,404)
Total Revenues	2,000,000	2,000,000	308,596	(1,691,404)
Expenditures:				
Capital outlay	-	6,671,000	2,615,360	4,055,640
Total Expenditures	-	6,671,000	2,615,360	4,055,640
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,000,000	(4,671,000)	(2,306,764)	2,364,236
Other Financing Sources (Uses):				
Transfers in	-	362,522	362,522	-
Total Other Financing Sources (Uses)	-	362,522	362,522	-
Net Change in Fund Balances	2,000,000	(4,308,478)	(1,944,242)	2,364,236
Fund Balances, Beginning of Year	6,044,426	6,044,426	6,044,426	-
Fund Balances, End of Year	\$ 8,044,426	\$ 1,735,948	\$ 4,100,184	\$ 2,364,236

CITY OF NEWARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 PEG FEES
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ -	\$ 50,000	\$ 80,124	\$ 30,124
Use of money and property	-	-	12,215	12,215
Total Revenues	-	50,000	92,339	42,339
Expenditures:				
Current:				
General government	-	5,000	3,651	1,349
Total Expenditures	-	5,000	3,651	1,349
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	45,000	88,688	43,688
Net Change in Fund Balances	-	45,000	88,688	43,688
Fund Balances, Beginning of Year	688,508	688,508	688,508	-
Fund Balances, End of Year	\$ 688,508	\$ 733,508	\$ 777,196	\$ 43,688

CITY OF NEWARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 ART IN PUBLIC PLACES
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ 200,000	\$ 200,000	\$ 175,264	\$ (24,736)
Total Revenues	200,000	200,000	175,264	(24,736)
Excess (Deficiency) of Revenues Over (Under) Expenditures	200,000	200,000	175,264	(24,736)
Net Change in Fund Balances	200,000	200,000	175,264	(24,736)
Fund Balances, Beginning of Year	1,450,638	1,450,638	1,450,638	-
Fund Balances, End of Year	\$ 1,650,638	\$ 1,650,638	\$ 1,625,902	\$ (24,736)

CITY OF NEWARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 LANDSCAPE AND LIGHTING DISTRICT
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Special assessments	\$ -	\$ -	\$ 276,665	\$ 276,665
Use of money and property	-	-	18,201	18,201
Total Revenues	-	-	294,866	294,866
Expenditures:				
Current:				
Public works	-	80,508	80,950	(442)
Total Expenditures	-	80,508	80,950	(442)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(80,508)	213,916	294,424
Net Change in Fund Balances	-	(80,508)	213,916	294,424
Fund Balances, Beginning of Year	980,596	980,596	980,596	-
Fund Balances, End of Year	\$ 980,596	\$ 900,088	\$ 1,194,512	\$ 294,424

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, 2019

	Governmental Activities - Internal Service Funds			
	Equipment Replacement	Equipment Operations	Office Support	Building Maintenance
Assets:				
Current:				
Pooled cash and investments	\$ 2,312,265	\$ 1,270,647	\$ 66,360	\$ 1,365,458
Prepaid costs	-	-	3,000	-
Due from other governments	960	-	-	420
Inventories	-	43,312	-	10,090
Total Current Assets	2,313,225	1,313,959	69,360	1,375,968
Noncurrent:				
Capital assets - net of accumulated depreciation	1,907,992	-	-	-
Total Noncurrent Assets	1,907,992	-	-	-
Total Assets	4,221,217	1,313,959	69,360	1,375,968
Liabilities:				
Current:				
Accounts payable	22,707	39,345	11,620	142,442
Accrued liabilities	-	37	469	-
Claims payable, due within one year	-	-	-	-
Total Current Liabilities	22,707	39,382	12,089	142,442
Noncurrent:				
Claims payable, due in more than one year	-	-	-	-
Total Noncurrent Liabilities	-	-	-	-
Total Liabilities	22,707	39,382	12,089	142,442
Net Position:				
Investment in capital assets	1,907,992	-	-	-
Unrestricted	2,290,518	1,274,577	57,271	1,233,526
Total Net Position	\$ 4,198,510	\$ 1,274,577	\$ 57,271	\$ 1,233,526

CITY OF NEWARK

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2019

	Governmental Activities - Internal Service Funds		Totals
	Public Liability Self-Insurance	Workers' Compensation Self-Insurance	
Assets:			
Current:			
Pooled cash and investments	\$ 996,395	\$ 1,595,088	\$ 7,606,213
Prepaid costs	-	-	3,000
Due from other governments	393	6,277	8,050
Inventories	-	-	53,402
Total Current Assets	996,788	1,601,365	7,670,665
Noncurrent:			
Capital assets - net of accumulated deprecia	-	-	1,907,992
Total Noncurrent Assets	-	-	1,907,992
Total Assets	996,788	1,601,365	9,578,657
Liabilities:			
Current:			
Accounts payable	13,795	38,380	268,289
Accrued liabilities	-	-	506
Claims payable, due within one year	214,498	602,924	817,422
Total Current Liabilities	228,293	641,304	1,086,217
Noncurrent:			
Claims payable, due in more than one year	604,374	806,297	1,410,671
Total Noncurrent Liabilities	604,374	806,297	1,410,671
Total Liabilities	832,667	1,447,601	2,496,888
Net Position:			
Investment in capital assets	-	-	1,907,992
Unrestricted	164,121	153,764	5,173,777
Total Net Position	\$ 164,121	\$ 153,764	\$ 7,081,769

CITY OF NEWARK

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2019

	<u>Governmental Activities - Internal Service Funds</u>			
	<u>Equipment Replacement</u>	<u>Equipment Operations</u>	<u>Office Support</u>	<u>Building Maintenance</u>
Operating Revenues:				
Interdepartmental charges	\$ 832,600	\$ 1,246,600	\$ 121,900	\$ 2,003,600
Miscellaneous	6,333	7,761	-	84,688
Total Operating Revenues	838,933	1,254,361	121,900	2,088,288
Operating Expenses:				
Personnel services	-	519,315	33,184	615,943
Materials and supplies	160,712	333,731	32,569	61,592
Contractual services	-	151,084	72,273	600,506
Utilities	-	-	-	708,480
Insurance claims and premiums	-	-	-	-
Depreciation expense	263,400	-	-	-
Total Operating Expenses	424,112	1,004,130	138,026	1,986,521
Operating Income (Loss)	414,821	250,231	(16,126)	101,767
Nonoperating Revenues (Expenses):				
Interest expense	(1,421)	-	-	-
Gain (loss) on disposal of capital assets	46,365	-	-	-
Total Nonoperating Revenues (Expenses)	44,944	-	-	-
Income (Loss) Before Transfers	459,765	250,231	(16,126)	101,767
Transfers in	108,900	112,000	-	27,700
Changes in Net Position	568,665	362,231	(16,126)	129,467
Net Position:				
Beginning of Fiscal Year	3,629,845	912,346	73,397	1,104,059
End of Fiscal Year	\$ 4,198,510	\$ 1,274,577	\$ 57,271	\$ 1,233,526

CITY OF NEWARK

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2019

	Governmental Activities - Internal Service Funds		
	Public Liability Self-Insurance	Workers' Compensation Self-Insurance	Totals
Operating Revenues:			
Interdepartmental charges	\$ 839,900	\$ 1,250,802	\$ 6,295,402
Miscellaneous	15,453	-	114,235
Total Operating Revenues	855,353	1,250,802	6,409,637
Operating Expenses:			
Personnel services	101,561	30,107	1,300,110
Materials and supplies	12,628	-	601,232
Contractual services	431,492	5,295	1,260,650
Utilities	-	-	708,480
Insurance claims and premiums	569,080	78,794	647,874
Depreciation expense	-	-	263,400
Total Operating Expenses	1,114,761	114,196	4,781,746
Operating Income (Loss)	(259,408)	1,136,606	1,627,891
Nonoperating Revenues (Expenses):			
Interest expense	-	-	(1,421)
Gain (loss) on disposal of capital assets	-	-	46,365
Total Nonoperating Revenues (Expenses)	-	-	44,944
Income (Loss) Before Transfers	(259,408)	1,136,606	1,672,835
Transfers in	-	-	248,600
Changes in Net Position	(259,408)	1,136,606	1,921,435
Net Position:			
Beginning of Fiscal Year	423,529	(982,842)	5,160,334
End of Fiscal Year	\$ 164,121	\$ 153,764	\$ 7,081,769

CITY OF NEWARK

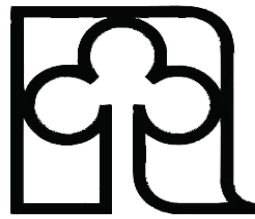
**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2019**

	Governmental Activities - Internal Service Funds			
	Equipment Replacement	Equipment Operations	Office Support	Building Maintenance
Cash Flows from Operating Activities:				
Cash received from interfund service provided	\$ 832,600	\$ 1,246,600	\$ 121,900	\$ 2,003,600
Cash paid to suppliers for goods and services	(267,436)	(488,892)	(96,274)	(1,362,409)
Cash paid to employees for services	-	(519,278)	(32,715)	(615,943)
Cash received from (payments to) others	9,672	13,494	-	89,579
Net Cash Provided (Used) by Operating Activities	574,836	251,924	(7,089)	114,827
Cash Flows from Non-Capital Financing Activities:				
Cash transfers in	108,900	112,000	-	27,700
Net Cash Provided (Used) by Non-Capital Financing Activities	108,900	112,000	-	27,700
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	(198,581)	-	-	-
Principal paid on capital debt	(45,076)	-	-	-
Interest paid on capital debt	(1,421)	-	-	-
Proceeds from sales of capital assets	46,365	-	-	-
Net Cash Used by Capital and Related Financing Activities	(198,713)	-	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	485,023	363,924	(7,089)	142,527
Cash and Cash Equivalents at Beginning of Year	1,827,242	906,723	73,449	1,222,931
Cash and Cash Equivalents at End of Year	\$ 2,312,265	\$ 1,270,647	\$ 66,360	\$ 1,365,458
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 414,821	\$ 250,231	\$ (16,126)	\$ 101,767
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:				
Depreciation	263,400	-	-	-
(Increase) decrease in due from other governments	3,339	5,733	-	4,891
(Increase) decrease in inventories	-	6,430	-	(217)
Increase (decrease) in accounts payable	(106,724)	(10,507)	8,568	10,286
Increase (decrease) in accrued liabilities	-	37	469	-
Increase (decrease) in unearned revenue	-	-	-	(1,900)
Increase (decrease) in claims and judgments	-	-	-	-
Total Adjustments	160,015	1,693	9,037	13,060
Net Cash Provided (Used) by Operating Activities	\$ 574,836	\$ 251,924	\$ (7,089)	\$ 114,827

CITY OF NEWARK

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2019

	<u>Governmental Activities - Internal Service Funds</u>		
	<u>Public Liability Self-Insurance</u>	<u>Workers' Compensation Self-Insurance</u>	<u>Totals</u>
Cash Flows from Operating Activities:			
Cash received from interfund service provided	\$ 839,900	\$ 1,250,802	\$ 6,295,402
Cash paid to suppliers for goods and services	(675,990)	(729,897)	(3,620,898)
Cash paid to employees for services	(101,561)	(30,107)	(1,299,604)
Cash received from (payments to) others	16,419	(6,277)	122,887
Net Cash Provided (Used) by Operating Activities	78,768	484,521	1,497,787
Cash Flows from Non-Capital Financing Activities:			
Cash transfers in	-	-	248,600
Net Cash Provided (Used) by Non-Capital Financing Activities	-	-	248,600
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	-	-	(198,581)
Principal paid on capital debt	-	-	(45,076)
Interest paid on capital debt	-	-	(1,421)
Proceeds from sales of capital assets	-	-	46,365
Net Cash Used by Capital and Related Financing Activities	-	-	(198,713)
Net Increase (Decrease) in Cash and Cash Equivalents	78,768	484,521	1,547,674
Cash and Cash Equivalents at Beginning of Year	917,627	1,110,567	6,058,539
Cash and Cash Equivalents at End of Year	\$ 996,395	\$ 1,595,088	\$ 7,606,213
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ (259,408)	\$ 1,136,606	\$ 1,627,891
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:			
Depreciation	-	-	263,400
(Increase) decrease in due from other governments	966	(6,277)	8,652
(Increase) decrease in inventories	-	-	6,213
Increase (decrease) in accounts payable	(9,405)	38,300	(69,482)
Increase (decrease) in accrued liabilities	-	-	506
Increase (decrease) in unearned revenue	-	-	(1,900)
Increase (decrease) in claims and judgments	346,615	(684,108)	(337,493)
Total Adjustments	338,176	(652,085)	(130,104)
Net Cash Provided (Used) by Operating Activities	\$ 78,768	\$ 484,521	\$ 1,497,787



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

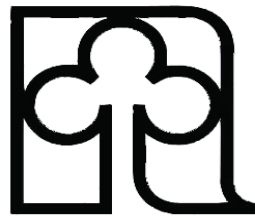
COMBINING STATEMENT OF ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 JUNE 30, 2019

	Area Improvement Districts	Totals
Assets:		
Pooled cash and investments	\$ 4,442,535	\$ 4,442,535
Restricted assets:		
Cash and investments with fiscal agents	1,445	1,445
Total Assets	\$ 4,443,980	\$ 4,443,980
Liabilities:		
Due to external parties/other agencies	\$ 4,443,980	\$ 4,443,980
Total Liabilities	\$ 4,443,980	\$ 4,443,980

CITY OF NEWARK

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2019

	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2019</u>
<u>Area Improvement Districts</u>				
Assets:				
Pooled cash and investments	\$ 4,354,764	\$ 87,771	\$ -	\$ 4,442,535
Restricted assets:				
Cash and investments with fiscal agents	-	1,445	-	1,445
Total Assets	<u>\$ 4,354,764</u>	<u>\$ 89,216</u>	<u>\$ -</u>	<u>\$ 4,443,980</u>
Liabilities:				
Due to external parties/other agencies	\$ 4,354,764	\$ 89,216	\$ -	\$ 4,443,980
Total Liabilities	<u>\$ 4,354,764</u>	<u>\$ 89,216</u>	<u>\$ -</u>	<u>\$ 4,443,980</u>
<u>Totals - All Agency Funds</u>				
Assets:				
Pooled cash and investments	\$ 4,354,764	\$ 87,771	\$ -	\$ 4,442,535
Restricted assets:				
Cash and investments with fiscal agents	-	1,445	-	1,445
Total Assets	<u>\$ 4,354,764</u>	<u>\$ 89,216</u>	<u>\$ -</u>	<u>\$ 4,443,980</u>
Liabilities:				
Due to external parties/other agencies	\$ 4,354,764	\$ 89,216	\$ -	\$ 4,443,980
Total Liabilities	<u>\$ 4,354,764</u>	<u>\$ 89,216</u>	<u>\$ -</u>	<u>\$ 4,443,980</u>



CITY OF NEWARK

Statistical Section

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

These schedules contain trend information to help the readers understand how the City's financial performance and well-being have changed over time.

- 1 Net Position by Component
- 2 Changes in Net Position
- 3 Fund Balances of Governmental Funds
- 4 Changes in Fund Balances of Governmental Funds

Revenue Source

These schedules present information to help reader assess the City's property and sales tax revenues.

- 5 Assessed Value of Taxable Property
- 6 Property Tax Rates - All Overlapping Government
- 7 Principal Property Tax Payers
- 8 Property Tax Levies and Collections
- 9 Taxable Sales by Category

Debt Capacity

These schedules present information to help reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

- 10 Ratio of Outstanding Debt by Type
- 11 Direct and Overlapping Governmental Activities Debt
- 12 Legal Bonded Debt Margin Information

Demographic and Economic Information

These schedules present demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

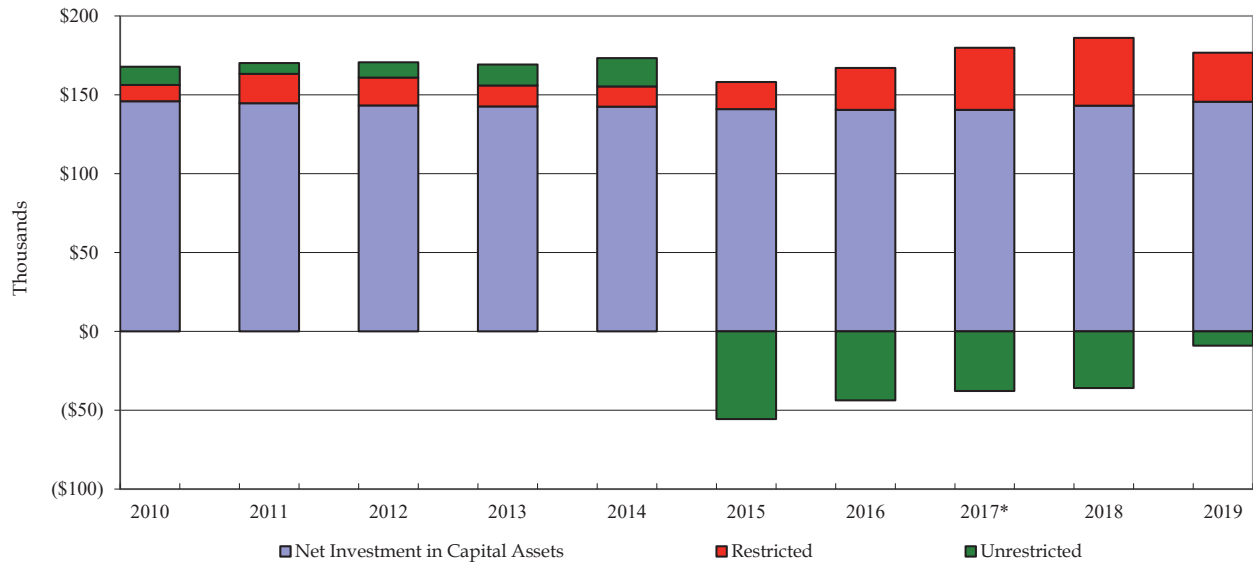
- 13 Demographic and Economic Statistics
- 14 Principal Employers

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and activities it performs.

- 15 Full-Time Equivalent City Government Employees by Function/Program
- 16 Operating Indicators by Function/Program
- 17 Capital Asset Statistics by Function/Program

City of Newark
Net Position by Component
Last Ten Years
 (accrual basis of accounting)
 (dollars in thousands)



	Fiscal year ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017*	2018	2019
<i>Primary government</i>										
<i>Governmental activities:</i>										
Net Investment in Capital Assets	\$145,913	\$144,678	\$143,258	\$142,709	\$142,524	\$140,931	\$140,414	\$140,414	\$143,058	\$145,603
Restricted	10,406	18,563	17,596	13,198	12,806	17,260	26,622	39,483	42,954	31,076
Unrestricted	11,490	6,865	9,806	13,264	17,903	(55,634)	(43,711)	(37,879)	(35,998)	(9,126)
Total governmental activities net position	\$167,809	\$170,106	\$170,660	\$169,171	\$173,233	\$102,557	\$123,325	\$142,019	\$150,014	\$167,553

* Net Position not restated for the implementation of GASB Statement No. 75 or other restatements discussed in Note 14

City of Newark
Changes in Net Position
Last Ten Years
(accrual basis of accounting)
(dollars in thousands)

	Fiscal year ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
General government	\$3,965	\$3,838	\$3,891	\$3,796	\$4,643	\$5,986	\$4,484	\$5,337	\$6,159	\$6,656
Public safety:										
Fire	9,026	8,294	8,380	8,669	8,665	9,641	9,805	10,560	11,424	10,821
Police	13,814	12,535	13,598	14,643	15,310	15,565	17,202	19,798	21,728	24,012
Public Works	6,763	5,644	6,065	9,834	6,743	6,082	5,934	6,444	8,648	16,837
Community development	2,863	2,821	3,127	2,749	3,052	3,456	3,930	5,002	6,918	2,173
Recreation and community services	4,717	4,865	4,440	3,839	4,212	4,245	4,291	5,243	7,566	6,017
Interest on long-term debt	645	618	601	455	430	406	391	373	350	330
Total governmental activities expenses	41,793	38,615	40,102	43,985	43,055	45,381	46,036	52,757	62,792	66,845
Program revenues										
Governmental activities:										
Charges for services:										
General government	82	97	73	45	50	14	15	13	12	11
Public safety:										
Fire	239	69	94	135	115	113	230	323	270	193
Police	924	753	521	555	563	573	729	990	1,109	1,182
Public Works	666	585	563	560	530	1,181	2,771	3,388	905	5,367
Community development	1,183	1,198	1,398	1,268	1,858	5,048	13,492	14,269	12,482	7,422
Recreation and community services	2,384	2,349	2,391	1,686	2,432	2,273	2,458	2,801	2,459	5,899
Operating grants and contributions	3,227	1,838	1,492	1,053	938	615	803	642	543	891
Capital grants and contributions	2,719	1,560	1,625	2,337	2,725	2,055	2,584	2,661	2,844	5,031
Total governmental program revenues	11,424	8,449	8,157	7,639	9,211	11,872	23,083	25,074	20,625	25,996
Net (expense)/revenue										
Total governmental activities net expense	(30,369)	(30,166)	(31,945)	(36,346)	(33,844)	(33,509)	(22,953)	(27,683)	(42,168)	(40,849)
General revenues and other changes in net position										
Governmental activities:										
Taxes:										
Property taxes	12,498	11,801	11,843	12,559	13,035	13,987	14,967	16,465	19,193	20,700
Sales taxes	6,702	8,807	8,819	9,631	10,182	10,603	11,092	12,949	16,433	19,041
Franchise taxes	2,475	2,512	2,538	2,870	2,938	3,076	2,725	3,670	3,833	3,970
Transient occupancy tax	2,337	2,785	3,323	3,705	4,320	5,067	5,859	6,094	6,362	6,717
Utility users tax	-	765	3,231	3,376	3,644	3,617	3,292	3,527	3,631	3,289
Other local taxes	958	1,097	1,117	1,132	1,272	1,488	1,799	1,996	2,346	2,162
Motor vehicle in-lieu	-	203	22	23	19	18	18	20	24	23
Use of money and property	129	79	147	49	70	93	189	446	900	2,045
Gain on sale of assets	523	-	423	-	-	-	-	-	-	-
Miscellaneous	66	4,414	1,037	1,510	2,562	1,926	2,829	1,206	1,049	686
General revenues	25,688	32,463	32,500	34,855	38,042	39,875	42,769	46,373	53,770	58,633
Change in net position governmental activities	(\$4,681)	\$2,297	\$555	(\$1,491)	\$4,198	\$6,366	\$19,816	\$18,690	\$11,602	\$17,784

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,									
	2010*	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved*	\$ 449	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved*	6,715	-	-	-	-	-	-	-	-	-
Nonspendable:										
Supplies and prepaid assets	-	633	134	121	555	152	135	145	153	185
Due from Successor Redevelopment Agency	-	-	-	-	-	404	356	216	184	184
Committed:										
Pension/OPEB Reserves	-	-	-	-	150	-	-	6,424	7,785	10,789
Assigned for:										
Fire side fund	-	-	363	463	613	-	-	440	440	440
Equipment replacement	-	-	-	155	405	1,305	1,500	2,700	2,900	3,100
Waste disposal fund	-	-	972	1,028	817	576	429	429	73	631
Community development	-	-	-	-	242	187	342	513	743	2,793
Unassigned	-	8,566	10,701	13,849	16,776	18,904	27,169	23,246	31,666	34,331
Total General Fund	\$ 7,164	\$ 9,199	\$ 12,170	\$ 15,616	\$ 19,558	\$ 21,528	\$ 29,930	\$ 34,111	\$ 43,945	\$ 52,454
All other governmental funds										
Reserved*	\$ 990	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved*	15,847	-	-	-	-	-	-	-	-	-
Restricted for:										
Public safety	-	182	212	216	199	197	215	295	403	650
Community development	-	-	(5)	15	15	15	15	15	92	18,767
Street improvements	-	4,678	4,460	3,053	3,740	4,456	9,608	12,884	14,559	4,164
Environmental programs	-	164	190	241	313	400	491	580	645	688
Health and welfare	-	28	35	34	35	37	37	46	35	36
Recreation programs	-	181	151	116	111	730	2,877	5,726	6,044	4,100
Debt service	-	1,014	675	676	677	681	680	680	687	700
Landscape and lighting	-	485	623	701	665	738	762	875	981	1,195
Other purposes (i.e. PEG)	-	21	-	-	-	-	-	-	689	777
Committed:										
Community development - General City Plan	-	-	173	152	304	576	1,121	1,907	2,242	2,793
Assigned to:										
Art in public places	-	632	646	646	673	860	959	1,151	1,451	1,626
Capital asset acquisition	-	10,499	10,310	6,858	6,159	9,340	12,770	21,715	21,859	25,105
Other purposes	-	1,111	-	-	-	-	-	-	-	-
Unassigned	-	(464)	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 16,837	\$ 18,534	\$ 17,470	\$ 12,708	\$ 12,890	\$ 18,029	\$ 29,535	\$ 45,874	\$ 49,687	\$ 60,601

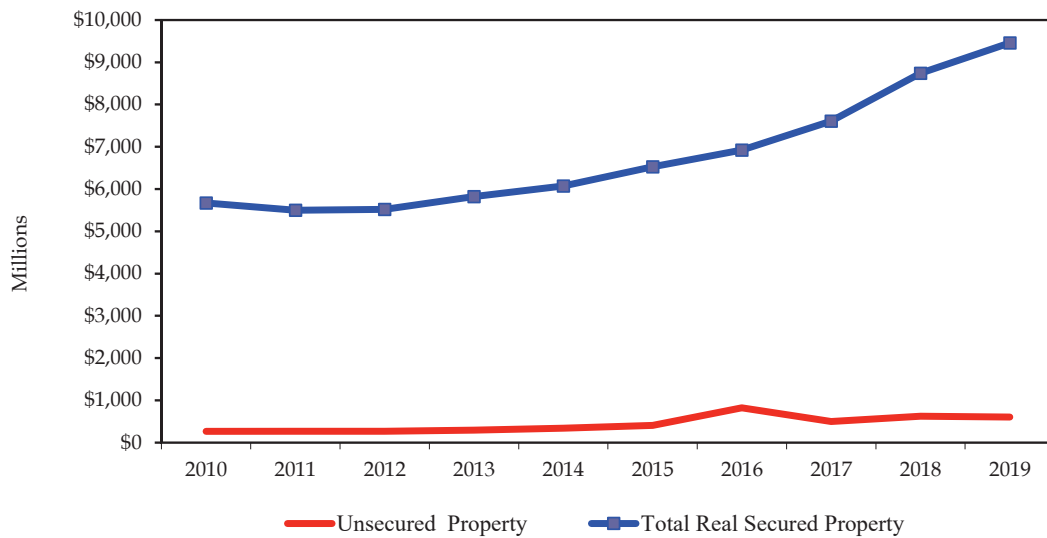
* Starting fiscal year ending June 30, 2011, the City's fund balances are classified in accordance with GASB 54. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balances are presented in the following classifications: nonspendable, restricted, committed, assigned, and unassigned (see Note 1 for a description of these classifications).

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,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Property taxes	\$12,281	\$11,802	\$11,843	\$12,559	\$13,035	\$13,988	\$14,967	\$16,465	\$19,193	\$20,700
Other local taxes	13,197	15,926	19,028	20,558	22,200	23,867	24,655	28,151	33,145	35,179
Special assessments	904	443	472	473	319	431	460	457	507	529
Licenses, permits and fees	1,040	820	1,117	939	1,443	2,264	4,173	4,149	3,638	3,638
Fines and forfeitures	591	473	384	377	362	383	529	822	944	966
Use of money and property	109	80	147	49	70	93	189	477	900	1,999
Intergovernmental revenues	3,482	4,575	2,996	2,974	4,037	3,093	3,345	3,231	3,399	5,486
Charges for services	3,306	3,608	3,808	3,098	4,604	6,352	14,430	15,738	11,960	15,471
Other	435	4,123	851	985	1,374	1,486	2,982	1,793	1,250	686
Total revenues	<u>35,346</u>	<u>41,849</u>	<u>40,645</u>	<u>42,011</u>	<u>47,445</u>	<u>51,955</u>	<u>65,729</u>	<u>71,284</u>	<u>74,935</u>	<u>84,654</u>
Expenditures										
Current:										
General government	3,807	3,739	3,790	3,722	4,526	6,043	4,643	5,231	5,487	5,774
Public safety:										
Fire	8,897	8,082	8,142	8,433	8,460	9,634	9,619	10,373	11,433	10,821
Police	13,270	12,725	13,406	14,433	15,282	15,435	16,741	17,954	19,763	20,970
Streets and parks	5,934	4,224	4,881	7,160	4,350	3,663	3,954	3,877	7,522	13,032
Community development	2,809	2,767	3,085	2,708	3,005	3,512	4,089	4,922	6,158	1,858
Recreation	4,247	4,413	3,914	3,458	3,949	4,000	4,092	4,786	6,582	5,554
Capital outlay	634	374	20	2,365	2,611	1,483	1,321	2,844	2,957	5,840
Debt service:										
Principal repayment	975	454	633	527	572	589	560	584	542	556
Interest and fiscal charges	659	622	761	450	430	410	388	369	348	330
Total expenditures	<u>41,232</u>	<u>37,399</u>	<u>38,632</u>	<u>43,256</u>	<u>43,185</u>	<u>44,770</u>	<u>45,409</u>	<u>50,940</u>	<u>60,791</u>	<u>64,736</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,886)</u>	<u>4,450</u>	<u>2,013</u>	<u>(1,244)</u>	<u>4,260</u>	<u>7,185</u>	<u>20,321</u>	<u>20,344</u>	<u>14,144</u>	<u>19,918</u>
Other financing sources (uses)										
Proceeds from sale of property	1,199	-	-	-	-	-	-	-	-	-
Transfers in	1,475	3,244	3,085	1,852	2,212	4,065	3,773	5,836	6,544	6,402
Transfers (out)	(1,475)	(3,244)	(3,619)	(1,924)	(2,504)	(4,141)	(3,910)	(6,201)	(6,909)	(6,650)
Issuance of debt	-	-	9,704	-	-	-	-	-	-	-
Debt refunding	-	-	(9,700)	-	-	-	-	-	-	-
Certificates of participation issued	-	-	-	-	-	-	-	-	-	-
Capital lease proceeds	-	-	-	-	157	-	-	-	-	-
Total other financing sources (uses)	<u>1,199</u>	<u>-</u>	<u>(529)</u>	<u>(72)</u>	<u>(136)</u>	<u>(76)</u>	<u>(138)</u>	<u>(366)</u>	<u>(366)</u>	<u>(249)</u>
Extraordinary gain										
RDA Dissolution	-	-	423	-	-	-	-	-	-	-
Net change in fund balances	<u>(\$4,687)</u>	<u>\$4,450</u>	<u>\$1,907</u>	<u>(\$1,316)</u>	<u>\$4,125</u>	<u>\$7,109</u>	<u>\$20,183</u>	<u>\$19,978</u>	<u>\$13,779</u>	<u>\$19,669</u>
Debt service as a percentage of noncapital expenditures	4.2%	3.0%	3.7%	2.4%	2.5%	2.4%	2.2%	2.0%	1.6%	1.5%

Source: City of Newark Basic Financial Statements

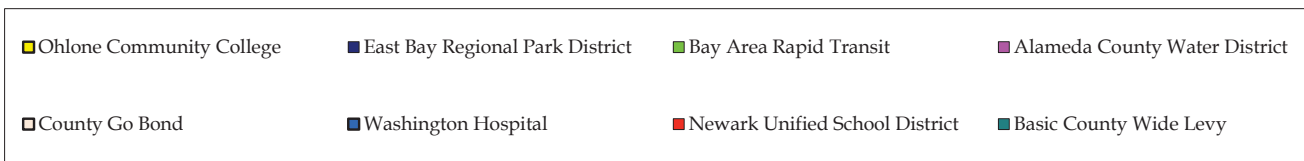
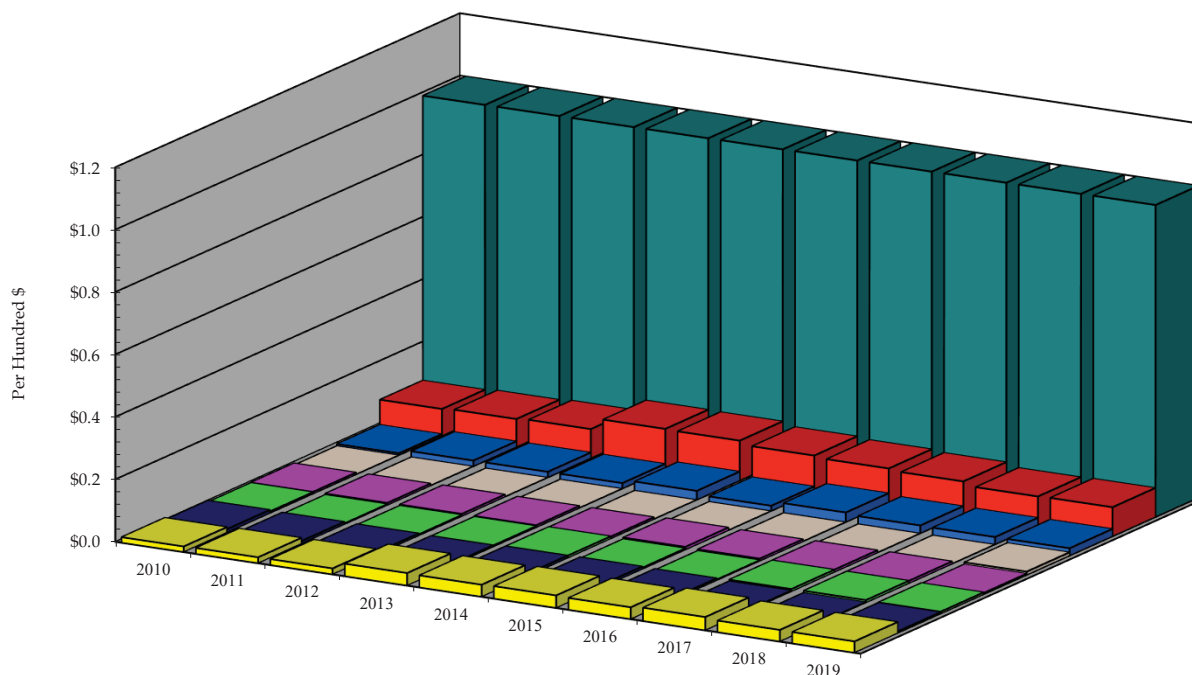
CITY OF NEWARK
Assessed Value of Taxable Property
Last Ten Fiscal Years



Fiscal Year	Real Property				Total Real Secured Property	Unsecured Property	Total Assessed (a)	Total Direct Tax Rate
	Residential Property	Commercial Property	Industrial Property	Other				
2010	3,391,831,426	727,900,694	1,151,092,122	133,920,816	5,404,745,058	267,402,503	5,672,147,561	0.16459%
2011	3,272,087,780	656,402,178	1,155,466,415	143,733,570	5,227,689,943	271,273,066	5,498,963,009	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	0.16038%
2013	3,320,387,782	630,964,789	1,424,015,618	150,820,781	5,526,188,970	295,134,158	5,821,323,128	0.16512%
2014	3,497,588,932	640,455,423	1,418,773,918	177,080,719	5,733,898,992	341,285,706	6,075,184,698	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	371,907,937	7,102,758,905	502,466,622	7,605,225,527	0.16292%
2018	4,793,351,401	746,379,514	1,776,301,495	800,737,288	8,116,769,698	625,081,222	8,741,850,920	0.16107%
2019	5,594,411,632	791,514,110	1,793,559,114	673,443,440	8,852,928,296	605,704,087	9,458,632,383	0.17423%

(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



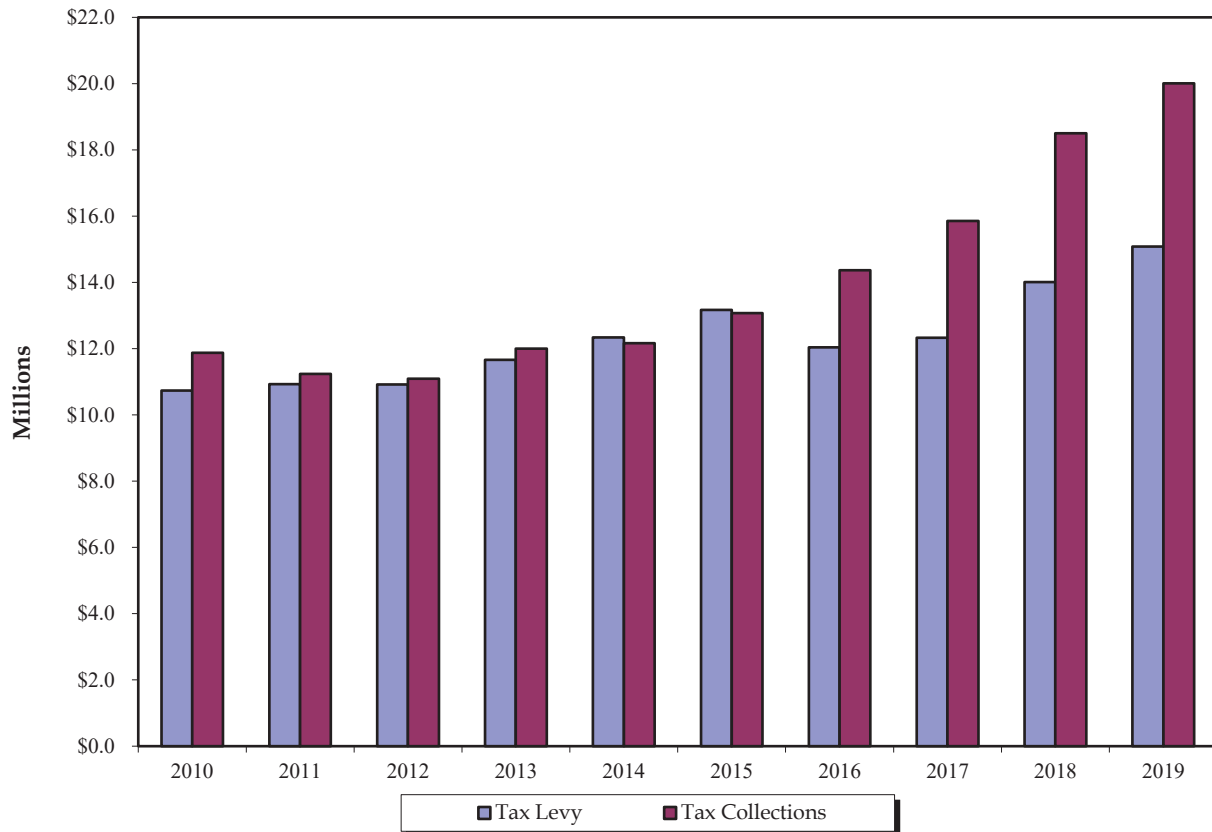
Fiscal Year	Basic County Wide Levy	Alameda County Water District	Bay Area Rapid Transit	County Go Bond	East Bay Regional Park District	Newark Unified School District	Ohlone Community College	Washington Hospital	Total
2010	1.0000	0.0065	0.0057	0.0000	0.0108	0.0865	0.0188	0.0063	1.1346
2011	1.0000	0.0071	0.0031	0.0000	0.0084	0.0900	0.0190	0.0188	1.1464
2012	1.0000	0.0077	0.0041	0.0000	0.0071	0.0935	0.0400	0.0186	1.1710
2013	1.0000	0.0069	0.0043	0.0000	0.0051	0.1298	0.0384	0.0181	1.2026
2014	1.0000	0.0066	0.0075	0.0000	0.0078	0.1280	0.0399	0.0291	1.2189
2015	1.0000	0.0093	0.0045	0.0000	0.0085	0.1159	0.0378	0.0171	1.1931
2016	1.0000	0.0075	0.0026	0.0000	0.0067	0.1103	0.0424	0.0313	1.2008
2017	1.0000	0.0080	0.0080	0.0000	0.0032	0.1046	0.0370	0.0256	1.1864
2018	1.0000	0.0082	0.0084	0.0000	0.0021	0.0922	0.0361	0.0243	1.1713
2019	1.0000	0.0049	0.0070	0.0112	0.0057	0.0936	0.0315	0.0242	1.1781

Source: Alameda County Assessor 2009/10 - 2018/19 Combined Tax Rolls & Assessed Value of Taxable Property Report

CITY OF NEWARK
Principal Property Tax Payers
Current Year and Ten Years Ago

Taxpayer	2018/19			2009/10		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
BMR Gateway Boulevard LLC	\$383,876,380	1	4.06%	\$191,775,343	1	3.38%
Apple Computer Inc.	364,588,655	2	3.85%	178,157,260	2	3.14%
Metropolitan Life Insurance Co	92,830,388	3	0.98%			
Newark Partners LLC	87,091,369	4	0.92%	36,599,191	9	0.65%
JMB Newpark Associates & GGP	84,013,131	5	0.89%	73,893,240	3	1.30%
IPT East Bay DC LP	83,935,310	6	0.89%			
Lennar Homes California Inc.	74,179,355	7	0.78%			
Leslie Salt Company	68,168,695	8	0.72%	35,534,613	10	0.63%
Strata Habitat Foundation	59,675,548	9	0.01%			
Sycamore Bay LLC	59,163,636	10	0.63%	52,060,701	5	0.92%
Security Capital Industrial Trust				60,351,374	4	1.06%
KBS Bridgeway Technology Center				51,905,556	6	0.92%
DCT Cherry Street California LP				38,703,025	7	0.68%
BRCP Stevenson Point LLC				37,506,420	8	0.66%
Subtotal	<u>\$1,357,522,467</u>		<u>13.73%</u>	<u>\$756,486,723</u>		<u>13.34%</u>
Total Net Assessed Valuation:						
Fiscal Year 2018/19	\$9,458,632,383					
Fiscal Year 2009/10	\$5,672,147,561					

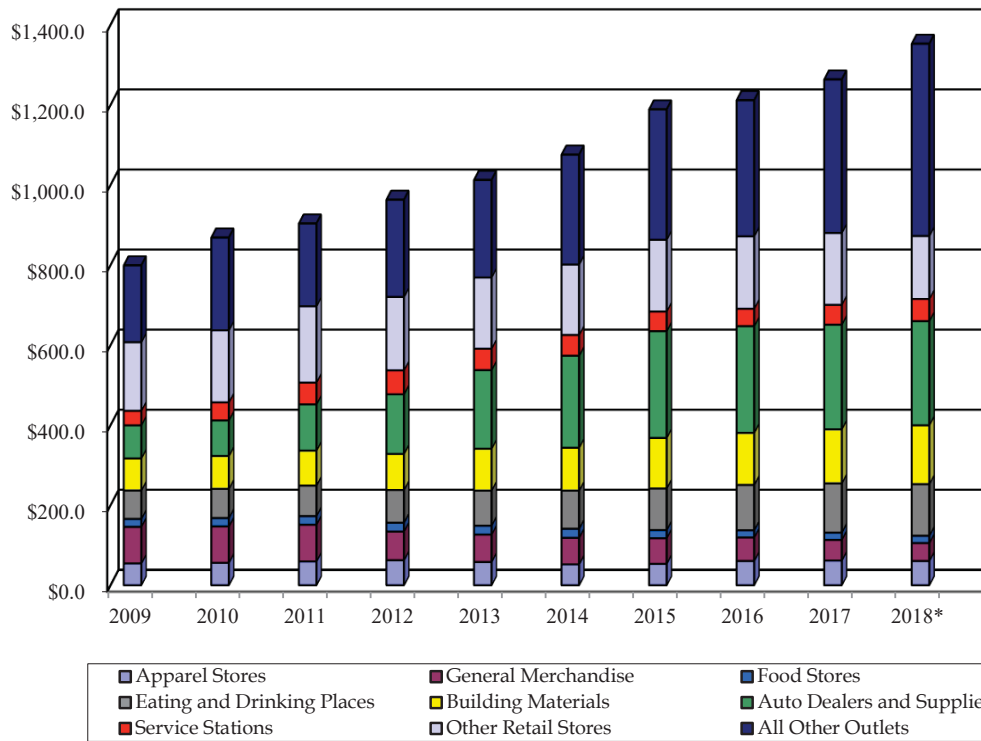
CITY OF NEWARK
Property Tax Levies and Collections
Last Ten Fiscal Years



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
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	12,328,151	15,344,462	124.4669%	514,182	15,858,644	128.6377%
2018	14,011,767	17,900,017	127.7499%	601,908	18,501,925	132.0456%
2019	15,081,236	19,415,489	128.7394%	596,591	20,012,080	132.6952%

(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.

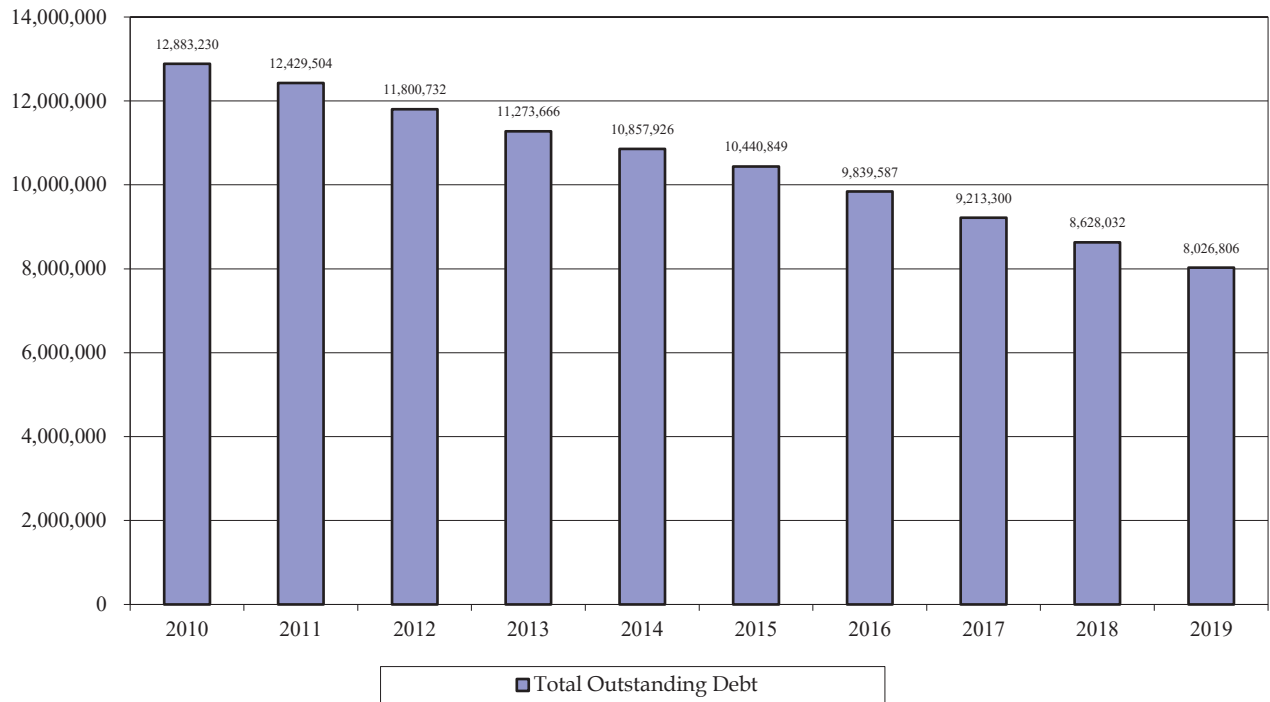
CITY OF NEWARK
Taxable Sales by Category
Last Ten Calendar Years



	Calendar Year (in millions)									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018*
Apparel Stores	\$54.4	\$56.0	\$59.4	\$62.5	\$58.2	\$52.1	\$53.4	\$60.7	\$61.6	\$60.5
General Merchandise	91.6	90.9	91.8	71.7	68.4	66.5	64.1	58.6	51.7	45.0
Food Stores	19.7	20.9	21.4	22.0	22.0	22.5	20.2	18.0	18.0	18.0
Eating and Drinking Places	71.0	73.0	76.4	81.8	87.9	95.4	104.1	113.4	123.3	129.2
Building Materials	80.0	82.0	87.1	90.0	104.4	106.9	126.1	129.9	134.8	146.9
Auto Dealers and Supplies	82.9	89.0	115.7	149.1	196.5	229.9	266.7	266.6	261.4	260.2
Service Stations	36.2	45.0	54.4	59.8	53.6	51.8	49.2	43.6	49.6	55.3
Other Retail Stores	171.3	180.0	190.6	183.3	177.7	176.0	179.1	180.7	179.5	157.3
All Other Outlets	191.9	231.7	206.8	242.8	243.5	274.5	325.7	340.1	383.4	480.1
Total	\$ 799.0	\$ 868.5	\$ 903.6	\$ 963.0	\$ 1,012.2	\$ 1,075.6	\$ 1,188.6	\$ 1,211.6	\$ 1,263.3	\$ 1,352.5

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)
2010	12,310,000	-	573,230	12,883,230	0.94%	426
2011	11,940,000	-	489,504	12,429,504	0.93%	446
2012	11,398,955	-	401,777	11,800,732	0.96%	415
2013	10,963,807	-	309,859	11,273,666	0.91%	393
2014	10,510,717	-	347,209	10,857,926	0.84%	369
2015	10,045,261	-	395,588	10,440,849	0.78%	342
2016	9,562,962	-	276,625	9,839,587	0.71%	317
2017	9,059,605	-	153,695	9,213,300	0.65%	294
2018	8,540,948	-	87,084	8,628,032	0.56%	267
2019	8,007,711	-	19,095	8,026,806	0.49%	239

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.

Sources: City of Newark
State of California, Department of Finance (population)
U.S. Department of Commerce, Bureau of the Economic Analysis (income)

CITY OF NEWARK
Direct and Overlapping Governmental Activities Debt
June 30, 2019

	Debt Outstanding	Percentage Applicable (1)	Share of Overlapping Debt
<u>OVERLAPPING TAX AND ASSESSMENT DEBT</u>			
Alameda County	\$240,000,000	3.264%	\$7,833,600
Bay Area Rapid Transit District	809,659,968	1.259%	10,193,619
East Bay Regional Park District	178,709,985	1.993%	3,561,690
Ohlone Community College District	416,948,397	15.344%	63,976,562
Newark Unified School District	89,085,752	100.000%	89,085,752
Washington Township Healthcare District	331,289,997	13.056%	43,253,222
City of Newark 1915 Act Bonds	4,452,355	100.000%	4,452,355
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 222,356,800
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT</u>			
Alameda County General Fund Obligations	\$874,532,506	3.264%	\$28,544,741
Alameda-Contra Costa Transit District Certificates of Participation	11,465,010	3.864%	443,008
City of Newark General Fund Obligations - Direct Debt	8,026,806	100.000%	8,026,806
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 37,014,555
TOTAL DIRECT DEBT			8,026,806
TOTAL OVERLAPPING DEBT			251,344,549
COMBINED TOTAL DEBT			<u>\$259,371,355 (2)</u>

Notes:

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

CITY OF NEWARK
Legal Bonded Debt Margin Information
June 30, 2019

Assessed valuation:

Secured property assessed value,
net of exempt real property \$9,458,632,383

Bonded debt limit (15% of assessed value) 1,418,794,857

Amount of debt subject to limit:

Total bonded debt 8,026,806

Less: Certificates of participation and bank
refinancing not subject to limit 8,026,806

Amount of debt subject to limit -

Legal bonded debt margin \$1,418,794,857

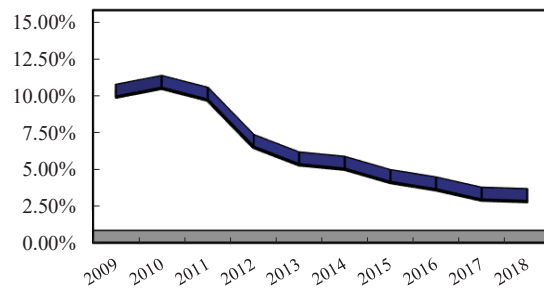
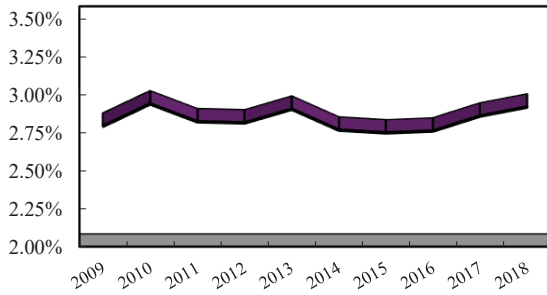
<u>Fiscal Year</u>	<u>Debt Limit</u>	<u>Total Net Debt Applicable to Limit</u>	<u>Legal Debt Margin</u>	<u>Total net debt applicable to the limit as a percentage of debt limit</u>
2010	810,711,759	-	810,711,759	0.00%
2011	784,128,589	-	784,128,589	0.00%
2012	787,749,759	-	787,749,759	0.00%
2013	828,903,443	-	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%
2018	1,311,277,638	-	1,311,277,638	0.00%
2019	1,418,794,857	-	1,418,794,857	0.00%

Source: Alameda County Assessor 2009/10 - 2018/19 Combined Tax Rolls

CITY OF NEWARK

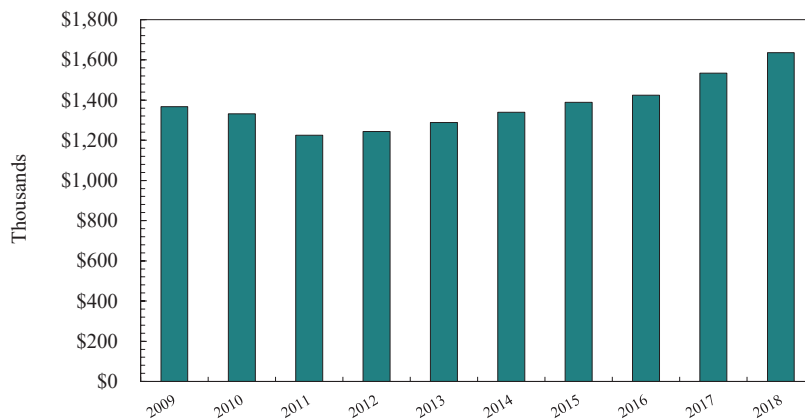
Demographic and Economic Statistics

Last Ten Calendar Years



■ City Population % of County

■ Unemployment Rate



■ Total Personal Income

Calendar Year	City Population	Total Personal Income (In Thousands)	Per Capita Personal Income	Unemployment Rate	Alameda County Population	City Population % of County
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%
2017	47,467	1,533,235	32,301	2.9%	1,660,202	2.86%
2018	48,712	1,636,312	33,591	2.8%	1,669,301	2.92%

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 Three Years Ago

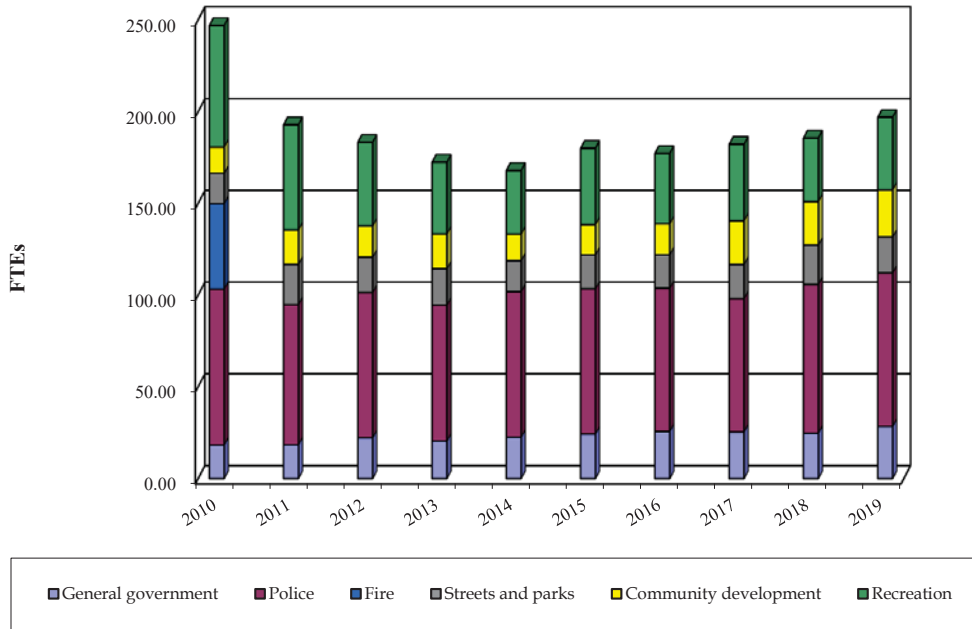
Employer	2018-19			2015-16		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees (2)	Rank	Percentage of Total City Employment
Newark Unified School District	865	1	3.46%	983	1	4.2%
Logitech	590	2	2.36%	716	2	3.0%
Risk Management Solutions	300	3	1.20%	325	3	1.4%
WorldPac	295	4	1.18%	218	4	0.9%
VM Services Inc	230	5	0.92%	230	5	1.0%
Cargill Salt	217	6	0.87%	210	6	0.9%
Smart Modular Technologies	216	7	0.86%	215	7	0.9%
Amazon Fulfillment Center	200	8	0.80%			
Aryzta,LLC (formerly Fullbloom Baking Co.)	169	9	0.68%	180	8	0.8%
Macy's Department Store	160	10	0.64%	180	9	0.8%
City of Newark				144	10	0.6%
Total	<u>3,242</u>		<u>12.97%</u>	<u>3,401</u>		<u>14.4%</u>
Total City Employment (1)	<u>25,000</u>			<u>23,600</u>		

Source: Avenu Insights & Analytics
Results based on direct correspondence with city's local businesses.
(1) Total City Labor Force provided by EDD Labor Force Data.
(2) 2015-16 previously published CAFR.

CITY OF NEWARK

Full-Time Equivalent City Government Employees by Function/Program

Last Ten Fiscal Years



Function/Program:	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government	18.25	18.43	22.19	20.43	22.52	24.24	25.67	25.35	24.75	28.37
Public safety										
Police	85.00	76.39	79.19	74.06	79.36	79.14	78.10	72.70	81.01	83.66
Fire	46.65	-	-	-	-	-	-	-	-	-
Streets and parks	16.45	21.94	19.20	19.89	16.88	18.57	18.23	18.65	21.50	19.70
Community development	14.30	18.80	17.14	19.00	14.58	16.52	16.94	23.80	23.73	25.65
Recreation	66.25	57.22	45.52	39.00	34.53	41.45	38.22	41.62	34.59	39.54
Total	246.90	192.78	183.24	172.38	167.87	179.92	177.16	182.12	185.58	196.92

CITY OF NEWARK
Operating Indicators by Function/Program
Last Six Fiscal Years

Function/Program	Fiscal Year					
	2014	2015	2016	2017	2018	2019
Public safety:						
Fire						
Fire calls for service	2,988	2,985	3,340	3,308	3,296	3,239
Primary fire inspections conducted	1,566	1,499	1,595	2,194	1,671	1,797
Environmental safety inspections conducted	18,004	618	660	696	875	1,115
Police						
Communication center calls answered	33,428	29,419	31,654	31,670	38,114	42,556
Police calls for service	33,428	29,419	31,654	31,670	38,114	42,556
Law violations						
Part I crimes	1,305	1,489	1,491	1,726	1,782	1,784
Traffic violations	4,071	2,656	3,998	1,996	3,032	3,368
Parking violations	1,514	964	1,425	1,067	1,406	775
Public works:						
Street resurfacing (miles)	9	8	7	6	5	4
Street lights repaired	423	487	485	602	472	482
Recreation:						
Recreation class/program participants	182,642	173,112	156,814	154,120	152,574	187,088
Recreation facilities rentals	1,940	1,674	1,406	1,486	1,445	1,559
Silliman Activity Center use	141,672	142,805	131,237	125,761	94,766	101,239
Miscellaneous:						
Library:						
Library visitors	177,606	192,621	187,965	191,709	183,184	188,060
Library materials circulated	272,695	278,477	254,362	249,197	250,934	246,803

* 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.

CITY OF NEWARK
Capital Asset Statistics by Function/Program
Last Six Fiscal Years

Function/Program	Fiscal Year					
	2014	2015	2016	2017	2018	2019
Public safety:						
Fire stations	3	3	3	3	3	3
Police stations	1	1	1	1	1	1
Police patrol units	20	20	20	20	20	21
Public works:						
Miles of streets	105	105	105	105	105	105
Street lights	2,849	2,849	2,849	2,849	2,849	2,849
Traffic signals	43	44	44	44	44	44
Recreation:						
Community services:						
City parks	14	14	14	14	14	14
City parks acreage	124	124	124	124	124	124
Roadway landscaping acreage	56	56	56	56	56	56
Lake acreage	16	16	16	16	16	16
Community activity centers	2	2	2	2	2	2
Senior center	1	1	1	1	1	1
Aquatic center	1	1	1	1	1	1
Miscellaneous						
Library	1	1	1	1	1	1

Source: City of Newark

**G.1 Adopt an Urgency Ordinance of the City of Newark Enacting a Temporary Moratorium on Evictions Due to Nonpayment of Rent for Residential and Commercial Tenants Where the Failure to Pay Rent is From Income Loss Resulting From the Novel Coronavirus (COVID-19) – from City Manager Benoun, Interim City Attorney Kokotaylo, and Community Development Director Turner.
(URGENCY ORDINANCE-1)**

Background/Discussion – The City Council previously adopted an urgency ordinance that establishes a temporary moratorium on evictions due to nonpayment of rent for residential and commercial tenants where the failure to pay rent is from income loss resulting from the coronavirus (COVID-19) at a Special City Council meeting on March 26, 2020.

The City Council made a minor modification to the proposed urgency ordinance to require that tenants notify landlords within 7 days of rent being due of a COVID-19 related reason to not pay rent and to require that documentation be provided within 15 days of rent being due.

The ordinance took effect immediately and will remain effect until May 31, 2020, the expiration of the local emergency, or the Governor’s proclamation of a state of emergency, whichever is later.

The urgency ordinance applies to all eviction proceedings, such as notices to quit or pay rent or unlawful detainer actions served on or after the effective date of the ordinance. The ordinance places a temporary moratorium on eviction actions instituted for non-payment of rent where a tenant can demonstrate that the tenant suffered a substantial loss of income due to the COVID-19 pandemic by providing a substantive eviction defense to a tenant. The ordinance requires that tenants pay back unpaid rent in 25% increments within forty-five (45) days, ninety (90), one hundred thirty-five (135) days, and one hundred eighty (180) days of the date of expiration of the Eviction Moratorium.

The purpose of the City Council’s action is to conduct a reading of the title of the ordinance and adopt the ordinance. There is no substantive impact on the City Council’s action as the urgency ordinance being adopted maintains the moratorium effective date of March 26, 2020 – this action is a procedural action to read the title of the ordinance.

Included with this staff report is a redline showing the revisions made by the City Council at the March 26, 2020 meeting as well as other slight clarifying modifications.

Attachments – Ordinance; redline version of Ordinance; staff report for Item B.1 from March 26, 2020 Special City Council meeting

Action – City staff recommends that the City Council introduce by title, waive further reading and adopt an urgency ordinance that establishes a temporary moratorium on evictions due to nonpayment of rent for residential and commercial tenants where the failure to pay rent is from income loss resulting from the coronavirus (COVID-19).

AN URGENCY ORDINANCE OF THE CITY OF NEWARK
ENACTING A TEMPORARY MORATORIUM ON EVICTIONS
DUE TO NONPAYMENT OF RENT FOR RESIDENTIAL AND
COMMERCIAL TENANTS WHERE THE FAILURE TO PAY
RENT IS FROM INCOME LOSS RESULTING FROM THE
NOVEL CORONAVIRUS (COVID-19)

WHEREAS, international, national, state, and local health and governmental authorities are responding to an outbreak of respiratory disease caused by a novel coronavirus named “SARS-CoV-2,” and the disease it causes has been named “coronavirus disease 2019,” abbreviated COVID-19 (“COVID-19”); and

WHEREAS, on January 30, 2020, the World Health Organization (“WHO”) declared COVID-19 a Public Health Emergency of International Concern; and

WHEREAS, on January 31, 2020, the Secretary of the United States Department of Health and Human Services declared a public health emergency for the entire United States to aid the nation’s healthcare community in responding to COVID-19; and

WHEREAS, on February 25, 2020, the Centers for Disease Control and Prevention (“CDC”) announced that community spread of COVID-19 is likely to occur in the United States; and

WHEREAS, on March 1, 2020, the Alameda County Health Officer declared a public health emergency throughout the County of Alameda; and

WHEREAS, on March 4, 2020, the Governor of California proclaimed a state of emergency exists in California after making determinations that:

1. The conditions caused by COVID-19 are likely to require the combined forces of a mutual aid region or regions to appropriately respond; and
2. Local authority is inadequate to cope with the threat posed by COVID-19; and

WHEREAS, on March 10, 2020, the Alameda County Board of Supervisors ratified the Alameda County Health Officer’s declaration of a local health emergency; and

WHEREAS, on March 11, 2020, the WHO declared COVID-19 a pandemic; and

WHEREAS, on March 12, 2020, the Alameda County Department of Public Health confirmed evidence of community-acquired transmission; and

WHEREAS, on March 13, 2020, the President of the United States of America declared a national state of emergency in response to the spread of COVID-19 within the United States of America; and

WHEREAS, on March 16, 2020, the Alameda County Health Officer, along with six other health officers within six Bay Area counties, took a unified step to slow the spread of novel coronavirus (COVID-19) and preserve critical health care capacity across the region by issuing a legal order

directing their respective residents to shelter at home beginning March 17, 2020 through April 7, 2020. The order in Alameda County limits activity, travel, and business functions to only the most essential needs. The guidance comes after substantial input from the CDC and best practices from other health officials around the world; and

WHEREAS, on March 16, 2020, due to an escalating increase in the number of COVID-19 cases in Alameda County, the City Manager, acting as Director of Emergency Services, found that the conditions related to the COVID-19 pandemic were of extreme peril to the safety of persons and property within the territorial limits of the City and thus proclaimed a local emergency pursuant to Newark Municipal Code Chapter 2.16 and Government Code Section 8558; and

WHEREAS, on March 17, 2020, at a special meeting the Newark City Council ratified the Director of Emergency Services' proclamation of a local emergency related to the COVID-19 pandemic; and

WHEREAS, on March 16, 2020, the Governor of California issued Executive Order N-28-20 ordering waiver of time limitations set forth in Penal Code section 396(f) concerning protections against residential evictions, and suspending any provision of state law that would preempt or otherwise restrict a local government's exercise of its police power to impose substantive limitations on residential or commercial evictions related to COVID-19. The order further suspended statutory causes of action for judicial foreclosure, including Code of Civil Procedure section 725a *et seq.* the statutory cause of action for unlawful detainer, Code of Civil Procedure section 1161 *et seq.*, and any other statutory cause of action that could be used to evict or otherwise eject a residential or commercial tenant or occupant of residential real property after foreclosure; and

WHEREAS, on March 19, 2020, the Governor of California issued Executive Order N-33-20 ordering all individuals within the State of California to stay home or at their place of residence, except as needed to maintain continuity of operation of the federal critical infrastructure sectors, critical government services, schools, childcare, and construction; and

WHEREAS, events of all sizes across the Bay Area and in Newark are cancelling or being postponed due to the County's and State's Orders and recommendations at all levels of government to cancel large gatherings are occurring amid concerns over spread of the virus. Additionally, as a result of the County's shelter at home order and the Governor's order for individuals to stay in their place of residence, many businesses are closing or dramatically limiting their operations. These developments are likely to result in significantly increased levels of unemployment and decreased incomes for many businesses and residents of Newark; and

WHEREAS, California Constitution, Article XI, Section 7, provides cities and counties with the authority to enact ordinances to protect the public health, safety, and general welfare, of their citizens; and

WHEREAS, California Government Code Section 36937 authorizes the City Council to introduce and adopt an ordinance it declares to be necessary as an emergency measure to preserve the public peace, health, and safety at one and the same meeting if passed by at least four-fifths affirmative votes; and

WHEREAS, this Ordinance is a temporary moratorium intended to promote stability and fairness within the residential and commercial rental market in the City during the COVID-19 pandemic, and to prevent avoidable homelessness and evictions thereby serving the public peace, health, safety, and

public welfare and to enable tenants in the City whose incomes and ability to work are affected by COVID-19 to remain in their homes; and

WHEREAS, displacement through eviction destabilizes the living situation of tenants and impacts the health of Newark residents and businesses by uprooting children from schools, disrupting the social ties and networks that are integral to citizens' welfare and the stability of communities within the City; and

WHEREAS, displacement through eviction creates undue hardship for tenants through additional relocation costs, and during the COVID-19 pandemic outbreak, affected tenants who have lost income due to impacts on the economy or their employment may be at risk of homelessness if they are evicted for non-payment as they will have little or no income and thus be unable to secure other housing if evicted; and

WHEREAS, housing instability threatens the public peace, health, and safety as eviction from one's home can lead to prolonged homelessness; strain on household finances due to the necessity of paying rental application fees and security deposits; stress and anxiety experienced by those displaced; interruption of the education of children in the home; and increased exposure to, and spreading of COVID-19, in contradiction to the Alameda County Health Officer and Governor's orders; and

WHEREAS, businesses are also affected by COVID-19 and may be unable to pay rent. If businesses are unable to pay rent, they may be evicted, which will negatively impact the local economy by laying off employees and ceasing to provide services to residents of the City, and negatively impacting local health by forcing persons out of their shelter-in-place locations to prepare for business eviction, increasing potential COVID-19 exposure, and reducing the number of retail and commercial spaces available to provide essential services, also increasing potential COVID-19 exposure as a result of less retail and commercial spaces available for residents and thus less space available for social distancing; and

WHEREAS, the City Council finds and determines that regulating the relations between residential and commercial landlords and tenants is essential to preventing the spread of COVID-19 in the City and thereby serve the public peace, health, and safety; and

WHEREAS, an urgency ordinance that is effective immediately is necessary to avoid the immediate threat to public peace, health, and safety as failure to adopt this urgency ordinance could result in the avoidable displacement or exposure to COVID-19 of the City's residents and community members.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF NEWARK, DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Findings

The City Council of the City of Newark finds that all of the above Recitals are true and correct and incorporated herein by reference. The provisions of the Governor's Executive Order N-28-20, including its recitals, are incorporated herein as if fully set forth.

SECTION 2. Urgency Findings

The City Council of the City of Newark hereby finds that there is a current and immediate threat to the public health, safety and/or welfare and a need for immediate preservation of the public peace, health, or safety that warrants this urgency ordinance, which finding is based upon the facts stated in the recitals above, and in the staff report for item B.1 dated March 26, 2020 and in the staff report dated April 9, 2020, considered during the March 26, 2020 and April 9, 2020 City Council meetings as well as any oral and written testimony at the March 26, 2020 and April 9, 2020 City Council meetings. This Ordinance and any moratorium that may be established thereunder is declared by the City Council to be an urgency measure necessary for the immediate preservation of the public peace, health or safety. The facts constituting such urgency are all of those certain facts set forth and referenced in this Ordinance and the entirety of the record before the City Council.

SECTION 3. Ordinance

The City Council hereby makes the findings contained herein and hereby adopts the uncodified Ordinance to read as follows.

COVID-19 Eviction Moratorium Ordinance

Section 1. Moratorium on Eviction for Nonpayment of Rent During the COVID-19 Emergency

A. During the term of this Eviction Moratorium, which shall apply to any applicable landlord action under this Ordinance occurring on or after March 26, 2020, no landlord shall endeavor to evict a residential or commercial tenant for nonpayment of rent, including but not limited to any such provision under Civil Code sections 1940 *et. seq.* or 1954.25 *et. seq.*, if the tenant demonstrates that the inability to pay rent is:

1. Due to, or arising out of a substantial decrease in household or business income (including but not limited to the circumstances described in subsections (B) and (C)) or substantial out-of-pocket medical expenses; and
2. The decrease in household or business income, or out-of-pocket medical expenses, was caused by the COVID-19 pandemic, or by any local, state, or federal government response to COVID-19, and is documented in writing.

This Eviction Moratorium shall remain in effect until May 31, 2020 or the expiration of the local emergency or the Governor's proclamation of a state of emergency, whichever is later. This Ordinance shall expire one hundred eighty (180) days following the expiration of this Eviction Moratorium.

B. "Substantial decrease in household income" includes but is not limited to income loss caused by COVID-19 illness or caring for a household or family member with COVID-19 illness, work closures, layoffs, job loss, a reduction in the number of compensable hours or other economic or employer impacts of COVID-19, missing work due to a minor child's school closure, compliance with government health authority orders, or other similarly-caused reason resulting in loss of household income due to COVID-19, substantiated with written documentation or other objectively verifiable proof of same.

C. “Substantial decrease in business income” includes, but is not limited to, income loss caused by work closures, reduction in staff reporting to work, reduction in opening hours, or reduction in consumer demand, compliance with government health authority orders, or other similarly-caused reason resulting in loss of business income due to COVID-19, substantiated with written documentation or other objectively verifiable proof of same.

D. A landlord who knows that a tenant cannot pay some or all of the rent temporarily for the reasons set forth above shall not serve a notice pursuant to Code of Civil Procedure section 1161, file or prosecute an unlawful detainer action based on a three-day pay or quit notice, or otherwise seek to evict for nonpayment of rent.

E. A landlord knows of a tenant’s inability to pay rent within the meaning of this Ordinance if the tenant, within 7 days after the date that rent is due, notifies the landlord in writing of tenant’s inability to pay full rent due to a substantial decrease in household or business income or out-of-pocket medical expenses was caused by the COVID-19 pandemic, or by any local, state, or federal government response to COVID-19, and provides documentation, within 15 days after the date that rent is due, to support the claim. Any medical or financial information provided to the landlord shall be held in confidence, and only used for evaluating the tenant’s claim.

F. Nothing in this Ordinance relieves the tenant of liability for the unpaid rent, which the landlord may seek after the expiration of the Eviction Moratorium, as specified in subsection (A) of this Ordinance, and the tenant must pay 25% of unpaid rent within forty-five (45) days of the date of expiration of the Eviction Moratorium, an additional 25% of unpaid rent within ninety (90) days of the date of expiration of the Eviction Moratorium, an additional 25% of unpaid rent within one hundred thirty-five (135) days of the date of expiration of the Eviction Moratorium, and the final 25% of unpaid rent within one hundred eighty (180) days of the date of expiration of the Eviction Moratorium, unless a state law or order is amended or adopted providing for a longer period, in which case this subsection shall be so superseded.

G. A landlord may not charge or collect a late fee for rent that is delayed for the reasons stated in this Ordinance, nor may a landlord seek rent that is delayed for the reasons stated in this Ordinance through the eviction process, unless rent continues to remain unpaid after the expiration of the forty-five (45), ninety (90), one hundred thirty-five (135), or one hundred eighty (180) day periods described in subsection F above.

H. This Ordinance may be asserted as an affirmative defense in any unlawful detainer action or other action brought by an owner or landlord to recover possession. A tenant may bring a civil suit seeking owner or landlord compliance with any provisions of this Ordinance.

Section 2. Moratorium on Judicial Foreclosures During the COVID-19 Emergency

As provided for in Executive Order N-28-20 and consistent with the other provisions in this ordinance, the statutory cause of action for judicial foreclosure, Code of Civil Procedure section 725a *et seq.*; the statutory cause of action for unlawful detainer, Code of Civil Procedure section 1161 *et seq.*; and any other statutory cause of action that could be used to evict or otherwise eject a residential or commercial tenant or occupant of residential real property after foreclosure is hereby suspended as applied to any

tenancy, or residential real property and any occupation thereof, to which a limitation on eviction is imposed pursuant to this Ordinance.

SECTION 4. Severability

If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance, including the application of such part or provision to other persons or circumstances shall not be affected thereby and shall continue in full force and effect. To this end, provisions of this Ordinance are severable. The City Council of the City of Newark hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase hereof irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases be held unconstitutional, invalid, or unenforceable.

SECTION 5. Effective Date

Following adoption by at least a four-fifths vote of the City Council, this Ordinance shall be effective immediately upon adoption pursuant to Newark Municipal Code Section 2.08.180. The City Clerk shall certify as to the adoption of this Urgency Ordinance and shall cause it to be published within fifteen (15) days of the adoption and shall post a certified copy of this Urgency Ordinance, including the vote for and against the same, in the Office of the City Clerk, in accordance with California Government Code Section 36933.

3505487.1

AN URGENCY ORDINANCE OF THE CITY OF NEWARK
ENACTING A TEMPORARY MORATORIUM ON EVICTIONS
DUE TO NONPAYMENT OF RENT FOR RESIDENTIAL AND
COMMERCIAL TENANTS WHERE THE FAILURE TO PAY
RENT IS FROM INCOME LOSS RESULTING FROM THE
NOVEL CORONAVIRUS (COVID-19)

WHEREAS, international, national, state, and local health and governmental authorities are responding to an outbreak of respiratory disease caused by a novel coronavirus named “SARS-CoV-2,” and the disease it causes has been named “coronavirus disease 2019,” abbreviated COVID-19 (“COVID-19”); and

WHEREAS, on January 30, 2020, the World Health Organization (“WHO”) declared COVID-19 a Public Health Emergency of International Concern; and

WHEREAS, on January 31, 2020, the Secretary of the United States Department of Health and Human Services declared a public health emergency for the entire United States to aid the nation’s healthcare community in responding to COVID-19; and

WHEREAS, on February 25, 2020, the Centers for Disease Control and Prevention (“CDC”) announced that community spread of COVID-19 is likely to occur in the United States; and

WHEREAS, on March 1, 2020, the Alameda County Health Officer declared a public health emergency throughout the County of Alameda; and

WHEREAS, on March 4, 2020, the Governor of California proclaimed a state of emergency exists in California after making determinations that:

1. The conditions caused by COVID-19 are likely to require the combined forces of a mutual aid region or regions to appropriately respond; and
2. Local authority is inadequate to cope with the threat posed by COVID-19; and

WHEREAS, on March 10, 2020, the Alameda County Board of Supervisors ratified the Alameda County Health Officer’s declaration of a local health emergency; and

WHEREAS, on March 11, 2020, the WHO declared COVID-19 a pandemic; and

WHEREAS, on March 12, 2020, the Alameda County Department of Public Health confirmed evidence of community-acquired transmission; and

WHEREAS, on March 13, 2020, the President of the United States of America declared a national state of emergency in response to the spread of COVID-19 within the United States of America; and

WHEREAS, on March 16, 2020, the Alameda County Health Officer, along with six other health officers within six Bay Area counties, took a unified step to slow the spread of novel coronavirus (COVID-19) and preserve critical health care capacity across the region by issuing a legal order

directing their respective residents to shelter at home beginning March 17, 2020 through April 7, 2020. The order in Alameda County limits activity, travel, and business functions to only the most essential needs. The guidance comes after substantial input from the CDC and best practices from other health officials around the world; and

WHEREAS, on March 16, 2020, due to an escalating increase in the number of COVID-19 cases in Alameda County, the City Manager, acting as Director of Emergency Services, found that the conditions related to the COVID-19 pandemic were of extreme peril to the safety of persons and property within the territorial limits of the City and thus proclaimed a local emergency pursuant to Newark Municipal Code Chapter 2.16 and Government Code Section 8558; and

WHEREAS, on March 17, 2020, at a special meeting the Newark City Council ratified the Director of Emergency Services' proclamation of a local emergency related to the COVID-19 pandemic; and

WHEREAS, on March 16, 2020, the Governor of California issued Executive Order N-28-20 ordering waiver of time limitations set forth in Penal Code section 396(f) concerning protections against residential evictions, and suspending any provision of state law that would preempt or otherwise restrict a local government's exercise of its police power to impose substantive limitations on residential or commercial evictions related to COVID-19. The order further suspended statutory causes of action for judicial foreclosure, including Code of Civil Procedure section 725a *et seq.* the statutory cause of action for unlawful detainer, Code of Civil Procedure section 1161 *et seq.*, and any other statutory cause of action that could be used to evict or otherwise eject a residential or commercial tenant or occupant of residential real property after foreclosure; and

WHEREAS, on March 19, 2020, the Governor of California issued Executive Order N-33-20 ordering all individuals within the State of California to stay home or at their place of residence, except as needed to maintain continuity of operation of the federal critical infrastructure sectors, critical government services, schools, childcare, and construction; and

WHEREAS, events of all sizes across the Bay Area and in Newark are cancelling or being postponed due to the County's and State's Orders and recommendations at all levels of government to cancel large gatherings are occurring amid concerns over spread of the virus. Additionally, as a result of the County's shelter at home order and the Governor's order for individuals to stay in their place of residence, many businesses are closing or dramatically limiting their operations. These developments are likely to result in significantly increased levels of unemployment and decreased incomes for many businesses and residents of Newark; and

WHEREAS, California Constitution, Article XI, Section 7, provides cities and counties with the authority to enact ordinances to protect the public health, safety, and general welfare, of their citizens; and

WHEREAS, California Government Code Section 36937 authorizes the City Council to introduce and adopt an ordinance it declares to be necessary as an emergency measure to preserve the public peace, health, and safety at one and the same meeting if passed by at least four-fifths affirmative votes; and

WHEREAS, this Ordinance is a temporary moratorium intended to promote stability and fairness within the residential and commercial rental market in the City during the COVID-19 pandemic, and to prevent avoidable homelessness and evictions thereby serving the public peace, health, safety, and

public welfare and to enable tenants in the City whose incomes and ability to work are affected by COVID-19 to remain in their homes; and

WHEREAS, displacement through eviction destabilizes the living situation of tenants and impacts the health of Newark residents and businesses by uprooting children from schools, disrupting the social ties and networks that are integral to citizens' welfare and the stability of communities within the City; and

WHEREAS, displacement through eviction creates undue hardship for tenants through additional relocation costs, and during the COVID-19 pandemic outbreak, affected tenants who have lost income due to impacts on the economy or their employment may be at risk of homelessness if they are evicted for non-payment as they will have little or no income and thus be unable to secure other housing if evicted; and

WHEREAS, housing instability threatens the public peace, health, and safety as eviction from one's home can lead to prolonged homelessness; strain on household finances due to the necessity of paying rental application fees and security deposits; stress and anxiety experienced by those displaced; interruption of the education of children in the home; and increased exposure to, and spreading of COVID-19, in contradiction to the Alameda County Health Officer and Governor's orders; and

WHEREAS, businesses are also affected by COVID-19 and may be unable to pay rent. If businesses are unable to pay rent, they may be evicted, which will negatively impact the local economy by laying off employees and ceasing to provide services to residents of the City, and negatively impacting local health by forcing persons out of their shelter-in-place locations to prepare for business eviction, increasing potential COVID-19 exposure, and reducing the number of retail and commercial spaces available to provide essential services, also increasing potential COVID-19 exposure as a result of less retail and commercial spaces available for residents and thus less space available for social distancing; and

WHEREAS, the City Council finds and determines that regulating the relations between residential and commercial landlords and tenants is essential to preventing the spread of COVID-19 in the City and thereby serve the public peace, health, and safety; and

WHEREAS, an urgency ordinance that is effective immediately is necessary to avoid the immediate threat to public peace, health, and safety as failure to adopt this urgency ordinance could result in the avoidable displacement or exposure to COVID-19 of the City's residents and community members.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF NEWARK, DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Findings

The City Council of the City of Newark finds that all of the above Recitals are true and correct and incorporated herein by reference. The provisions of the Governor's Executive Order N-28-20, including its recitals, are incorporated herein as if fully set forth.

SECTION 2. Urgency Findings

The City Council of the City of Newark hereby finds that there is a current and immediate threat to the public health, safety and/or welfare and a need for immediate preservation of the public peace, health, or safety that warrants this urgency ordinance, which finding is based upon the facts stated in the recitals above, and in the staff report for item B.1 dated March 26, 2020 and in the staff report dated April 9, 2020, considered during the March 26, 2020 and April 9, 2020 City Council meetings as well as any oral and written testimony at the March 26, 2020 and April 9, 2020 City Council meetings. This Ordinance and any moratorium that may be established thereunder is declared by the City Council to be an urgency measure necessary for the immediate preservation of the public peace, health or safety. The facts constituting such urgency are all of those certain facts set forth and referenced in this Ordinance and the entirety of the record before the City Council.

SECTION 3. Ordinance

The City Council hereby makes the findings contained herein and hereby adopts the uncodified Ordinance to read as follows.

COVID-19 Eviction Moratorium Ordinance

Section 1. Moratorium on Eviction for Nonpayment of Rent During the COVID-19 Emergency

A. During the term of this Eviction Moratorium, which shall apply to any applicable landlord action under this Ordinance occurring on or after March 26, 2020, no landlord shall endeavor to evict a residential or commercial tenant for nonpayment of rent, including but not limited to any such provision under Civil Code sections 1940 *et. seq.* or 1954.25 *et. seq.*, if the tenant demonstrates that the inability to pay rent is:

1. Due to, or arising out of a substantial decrease in household or business income (including but not limited to the circumstances described in subsections (B) and (C)) or substantial out-of-pocket medical expenses; and
2. The decrease in household or business income, or out-of-pocket medical expenses, was caused by the COVID-19 pandemic, or by any local, state, or federal government response to COVID-19, and is documented in writing.

This Eviction Moratorium shall remain in effect until May 31, 2020 or the expiration of the local emergency or the Governor's proclamation of a state of emergency, whichever is later. This Ordinance shall expire one hundred eighty (180) days following the expiration of this Eviction Moratorium.

B. "Substantial decrease in household income" includes but is not limited to income loss caused by COVID-19 illness or caring for a household or family member with COVID-19 illness, work closures, layoffs, job loss, a reduction in the number of compensable hours or other economic or employer impacts of COVID-19, missing work due to a minor child's school closure, compliance with government health authority orders, or other similarly-caused reason resulting in loss of household income due to COVID-19, substantiated with written documentation or other objectively verifiable proof of same.

C. “Substantial decrease in business income” includes, but is not limited to, income loss caused by work closures, reduction in staff reporting to work, reduction in opening hours, or reduction in consumer demand, compliance with government health authority orders, or other similarly-caused reason resulting in loss of business income due to COVID-19, substantiated with written documentation or other objectively verifiable proof of same.

D. A landlord who knows that a tenant cannot pay some or all of the rent temporarily for the reasons set forth above shall not serve a notice pursuant to Code of Civil Procedure section 1161, file or prosecute an unlawful detainer action based on a three-day pay or quit notice, or otherwise seek to evict for nonpayment of rent.

E. A landlord knows of a tenant’s inability to pay rent within the meaning of this Ordinance if the tenant, within ~~15-7~~ days after the date that rent is due, notifies the landlord in writing of tenant’s inability to pay full rent due to a substantial decrease in household or business income or out-of-pocket medical expenses was caused by the COVID-19 pandemic, or by any local, state, or federal government response to COVID-19, and provides documentation, **within 15 days after the date that rent is due**, to support the claim. Any medical or financial information provided to the landlord shall be held in confidence, and only used for evaluating the tenant’s claim.

F. Nothing in this Ordinance relieves the tenant of liability for the unpaid rent, which the landlord may seek after the expiration of the Eviction Moratorium, as specified in subsection (A) of this Ordinance, and the tenant must pay 25% of unpaid rent within forty-five (45) days of the date of expiration of the Eviction Moratorium, an additional 25% of unpaid rent within ninety (90) days of the date of expiration of the Eviction Moratorium, an additional 25% of unpaid rent within one hundred thirty-five (135) days of the date of expiration of the Eviction Moratorium, and the final 25% of unpaid rent within one hundred eighty (180) days of the date of expiration of the Eviction Moratorium, unless a state law or order is amended or adopted providing for a longer period, in which case this subsection shall be so superseded.

G. A landlord may not charge or collect a late fee for rent that is delayed for the reasons stated in this Ordinance, nor may a landlord seek rent that is delayed for the reasons stated in this Ordinance through the eviction process, unless rent continues to remain unpaid after the expiration of the forty-five (45), ninety (90), one hundred thirty-five (135), or one hundred eighty (180) day periods described in subsection F above.

H. This Ordinance may be asserted as an affirmative defense in any unlawful detainer action or other action brought by an owner or landlord to recover possession. A tenant may bring a civil suit seeking owner or landlord compliance with any provisions of this Ordinance.

Section 2. Moratorium on Judicial Foreclosures During the COVID-19 Emergency

As provided for in Executive Order N-28-20 and consistent with the other provisions in this ordinance, the statutory cause of action for judicial foreclosure, Code of Civil Procedure section 725a *et seq.*; the statutory cause of action for unlawful detainer, Code of Civil Procedure section 1161 *et seq.*; and any other statutory cause of action that could be used to evict or otherwise eject a residential or commercial tenant or occupant of residential real property after foreclosure is hereby suspended as applied to any

tenancy, or residential real property and any occupation thereof, to which a limitation on eviction is imposed pursuant to this Ordinance.

SECTION 4. Severability

If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance, including the application of such part or provision to other persons or circumstances shall not be affected thereby and shall continue in full force and effect. To this end, provisions of this Ordinance are severable. The City Council of the City of Newark hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase hereof irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases be held unconstitutional, invalid, or unenforceable.

SECTION 5. Effective Date

Following adoption by at least a four-fifths vote of the City Council, this Ordinance shall be effective immediately upon adoption pursuant to Newark Municipal Code Section 2.08.180. The City Clerk shall certify as to the adoption of this Urgency Ordinance and shall cause it to be published within fifteen (15) days of the adoption and shall post a certified copy of this Urgency Ordinance, including the vote for and against the same, in the Office of the City Clerk, in accordance with California Government Code Section 36933.

3505498.1

**B.1 Adopt an Urgency Ordinance of the City of Newark Enacting a Temporary Moratorium on Evictions Due to Nonpayment of Rent for Residential and Commercial Tenants Where the Failure to Pay Rent is From Income Loss Resulting From the Novel Coronavirus (COVID-19) – from City Manager Benoun, Interim City Attorney Kokotaylo, and Community Development Director Turner.
(URGENCY ORDINANCE-1)**

Background/Discussion – City staff recommends that the City Council approve and adopt an urgency ordinance that establishes a temporary moratorium on evictions due to nonpayment of rent for residential and commercial tenants where the failure to pay rent is from income loss resulting from the coronavirus (COVID-19).

The ordinance would take effect immediately and would be in effect until May 31, 2020, the expiration of the local emergency, or the Governor’s proclamation of a state of emergency, whichever is later.

Proclamations of Emergency and Shelter-In-Place Impacts

As a result of the COVID-19 pandemic, the Governor of the State of California proclaimed a state of emergency, the President of the United States declared a national state of emergency, and the Alameda County Health Officer declared a local health emergency.

Subsequently, the Alameda County Health Officer, along with six other health officers within six Bay Area counties, issued a legal order directing residents of Alameda County to shelter at home beginning March 17, 2020, and continuing through April 7, 2020. The order limits activity, travel, and business functions to only essential needs.

On March 16, 2020, the City Manager, acting as Director of Emergency Services, proclaimed a local emergency due to the COVID-19 pandemic and the City Council ratified the action at a Special City Council meeting on March 17, 2020.

On March 19, 2020, the Governor of California issued an executive order ordering all individuals within the State of California to shelter at home, except for limited purposes.

Events of all sizes across the Bay Area and in the City of Newark are being cancelled or postponed as a result of the shelter at home orders of the Alameda County Health Officer and Governor. Businesses are closing or dramatically limiting their operations. These developments are likely to result in significantly increased levels of unemployment and decreased incomes for many businesses and residents of Newark. Residential and commercial tenants have likely experienced, or will shortly experience, sudden income loss. Also, further income impacts to tenants are anticipated for a variety of reasons, including temporarily being unable to report to work because of illness caused by COVID-19 or quarantines related to COVID-19, taking care of family members that have become ill due to COVID-19, the closure of schools and daycare and the need to take care of children at home, taking care of elderly family members who are in

quarantine, shelter-in-place orders issued because of the COVID-19, pandemic and/or lay-offs due to business slow-downs and closures. These acts will leave tenants vulnerable to eviction.

Purpose of Urgency Ordinance

In the interests of protecting the public health and welfare, and to help prevent transmission of the coronavirus, it is essential to avoid unnecessary displacement, business closures, and homelessness during a state of emergency. This urgency ordinance is intended to avoid unnecessary housing and commercial displacement, to mitigate the economic effects on small and medium sized businesses, and to prevent housed individuals from falling into homelessness. A temporary moratorium on evictions from residential, and commercial rental units due to a substantial loss of income because of the COVID-19 pandemic will protect tenants from losing their housing and businesses, which will thereby protect the public health, safety and welfare, and prevent transmission of COVID-19.

Proposed Urgency Ordinance

The proposed urgency ordinance would take effect immediately and would apply to all eviction proceedings, such as notices to quit or pay rent or unlawful detainer actions served on or after the effective date of the ordinance. The ordinance would place a temporary moratorium on eviction actions instituted for non-payment of rent where a tenant can demonstrate that the tenant suffered a substantial loss of income due to the COVID-19 pandemic by providing a substantive eviction defense to a tenant. The ordinance will not waive the payment of rent, but rather will delay an impacted tenant's obligation to make rent payments during the period of the temporary moratorium.

The moratorium would apply to residential tenants who can demonstrate income loss caused by the COVID-19 pandemic under any of the following circumstances:

- COVID-19 illness or caring for a household or family member with COVID-19 illness;
- work closures, layoffs, job loss, a reduction in the number of compensable hours or other economic or employer impacts; or
- missing work due to a minor child's school closure, compliance with government health authority orders, or other similarly-caused reason.

The moratorium would apply to commercial tenants who can demonstrate income loss caused by the COVID-19 pandemic under any of the following circumstances:

- work closures;
- reduction in staff reporting to work;
- reduction in opening hours;
- reduction in consumer demand;
- compliance with government health authority orders; or
- other similarly-caused reason resulting in loss of business income.

The urgency ordinance, if adopted, will deter most landlords initiating eviction proceedings if a tenant can show that the non-payment of rent was due to the tenant's loss of income as a result of COVID-19. If a landlord nevertheless files an eviction proceeding in court, the ordinance could be used as an affirmative defense by the tenant in an unlawful detainer court proceeding.

Tenants will be required to pay back unpaid rent in 25% increments within forty-five (45) days, ninety (90), one hundred thirty-five (135) days, and one hundred eighty (180) days of the date of expiration of the Eviction Moratorium. The City Council can revisit the ordinance if necessary due to changing conditions.

Community Development staff contacted representatives from the Rental Housing Association of Southern Alameda County, Residents Insisting on Social Equity (RISE) Fremont, and the Newark Chamber of Commerce, informing them of the urgency ordinance and offering opportunities for discussion prior to the Council meeting. Staff will also engage in outreach to notify landlords, businesses, and tenants about the ordinance through a press release and posting notice on the City's website and social media accounts

Attachments – Ordinance, Presentation

Action – City staff recommends that the City Council adopt an urgency ordinance that establishes a temporary moratorium on evictions due to nonpayment of rent for residential and commercial tenants where the failure to pay rent is from income loss resulting from the coronavirus (COVID-19).

AN URGENCY ORDINANCE OF THE CITY OF NEWARK
ENACTING A TEMPORARY MORATORIUM ON EVICTIONS
DUE TO NONPAYMENT OF RENT FOR RESIDENTIAL AND
COMMERCIAL TENANTS WHERE THE FAILURE TO PAY
RENT IS FROM INCOME LOSS RESULTING FROM THE
NOVEL CORONAVIRUS (COVID-19)

WHEREAS, international, national, state, and local health and governmental authorities are responding to an outbreak of respiratory disease caused by a novel coronavirus named “SARS-CoV-2,” and the disease it causes has been named “coronavirus disease 2019,” abbreviated COVID-19 (“COVID-19”); and

WHEREAS, on January 30, 2020, the World Health Organization (“WHO”) declared COVID-19 a Public Health Emergency of International Concern; and

WHEREAS, on January 31, 2020, the Secretary of the United States Department of Health and Human Services declared a public health emergency for the entire United States to aid the nation’s healthcare community in responding to COVID-19; and

WHEREAS, on February 25, 2020, the Centers for Disease Control and Prevention (“CDC”) announced that community spread of COVID-19 is likely to occur in the United States; and

WHEREAS, on March 1, 2020, the Alameda County Health Officer declared a public health emergency throughout the County of Alameda; and

WHEREAS, on March 4, 2020, the Governor of California proclaimed a state of emergency exists in California after making determinations that:

1. The conditions caused by COVID-19 are likely to require the combined forces of a mutual aid region or regions to appropriately respond; and
2. Local authority is inadequate to cope with the threat posed by COVID-19; and

WHEREAS, on March 10, 2020, the Alameda County Board of Supervisors ratified the Alameda County Health Officer’s declaration of a local health emergency; and

WHEREAS, on March 11, 2020, the WHO declared COVID-19 a pandemic; and

WHEREAS, on March 12, 2020, the Alameda County Department of Public Health confirmed evidence of community-acquired transmission; and

WHEREAS, on March 13, 2020, the President of the United States of America declared a national state of emergency in response to the spread of COVID-19 within the United States of America; and

WHEREAS, on March 16, 2020, the Alameda County Health Officer, along with six other health officers within six Bay Area counties, took a unified step to slow the spread of novel coronavirus (COVID-19) and preserve critical health care capacity across the region by issuing a legal order

directing their respective residents to shelter at home beginning March 17, 2020 through April 7, 2020. The order in Alameda County limits activity, travel, and business functions to only the most essential needs. The guidance comes after substantial input from the CDC and best practices from other health officials around the world; and

WHEREAS, on March 16, 2020, due to an escalating increase in the number of COVID-19 cases in Alameda County, the City Manager, acting as Director of Emergency Services, found that the conditions related to the COVID-19 pandemic were of extreme peril to the safety of persons and property within the territorial limits of the City and thus proclaimed a local emergency pursuant to Newark Municipal Code Chapter 2.16 and Government Code Section 8558; and

WHEREAS, on March 17, 2020, at a special meeting the Newark City Council ratified the Director of Emergency Services' proclamation of a local emergency related to the COVID-19 pandemic; and

WHEREAS, on March 16, 2020, the Governor of California issued Executive Order N-28-20 ordering waiver of time limitations set forth in Penal Code section 396(f) concerning protections against residential evictions, and suspending any provision of state law that would preempt or otherwise restrict a local government's exercise of its police power to impose substantive limitations on residential or commercial evictions related to COVID-19. The order further suspended statutory causes of action for judicial foreclosure, including Code of Civil Procedure section 725a *et seq.* the statutory cause of action for unlawful detainer, Code of Civil Procedure section 1161 *et seq.*, and any other statutory cause of action that could be used to evict or otherwise eject a residential or commercial tenant or occupant of residential real property after foreclosure; and

WHEREAS, on March 19, 2020, the Governor of California issued Executive Order N-33-20 ordering all individuals within the State of California to stay home or at their place of residence, except as needed to maintain continuity of operation of the federal critical infrastructure sectors, critical government services, schools, childcare, and construction; and

WHEREAS, events of all sizes across the Bay Area and in Newark are cancelling or being postponed due to the County's and State's Orders and recommendations at all levels of government to cancel large gatherings are occurring amid concerns over spread of the virus. Additionally, as a result of the County's shelter at home order and the Governor's order for individuals to stay in their place of residence, many businesses are closing or dramatically limiting their operations. These developments are likely to result in significantly increased levels of unemployment and decreased incomes for many businesses and residents of Newark; and

WHEREAS, California Constitution, Article XI, Section 7, provides cities and counties with the authority to enact ordinances to protect the public health, safety, and general welfare, of their citizens; and

WHEREAS, California Government Code Section 36937 authorizes the City Council to introduce and adopt an ordinance it declares to be necessary as an emergency measure to preserve the public peace, health, and safety at one and the same meeting if passed by at least four-fifths affirmative votes; and

WHEREAS, this Ordinance is a temporary moratorium intended to promote stability and fairness within the residential and commercial rental market in the City during the COVID-19 pandemic, and to prevent avoidable homelessness and evictions thereby serving the public peace, health, safety, and

public welfare and to enable tenants in the City whose incomes and ability to work are affected by COVID-19 to remain in their homes; and

WHEREAS, displacement through eviction destabilizes the living situation of tenants and impacts the health of Newark residents and businesses by uprooting children from schools, disrupting the social ties and networks that are integral to citizens' welfare and the stability of communities within the City; and

WHEREAS, displacement through eviction creates undue hardship for tenants through additional relocation costs, and during the COVID-19 pandemic outbreak, affected tenants who have lost income due to impacts on the economy or their employment may be at risk of homelessness if they are evicted for non-payment as they will have little or no income and thus be unable to secure other housing if evicted; and

WHEREAS, housing instability threatens the public peace, health, and safety as eviction from one's home can lead to prolonged homelessness; strain on household finances due to the necessity of paying rental application fees and security deposits; stress and anxiety experienced by those displaced; interruption of the education of children in the home; and increased exposure to, and spreading of COVID-19, in contradiction to the Alameda County Health Officer and Governor's orders; and

WHEREAS, businesses are also affected by COVID-19 and may be unable to pay rent. If businesses are unable to pay rent, they may be evicted, which will negatively impact the local economy by laying off employees and ceasing to provide services to residents of the City, and negatively impacting local health by forcing persons out of their shelter-in-place locations to prepare for business eviction, increasing potential COVID-19 exposure, and reducing the number of retail and commercial spaces available to provide essential services, also increasing potential COVID-19 exposure as a result of less retail and commercial spaces available for residents and thus less space available for social distancing; and

WHEREAS, the City Council finds and determines that regulating the relations between residential and commercial landlords and tenants is essential to preventing the spread of COVID-19 in the City and thereby serve the public peace, health, and safety; and

WHEREAS, an urgency ordinance that is effective immediately is necessary to avoid the immediate threat to public peace, health, and safety as failure to adopt this urgency ordinance could result in the avoidable displacement or exposure to COVID-19 of the City's residents and community members.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF NEWARK, DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Findings

The City Council of the City of Newark finds that all of the above Recitals are true and correct and incorporated herein by reference. The provisions of the Governor's Executive Order N-28-20, including its recitals, are incorporated herein as if fully set forth.

SECTION 2. Urgency Findings

The City Council of the City of Newark hereby finds that there is a current and immediate threat to the public health, safety and/or welfare and a need for immediate preservation of the public peace, health, or safety that warrants this urgency ordinance, which finding is based upon the facts stated in the recitals above, and in the staff report dated March 26, 2020, as well as any oral and written testimony at the March 26, 2020 City Council meeting. This Ordinance and any moratorium that may be established thereunder is declared by the City Council to be an urgency measure necessary for the immediate preservation of the public peace, health or safety. The facts constituting such urgency are all of those certain facts set forth and referenced in this Ordinance and the entirety of the record before the City Council.

SECTION 3. Ordinance

The City Council hereby makes the findings contained herein and hereby adopts the uncodified Ordinance to read as follows.

COVID-19 Eviction Moratorium Ordinance

Section 1. Moratorium on Eviction for Nonpayment of Rent During the COVID-19 Emergency

A. During the term of this Eviction Moratorium, no landlord shall endeavor to evict a residential or commercial tenant for nonpayment of rent, including but not limited to any such provision under Civil Code sections 1940 *et. seq.* or 1954.25 *et. seq.*, if the tenant demonstrates that the inability to pay rent is:

1. Due to, or arising out of a substantial decrease in household or business income (including but not limited to the circumstances described in subsections (B) and (C)) or substantial out-of-pocket medical expenses; and
2. The decrease in household or business income, or out-of-pocket medical expenses, was caused by the COVID-19 pandemic, or by any local, state, or federal government response to COVID-19, and is documented in writing.

This Eviction Moratorium shall remain in effect until May 31, 2020 or the expiration of the local emergency or the Governor's proclamation of a state of emergency, whichever is later. This Ordinance shall expire one hundred eighty (180) days following the expiration of this Eviction Moratorium.

B. "Substantial decrease in household income" includes but is not limited to income loss caused by COVID-19 illness or caring for a household or family member with COVID-19 illness, work closures, layoffs, job loss, a reduction in the number of compensable hours or other economic or employer impacts of COVID-19, missing work due to a minor child's school closure, compliance with government health authority orders, or other similarly-caused reason resulting in loss of household income due to COVID-19, substantiated with written documentation or other objectively verifiable proof of same.

C. "Substantial decrease in business income" includes, but is not limited to, income loss caused by work closures, reduction in staff reporting to work, reduction in opening hours, or reduction in consumer demand, compliance with government health authority orders, or other similarly-caused reason resulting

in loss of business income due to COVID-19, substantiated with written documentation or other objectively verifiable proof of same.

D. A landlord who knows that a tenant cannot pay some or all of the rent temporarily for the reasons set forth above shall not serve a notice pursuant to Code of Civil Procedure section 1161, file or prosecute an unlawful detainer action based on a three-day pay or quit notice, or otherwise seek to evict for nonpayment of rent.

E. A landlord knows of a tenant's inability to pay rent within the meaning of this Ordinance if the tenant, within 15 days after the date that rent is due, notifies the landlord in writing of tenant's inability to pay full rent due to a substantial decrease in household or business income or out-of-pocket medical expenses was caused by the COVID-19 pandemic, or by any local, state, or federal government response to COVID-19, and provides documentation to support the claim. Any medical or financial information provided to the landlord shall be held in confidence, and only used for evaluating the tenant's claim.

F. Nothing in this Ordinance relieves the tenant of liability for the unpaid rent, which the landlord may seek after the expiration of the Eviction Moratorium, as specified in subsection (A) of this Ordinance, and the tenant must pay 25% of unpaid rent within forty-five (45) days of the date of expiration of the Eviction Moratorium, an additional 25% of unpaid rent within ninety (90) days of the date of expiration of the Eviction Moratorium, an additional 25% of unpaid rent within one hundred thirty-five (135) days of the date of expiration of the Eviction Moratorium, and the final 25% of unpaid rent within one hundred eighty (180) days of the date of expiration of the Eviction Moratorium, unless a state law or order is amended or adopted providing for a longer period, in which case this subsection shall be so superseded.

G. A landlord may not charge or collect a late fee for rent that is delayed for the reasons stated in this Ordinance, nor may a landlord seek rent that is delayed for the reasons stated in this Ordinance through the eviction process, unless rent continues to remain unpaid after the expiration of the forty-five (45), ninety (90), one hundred thirty-five (135), or one hundred eighty (180) day periods described in subsection F above.

H. This Ordinance may be asserted as an affirmative defense in any unlawful detainer action or other action brought by an owner or landlord to recover possession. A tenant may bring a civil suit seeking owner or landlord compliance with any provisions of this Ordinance.

Section 2. Moratorium on Judicial Foreclosures During the COVID-19 Emergency

As provided for in Executive Order N-28-20 and consistent with the other provisions in this ordinance, the statutory cause of action for judicial foreclosure, Code of Civil Procedure section 725a *et seq.*; the statutory cause of action for unlawful detainer, Code of Civil Procedure section 1161 *et seq.*; and any other statutory cause of action that could be used to evict or otherwise eject a residential or commercial tenant or occupant of residential real property after foreclosure is hereby suspended as applied to any tenancy, or residential real property and any occupation thereof, to which a limitation on eviction is imposed pursuant to this Ordinance.

SECTION 4. Severability

If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance, including the application of such part or provision to other persons or circumstances shall not be affected thereby and shall continue in full force and effect. To this end, provisions of this Ordinance are severable. The City Council of the City of Newark hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase hereof irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases be held unconstitutional, invalid, or unenforceable.

SECTION 5. Effective Date

Following adoption by at least a four-fifths vote of the City Council, this Ordinance shall be effective immediately upon adoption pursuant to Newark Municipal Code Section 2.08.180. The City Clerk shall certify as to the adoption of this Urgency Ordinance and shall cause it to be published within fifteen (15) days of the adoption and shall post a certified copy of this Urgency Ordinance, including the vote for and against the same, in the Office of the City Clerk, in accordance with California Government Code Section 36933.

I HEREBY CERTIFY this urgency ordinance was read at the special meeting of the Newark City Council held on March 26, 2020. Council Member Hannon moved that it be adopted and passed and ordered published within 15 days of the date of adoption 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, which motion was duly seconded, and said ordinance was passed and adopted by the following vote:

AYES: Council Members Bucci, Collazo, Hannon, Vice Mayor Freitas, and Mayor Nagy
NOS: None
ABSENT: None
SECONDED: Vice Mayor Collazo

APPROVED:

ATTEST:

s/ALAN L. NAGY
Mayor

s/SHEILA HARRINGTON
City Clerk

APPROVED AS TO FORM:

s/KRISTOPHER J. KOKOTAYLO
Interim City Attorney



City of Newark

MEMO

DATE: March 30, 2020
TO: City Council
FROM: Sheila Harrington, City Clerk
SUBJECT: Approval of Audited Demands for the City Council Meeting of April 09, 2020.

REGISTER OF AUDITED DEMANDS

US Bank General Checking Account

<u>Check Date</u>		<u>Check Numbers</u>	
March 05, 2020	Page 1-2	120490 to 120549	Inclusive
March 13, 2020	Page 1-2	120550 to 120627	Inclusive
March 19, 2020	Page 1-2	120628 to 120684	Inclusive
March 27, 2020	Page 1	120685 to 120732	Inclusive



City of Newark

MEMO

DATE: March 30, 2020
TO: Sheila Harrington, City Clerk
FROM: Krysten Lee, Finance Director *ML*
SUBJECT: Approval of Audited Demands for the City Council Meeting of April 09, 2020.

The attached list of Audited Demands is accurate and there are sufficient funds for payment.

1

Final Disbursement List. Check Date 03/05/20, Due Date 03/16/20, Discount Date 03/16/20. Computer Checks.
 Bank 1001 US BANK

MICR Check#	Vendor Number	Payee	Check Date	Check Amount	Description
20490	10449	AFLAC ATTN: REMITTANCE PROCESSING SERVIC	03/05/20	1,383.00	SHORT TERM DISABILITY PREMIUM
20491	1396	ALAMEDA COUNTY FIRE DEPARTMENT	03/05/20	877,330.42	FIRE SERVICES
20492	3853	COUNTY OF ALAMEDA INTERNAL AUDIT UNIT RI	03/05/20	3,232.50	CITATION PROCESSING FEES - JAN'20
20493	284	ALAMEDA COUNTY INFORMATION TECHNOLOGY DE	03/05/20	4,200.14	AWS ACCESS FEES
20494	10004	ALLDATA LLC	03/05/20	1,646.25	REPAIR SERIES
20495	1963	BAILEY FENCE COMPANY INC	03/05/20	1,255.00	FENCE REPAIRS
20496	134	BATTERY SYSTEMS INC ATTN: ACCOUNTS RECEI	03/05/20	57.07	BATTERIES
20497	9680	BAY CENTRAL PRINTING	03/05/20	63.78	BUSINESS CARD IMPRINTING
20498	11756	MARK LEE & YONG KAY, INC. DBA BAY CONSTR	03/05/20	68,897.80	CIP #1208 NEWBARK DOG PARK
20499	6630	BOUND TREE MEDICAL LLC	03/05/20	559.78	MEDICAL SUPPLIES
20500	9888	BUREAU VERITAS NORTH AMERICA INC.	03/05/20	23,560.73	PLAN REVIEW SERVICES
20501	1513	BURTON'S FIRE INC	03/05/20	315.12	SUPPLIES
20502	920	CAL SAFETY INC	03/05/20	2,150.24	EXTRA COSTS FOR TRAFFIC CONTROL FOR 2019
20503	9150	CAL-WEST LIGHTING & SIGNAL MAINTENANCE I	03/05/20	13,885.24	TRAFFIC SIGNAL MAINTENANCE
20504	11825	CALMED EVALUATION SERVICES, LLC	03/05/20	2,100.00	RECORD REVIEW, EXAMINATION, REPORT PREPA
20505	11541	CEL CONSULTING, INC.	03/05/20	9,775.12	SPECIAL INSPECTION SERVICES FOR CIVIC CE
20506	11805	CLARITAS, LLC.	03/05/20	250.00	MARKET RESEARCH
20507	6304	CLASSIC GRAPHICS T & J LEWIS INC	03/05/20	426.40	REPAIRS
20508	3751	BRYAN COBB	03/05/20	325.32	EXPENSE REIMBURSEMENT
20509	10060	COMCAST	03/05/20	197.09	MONTHLY SERVICE
20510	11544	COTTON, SHIRES AND ASSOCIATES, INC.	03/05/20	900.00	GEOTECH CONSULTING SERVICES
20511	10650	MARY WARD	03/05/20	1,000.00	DANCE PERMIT DEPOSIT REFUND
20512	10649	ROTO-ROOTER SERVICES COMPANY	03/05/20	1,000.00	PERFORMANCE BOND REIMBURSEMENT
20513	10793	RISHMEEN KAUR	03/05/20	58.00	CLASS REFUND
20514	7631	DELTA DENTAL OF CALIFORNIA ATTN: ACCOUNT	03/05/20	17,768.08	DENTAL PREMIUM - MAR'20
20515	7641	DELTA DENTAL INSURANCE COMPANY ATTN: ACC	03/05/20	175.98	DENTAL PREMIUM - MAR'20
20516	7663	FIDELITY SECURITY LIFE INSURANCE/EYEMED	03/05/20	2,388.86	VISION PREMIUM
20517	1733	FIRST BAPTIST CHURCH	03/05/20	80.00	DONATION - FEB'20
20518	275	GOVERNMENT FINANCE OFFICERS ASSOCIATION	03/05/20	455.00	MEMBERSHIP DUES
20519	10707	GYM DOCTORS	03/05/20	1,118.24	FITNESS EQUIPMENT
20520	4845	HINDERLITER DELLAMAS & ASSOCIATES	03/05/20	20,765.94	SALES TAX CONSULTING/AUDIT SERVICES
20521	1591	PHILIP H HOLLAND	03/05/20	200.00	RESERVE UNIF ALLOWANCE
20522	7593	BRUCE HOWCROFT	03/05/20	200.00	RESERVE UNIF ALLOWANCE
20523	11443	HIROSHI ICHIMURA	03/05/20	1,091.40	RECREATION CONTRACT
20524	11806	JOHN KAPU	03/05/20	641.55	EXPENSE REIMBURSEMENT
20525	7189	LINCOLN AQUATICS	03/05/20	217.31	POOL CHEMICALS-PULSAR CLEANER, CALCIUM,
20526	11788	MASAKO'S MUSIC STUDIO, INC.	03/05/20	307.20	RECREATION CONTRACT
20527	7618	METLIFE SBC	03/05/20	2,045.31	LONG TERM DISABILITY PREMIUM
20528	10907	MICHAEL YORKS INVESTIGATIONS	03/05/20	825.00	BACKGROUND INVESTIGATIONS
20529	11378	MNS ENGINEERS INC	03/05/20	9,410.00	ENGINEERING PLAN CHECK AND INSPECTION SE
20530	11455	NATIONAL DATA & SURVEYING SERVICES	03/05/20	600.00	CIP #1160 TRAFFIC CALMING - TRAFFIC COUN
20531	11690	NEOFUNDS	03/05/20	1,961.00	NEOPOST POSTAGE
20532	3452	NEWARK PAVILION	03/05/20	6,600.00	PARKING AGREEMENT DURING CONSTRUCTION
20533	10961	BRETT OEVERNDIEK	03/05/20	200.32	EXPENSE REIMBURSEMENT
20534	349	PACIFIC GAS & ELECTRIC	03/05/20	25,544.35	STREETLIGHTS/TRAFFIC SIGNALS
20535	11322	PAPA JOHNS PIZZA	03/05/20	1,086.50	CAFE AND BIRTHDAY FOOD
20536	78	PERFORMANCE PEST MANAGEMENT LPC SERVICES	03/05/20	270.00	PEST CONTROL
20537	329	PHOENIX GROUP INFORMATION SYSTEMS	03/05/20	659.60	PARKING CITATION PROGRAM
20538	1772	POWER MAINTENANCE CORPORATION	03/05/20	1,700.00	1 YEAR MAINTENANCE FOR CITY SIDE UPS
20539	11573	REYES COCA-COLA BOTTLING LLC.	03/05/20	183.63	CAFE BEVERAGE SERVICE
20540	5164	SAN MATEO REGIONAL NETWORK INC SMRN.COM	03/05/20	175.00	12 MONTHS SMTP PREMAIL MAIL FILTERING

S.AP Accounts Payable Release 8.3.0 R*APZCKREG*FDL

By BRETT OEVERNDIEK (BRETTO)

inal Disbursement List. Check Date 03/05/20, Due Date 03/16/20, Discount Date 03/16/20. Computer Checks.
ank 1001 US BANK

MICR heck#	Vendor Number	Payee	Check Date	Check Amount	Description
20541	503	STANDARD INSURANCE COMPANY	03/05/20	598.56	EMPLOYEE LIFE INSURANCE AND AD&D COVERAG
20542	40	STAPLES	03/05/20	1,016.69	OFFICE SUPPLIES
20543	11744	SYSCO - SAN FRANCISCO	03/05/20	412.98	CAFE AND BIRTHDAY FOOD ITEMS
20544	5463	MARY TEIXEIRA	03/05/20	9.78	EXPENSE REIMBURSEMENT
20545	11644	TIREHUB, LLC.	03/05/20	6,313.81	TIRES
20546	363	UNITED STATES POSTMASTER	03/05/20	3,298.00	SUMMER ACTIVITY GUIDE POSTAGE
20547	8751	PROVIDENT LIFE & ACCIDENT INSURANCE COMP	03/05/20	261.24	PAYROLL PREMIUM - E0246926
20548	11487	VANIR CONSTRUCTION MANAGEMENT, INC.	03/05/20	46,576.00	CONSTRUCTION MANAGEMENT SERVICES FOR THE
20549	5623	VERIZON WIRELESS	03/05/20	945.00	CELL PHONE SERVICE
Total				1,170,671.33	

Final Disbursement List. Check Date 03/13/20, Due Date 03/23/20, Discount Date 03/23/20. Computer Checks.
 Bank 1001 US BANK

MICR Check#	Vendor Number	Payee	Check Date	Check Amount	Description
0550	11454	247ERGO LLC.	03/13/20	1,790.40	DISPATCH CHAIRS
0551	10736	ABACUS PRODUCTS INC	03/13/20	299.42	PRINTING SVCS
0552	332	ADAMSON POLICE PRODUCTS	03/13/20	10,657.13	40MM LAUNCHER
0553	11628	AIKIDO SHUGENKAI INTERNATIONAL	03/13/20	300.00	RECREATION CONTRACT Reinstated from clai
0554	5821	ALL CITY MANAGEMENT SERVICES, INC.	03/13/20	3,138.44	CROSSING GUARD SVCS
0555	12	ALLIED AUTO STORES INC	03/13/20	277.49	PARTS
0556	11362	ANNETTE PAREDES	03/13/20	11.36	EXPENSE REIMBURSEMENT
0557	11227	GUSTAVO ARROYO	03/13/20	1,359.13	EXPENSE REIMBURSEMENT
0558	348	AT&T	03/13/20	176.14	CIRCUITS, WHITE PAGES
0559	11433	AUTOWISE	03/13/20	175.31	FLEET SERVICES
0560	11757	RAMBAR INC. DBA BAY AREA JUMP	03/13/20	820.80	FAMILY FUN NIGHT EVENT JUMP HOUSES 02/29
0561	23	FRANK BONETTI PLUMBING INC	03/13/20	34,211.95	PLUMBING REPAIRS
0562	3665	BRUCE'S TIRE	03/13/20	448.15	SPECIALTY TIRES
0563	11083	BURKE, WILLIAMS & SORENSEN, LLP	03/13/20	3,194.06	LITIGATION & LEGAL CONSULTING SRVCS
0564	1513	BURTON'S FIRE INC	03/13/20	31.15	FIRE TRUCK PARTS
0565	9150	CAL-WEST LIGHTING & SIGNAL MAINTENANCE I	03/13/20	4,896.91	TRAFFIC SIGNAL MAINTENANCE
0566	7439	CENTERVILLE LOCKSMITH	03/13/20	4.28	LOCK AND KEY SUPPLIES
0567	9572	ELSA CERVANTES	03/13/20	12.00	EXPENSE REIMBURSEMENT
0568	10825	CHEVROLET OF FREMONT	03/13/20	317.43	PARTS
0569	6304	CLASSIC GRAPHICS T & J LEWIS INC	03/13/20	428.03	PROJECT 2020-10 VEHICLE PURCHASE HARLEY
0570	10060	COMCAST	03/13/20	106.07	CABLE SVCS
0571	11549	CSG CONSULTANTS, INC.	03/13/20	730.00	ENGINEERING PLAN CHECK AND CONSULTANT SE
0572	10649	STAR ROOTER & PLUMBING	03/13/20	1,000.00	PERFORMANCE BOND RTN EP# 20200032
0573	10793	KATHLEEN SCHULER	03/13/20	112.00	TRIP REFUND
0574	10793	CINDY CHINN	03/13/20	100.00	RENTAL DEPOSIT REFUND
0575	11793	LAURA DA SILVA	03/13/20	1,098.52	CAPE 05/18-05/22/20
0576	10677	DAILY JOURNAL CORPORATION CALIFORNIA NEW	03/13/20	575.00	LEGAL AD: CIP #1213 BOATHOUSE BUILDING R
0577	3728	DEPARTMENT OF JUSTICE ACCOUNTING OFFICE	03/13/20	550.00	FINGERPRINTING FEES
0578	10725	MATT REYMUNDO	03/13/20	1,329.02	EE COMPUTER LOAN PROGRAM
0579	4731	EWING IRRIGATION PRODUCTS INC	03/13/20	4,931.24	SUPPLIES AND PESTICIDES
0580	5137	FOUR SEASONS POOL SERVICE	03/13/20	795.79	POOL REPAIRS
0581	60	FREMONT FORD/AUTOBODY OF FREMONT ATTN: T	03/13/20	485.25	FORD PARTS
0582	11465	FRONTIER PACIFIC	03/13/20	550.00	DOOR REPAIR
0583	11820	GENESIS LIGHTING CONTROL LTD	03/13/20	241.50	PHOTOCELL
0584	11636	JESSICA GURULE	03/13/20	22.18	EXPENSE REIMBURSEMENT
0585	11681	KBA DOCUMENT SOLUTIONS, LLC.	03/13/20	233.83	COPIER LEASE AGREEMENT
0586	11335	LEGACY ROOFING & WATERPROOFING	03/13/20	2,130.00	ROOFING REPAIRS
0587	6124	BRIAN LEWIS	03/13/20	76.80	EXPENSE REIMBURSEMENT
0588	11736	MANAGEMENT PARTNERS INC.	03/13/20	6,720.34	MANAGEMENT SERVICES
0589	4369	MARCI MANUEL	03/13/20	497.81	EXPENSE REIMBURSEMENT
0590	7114	METRO MOBILE COMMUNICATIONS	03/13/20	10,040.08	PROJECT 2020-10 VEHICLE PURCHASE-HARLEY
0591	10907	MICHAEL YORKS INVESTIGATIONS	03/13/20	4,135.93	BACKGROUND INVESTIGATIONS
0592	11378	MNS ENGINEERS INC	03/13/20	45,559.00	ENGINEERING PLAN CHECK AND INSPECTION SE
0593	5046	MOTOROLA SOLUTIONS, INC	03/13/20	1,832.28	RADIO EQUIPMENT CONVERSION
0594	7335	MUNICIPAL MAINTENANCE EQUIPMENT INC	03/13/20	466.38	MME SUPPLIES
0595	11217	ANDREW MUSANTRY	03/13/20	1,324.04	EXPENSE REIMBURSEMENT
0596	611	KKR AUTOMOTIVE DBA NAPA AUTO PARTS	03/13/20	3,770.70	AUTO PARTS
0597	324	NEWARK CHAMBER OF COMMERCE	03/13/20	1,785.00	NEWARK CHAMBER OF COMMERCE DUES
0598	11064	NEWARK VALERO #7117 SAM ANDARY	03/13/20	580.94	FUEL
0599	11711	NUTRIEN AG SOLUTIONS	03/13/20	287.28	MISC CHEMICALS
0600	11325	OFFICE RELIEF, INC.	03/13/20	569.22	CIP #1203 WORKSTATION REPLACEMENT-OFFICE

Final Disbursement List. Check Date 03/13/20, Due Date 03/23/20, Discount Date 03/23/20. Computer Checks.
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MICR Check#	Vendor Number	Payee	Check Date	Check Amount	Description
0601	349	PACIFIC GAS & ELECTRIC	03/13/20	167.10	STREETLIGHTS/TRAFFIC SIGNALS
0602	11697	PAKPOUR CONSULTING GROUP, INC.	03/13/20	20,349.02	ENGINEERING PLAN CHECK AND INSPECTION SE
0603	11322	PAPA JOHNS PIZZA	03/13/20	624.00	BIRTHDAY PARTY AND CAFE FOOD
0604	9248	PAPE MACHINERY	03/13/20	4,659.16	SWEEPER REPAIRS
0605	78	PERFORMANCE PEST MANAGEMENT LPC SERVICES	03/13/20	125.00	PEST CONTROL
0606	11789	KAILEY PETERSON	03/13/20	246.68	EXPENSE REIMBURSEMENT
0607	10729	PETTY CASH CUSTODIAN-HR FRANKLIN LEE	03/13/20	71.56	PETTY CASH REPLENISHMENT V#311-313
0608	11777	R3 CONSULTING, INC	03/13/20	2,487.50	COST-BASED RATE REVIEW CONSULTING SERVIC
0609	654	SFPUC-WATER DEPARTMENT CUSTOMER SERVICE	03/13/20	3,359.19	RENT/WATER
0610	112	WILLE ELECTRICAL SUPPLY CO INC	03/13/20	506.35	LIGHTS
0611	11296	SIGNATURE CARPET ONE	03/13/20	3,104.00	FLOORING REPAIR
0612	11098	SILVER & WRIGHT LLP	03/13/20	770.79	LITIGATION & LEGAL CONSULTING
0613	11835	SITES USA	03/13/20	6,500.00	MARKET RESEARCH REPORTS
0614	2778	STATE OF CALIFORNIA FRANCHISE TAX BOARD	03/13/20	250.00	PAYROLL DEDUCTION - GARNISHMENT
0615	7744	T-MOBILE	03/13/20	638.87	IPHONE SVC
0616	11842	VERONICA TORRES	03/13/20	111.24	EXPENSE REIMBURSEMENT
0617	6797	US BANK CORPORATE PAYMENT	03/13/20	20,646.08	CC PAYMENT 02/24/20
0618	363	UNITED STATES POSTMASTER	03/13/20	2,765.00	POSTAGE
0619	11708	UNIVERSAL BUILDING SERVICES & SUPPLY CO.	03/13/20	32,198.00	JANATORIAL SERVICES
0620	853	VALLEY OIL COMPANY LOCKBOX# 138719	03/13/20	19,740.30	FUEL
0621	10998	GARY M SHELDON VBS SERVICES	03/13/20	350.00	BLOOD WITHDRAWAL SVC
0622	11724	VCA SACRAMENTO VETERINARY REFERRAL CENTE	03/13/20	918.93	K9 PROGRAM
0623	5623	VERIZON WIRELESS	03/13/20	4,855.95	CELL SVC FOR MDTs
0624	5623	VERIZON BUSINESS SERVICES	03/13/20	612.82	CELL SVC FOR MDTs
0625	11437	JOYCE WANG	03/13/20	922.63	EXPENSE REIMBURSEMENT
0626	3307	WHAT'S HAPPENING	03/13/20	378.00	LEGAL AD
0627	11466	YORK RISK SERVICES GROUP ATTN: CLIENT TR	03/13/20	16,114.00	WORKERS COMPENSATION CLAIMS Reinstated f
Total				298,657.95	

Final Disbursement List. Check Date 03/19/20, Due Date 03/30/20, Discount Date 03/30/20. Computer Checks.

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MICR Check#	Vendor Number	Payee	Check Date	Check Amount	Description
20628	11539	ACCESS INFORMATION HOLDINGS, LLC.	03/19/20	90.00	SHREDDING SVC
20629	10223	LEXISNEXIS RISK DATA MANAGEMENT INC BILL	03/19/20	424.20	BACKGROUND CHECKS
20630	1774	AIRGAS USA, LLC	03/19/20	64.44	RENTAL TANKS AND EQUIPMENT
20631	344	ALAMEDA COUNTY WATER DISTRICT	03/19/20	31,724.67	CITY WATER USE
20632	14	ALPINE AWARDS	03/19/20	21.24	POLO SHIRTS
20633	134	BATTERY SYSTEMS INC ATTN: ACCOUNTS RECEI	03/19/20	759.00	BATTERIES
20634	1131	BAY ISLAND OFFICIALS ASSOCIATION ATTN FR	03/19/20	1,001.00	SPORTS OFFICIATING
20635	11717	GVP VENTURES INC. DBA BOB MURRAY & ASSOC	03/19/20	7,022.94	EXECUTIVE RECRUITMENT
20636	11801	BUTTERFLY PROPERTY, LP	03/19/20	1,740.00	PARKING LICENSE AGREEMENT
20637	11550	CAL ENGINEERING & GEOLOGY, INC.	03/19/20	4,887.50	GEOTECH PEER REVIEW DEPOSIT - TRACT 8453
20638	1249	CALBO	03/19/20	215.00	CLASS I CALBO DUES - RAY COLLIER
20639	4388	CAPTURE TECHNOLOGIES INC ATTN: ACCOUNTS	03/19/20	4,386.16	UB CAMERA REPAIR
20640	7439	CENTERVILLE LOCKSMITH	03/19/20	3.84	LOCK AND KEY SUPPLIES
20641	33	CENTRAL TOWING & TRANSPORT LLC	03/19/20	100.00	TOWING
20642	214	CENTRAL VETERINARY HOSPITAL	03/19/20	543.75	VET SVCS
20643	11413	CINDY K. HULL & ASSOCIATES FORENSIC CONS	03/19/20	250.00	LATENT PRINTS
20644	7633	CONTRA COSTA COUNTY SHERIFF'S OFFICE LAW	03/19/20	781.00	RECORDS/COMM POST TRAINING
20645	10650	OPTIMIST CLUB OF NEWARK	03/19/20	500.00	FAMILY DAY AT THE PARK DONATION RETURN
20646	10649	TH WILLOW NEWARK INVESTORS LLC	03/19/20	1,362.50	GEOTECH PEER REVIEW DEPOSIT REFUND
20647	10793	CHUN-YU CHUNG	03/19/20	300.00	RENTAL DEPOSIT REFUND
20648	6365	MARK DELAPPE	03/19/20	48.00	EXPENSE REIMBURSEMENT
20649	2135	DEPARTMENT OF INDUSTRIAL RELATIONS DIVIS	03/19/20	1,731.25	POOL SLIDE INSPECTIONS
20650	11342	EAGLE CANYON CAPITAL	03/19/20	252.00	PATROL VEHICLE CLEANING
20651	10642	FASTENAL COMPANY	03/19/20	75.73	SUPPLIES
20652	5259	FOLSOM LAKE FORD	03/19/20	49,871.43	PROJECT 2020-05 VEHICLE PURCHASE - BARN
20653	2802	THE CITY OF HAYWARD ATTN: SGT. LEDEZMA P	03/19/20	388.00	PATROL POST TRAINING
20654	4845	HINDERLITER DELLAMAS & ASSOCIATES	03/19/20	300.00	TRANSACTION TAX
20655	7563	HILLYARD / SAN FRANCISCO	03/19/20	2,077.70	SUPPLIES
20656	11681	KBA DOCUMENT SOLUTIONS, LLC.	03/19/20	2,958.31	COPIER LEASE AGREEMENT
20657	7964	KNORR SYSTEMS, INC. ACCOUNTS RECEIVABLE	03/19/20	4,653.40	POOL CHEMICALS - PULSAR
20658	293	LANGUAGE LINE SERVICES INC	03/19/20	300.09	INTERPRETATION SVC
20659	6124	BRIAN LEWIS	03/19/20	29.61	EXPENSE REIMBURSEMENT
20660	7189	LINCOLN AQUATICS	03/19/20	8.00	POOL CHEMICALS-PULSAR CLEANER, CALCIUM,
20661	11246	LOOMIS ARMORED	03/19/20	387.19	ARMORED CAR SERVICE
20662	11698	KRISTIN TRAN	03/19/20	162.00	RECREATION CONTRACT
20663	349	PACIFIC GAS & ELECTRIC	03/19/20	47,826.50	CITY GAS AND ELECTRICITY
20664	11322	PAPA JOHNS PIZZA	03/19/20	142.00	BIRTHDAY PARTY AND CAFE FOOD
20665	10709	PARS LIGHTING PRODUCTS CO	03/19/20	454.37	LIGHT COVERS
20666	11474	PENINSULA UNIFORMS	03/19/20	533.25	RAINGEAR
20667	11836	PRO-STAR TOWING INC.	03/19/20	750.00	TOWING SERVICES
20668	9811	REDFLEX TRAFFIC SYSTEMS	03/19/20	18,800.00	REDLIGHT CAMERA MONITORING
20669	11573	REYES COCA-COLA BOTTLING LLC.	03/19/20	348.01	CAFE BEVERAGE SERVICE
20670	10420	JOCELYN E. ROLAND	03/19/20	450.00	PSYCHOLOGICAL EVALUATIONS
20671	11675	S&L BREWER ENTERPRISES, INC. DBA LAW DOG	03/19/20	250.00	K9 TRAINING/SUPPLIES
20672	11828	HERITAGE INN OF SACRAMENTO, LLC SACRAMEN	03/19/20	645.08	K9 EQUIPMENT REPLACEMENT APPR#2018-16
20673	11612	ARIEL SAN PEDRO	03/19/20	995.10	EXPENSE REIMBURSEMENT
20674	377	SIMON & COMPANY INC	03/19/20	1,720.00	LEGISLATIVE SERVICES
20675	220	SONITROL	03/19/20	2,136.00	VIDEO CAMERA MONTITORING
20676	40	STAPLES	03/19/20	1,791.16	OFFICE SUPPLIES
20677	135	TURF & INDUSTRIAL EQUIPMENT CO	03/19/20	90.70	FLEET SUPPLIES
20678	11758	U.S. BANK NATIONAL ASSOCIATION TFM ESCRO	03/19/20	160,713.33	RETENTION PAYMENT - ACCT# 260108010

nal Disbursement List. Check Date 03/19/20, Due Date 03/30/20, Discount Date 03/30/20. Computer Checks.
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MICR eck#	Vendor Number	Payee	Check Date	Check Amount	Description
0679	10484	MATTHEW WARREN	03/19/20	51.40	EXPENSE REIMBURSEMENT
0680	339	WASHINGTON HOSPITAL GENERAL ACCOUNTING	03/19/20	350.00	LAB TESTS
0681	11718	WEBCOR CONSTRUCTION, LP	03/19/20	3,053,553.37	DESIGN BUILD SERVICES FOR NEWARK CIVIC C
0682	11417	WHOLESALE DISTRIBUTION ALLIANCE	03/19/20	719.40	RETAIL ITEMS
0683	11693	WEX BANK	03/19/20	1,044.75	CHEVRON GAS CARDS
0684	11466	YORK RISK SERVICES GROUP ATTN: CLIENT TR	03/19/20	81,770.34	WORKERS COMPENSATION CLAIMS
Total				3,494,554.71	

Final Disbursement List. Check Date 03/27/20, Due Date 04/06/20, Discount Date 04/06/20. Computer Checks.
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MICR Check#	Vendor Number	Payee	Check Date	Check Amount	Description
20685	10736	ABACUS PRODUCTS INC	03/27/20		
20686	10	ABC FIRE PROTECTION INC	03/27/20	678.30	PRINTING SVCS
20687	11094	ACME AUTO LEASING, LLC	03/27/20	582.91	AUTOMIBLE EXTINGUISHERS
20688	3853	COUNTY OF ALAMEDA SPECIALIZED ACCOUNTING	03/27/20	1,909.44	ARMORED VEH LEASE
20689	287	TREASURER OF ALAMEDA COUNTY GREGORY J AH	03/27/20	3,005.00	CITATION PROCESSING FEES - FEB'20
20690	14	ALPINE AWARDS	03/27/20	625.50	CRIME LAB FEES
20691	11362	ANNETTE PAREDES	03/27/20	544.27	CPRS TABLE GIVEAWAYS
20692	11433	AUTOWISE	03/27/20	8.52	EXPENSE REIMBURSEMENT
20693	1347	BAY AREA AIR QUALITY MGMT DIST.	03/27/20	304.00	FLEET SERVICES
20694	4603	CENTER FOR SPECIALIZED VETERINARY CARE B	03/27/20	379.00	YEARLY PERMIT FEES
20695	23	FRANK BONETTI PLUMBING INC	03/27/20	150.00	VET SVCS
20696	4388	CAPTURE TECHNOLOGIES INC ATTN: ACCOUNTS	03/27/20	695.00	PLUMBING REPAIRS
20697	214	CENTRAL VETERINARY HOSPITAL	03/27/20	679.54	CAMERA RECORDING SYSTEM REPAIR (PARTS ON
20698	10825	CHEVROLET OF FREMONT	03/27/20	87.25	VET SVCS
20699	5382	COST RECOVERY SYSTEMS INC	03/27/20	362.80	CAR DEALERSHIP-PARTS
20700	10649	JAIN PIYUSH	03/27/20	7,500.00	STATE MANDATE CLAIM PREP SVC
20701	41	DALE HARDWARE 3700 THORNTON AVE.	03/27/20	100.00	MINOR USE PERMIT REFUND
20702	3969	DEPARTMENT OF MOTOR VEHICLES MAIL SUPPOR	03/27/20	651.89	SUPPLIES
20703	11603	DOOLEY ENTERPRISES, INC.	03/27/20	225.86	BOOKS & BULLETINS
20704	11404	ALHAMBRA	03/27/20	33,755.25	AMMUNITION
20705	11015	EAST BAY LAWN MOWER	03/27/20	633.63	WATER SERVICE
20706	310	EQUIFAX INFORMATION SVCS LLC	03/27/20	940.17	FLEET SUPPLIES
20707	11112	FREMONT CHRYSLER DODGE JEEP RAM	03/27/20	52.58	CREDIT BUREAU REPORTS
20708	11198	GODBE CORPORATION GODBE RESEARCH	03/27/20	45.63	PARTS
20709	73	THE ED JONES CO INC	03/27/20	29,350.00	VOTER POLLING
20710	11681	KBA DOCUMENT SOLUTIONS, LLC.	03/27/20	58.70	BADGES & INSIGNIA
20711	11775	LSL CPAS	03/27/20	398.92	COPIER LEASE AGREEMENT
20712	7189	LINCOLN AQUATICS	03/27/20	2,830.00	AUDITING SERVICES
20713	11684	MALLORY SAFETY & SUPPLY LLC	03/27/20	238.05	POOL CHEMICALS-PULSAR CLEANER, CALCIUM,
20714	10298	MANAGED HEALTH NETWORK BANK OF AMERICA	03/27/20	826.53	SAFETY VESTS AND SUPPLIES
20715	11736	MANAGEMENT PARTNERS INC.	03/27/20	386.88	EMPLOYEE ASSISTANCE PROGRAM
20716	9029	MEYERS NAVE RIBACK SILVER & WILSON	03/27/20	4,356.00	CONSULTING SERVICES
20717	11357	MISSION UNIFORM SERVICE	03/27/20	38,098.26	LEGAL CONSULTING SRVCS PURSUANT TO C1902
20718	10865	NEW IMAGE LANDSCAPE	03/27/20	2,414.70	UNIFORMS
20719	78	PERFORMANCE PEST MANAGEMENT LPC SERVICES	03/27/20	14,279.89	PROJECT 1186C PARK AND LANDSCAPE SERVICE
20720	11640	PLAN JPA C/O YORK	03/27/20	574.00	PEST CONTROL
20721	3674	PRIORITY 1 PUBLIC SAFETY EQUIPMENT INSTA	03/27/20	1,380.50	DEDUCTIBLE COSTS
20722	11840	QUADIENT LEASING USA, INC.	03/27/20	3,479.28	PROJECT 2020-03 OUTFITTING LIGHTBARS
20723	11074	RUTAN & TUCKER LLP 611 ANTON BLVD. SUITE	03/27/20	415.11	MAILING MACHINE LEASE AGREEMENT
20724	11675	S&L BREWER ENTERPRISES, INC. DBA LAW DOG	03/27/20	24,345.94	LEGAL CONSULTING SRVCS PURSUANT TO C1902
20725	112	WILLE ELECTRICAL SUPPLY CO INC	03/27/20	10,000.00	K9 EQUIPMENT REPLACEMENT #2018-16
20726	220	SONITROL	03/27/20	1,927.14	LIGHTS
20727	11713	SURF TO SNOW ENVIRONMENTAL RESOURCE MANA	03/27/20	1,059.00	BUILDING CONTRACTUAL SERVICES
20728	11642	TIAA COMMERCIAL FINANCE, INC.	03/27/20	180.00	STORMWATER INSPECTION SERVICES
20729	11776	TYLER TECHNOLOGIES, INC.	03/27/20	432.92	COPIER LEASE AGREEMENT
20730	9541	UNITED SITE SERVICES	03/27/20	7,000.00	ERP IMPLEMENTATION
20731	853	VALLEY OIL COMPANY LOCKBOX# 138719	03/27/20	251.45	PORTA POTTY RENTAL
20732	11487	VANIR CONSTRUCTION MANAGEMENT, INC.	03/27/20	2,976.67	FUEL
				40,622.00	CONSTRUCTION MANAGEMENT SERVICES FOR THE
		Total		241,798.48	