



**AGENDA
CITY OF UNION CITY**

**Tuesday, March 8, 2016
7:00 PM**

**COUNCIL CHAMBERS
34009 ALVARADO NILES ROAD**

I. CALL TO ORDER

- I.a. Pledge of Allegiance
- I.b. Roll Call

*Mayor Carol Dutra-Vernaci
Vice Mayor Emily Duncan
Councilmember Lorrin Ellis
Councilmember Pat Gacoscos
Councilmember Jim Navarro*

II. UNFINISHED BUSINESS - None

III. PROCLAMATIONS AND PRESENTATIONS

- III.a. Proclamation Recognizing March as American Red Cross Month
- III.b. Proclamation Recognizing March as National Social Work Month

IV. ORAL COMMUNICATIONS

Comments from the audience on non-agenda items will be accepted for a period of 30 minutes. Speakers are limited to three minutes each. Persons wishing to speak must complete a speaker card available at the rear of the Council Chamber or from the City Clerk. If the number of speakers exceeds the time allotment, cards will be shuffled and 10 speakers chosen at random. The remaining speakers may speak under Section XI of the agenda.

V. CONSENT CALENDAR

All matters listed on the Consent Calendar are considered routine in nature and will be enacted by one motion. If discussion is required on a specific item, it will be removed from the Consent Calendar and

considered separately.

- V.a. Waived Further Reading of Proposed Ordinance
(This permits reading the title only in lieu of reciting the entire text of any proposed Ordinance.)
- V.b. Approve the Minutes of the Special Joint City Council and Planning Commission Meeting Held on February 3, 2016
- V.c. Approve the Minutes of the Special and Regular City Council Meetings Held on February 23, 2016
- V.d. Adopt a Resolution Appropriating FY 2015/16 Grant Funds from the National Parkinson's Foundation in the Total Amount of \$13,800 to the Community & Recreation Services Department
- V.e. Adopt a Resolution Approving a Supplemental Appropriation in the Amount of One Hundred and Twenty Thousand Dollars (\$120,000) From Solid Waste Management Fund (2030) to Solid Waste and Recycling Professional/Consulting Account (2030-1201-20021-54110) for Unbudgeted Consulting Services
- V.f. Adopt a Resolution Authorizing a Sole Source Agreement in the Amount of \$75,585 With HF&H Consultants, LLC to Perform the Required Review of the Rate Adjustment Application for the Rate Year Ending June 30, 2017 From Republic Services
- V.g. Adopt a Resolution Authorizing the Execution of the Certifications and Assurances and Authorized Agent Forms for the Low Carbon Transit Operations Program (LCTOP) For the Union City Transit Program
- V.h. Adopt a Resolution Authorizing the Execution of an Application with the State of California to Use the Low Carbon Transit Operations Program (LCTOP) for a Proposed Project at the Union Landing Transit Center
- V.i. Adopt a Resolution Authorizing Mayor Dutra-Vernaci to Attend the Liyang Tea Festival as the City's Delegate; Authorizing Reimbursement of Incidental Expenses
- V.j. Adopt a Resolution Accepting the Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2015
- V.k. Adopt a Resolution Declaring the Intention to Authorize the Annexation of Territory to Community Facilities District No. 2006-1 (Public Services) and Adopt a Resolution Adopting Boundary Map showing Territory Proposed to be Annexed in the Future to Community Facilities District No. 2006-1 (Public Services)

VI. PUBLIC HEARINGS - None

VII. CITY MANAGER REPORTS

- VII.a. Proposed New Title: Fiscal Year 2015-16 2nd Quarter (QTR) Report on Budget to Actual Results for the Period of July 1 through December 31, 2015; Adopt a Resolution Amending and Appropriating FY 14-15 Carryover of \$2,498,909 to the Adopted FY 15-16 General Fund Operating Budget; Adopt a Resolution Amending and Appropriating FY 15-16 Adopted Operating and Capital Budget Revenue and Expenditure Categories for Various Funds Per Attachment 1-B Mid-Year Budget Adjustments and Approving Mid-Year Changes to the General Fund Assigned and Unassigned Fund Balance Categories to Comply with Council Approved Reserve Policies
- VII.b. Update on General Plan Land Use Alternatives Report and Public Outreach

VIII. SUCCESSOR AGENCY TO REDEVELOPMENT AGENCY - None

IX. AUTHORITIES AND AGENCIES - None

X. CITY COMMISSION / COMMITTEE REPORTS - None

XI. SECOND ORAL COMMUNICATIONS

XII. SCHEDULED ORAL COMMUNICATION - None

XIII. ITEMS REFERRED BY COUNCIL

Oral Reports by Mayor and Councilmembers on meetings of County or Regional Board and Commissions

*Alameda County Fire Department Advisory Commission
Alameda County Library Advisory Commission
Alameda County Mayors Conference
Alameda County Transportation Commission (ACTC)
Alameda County Waste Management Authority (WMA)
Association of Bay Area Governments (ABAG)
City of Union City Audit Subcommittee
City of Union City Youth Violence Prevention & Intervention
Advisory Committee
Disaster Council
Dumbarton Rail Corridor Policy Advisory Committee
East Bay Economic Development Alliance (EDA)
East Bay Regional Communications System Authority
(EBRCSA)
Economic Development Advisory Team (EDAT)
Housing Authority of Alameda County
League of California Cities, East Bay Division (LOCC)
New Haven Unified School District Joint Sub-Committee
Oakland Airport Community Noise Management Forum
Oversight Board to the Successor Agency to the Union City*

XIV. GOOD OF THE ORDER

XV. CLOSED SESSION - None

XVI. ADJOURNMENT

A complete agenda packet is available for review at City Hall or on our website www.unioncity.org


Any writings or documents provided to a majority of City Council members regarding any item on this agenda will be made available for public inspection at the City Clerk's Counter at City Hall, located at 34009 Alvarado-Niles Road, Union City, California, during normal business hours.

Assistance will be provided to those requiring accommodations for disabilities in compliance with the Americans with Disabilities Act of 1990. Interested person must request the accommodation at least two working days in advance of the meeting by contacting the City Clerk at (510) 675-5348.



Agenda Item

ATTACHMENTS:

Description	Type
 American Red Cross Proclamation	Attachment

CITY OF UNION CITY

PROCLAMATION



March is American Red Cross Month

WHEREAS, American Red Cross Month is a special time to recognize and thank our Everyday Heroes – those who reach out to help people in need; and

WHEREAS, the American Red Cross heroes help disaster victims recover. They give blood to help a hospital patient. They brighten the day of an injured service member. They step forward to help someone having a heart attack; and

WHEREAS, in Union City, the American Red Cross Bay Area Chapter serves more than 4.5 million people in Alameda, Contra Costa, Marin, San Francisco, San Mateo and Solano counties;

WHEREAS, across the country and around the world, the American Red Cross responded to disasters. The American Red Cross provides disaster relief, supports American military families, helps provide more than 40% of America's blood supply, is the nation's leading provider of health and safety courses, such as CPR, First Aid and Lifeguard training and every year assists more than 100 million people across the globe.

WHEREAS, we dedicate the month of March to all those who support the American Red Cross mission to prevent and alleviate human suffering in the face of emergencies. Our community depends on the American Red Cross, which relies on donations of time, money and blood to fulfill its humanitarian mission.

*NOW, THEREFORE, the City Council of the City of Union City, hereby proclaims the month of March 2016, as **American Red Cross Month** in the City of Union City, and encourages all residents to be cognizant of the compassion, courage, character, and civic duty inherent in the Red Cross mission to prevent and relieve human suffering.*

Dated this 8th day of March 2016

CAROL DUTRA-VERNACI, Mayor

EMILY DUNCAN, Vice Mayor

LORRIN ELLIS, Councilmember

PAT GACOSCOS, Councilmember

JIM NAVARRO, Councilmember



Agenda Item

ATTACHMENTS:

Description	Type
 Minutes of the Special Joint City Council and Planning Commission Meeting Held on February 3, 2016	Attachment

**REVISED CITY OF UNION CITY
MINUTES FOR THE SPECIAL JOINT SESSION OF THE
CITY COUNCIL AND PLANNING COMMISSION
THURSDAY, FEBRUARY 4, 2016, 6:00 P.M.
IN THE COUNCIL CHAMBERS OF CITY HALL
34009 ALVARADO-NILES ROAD,
UNION CITY, CALIFORNIA**

I. ROLL CALL:

CITY COUNCIL:

Mayor Carol Dutra-Vernaci
Vice-Mayor Emily Duncan
Councilmember Jim Navarro
Councilmember Lorrin Ellis
Councilmember Pat Gacoscos

PLANNING COMMISSION:

Chairperson Ray Gonzales Jr.
Vice-Chair Harpal Mann
Commissioner Lee Guio
Commissioner Jo Ann Lew
Commissioner Dave Sweilem

II. ORAL COMMUNICATIONS:

Paul Ferrario, 34011 10th Street, Union City, CA stated that he wanted to say a few points about the General Plan update. Mr. Ferrario urged the Council and Commissioners to protect Decoto residents from eminent domain and he says this because of last weeks General Plan workshop in Decoto where the consultants stressed ABAG's power over Union City almost as if the city's hands are tied for what might come down in the future. Mr. Ferrario gave the example of a vacant lot in Decoto and the City's obligation to inform ABAG about that open lot and how many housing units to be built upon it. Mr. Ferrario stated that our City's General Plan website states that our city must do its fair share to solve the regions housing problem. Mr. Ferrario stated that the website give developers a very warm invitation to join the process and our concern is that parts of Decoto shouldn't be sacrificed for something like we see at the Fruitvale BART station, huge concrete parking multi-level structure and a huge multi-level high density housing. Mr. Ferrario stated that over the generations the Decoto community residents have done their fair share for the community. Mr. Ferrario asked the council and commission to please in your power through this process please protect our Decoto residents from eminent domain.

III. CITY COUNCIL MATTERS:

- A.** Consider authorizing LEO Express to utilize the Union City City Seal in support of its efforts to establish a door-to-door rail service in the Bay Area pursuant to Chapter 1.08 of the Union City Municipal Code.

Mayor Carol Dutra-Vernaci gave background on this request to use the Union City City Seal by a private company that would like to construct and build the Dumbarton Rail connection.

Mayor Dutra-Vernaci made a motion to approve the company LEO Express to use the Union City City Seal.

Councilmember Navarro seconded

AYES	5
NOES	0
ABSTAIN	0
ABSENT	0

Barry Ferrier, 32212 Allison Way, Union City, CA stated that he has also seen a presentation about this company and he is in favor of it.

IV. JOINT CITY COUNCIL/PLANNING COMMISSION REPORT: REVIEW OF PAST ACTIVITIES IN ECONOMIC AND COMMUNITY DEVELOPMENT DEPARTMENT AND UPCOMING PROJECTS

- A. Overview of Past Years Activities
- B. 2016 Projects – New and Ongoing
- C. Committees and Boards
- D. City Council Comments and Policy Direction for Planning Commission (Discussion)

Joan Malloy, Economic and Community Development Director, gave an overview of the past years activities.

Barry Ferrier, 32212 Allison Way, Union City, CA, stated that the report that he got from the website is outstanding and one of the best summaries he has ever seen. Mr. Ferrier suggested posting this report to a more prominent position on the website because it would be of interest to many people.

V. GOOD OF THE ORDER: None.

VI. ADJOURNMENT: 7:15 p.m.

APPROVED:

RAY GONZALES, JR., CHAIRPERSON

ATTEST:



JOAN MALLOY, SECRETARY



Agenda Item

ATTACHMENTS:

Description	Type
▣ Draft Minutes of the Special City Council Meeting Held on February 23, 2016	Attachment
▣ Draft Minutes of the Regular City Council Meeting of February 23, 2016	Attachment

**MINUTES
CITY OF UNION CITY**

SPECIAL MEETING AND WORK SESSION

**Tuesday, February 23, 2016
6:00 PM**

**City Council Conference Room
34009 Alvarado Niles Road
Union City CA**

I. CALL TO ORDER

Mayor Dutra-Vernaci called the meeting to order at 6:02 p.m.

I.a. Pledge of Allegiance

Mayor Dutra-Vernaci led the salute to the flag.

I.b. Roll Call

Present: Councilmembers Ellis*, Gacoscas, Navarro, Vice Mayor Duncan, Mayor Dutra-Vernaci

Absent: None

*Councilmember Ellis arrived at 6:34 p.m.

II. ORAL COMMUNICATIONS - None

III. WORK SESSION

III.a. Study Session on the History of the Decoto Industrial Park Study Area (DIPSA) including the Station District

Deputy City Manager Evanoff and Economic and Community Development Director Malloy gave a power presentation providing a detailed history of the DIPSA and Station District.

Topics covered in the presentation included Pacific State Steele Corporation history and issues, voter approved Route 84 and securing the East-West Connector right-of-ways, multi-agency coordination, and current state of development/developmental prospects.

Deputy City Manager Evanoff and Director Malloy responded to questions from Council. Councilmembers provided comment.

The presentation was informational only and did not require the action of Council.

IV. ADJOURNMENT

Mayor Dutra-Vernaci adjourned the meeting at 7:04 p.m.

Respectfully Submitted,

Anna M. Brown

**MINUTES
CITY OF UNION CITY**

**Tuesday, February 23, 2016
7:00 PM**

**COUNCIL CHAMBERS
34009 ALVARADO NILES ROAD**

I. CALL TO ORDER

1.a. Pledge of Allegiance

Mayor Dutra-Vernaci convened the meeting at 7:14 p.m.

Mayor Dutra-Vernaci led the salute to the flag.

1.b. Roll Call

Present: Councilmembers Ellis, Gacoscas, Navarro, Vice Mayor Duncan,
Mayor Dutra-Vernaci

Absent: None

II. UNFINISHED BUSINESS - None

III. PROCLAMATIONS AND PRESENTATIONS

III.a. Proclamation Honoring Volunteer Rosemarie Arenas for
Her Outstanding Contributions to the Ruggieri Senior
Center

Mayor Dutra-Vernaci read the proclamation aloud and
presented it to Ms. Arenas.

Ms. Arenas thanked Council, her family members, and
Senior Center staff and members for the recognition and
show of appreciation.

III.b. Proclamation in Honor of the Lunar New Year

Mayor Dutra-Vernaci read the proclamation aloud and presented it to Mr.
Truong Cong Tranh of the Hai Nuahn Association of Northern California.

Mr. Trahn thanked the Council for recognizing this important holiday.

III.c. Proclamation Declaring the Month of April as World
Autism Awareness Month

Mayor Dutra-Vernaci read the proclamation aloud and urged citizens to
participate in the Autism Speaks "Light It Up Blue" campaign in an effort to
bring greater acceptance and awareness of autism spectrum disorder.

III.d. Informational Report on Branding and Website Recommendations for Union
City and Request City Council Authorization to Proceed

Web Manager Chase Campbell presented the staff report. Objectives and the

importance of an updated website were discussed. A timeline was provided for the phases of the project.

Manager Campbell responded to questions from Council. Council provided comment.

It was moved by Councilmember Navarro, seconded by Councilmember Gacoscas, to direct staff to proceed as requested. The motion was carried by a unanimous voice vote.

IV. ORAL COMMUNICATIONS

Carolina Herrera, District Director for State Assemblymember Bill Quirk's office introduced Field Representative Monaiza Humayun.

Director Herrera invited all to attend the Annual Woman of the Year Celebration on March 5, where Councilmember Gacoscas will be honored as 2016's Woman of the Year. The event will be held at the Chabot College Event Center.

V. CONSENT CALENDAR

It was moved by Vice Mayor Duncan, seconded by Councilmember Ellis to adopt the consent calendar. The motion was approved by a unanimous voice vote.

V.a. Waived Further Reading of Proposed Ordinance

(This permits reading the title only in lieu of reciting the entire text of any proposed Ordinance.)

V.b. Approved the Minutes of the Special Joint Session of the City Council and Park and Recreation Commission Held on January 12, 2016

V.c. Approved the Minutes of the Regular City Council Meeting Held on February 9, 2016

V.d. Adopted **Resolution 4863-16** for the Award of Contract to Purchase One 2016 Ford Transit Van for the Public Works Department, City Project No. 16-17

V.e. Adopted **Resolution 4864-16** Authorizing Acceptance and Appropriation of Funds Received from Environmental Enforcement Settlements to Promote Environmental Protection in Union City

V.f. Adopted **Resolution 4865-16** Amending the Conflict of Interest Code of Non-Elected Officials and Designated Employees of the City of Union City

V.g. Adopted **Resolution 4866-16** for the Award of Contract for the Staff and Overflow Parking Lot for Mark Green Sports Center, City Project No. 15-13

V.h. Adopted **Resolution 4867-16** to Decrease the FY 15-16 and FY 16-17 Adopted Budget for the Affordable Housing 2010 Bond Fund by \$100,000 each year and Increase the FY 15-16 and FY 16-17 Adopted Budget for the Affordable Housing Low/Mod Income Fund by \$100,000 each year

VI. PUBLIC HEARINGS

- V1.a. Public Hearing (Published Notice) to Adopt a Resolution Approving Site Development Review, SD-15-005, and Use Permit, UP-15-009, for Graybar Electric Company, Inc. to Establish an Accessory Outdoor Storage Area Within the Rear Yard of an Industrial Warehouse and Distribution Building Located at 3089 Whipple Road

Associate Planner Timothy Maier presented the staff report and responded to questions from Council.

Mayor Dutra-Vernaci opened the public hearing and called for public comment. Being none, Mayor Dutra-Vernaci closed the public hearing.

It was moved by Councilmember Gacoscos, seconded by Vice Mayor Duncan, to adopt **Resolution 4868-16** Approving Site Development Review, SD-15-005, and Use Permit, UP-15-009, for Graybar Electric Company, Inc. to Establish an Accessory Outdoor Storage Area within the Rear Yard of an Industrial Warehouse and Distribution Building Located at 3089 Whipple Road. The motion was carried by a unanimous voice vote.

VII. CITY MANAGER REPORTS

- VII.a. Resolution of the City Council of the City of Union City Amending Resolution No. 2537-03 Regulating State-Approved Fireworks

Deputy City Manager Evanoff presented the staff report. Changes contained within the amendment and their intended goals were reviewed.

Deputy City Manager Evanoff responded to questions from Council. Councilmembers provided comment.

Mayor Dutra-Vernaci suggested the explanatory language be added to the resolution regarding grandfathering of current permit holders and the opportunities for other agencies to apply for permits in the future.

Bill Fournell comment on items he found unfavorable and favorable in the proposed resolution. Mr. Fournell questioned why additional Police and Fire Department expenses related to the sale of fireworks are not included in the annual budget.

Mayor Dutra-Vernaci responded to Mr. Fournell question by noting that the intent was not to budget with existing funds, but to have those selling fireworks, and thus creating the need for the additional staffing, incur the expense as the cost of doing business.

It was moved by Vice Mayor Duncan, seconded by Councilmember Navarro to adopt **Resolution No. 4869-16**, amending Resolution No. 2537-03 Regulating State-Approved Fireworks. The motion was approved by a unanimous voice vote.

VIII. SUCCESSOR AGENCY TO REDEVELOPMENT AGENCY - None

IX. AUTHORITIES AND AGENCIES - None

X. CITY COMMISSION | COMMITTEE REPORTS - None

XI. SECOND ORAL COMMUNICATIONS

Barry Ferrier expressed concern over the increasing delay of response times for medical calls as discussed at the most recent Fire Advisory Commission meeting and noted the contract for the current ambulance company was up for negotiation.

City Manager Acosta stated he had recently been briefed about the matter and with Council direction, he will request a formal report on response times from Chief Rocha. To preview what may be said, delayed response times in Union City are due to (1) poor geographic distribution of fire station, (2) street layouts and (3) traffic.

Council gave direction to proceed with a request for a formal report.

XII. SCHEDULED ORAL COMMUNICATION - None

XIII. ITEMS REFERRED BY COUNCIL

Oral Reports by Mayor and Councilmembers on meetings of County or Regional Board and Commissions

Alameda County Fire Department Advisory Commission – Councilmember Navarro stated he attended the Commission meeting on February 18. Items discussed included response times, high medical calls, and a report was provided to compare different cities. Comparatively, Union City has a high number of medical calls for reasons that could not be pinpointed.

Alameda County Library Advisory Commission – Nothing reported.

Alameda County Mayors Conference – Council reported on their attendance of the Mayor's Conference on February 10, which was held in Union City. Of note was that the gifts presented to attendees contained food items produced in Union City and the presentation on Urban Shield given by Alameda County Sheriff Gregory Ahern.

Alameda County Transportation Commission (ACTC) – Nothing reported.

Alameda County Waste Management Authority (WMA) – Councilmember Ellis reported his attendance of the WMA subcommittee meeting held on February 11 and the regular meeting held on February 17. Topics of discussion included a budget review and one-time payments towards Other Post-Employment Benefits (OPEB), currently 90% funded.

Association of Bay Area Governments (ABAG) – Nothing reported.

City of Union City Audit Subcommittee – Vice Mayor Duncan and Mayor Dutra-Vernaci reported on their attendance of the subcommittee meeting held on February 14. Report from the auditors was positive and a full report before the Council was forthcoming.

City of Union City Youth Violence Prevention & Intervention Advisory Committee – Nothing reported.

Disaster Council – Nothing reported.

Dumbarton Rail Corridor Policy Advisory Committee – Nothing reported.

East Bay Economic Development Alliance (EDA) – Nothing reported.

East Bay Regional Communications System Authority (EBRCSA) – Nothing reported.

Economic Development Advisory Team (EDAT) – Nothing reported.

Housing Authority County of Alameda (HACA) – Councilmember Gacoscos reported on her attendance of the HACA meeting held on February 10. Councilmember Gacoscos stated The Department of Housing and Urban Development (HUD) announced that it will increase the worth of housing subsidies for low-income residents of Alameda County by 33 percent. 700 landlords will participate in the voucher program because of this increase.

League of California Cities, East Bay Division (LOCC) – Nothing reported.

Municipal Code Update Subcommittee – Vice Mayor Duncan and Councilmember Gacoscos reported their attendance of the subcommittee meeting held on February 11. The first three chapters had received edits and will be presented to Council in the near future.

New Haven Unified School District Joint Sub-Committee – Nothing reported.

Oakland Airport Community Noise Management Forum – Nothing reported.

Oversight Board to the Successor Agency to the Union City Redevelopment Agency – Nothing reported.

Teen Center Project Updates – Nothing reported.

Union City Chamber of Commerce – Councilmember Gacoscos reported on her attendance of the first Chamber meeting chaired by the new Board Co-Chairs Marty Ankenbauer and Kelly Klug.

XIV. GOOD OF THE ORDER

Vice Mayor Duncan stated she attended the East West Connector Community meeting hosted by Supervisor Valle on February 11. She suggested Union City host a meeting of our own, as there was no opportunity to discuss the positive aspects of the project.

Mayor Dutra-Vernaci stated she was agreeable to the idea if there was an interest by Union City residents.

Public Works Director Cheng provided an update on the status of the East-West Connector project.

Councilmember Navarro announced that *(Ret)* Major General Antonio Taguba will speak in Union City on April 16 on the issue of family caregiving.

Councilmember Gacoscos stated she attended the Mayor's Conference on February 10, the Muni Code Update Subcommittee meeting February 11, the East-West Connector meeting on February 11, and the Decoto General Plan Update meeting on February 17.

Mayor Dutra-Vernaci stated she also attended the Decoto General Plan Update meetings and was happy with the turnout. Mayor Dutra-Vernaci stated the next community meeting would be held on March 29.

XV. CLOSED SESSION - None

XVI. ADJOURNMENT

Mayor Dutra-Vernaci adjourned the meeting at 9:08pm

Respectfully submitted,

Anna M. Brown
City Clerk



Agenda Item

DATE: 3/8/2016

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: CORINA HAHN, COMMUNITY & RECREATION SERVICES MANAGER

SUBJECT: APPROPRIATE FY 2015/16 GRANT FUNDS FROM THE NATIONAL PARKINSON'S FOUNDATION IN THE TOTAL AMOUNT OF \$13,800 TO THE COMMUNITY & RECREATION SERVICES DEPARTMENT

The Community & Recreation Services staff recommends acceptance and appropriation of grant funding from the National Parkinson's Foundation in the amount of \$13,800.

BACKGROUND

The National Parkinson's Foundation is providing annual grants to provide services to people with Parkinson's and increase education and awareness about Parkinson's. A resident with Parkinson's brought to the department's attention that there are little or no Parkinson's support services or exercise classes in Southern Alameda County. It is estimated there are over 1,400 people with Parkinson's in the Tri City area. The National Parkinson's Foundation and local Parkinson's community were enthusiastic of Union City providing a model to other municipal recreation departments in the area.

DISCUSSION

The Community & Recreation Services Department will use the grant funds to train and certify current group exercise instructors and offer specialty exercise classes that are highly beneficial to the Parkinson's community as well as the general public. The department is also committed to provide four outreach classes to neighboring recreation departments and senior centers to increase awareness and community education.

FISCAL IMPACT

Acceptance and appropriation of \$13,800 in grant funding to the Community & Recreation Services department will be used to comply with grant requirements.

RECOMMENDATION

It is recommended that the City Council accept and appropriate FY 2015/16 grant funds from the National Parkinson's Foundation in the amount of \$13,800 to program account 1110-5199-51027.

Prepared by:

Corina Hahn, Community & Recreation Services Manager

Submitted by:

Jill Stavosky, Community & Recreation Services Director

ATTACHMENTS:

Description		Type
<input type="checkbox"/>	Resolution	Resolution
<input type="checkbox"/>	Appropriation Form	Attachment

RESOLUTION NO.

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UNION CITY
ACCEPTING AND APPROPRIATING FY 2015/16 GRANT FUNDS FROM THE NATIONAL PARKINSON'S
FOUNDATION IN THE TOTAL AMOUNT OF \$13,800 TO THE COMMUNITY & RECREATION SERVICES
DEPARTMENT**

WHEREAS, the National Parkinson's Foundation provides annual grants to provide increased services and awareness of Parkinson's to communities; and

WHEREAS, the National Parkinson's Foundation has awarded Union City Community & Recreation Services Department with \$13,800 to train instructors and provide specialized group exercise classes for residents with Parkinson's as well as the general public; and

WHEREAS, acceptance of said grant funds in the amount of \$13,800 and appropriation of same to the Community & Recreation Services Department FY 2015-16 budget (1110-5199-51027) is necessary.

NOW, THEREFORE, BE IT RESOVLED that the City Council of the City of Union City hereby accepts and appropriates FY 2015/16 grant funds from the National Parkinson's Foundation in the total amount of \$13,800 to Community & Recreation Services Department (1110-5199-51027).

Inter-account Transfer	[]
Additional Appropriation	[]

INCREASE BUDGET OF THIS ACCOUNT		DECREASE BUDGET OF THIS ACCOUNT	
Account Number	Amount	Account Number	Amount

Department Head Signature: _____ Date: _____

Availability of funds approved by Administrative Services Director: _____

City Manager approval: _____



Agenda Item

DATE: 3/8/2016

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: ROBERTO MUNOZ, RECYCLING AND SOLID WASTE MANAGER

SUBJECT: A RESOLUTION APPROVING A SUPPLEMENTAL APPROPRIATION IN THE AMOUNT OF ONE HUNDRED AND TWENTY THOUSAND DOLLARS (\$120,000) FROM SOLID WASTE MANAGEMENT FUND (2030) TO SOLID WASTE AND RECYCLING PROFESSIONAL/CONSULTING ACCOUNT (2030-1201-20021-54110) FOR UNBUDGETED CONSULTING SERVICES

A resolution has been prepared authorizing a supplemental appropriation in the amount of One Hundred and Twenty Thousand Dollars (\$120,000) from the Solid Waste Management Fund (2030) to the Solid Waste and Recycling Professional/Consulting Services Account (2030-1201-20021-54110), for unbudgeted consulting services. Staff recommends approval of the proposed resolution.

BACKGROUND

The City is party to agreements with: (1) Allied Waste Services (dba Republic Services) for Solid Waste, Recyclable Materials and Organics Materials Collection Services; (2) Tri-City Economic Development Corporation (Tri-CED) for Recyclable Materials Collection and Processing Services and (3) BLT Enterprises of Fremont, L.L.C. for Transfer Services.

Due to the importance and complexity of the services involved, changes in solid waste management practices and related technologies, the high level of industry regulation, and the significant financial commitments involved, the City requires assistance from consultants with significant experience and expertise in waste collection, diversion and disposal issues.

DISCUSSION

The adopted City budget for FY 2015-16 appropriated funds for consulting services during contract negotiations with the City's solid waste and recycling service providers, and for review of the rate applications submitted annually by the contractors.

While talks with Tri-CED successfully concluded in October 2015 with a long term extension (through 2025) of the recycling franchise agreement, negotiations with Republic Services on an amended and restated solid waste franchise agreement continue, but are expected to conclude soon. Concurrently, the City and BLT Enterprises

commenced negotiations to settle two contractor claims: (1) BLT's Notice of Extraordinary Review and (2) the City's delivery obligations per the Transfer Services Agreement. And per the franchise agreement, Republic Services recently submitted its rate application for Rate Year 2016-17.

Consultant support during contract negotiations and as part of the annual rate review process is essential to protecting and meeting the City's needs. Due to extended contract discussions with the City's solid waste contractor, new negotiations with the transfer station operator and the required performance of a detailed review of Republic Services rate application, additional funding is for professional/consulting services is requested.

FISCAL IMPACT

The funds requested for additional consulting services are available in the fund balance of the Solid Waste Management Fund (2030), which contains the accumulated annual levies from the secured property tax rolls that are assessed to all residential parcels in Union City. This fund has been used for consultant and legal expenses required to procure and manage the Franchise Agreements that are used to provide waste/recyclable materials collection, processing and disposal. The proposed supplemental appropriation will reduce the Solid Waste Management Fund (2030) by One hundred and twenty thousand dollars (\$120,000), leaving a current balance in the fund estimated at One million five hundred and fifty-one thousand seven hundred and thirty-four dollars (\$1,551,734).

RECOMMENDATION

Staff recommends that the City Council adopt a Resolution approving a supplemental appropriation in the amount of One Hundred and Twenty Thousand Dollars (\$120,000) from the Solid Waste Management Fund (2030) to the Solid Waste and Recycling Professional/Consulting Services Account (2030-1201-20021-54110) for unbudgeted consulting services.

Prepared by:

Roberto Munoz, Recycling and Solid Waste Manager

Submitted by:

Antonio E. Acosta, City Manager

ATTACHMENTS:

Description	Type
<input type="checkbox"/> Resolution Supplemental Appropriation	Resolution
<input type="checkbox"/> Budget Transfer Form	Resolution

RESOLUTION NO. _____

**A RESOLUTION APPROVING A SUPPLEMENTAL APPROPRIATION IN THE
AMOUNT OF ONE HUNDRED AND TWENTY THOUSAND DOLLARS (\$120,000)
FROM SOLID WASTE MANAGEMENT FUND (2030) TO SOLID WASTE AND
RECYCLING PROFESSIONAL/CONSULTING ACCOUNT (2030-1201-20021-54110)
FOR UNBUDGETED CONSULTING SERVICES**

WHEREAS, the City is party to agreements with: Allied Waste Services (dba Republic Services) for Solid Waste, Recyclable Materials and Organics Materials Collection Services; Tri-City Economic Development Corporation (Tri-CED) for Recyclable Materials Collection and Processing Services and BLT Enterprises of Fremont, L.L.C. for Transfer Services; and

WHEREAS, the solid waste, recycling and transfer services agreements are long term contracts, complex and detailed in nature with significant financial commitments involved; and

WHEREAS, the City requires assistance from consultants with significant experience and expertise in waste collection, diversion and disposal issues; and

WHEREAS, completion of negotiations to extend the solid waste franchise agreement and settlement talks with the transfer station contractor necessitate additional funding for consultant support.

NOW, THEREFORE BE IT RESOLVED that the City Council of the City of Union City does hereby approve a supplemental appropriation in the amount of One Hundred and Twenty Thousand Dollars (\$120,000) from the Solid Waste Management Fund (2030) to the Solid Waste and Recycling Professional/Consulting Account (2030-1201-20021-54110) for unbudgeted consulting services.

.

Route to Finance Department

JE # _____

Posted _____

REQUEST FOR BUDGET TRANSFER OR SUPPLEMENTAL APPROPRIATION

Nature of adjustment: Supplemental appropriation to cover consulting services of HF&H Consultants, LLC.

Inter-account Transfer ☐Additional Appropriation ☒

Approved by Council Action/Resolution # _____

INCREASE BUDGET OF THIS ACCOUNT		DECREASE BUDGET OF THIS ACCOUNT	
Account Number	Amount	Account Number	Amount
2030-1201-20021-54110	\$120,000		

Reason for request:

Increase budget for solid waste and recycling professional/consulting services to pay invoices from HF&H Consultants, LLC for rate reviews and contract negotiations with Republic Services and BLT transfer station. Supplemental Appropriation to come from Solid Waste Management Fund 2030.

Department Head Signature: _____

Date: _____

Availability of funds approved by Administrative Services Director: _____

City Manager approval: _____



Agenda Item

DATE: 3/8/2016

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: ROBERTO MUNOZ, RECYCLING AND SOLID WASTE MANAGER

SUBJECT: RESOLUTION OF THE CITY COUNCIL AUTHORIZING A SOLE SOURCE AGREEMENT IN THE AMOUNT OF SEVENTY-FIVE THOUSAND FIVE HUNDRED AND EIGHTY-FIVE DOLLARS (\$75,585) WITH HF&H CONSULTANTS, LLC TO PERFORM THE REQUIRED REVIEW OF THE RATE ADJUSTMENT APPLICATION FOR THE RATE YEAR ENDING JUNE 30, 2017 FROM REPUBLIC SERVICES

A resolution has been prepared authorizing a sole source agreement in the amount of \$78,585 with HF&H Consultants, LLC (HF&H) to perform the required review of the rate adjustment application for the rate year ending June 30, 2017 from Republic Services of Alameda County (Republic Services) Staff recommends approval of the proposed resolution.

BACKGROUND

On January 6, 2005 the City entered into a franchise agreement with BFI Waste Systems (subsequently, Allied Waste and now Republic Services) for solid waste, recyclable materials and organic materials collection services. The initial term of the agreement was 10 years, but it was extended to June 2016 to allow the City and contractor to negotiate a long term contract extension.

Per the extended franchise agreement, a formal rate review process is required annually to determine the new service rates to be charged for the collection and processing of municipal solid waste, organic waste, and recyclable materials. Republic Services recently submitted to the City its rate application for Rate Year 2016-17.

DISCUSSION

HF&H Consultants, LLC (HF&H) proposes to perform the detailed review of the rate adjustment application from Republic Services for the rate year ending June 2017 at a cost of \$75,585.

HF&H has a lengthy track record of superior performance for the City of Union City in all phases of solid waste and recycling services. Since 2005, the consulting firm has carefully reviewed and recommended adjustments to the rate applications submitted by the City's solid waste and recycling contractors, and provided detailed analysis and guidance to the City during the annual setting of rates for collection services.

As a result of this unique experience and performance record, staff recommends that HF&H be retained to conduct the 2016-17 rate review on a sole source basis, without competitive bids. The HF&H rate review proposal dated January 5, 2016 is attached to the proposed resolution as Exhibit A. Utilizing the services of HF&H Consultants is an efficient and effective use of resources.

FISCAL IMPACT

The funds required for the proposed sole source agreement with HF&H are available in the fund balance of Fund 2030, the Solid Waste Management Fund, which contains the accumulated annual levies from the secured property tax rolls that are assessed to all residential parcels in Union City. This fund has been used for consultant and legal expenses required to procure and manage the Franchise Agreements that are used to provide waste/recyclable materials collection, processing and disposal.

RECOMMENDATION

Staff recommends that the City Council adopt a Resolution authorizing a sole source agreement in the amount of Seventy-five thousand five hundred and eighty-five dollars (\$75,585) with HF&H Consultants, LLC to perform the required review of the rate adjustment application for the rate year ending June 30, 2017 from Republic Services.

Prepared by:

Roberto Munoz, Recycling and Solid Waste Manager

Submitted by:

Antonio E. Acosta, City Manager

ATTACHMENTS:

Description		Type
<input type="checkbox"/>	Resolution Sole Source Proposal Rate Review	Resolution
<input type="checkbox"/>	Proposal Sole Source Agreement	Attachment

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UNION CITY
AUTHORIZING A SOLE SOURCE AGREEMENT IN THE AMOUNT OF SEVENTY-
FIVE THOUSAND, FIVE HUNDRED AND EIGHTY-FIVE DOLLARS (\$75,585) WITH
HF&H CONSULTANTS, LLC TO PERFORM THE REQUIRED REVIEW OF THE
RATE ADJUSTMENT APPLICATION FOR THE RATE YEAR ENDING
JUNE 30, 2017 FROM REPUBLIC SERVICES**

WHEREAS, in 2005 the City entered into a franchise agreement with BFI Waste Systems (subsequently, Allied Waste and now Republic Services) for solid waste, recyclable materials and organic materials collection services, and

WHEREAS, the agreement requires an annual formal rate review process to determine the new service rates to be charged for the collection and processing of municipal solid waste, organic waste, and recyclable materials, and

WHEREAS, Republic Services recently submitted its rate application for the rate year ending June 30, 2017, and

WHEREAS, a proposal has been submitted by HF&H Consultants, dated January 5, 2016 describing the scope of services required to complete a successful 2016-17 rate review process, and

WHEREAS, HF&H is uniquely qualified by reason of its familiarity with Union City and its solid waste and recycling agreements, and

WHEREAS, the cost of the proposed rate review shall not exceed Seventy-five thousand five hundred and eighty-five dollars (\$78,585), with funds available in the fund balance for the Solid Waste Management Fund (Fund 2030); and

WHEREAS, the City Council finds it in the public interest to approve the execution of said agreement without competitive bidding.

NOW, THEREFORE BE IT RESOLVED that the City Council of the City of Union City does hereby authorize and direct the City Manager to execute an agreement with HF&H Consultants, LLC in the amount of \$78,585 for consulting services required to perform the required review of the rate adjustment application from Republic Services for the rate year ending June 30, 2017 from Republic Services, to be funded from the Solid Waste Management Fund (Fund 2030); and be it

FURTHER RESOLVED that an executed copy of said Agreement shall be kept on file by the City Clerk.

201 N. Civic Drive, Suite 230
Walnut Creek, California 94596
Telephone: 925/977-6950
Fax: 925/977-6955
www.hfh-consultants.com

Robert D. Hilton, CMC
John W. Farnkopf, PE
Laith B. Ezzet, CMC
Richard J. Simonson, CMC
Marva M. Sheehan, CPA

January 5, 2016

Mr. Roberto Muñoz
Recycling & Solid Waste Manager
City of Union City
34009 Alvarado-Niles Road
Union City, CA 94587-4497

Sent via e-mail

Re: Proposal to Perform a Review of the Rate Adjustment Application for the Rate Year Ending June 30, 2017 (Rate Period 12) from Republic Services

Dear Mr. Muñoz:

HF&H Consultants, LLC (HF&H) is pleased to respond to your request for a proposal to assist the City of Union City (City) by performing a review of the rate application for the rate year ending June 30, 2017 from Republic Services (Republic).

This letter describes our proposed approach, scope of work and limitations, project team, anticipated schedule and deliverables, and fee estimate for performing the review. We will be pleased to discuss any of these matters with you and revise our proposal to ensure it meets your requirements.

PROPOSED APPROACH

Our approach to this engagement is to objectively follow the compensation adjustment terms of the agreement between Republic and the City. When performing the procedures described in the agreement, we will rely on Republic's current, year-to-date financial results of operations, copies of transactions, operations and other information provided by Republic, Republic's proposal to the City, and industry standards. The results of our review and our findings will be documented by the staff performing the engagement and reviewed by the Engagement Director. This documentation will be available to the City and Republic for review of the basis for, and calculation of, our adjustments prior to the submission of our written report. A draft of our written report will be presented to Republic and the City before the final report is submitted to the City.

While taking direction from the City, we will work cooperatively with Republic in an open and transparent manner to ensure that they: understand the procedures we will be performing and our preliminary findings; have an opportunity to correct any misunderstandings we may have acquired; and, understand the reasons for any adjustments to their application that we may recommend to the City. We have a history of successfully working with Republic staff in past reviews for the City and in the performance of multiple projects for the Central Contra Costa Solid Waste Authority and the City of Milpitas.

Mr. Roberto Muñoz
January 5, 2016
Page 2 of 5

SCOPE OF WORK AND LIMITATIONS

The agreement and guidelines provide specific direction regarding the scope of work and we have summarized these in Attachment A.

Every engagement has certain limitations. The principal limitations of this engagement are:

- Our review is substantially different in scope than an examination in accordance with Generally Accepted Auditing Standards, the objective of which is the expression of an opinion regarding financial statements taken as a whole. Accordingly, we will not express such an opinion.
- The hours estimated to perform the procedures described (see Attachment B) are reasonable, based on our professional experience, and represent a limitation to the procedures to be performed. Should we believe additional hours are required to address unusual conditions, we will obtain City approval before proceeding.
- Our conclusions will be based in part on the review of Republic's projections of its financial results of operations. Actual results of operations will usually differ from projections because events and circumstances frequently do not occur as expected and the difference may be significant.
- Our scope of work does not include the development of alternative rate structures.
- Our scope of work does not include any tasks related to any public notice requirements under Proposition 218.

PROJECT TEAM

HF&H Special Qualifications

Our long-term, statewide experience coupled with our in-depth experience with the City's programs, franchise agreement, compensation methodology, and Republic make us uniquely qualified to perform this review for the City.

- Since its founding over 26 years ago, HF&H Consultants, LLC has performed more than 450 independent solid waste rate review engagements throughout California and the West Coast.
- HF&H managed the sole-source negotiation process with Tri City Economic Development Corporation (Tri-CED) that resulted in an amended and restated agreement.
- HF&H is currently managing the sole-source negotiation process that will result in an amended and restated agreement with Republic.
- We drafted the current agreement between the City and Republic for solid waste, recyclable materials, and organic materials.

Mr. Roberto Muñoz
January 5, 2016
Page 3 of 5

- HF&H performed the detailed review of Republic's rate applications for rate periods three, six and nine and assisted the City during the subsequent index-method rate adjustment for rate periods four through eleven.

Team Member Qualifications

HF&H is a recognized expert in the area of solid waste management consulting in California, having conducted more than 1,900 engagements for more than 450 communities. We have assigned two senior staff that have more than 50 years of financial and industry experience to apply to the review. Such experience is unparalleled.

I will serve as Engagement Director. I am a Certified Public Accountant with over 30 years of accounting and auditing experience, over 20 of which have been in the solid waste industry. I recently managed the contract negotiations between the City and Republic and I have managed the rate reviews for the City since 2006. Additionally, I have managed the rate reviews for the Marin Franchisors Group and the cities of Milpitas and Pacifica. Prior to joining HF&H over ten years ago, I was a regional and district controller for Allied Waste.

Colleen Costine, an accountant with more than 20 years of industry experience, will serve as Engagement Manager. Ms. Costine has participated in the rate reviews for the City since 2007 and she has worked on the Central Contra Costa Solid Waste Authority rate review for the past seven years. Additionally, Ms. Costine worked on rate reviews for the Cities of Alameda, Pacifica and Sunnyvale, the County of Stanislaus, and the Marin Franchisor's Group. She will supervise and review the work performed by the staff assigned to the project to ensure that it is performed in accordance with the proposed scope of work, our detailed work plans, and meets the City's objectives.

Other staff may be assigned to perform specific tasks for which they are qualified under the supervision of Ms. Sheehan or Ms. Costine.

ANTICIPATED SCHEDULE AND DELIVERABLES

Based on the procedures described in the Franchise Agreement for performing the review of Republic's application for compensation for Rate Period 12, we developed the following preliminary schedule for the performance of the engagement and delivery of key work products.

Mr. Roberto Muñoz
January 5, 2016
Page 4 of 5

Table 1
Anticipated Schedule and List of Deliverables

Task	Deliverable	Completion Date
Commence Engagement	Kick-off Agenda and Requests for Information and Documents	January 11, 2016
Review of Republic's Application for Rate Period 12	Adjustment Schedule	March 15, 2016
Determine Republic's Compensation for Rate Period 12	Draft Report	April 1, 2016
Negotiate with Republic regarding Compensation	Final Report	April 29, 2016
Perform Review of Republic's City Fee Payments (Optional Task)	Adjustment Schedule	April 29, 2016
Council Presentation	Presentation	To be Scheduled

At the commencement of the engagement, we will meet with City staff and Republic's management to review and agree upon a final, more-detailed schedule for the performance of the engagement. We are prepared to commence this engagement promptly and pursue the completion of the engagement diligently. Nevertheless, we are dependent on the performance of certain activities by persons outside our control. Should the engagement become delayed for any reason, we will immediately notify the City.

Fee Estimate

Our fee proposal, presented in Attachment B, is \$75,585 based on the detailed task descriptions described in Attachment A and the estimated 446 hours to perform the tasks by the people assigned at their standard billing rates.

The level of effort to perform the services described can vary tremendously depending on:

- The completeness, clarity, and mathematical accuracy of Republic's application for compensation.
- Republic's cooperation, and that of its subcontractors.
- The number and complexity of questions and issues that arise during the review process.
- The number of meetings with City staff and/or Republic.

We made our best effort to anticipate the nature and time to perform the analyses required. Depending on the outcome of the items listed above and other factors, our level of effort may be greater than or less than we anticipated.

HF&H proposes to bill the City on a time-and-materials basis for actual work performed, plus direct expenses (incurred on your behalf related to this project) not to exceed an agreed-upon budget for our scope of services. We will bill the City on a monthly basis. Our hourly professional fees, direct expense

Mr. Roberto Muñoz
January 5, 2016
Page 5 of 5

policies, billing policies, and invoicing and payment procedures are presented in Attachment C. We do not anticipate using any supplies or consumables for performance of this project, with the exception of office paper for report production.

* * * *

We sincerely appreciate the continued confidence you have expressed in HF&H and we are committed to do our best to fulfill your objectives. Should you have any questions, please call me at (925) 977-6961.

Sincerely,

HF&H CONSULTANTS, LLC



Marva M. Sheehan, CPA
Vice President

Attachment A – Scope of Work
Attachment B – Fee Estimate
Attachment C – Standard Hourly Rates and Billing Arrangements

cc: Colleen Costine, HF&H
Kim Erwin, HF&H

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Attachment A

Scope of Work

Republic's application includes the cost of operations performed directly by Republic and those operations performed by its subcontractor, Tri Cities Economic Development Corporation (Tri-CED). Therefore, the scope of work includes the review of Republic's books and records and the books and records of Tri-CED for its operations performed as a subcontractor.

Task 1 - Review of Republic's Application for Rate Period Twelve

We propose to review Republic's application by performing the following subtasks:

Subtask 1a: Prepare for and meet with Republic and Tri-CED to receive the application and obtain an explanation for any changes in their compensation for Rate Period 12; provide an initial request for documents and information that are necessary for the conduct of our review; identify the individuals with whom we will be working; and, establish a schedule for the conduct of our field work.

Subtask 1b: Review the application for compliance with the Agreement between the City and Republic (Agreement) (Section 11.3.A.2 and Exhibit 11.2.C); notify Republic, Tri-CED and the City of any areas of non-compliance; and request information necessary to bring the application into compliance.

Subtask 1c: Review the application for mathematical accuracy and logical consistency; notify Republic and the City of any areas of inaccuracy or inconsistency, requesting corrections as necessary.

Subtask 1d: Reconcile the Rate Period Ten revenues and expenses reported in the application to Republic's general ledger; review the reasonableness of any adjusted costs in accordance with Exhibit 11.2.C.3.A.1 of the Agreement.

Subtask 1e: Review the allocations of costs between the operations provided for the City and other jurisdictions served by Republic and Tri-CED to determine proper and consistent application of the allocation methodologies.

Subtask 1f: Review the calculation of, and support for, any adjusted Rate Period Ten labor, vehicle-related costs, and other costs. Review for non-allowable costs as noted in Exhibit 11.2.C.3.A.2 of the Agreement.

Subtask 1g: Review the calculation and support for Republic's forecast of Rate Period 12 labor, vehicle, recyclable and organics material processing costs, and other costs, in accordance with Exhibit 11.2.C.3.A.3 of the Agreement.

Subtask 1h: Calculate an allowed profit, based on the adjusted forecasted Rate Period 12 operating costs eligible for profit, in accordance with Exhibit 11.2.C.3.B of the Agreement.

Subtask 1i: Review the calculation and support for Republic's forecasted pass-through costs, including disposal, lease costs, and regulatory fee expense in accordance with Exhibit 11.2.C.3.C and Exhibit 11.2.C.3.F of the Agreement.

Subtask 1j: Review the calculation of the Rate Cap Adjustment, if applicable, for Republic's forecast of Rate Period 12 operating costs, in accordance with Exhibit 11.2.C.3.D of the Agreement.

Attachment A

Scope of Work

Subtask 1k: Prepare and review our work papers documenting the results of our analysis and our preliminary findings.

Subtask 1l: Meet with Republic and Tri-CED via conference call to review our preliminary findings, receive their comments and any additional information, and adjust our preliminary findings, as appropriate.

Task 2 – Determine Republic’s Compensation for Rate Period 12

We propose to determine Republic’s compensation for Rate Period 12 by performing the following subtasks:

Subtask 2a: Summarize allowed operating costs, profit, and pass-through costs and calculate Republic’s Rate Period 12 compensation based on the findings from our review of Republic’s application in Task 1, above.

Subtask 2b: Prepare and review our work papers documenting the results of our summary and calculations and our preliminary calculation of Republic’s Rate Period 12 compensation.

Subtask 2c: Meet via conference call with Republic to review our preliminary findings, receive their comments and any additional information, adjust our preliminary calculations as appropriate, and present our adjusted calculations to the City.

Task 3 – Review of Revenue Generated from Customer Billings

We propose to review the revenue generated from customer billings in order to assess the reasonableness of the Gross Rate Revenues for the most-recently reported 12-month period as reported by Republic. We do not propose to review the accuracy of the property tax rolls, which generate the payment of basic residential services. We would be willing to perform such a review as a separate engagement with the City. We will perform the following subtasks:

Subtask 3a: Review the current customer subscription data received from Republic multiplied by the current rates. Additionally, we will review number of roll-off pulls for the most recent 12 months ending November 30 to forecast revenue, plus all ancillary charges.

Subtask 3b: Confirm that the current rates from Republic’s revenue projections agree to the City-approved rate schedule.

Subtask 3c: Review the service levels submitted by Republic are reasonable based on the prior year’s rate review data.

Subtask 3d: Review work papers and preliminary findings.

Attachment A

Scope of Work

Task 4 – Communication of Findings

We propose to assist the City in the negotiation of any matters that remain unresolved related to Republic's compensation in order to reach an agreement between the City and Republic on compensation for Rate Period 12 by performing the following subtasks:

Subtask 4a: Objectively summarize Republic's and our position on any outstanding matters by means of a Draft Report.

Subtask 4b: Prepare for, attend, and participate in a meeting with the City and Republic to reach agreement on the resolution of any unresolved matters.

Subtask 4c: Review and adjust rate structures as directed by City.

Subtask 4d: Prepare exhibits related to final rates.

Subtask 4e: Present final report to City.

Task 5 – Review of City's Tax Roll Payment Calculation to Republic

We propose to prepare an estimate of Republic's quarterly payment from the City's tax roll billings and then revise it once the actual billings are received from the City's tax roll consultant.

Task 6 – Review of Republic's City Fee Payments

We propose to review Republic's City Fee Payments for the most recent fiscal year. Our review will be limited in nature, focusing primarily on the calculation methodology. Our samples will be judgmental in nature and will not provide statistically valid results.

Subtask 6a: Obtain (from Republic) the City fee calculation worksheets for the 6 months ending June 30, 2015 and for the 6 months ending December 31, 2015 and review them for mathematical accuracy, researching any discrepancies.

Subtask 6b: Reconcile the amount due the City from City fee worksheets to the City's records and research any discrepancies.

Subtask 6c: Test for proper inclusion or exclusion of customer accounts in the City fee calculations.

Subtask 6d: Review the commercial organics subsidy component of the City Fee payment to determine proper calculation based on prior year's assumptions.

Subtask 6e: Review work papers and preliminary findings.

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Attachment B Fee Estimate

		M Sheehan	C Costine	Associate	Assistant	Admin	Total	Proposed
		\$250	\$195	\$150	\$100	\$105	Hours	Cost
Task 1	Review of Republic's Application for Rate Period 12							
Task 1		31	76	105	66	0	278	\$44,920
Task 2	Determine Republic's Compensation for Rate Period 12							
Task 2		6	7	6	0	0	19	\$3,765
Task 3	Review of Revenue Generated from Customer Billings							
Task 3		1	3	7	3	0	14	\$2,185
Task 4	Communication of Findings							
Task 4		20	36	27	4	6	93	\$17,100
Task 5	Review of City's Tax Roll Calculation/Quarterly Payment to Republic							
Task 5		0	3	2	0	0	5	\$885
Task 6	Review of City Fee Calculations							
Task 6		4	10	0	7	0	21	\$3,650
Task 7	Engagement Management							
Task 7		4	4	4	4	0	16	\$2,780
Total Costs								
Labor		66	139	151	84	6	446	\$75,285
Out-of-Pocket Expenses		\$200	\$100	\$0	\$0	\$0	\$0	\$300
Total Budget								\$75,585

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Attachment C

Standard Hourly Rates and Billing Arrangements

(Effective January 1, 2016)¹

Professional Fees

Hourly rates for professional and administrative personnel are as follows:

<u>Position</u>	<u>Rate</u>
President	\$270
Senior Vice President & Vice President	\$250 - \$269
Senior Project Manager	\$230 - \$235
Senior Associate/Project Manager	\$195 - \$219
Associate Analyst	\$150 - \$170
Assistant Analyst	\$110 - \$115
Administrative Staff	\$105

Direct Expenses

Standard charges for common direct expenses are as follows:

Automobile Travel	Prevailing IRS mileage rate
Document Reproduction	15 cents per page (black & white)
	75 cents per page (color)
Facsimile	No charge
Telephone	No charge
Public Conveyances	Actual
Postage	Actual
Overnight Mail and Couriers	Actual

Billing Policies

Our policy is to bill for our services and direct expenses based on the standard hourly rates of the staff member assigned, multiplied by the time required to perform the client-related tasks, plus the subcontractor services as described above. In implementing this policy we adhere to the following practices:

- It is our standard practice to e-mail invoices to our clients, although hard copies of invoices can be sent to clients on request.
- We round to the nearest one-half hour (e.g., if two hours and 50 minutes are spent on a task, it is recorded as three hours, if two hours and 10 minutes are spent on a task, it is recorded as two hours). A minimum charge of one-half hour is charged for any client work performed in a day.

¹ Litigation Support and Expert Witness Services are not covered by this schedule of fees and expenses.

Attachment C

Standard Hourly Rates and Billing Arrangements

- We attempt to schedule travel time before and after normal work hours and we do not bill for this time. If travel occurs during normal work hours and we can use public conveyances, we attempt to use the time productively for the benefit of the client or for another client and this time is billed to the appropriate client. If we must travel during business hours and cannot use the time productively or use a public conveyance, we bill the time to the client on whose behalf we are traveling.
- Because public meetings (e.g., Board of Supervisors, City Council, and Board of Directors meetings) generally occur after business hours and are not conducted in accordance with strict schedules, our standard policy is to bill a minimum two-hour charge.
- We do not mark up out-of-pocket expenses, however, we may charge administrative or professional time related to the provision of the goods and services associated with these charges. Costs for outside consultants and subcontractors are billed at actual cost plus a 15 percent administrative fee.
- Mileage fees are based on the round-trip distance from the point of origin.
- If a client's change to a previously scheduled meeting results in penalties being assessed by a third party (e.g., airline cancellation fee), then the client will bear the cost of these penalties.

While no minimum fee for a consulting engagement has been established, it is unlikely (given the nature of our services) that we can gain an understanding of a client's particular requirement, identify alternatives, and recommend a solution in less than twenty-four hours.

Insurance

We maintain the following policies of insurance with carriers doing business in California:

- Comprehensive General Liability Insurance (\$2,000,000)
- Workers' Compensation (\$1,000,000)
- Professional Liability Insurance (\$2,000,000)
- Hired and Non-Owned Auto Liability (\$1,000,000)

All costs incurred in complying with special insurance, licensing, or permit requirements, including but not limited to naming client as an additional insured and waiver of subrogation, become the responsibility of the client and are not included in the fees for services or direct charges but are billed in addition to the contract at cost, plus any professional or administrative fees.

Attachment C

Standard Hourly Rates and Billing Arrangements

Invoices and Payment for Services

Our time reporting and billing system has certain standard formats that are designed to provide our clients with a detailed invoice of the time and charges associated with their engagement. (We typically discuss these with our clients at our kick-off meeting.) We are also pleased to provide our clients with a custom invoice format but we will have to bill the client for any additional costs associated with their unique requirements.

Billings for professional services and charges are submitted every month, in order that our clients can more closely monitor our services. A late fee of one and one-half percent per month is applied to balances unpaid after thirty (30) days.



Agenda Item

DATE: 3/8/2016

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: MINTZE CHENG, PUBLIC WORKS DIRECTOR

SUBJECT: **ADOPT A RESOLUTION AUTHORIZING THE EXECUTION OF THE CERTIFICATIONS AND ASSURANCES AND AUTHORIZED AGENT FORMS FOR THE LOW CARBON TRANSIT OPERATIONS PROGRAM (LCTOP) FOR UNION CITY TRANSIT PROGRAM**

The attached resolution authorizes the City Manager or his designee to execute required certifications and assurances for the usage of the Low Carbon Transit Operations Program (LCTOP).

BACKGROUND

Assembly Bill 32 (AB 32), the California Global Warming Solutions Act of 2006, took a long-term, comprehensive approach to addressing climate change and its effects on the environment and natural resources. The legislation allows the California Air Resources Board (CARB) to establish a quarterly auction of a limited number of greenhouse gas (GHG) tradable permits. The program is commonly referred to as the Cap-and-Trade, whereby the proceeds from these auctions fund legislated programs furthering the purpose of AB32.

The LCTOP is one of several programs that are part of the Transit, Affordable Housing, and Sustainable Communities Program established by the California Legislature in 2014 by Senate Bill 862 (SB 862) drafted to further the purpose of AB32. Senate Bill 852 (Statutes of 2014) appropriates \$25 million for LCTOP for Fiscal Year (FY) 2014-15 and Senate Bill 862 continuously appropriates five percent (5%) of the annual auction proceeds in the Greenhouse Gas Reduction Fund for LCTOP beginning in FY2015-16.

Approved projects in LCTOP will support new or expanded bus or rail services, expand intermodal transit facilities, and may include equipment acquisition, fueling, maintenance and other costs to operate those services or facilities, with each project required to reduce greenhouse gas emissions. Funds in this program are allocated to operators by the Metropolitan Transportation Commission (MTC) through the State Controller's Office. Funds are distributed based on revenues and, through MTC Resolutions 4123 and 4130, based on population. The California Department of Transportation (Department) is the administering agency.

DISCUSSION

The Department has adopted certifications and assurances for LCTOP. As a condition to receive LCTOP funds, each project sponsor/agency must authorize an agency designee to execute these certifications and assurances. They include guidelines for project administration, reporting, cost principles, record retention and special situations.

Union City Transit had applied and received same program funding in FY2014-15.

FISCAL IMPACT

There will be no fiscal impact to City's Funds by executing the required certifications and assurances for the LCTOP.

RECOMMENDATION

It is recommended City Council adopt the attached resolution authorizing the City Manager and his designee – Transit Manager or Public Works Director to execute the required certifications and assurances for the LCTOP.

Prepared by:

Steve Adams, Transit Planner

Submitted by:

Mintze Cheng, Public Works Director

ATTACHMENTS:

Description	Type
<input type="checkbox"/> Resolution	Resolution
<input type="checkbox"/> Attachment -LCTOP Authorized Agent	Attachment
<input type="checkbox"/> Attachment - LCTOP Certification and Assurances	Attachment

RESOLUTION NO.

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UNION CITY
AUTHORIZING THE EXECUTION OF THE CERTIFICATIONS AND
ASSURANCES AND AUTHORIZED AGENT FORMS FOR THE LOW CARBON
TRANSIT OPERATIONS PROGRAM (LCTOP) FOR UNION CITY TRANSIT
PROGRAM**

WHEREAS, the City of Union City is an eligible project sponsor and may receive state funding from the Low Carbon Transit Operations Program (LCTOP) for transit projects; and

WHEREAS, the statutes related to state-funded transit projects require a local or regional implementing agency to abide by various regulations; and

WHEREAS, Senate Bill 862 (2014) named the California Department of Transportation (Department) as the administrative agency for the LCTOP; and

WHEREAS, the Department has developed guidelines for the purpose of administering and distributing LCTOP funds to eligible project sponsors (local agencies); and

WHEREAS, the City of Union City wishes to delegate authorization to execute these documents and any amendments thereto to City Manager and/or his designees.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Union City that the fund recipient agrees to comply with all conditions and requirements set forth in the Certification and Assurances and the Authorized Agent documents and applicable statutes, regulations and guidelines for all LCTOP funded transit projects; and be it

FURTHER RESOLVED that City Manager and/or his designee, be authorized to execute all required documents of the LCTOP program and any Amendments thereto with the California Department of Transportation.

**Low Carbon Transit Operations Program (LCTOP)
AUTHORIZED AGENT**

AS THE City Manager
(Chief Executive Officer / Director / President / Secretary)

OF THE City of Union City
(Name of County/City Organization)

I hereby authorize the following individual(s) to execute for and on behalf of the named Regional Entity/Transit Operator, any actions necessary for the purpose of obtaining Low Carbon Transit Operations Program (LCTOP) funds provided by the California Department of Transportation, Division of Rail and Mass Transportation. I understand that if there is a change in the authorized agent, the project sponsor must submit a new form. This form is required even when the authorized agent is the executive authority himself. I understand the Board must provide a resolution approving the Authorized Agent. The Board Resolution appointing the Authorized Agent is attached.

Mintze Cheng – Public Works Director OR
(Name and Title of Authorized Agent)

Wilson Lee – Transit Manager OR
(Name and Title of Authorized Agent)

(Name and Title of Authorized Agent)

Antonio E. Acosta City Manager
(Print Name) (Title)


(Signature)

Approved this 15th day of February, 20 16

Attachment: Board Resolution approving Authorized Agent

Low Carbon Transit Operations Program (LCTOP) CERTIFICATIONS AND ASSURANCES

Project Sponsor: City of Union City

Agency Name: Union City Transit

Effective Date of this Document: February 1, 2016

The California Department of Transportation (Department) has adopted the following certifications and assurances for the Low Carbon Transit Operations Program. As a condition of the receipt of LCTOP funds, project lead must comply with these terms and conditions.

A. General

- (1) The project lead agrees to abide by the current LCTOP Guidelines and applicable legal requirements.
- (2) The project lead must submit to the Department a signed Authorized Agent form designating the representative who can submit documents on behalf of the project sponsor and a copy of the board resolution appointing the Authorized Agent.

B. Project Administration

- (1) The project lead certifies that required environmental documentation is complete before requesting an allocation of LCTOP funds. The project lead assures that projects approved for LCTOP funding comply with Public Resources Code § 21100 and § 21150.
- (2) The project lead certifies that a dedicated bank account for LCTOP funds only will be established within 30 days of receipt of LCTOP funds.
- (3) The project lead certifies that when LCTOP funds are used for a transit capital project, that the project will be completed and remain in operation for its useful life.
- (4) The project lead certifies that it has the legal, financial, and technical capacity to carry out the project, including the safety and security aspects of that project.
- (5) The project lead certifies that they will notify the Department of pending litigation, dispute, or negative audit findings related to the project, before receiving an allocation of funds.
- (6) The project lead must maintain satisfactory continuing control over the use of project equipment and facilities and will adequately maintain project equipment and facilities for the useful life of the project.
- (7) Any interest the project lead earns on LCTOP funds must be used only on approved LCTOP projects.
- (8) The project lead must notify the Department of any changes to the approved project with a Corrective Action Plan (CAP).
- (9) Under extraordinary circumstances, a project lead may terminate a project prior to completion. In the event the project lead terminates a project prior to completion, the project lead must (1) contact the Department in writing and follow-up with a phone call verifying receipt of such notice; (2) pursuant to

verification, submit a final report indicating the reason for the termination and demonstrating the expended funds were used on the intended purpose; (3) submit a request to reassign the funds to a new project within 180 days of termination.

- (10) Funds must be encumbered and liquidated within the time allowed.

C. Reporting

- (1) The project lead must submit the following LCTOP reports:
 - a. Semi-Annual Progress Reports by May 15th and November 15th each year.
 - b. A Final Report within six months of project completion.
 - c. The annual audit required under the Transportation Development Act (TDA), to verify receipt and appropriate expenditure of LCTOP funds. A copy of the audit report must be submitted to the Department within six months of the close of the year (December 31) each year in which LCTOP funds have been received or expended.
- (2) Other Reporting Requirements: ARB is developing funding guidelines that will include reporting requirements for all State agencies that receive appropriations from the Greenhouse Gas Reduction Fund. Caltrans and project sponsors will need to submit reporting information in accordance with ARB's funding guidelines, including reporting on greenhouse gas reductions and benefits to disadvantaged communities.

D. Cost Principles

- (1) The project lead agrees to comply with Title 2 of the Code of Federal Regulations 225 (2 CFR 225), Cost Principles for State and Local Government, and 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
- (2) The project lead agrees, and will assure that its contractors and subcontractors will be obligated to agree, that:
 - a. Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31, et seq., shall be used to determine the allow ability of individual project cost items and
 - b. Those parties shall comply with Federal administrative procedures in accordance with 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments. Every sub-recipient receiving LCTOP funds as a contractor or sub-contractor shall comply with Federal administrative procedures in accordance with 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
- (3) Any project cost for which the project lead has received funds that are determined by subsequent audit to be unallowable under 2 CFR 225, 48 CFR, Chapter 1, Part 31 or 49 CFR, Part 18, are subject to repayment by the project lead to the State of California (State). All projects must reduce greenhouse gas emissions, as required under Public Resources Code section 75230, and any project that fails to reduce greenhouse gases shall also have its project costs submit to repayment by the project lead to the State. Should the project lead fail to reimburse moneys due to the State within thirty (30) days of demand, or within such other period as may be agreed in writing between the Parties hereto, the State is authorized to intercept and withhold future payments due the project lead from the State or any third-party source, including but not limited to, the State Treasurer and the State Controller.

E. Record Retention

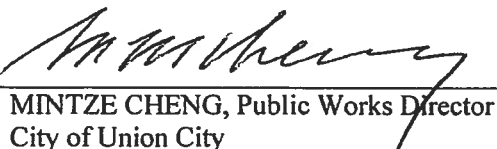
- (1) The project lead agrees, and will assure that its contractors and subcontractors shall establish and maintain an accounting system and records that properly accumulate and segregate incurred project costs and matching funds by line item for the project. The accounting system of the project lead, its contractors and all subcontractors shall conform to Generally Accepted Accounting Principles (GAAP), and enable the determination of incurred costs at interim points of completion. All accounting records and other supporting papers of the project lead, its contractors and subcontractors connected with LCTOP funding shall be maintained for a minimum of three (3) years after the "Project Closeout" report or final Phase 2 report is submitted (per ARB Funding Guidelines, Vol. 3, page 3.A-16), and shall be held open to inspection, copying, and audit by representatives of the State and the California State Auditor. Copies thereof will be furnished by the project lead, its contractors, and subcontractors upon receipt of any request made by the State or its agents. In conducting an audit of the costs claimed, the State will rely to the maximum extent possible on any prior audit of the project lead pursuant to the provisions of federal and State law. In the absence of such an audit, any acceptable audit work performed by the project lead's external and internal auditors may be relied upon and used by the State when planning and conducting additional audits.
- (2) For the purpose of determining compliance with Title 21, California Code of Regulations, Section 2500 et seq., when applicable, and other matters connected with the performance of the project lead's contracts with third parties pursuant to Government Code § 8546.7, the project sponsor, its contractors and subcontractors and the State shall each maintain and make available for inspection all books, documents, papers, accounting records, and other evidence pertaining to the performance of such contracts, including, but not limited to, the costs of administering those various contracts. All of the above referenced parties shall make such materials available at their respective offices at all reasonable times during the entire project period and for three (3) years from the date of final payment. The State, the California State Auditor, or any duly authorized representative of the State, shall each have access to any books, records, and documents that are pertinent to a project for audits, examinations, excerpts, and transactions, and the project lead shall furnish copies thereof if requested.
- (3) The project lead, its contractors and subcontractors will permit access to all records of employment, employment advertisements, employment application forms, and other pertinent data and records by the State Fair Employment Practices and Housing Commission, or any other agency of the State of California designated by the State, for the purpose of any investigation to ascertain compliance with this document.

F. Special Situations

The Department may perform an audit and/or request detailed project information of the project sponsor's LCTOP funded projects at the Department's discretion at any time prior to the completion of the LCTOP.

I certify all of these conditions will be met.

BY:



MINTZE CHENG, Public Works Director
City of Union City



Agenda Item

DATE: 3/8/2016

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: MINTZE CHENG, PUBLIC WORKS DIRECTOR

SUBJECT: ADOPT A RESOLUTION AUTHORIZING THE EXECUTION OF AN APPLICATION WITH THE STATE OF CALIFORNIA TO USE THE LOW CARBON TRANSIT OPERATIONS PROGRAM (LCTOP) FOR A PROPOSED PROJECT AT THE UNION LANDING TRANSIT CENTER

The attached resolution authorizes the City Manager's designee to execute a funding application for the usage of the Low Carbon Transit Operations Program (LCTOP).

BACKGROUND

Assembly Bill 32 (AB 32), the California Global Warming Solutions Act of 2006, took a long-term, comprehensive approach to addressing climate change and its effects on the environment and natural resources. The legislation allows the California Air Resources Board (CARB) to establish a quarterly auction of a limited number of greenhouse gas (GHG) tradable permits. The program is commonly referred to as the Cap-and-Trade, whereby the proceeds from these auctions fund legislated programs furthering the purpose of AB32.

The LCTOP is one of several programs that are part of the Transit, Affordable Housing, and Sustainable Communities Program established by the California Legislature in 2014 by Senate Bill 862 (SB 862) drafted to further the purpose of AB32. Senate Bill 852 (Statutes of 2014) appropriates \$25 million for LCTOP for Fiscal Year (FY) 2014-15 and Senate Bill 862 continuously appropriates five percent (5%) of the annual auction proceeds in the Greenhouse Gas Reduction Fund for LCTOP beginning in FY2015-16.

Approved projects in LCTOP will support new or expanded bus or rail services, expand intermodal transit facilities, and may include equipment acquisition, fueling, maintenance and other costs to operate those services or facilities, with each project required to reduce greenhouse gas emissions. Funds in this program are allocated to operators by the Metropolitan Transportation Commission (MTC) through the State Controller's Office. Funds are distributed based on revenues and, through MTC Resolutions 4123 and 4130, based on population. The California Department of Transportation (Department) is the administering agency.

DISCUSSION

Based on funding projections, Union City will receive approximately \$8,417 in direct LCTOP funds from the Department and \$71,301 in LCTOP funds through the MTC population based calculation for the FY2015-16 program period. The Metropolitan Transportation Commission projects that over the course of twenty-five (25) years Union City will receive \$1.5 million dollars in combined revenue and population funds from this program.

The FY2015-16 funds would be used for a proposed solar panel installation at the Union Landing Transit Center.

The attached funding application nominates the proposed project and allows the California Department of Transportation (Department) to allocate those funds towards the proposed project. The City Council approved a similar resolution for LCTOP funds in 2015 for FY2014-15 program funds; the City was successful in receiving those funds.

The City currently does not have a project number for this proposed project at the Union Landing Transit Center and there are no construction contracts being approved as a result of this resolution.

FISCAL IMPACT

There will be no fiscal impact to City's Funds by executing the required certifications and assurances for the LCTOP.

RECOMMENDATION

It is recommended City Council adopt the attached resolution authorizing the City Manager and his designee – Transit Manager or Public Works Director to execute the required funding application to nominate the proposed project, to allow the Department to allocate funds to the City's proposed project, and to ultimately receive LCTOP funds for the proposed project.

Prepared by:

Steve Adams, Transit Planner

Submitted by:

Mintze Cheng, Public Works Director

ATTACHMENTS:

Description	Type
<input type="checkbox"/> Resolution	Resolution
<input type="checkbox"/> Attachment - LCTOP Funding Application	Attachment

RESOLUTION NO.

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UNION CITY
AUTHORIZING THE EXECUTION OF AN APPLICATION WITH THE STATE
OF CALIFORNIA TO USE THE LOW CARBON TRANSIT OPERATIONS
PROGRAM (LCTOP) FOR A PROPOSED PROJECT AT THE UNION
LANDING TRANSIT CENTER; ACCEPTING ANY LCTOP FUNDING
AWARDED TO THE CITY, AND APPROPRIATING SAID FUNDING TO THE
PUBLIC WORKS DEPARTMENT**

WHEREAS, the City of Union City is an eligible project sponsor and may receive state funding from the Low Carbon Transit Operations Program (LCTOP) now or sometime in the future for transit projects; and

WHEREAS, the statutes related to state-funded transit projects require a local or regional implementing agency to abide by various regulations; and

WHEREAS, Senate Bill 862 (2014) named the Department of Transportation (Department) as the administrative agency for the LCTOP; and

WHEREAS, the Department has developed guidelines for the purpose of administering and distributing LCTOP funds to eligible project sponsors (local agencies); and

WHEREAS, the City of Union City wishes to implement the LCTOP project listed above.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Union City that the fund recipient agrees to comply with all conditions and requirements set forth in the applicable statutes, regulations and guidelines for all LCTOP funded transit projects; and be it

FURTHER RESOLVED that the City Council hereby authorizes the submittal of the following project nomination and allocation request to the Department in FY 2015-16 LCTOP funds:

Project Name: Solar Panels for Union Landing Transit Center

Amount of LCTOP funds requested: \$79,718

Short description of project: Install solar panels and energy storage units at the Union Landing Transit Center; and be it

FURTHER RESOLVED that the City Council hereby authorizes the acceptance of any LCTOP funds received by the City as a result of this grant application, and

appropriates said grant funds to the Public Works Department for said project as the Union Landing Transit Station.

Low Carbon Transit Operations Program (LCTOP)

PROJECT DESCRIPTION AND ALLOCATION REQUEST (SUMMARY)

Project Information:

Lead Agency:	City of Union City - Union City Transit
Project Name:	Solar Panels for Union Landing Transit Center
Project Type: <i>See Attachment A</i>	Bi: Install renewable energy at transit facilities
Description of Project (Short):	Install solar panels and energy storage units at the Union Landing Transit Center to remove its operational electricity demand from the grid and demonstrate a commitment to renewable energy.
Project Location:	Union City, CA
Project Start Date (anticipated):	11/1/2016
Project End Date (anticipated):	6/30/2042

Funding Information:

Funding Year:	Fiscal Year 2017
Requested Amount of PUC 99313:	\$71,301
Requested Amount of PUC 99314:	\$8,417
Total LCTOP Funding:	\$79,718
Total Project Cost:	\$100,000.00

Project Benefits:

Greenhouse Gas Benefits (off of worksheet)

Estimated GHG Reduction:	446.26
Project Life:	25
Estimated Total GHG Reduction:	11156.5

Disadvantaged Communities (DAC) Benefits:

Does your service area have a DAC?	No
Does the Project Benefit a DAC?	No
Identify the DAC Census Tracts?	N/A
Identify Specific DAC Benefit Criteria? <i>See Attachment B</i>	
Qualitative Description of DAC Benefit?	
Describe the DAC Need Project Addresses?	
Total GGRF \$ Allocated to DAC	

Co-benefit

Critical Air Pollution Reduction:	
VMT Reduction:	80,000 Annually
Ridership Increase	5,000 Annually
Fuel Ues Reduction:	
Energy Use Reduction:	Unsure

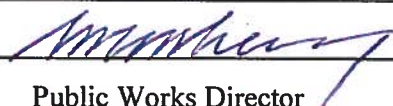
Low Carbon Transit Operations Program (LCTOP)

PROJECT DESCRIPTION AND ALLOCATION REQUEST (ALLOCATION)

Regional Entity: MTC	
Project Lead: City of Union City - Union City Transit	County: Alameda
Project Title: Solar Panels for Union Landing Transit Center	

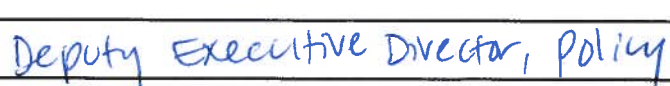
Project Lead:

I certify the scope, cost, schedule, and benefits as identified in the attached Allocation Request (Request) and attachments are true and accurate and demonstrate a fully funded operable project. I understand the Request is subject to any additional restrictions, limitations or conditions that may be enacted by the State Legislature, including the State's budgetary process and/or auction receipts. In the event the project cannot be completed as originally scoped, scheduled and estimated, or the project is terminated prior to completion, project lead shall, at its own expense, ensure that the project is in a safe and operable condition for the public. I understand this project will be monitored by the California Department of Transportation - Division of Rail and Mass Transportation.

Name:	Mintze Cheng	
Signature:		
Title:	Public Works Director	
Agency:	City of Union City - Union City Transit	
Date:	Feb 1, 2016	Amount: \$79,718.00 \$8,417

Contributing Sponsor(s):

*If this project includes funding from more than one project sponsor, the project lead above becomes the "recipient agency" and the additional contributing project sponsor(s) must also sign and state the amount and type of LCTOP funds (PUC Sections 99313 and 99314) contribution. Sign below or attach a separate officially signed letter providing that information. If there is more than one contributing sponsor, please submit additional page, or a letter from the additional contributors.

Name:	Alix Bockelman	
Signature:		
Title:	Deputy Executive Director, Policy	
Agency:	MTC	
Date:		Amount: \$71,301

Low Carbon Transit Operations Program (LCTOP)

PROJECT DESCRIPTION AND ALLOCATION REQUEST (FUNDING)

	<i>LCTOP Allocation</i>	15/16	16/17	17/18
Request Amount per PUC 99313:		\$71,301	\$0	\$0
Request Amount per PUC 99314:		\$8,417	\$0	\$0
Total Project Allocation Request:		\$79,718	\$0	\$0
Project Title:	Solar Panels for Union Landing Transit Center			
Project Location/Address:	32080 Union Landing Blvd, Union City, CA 94587			

Table 1: Project Lead Information

	Legislative District Numbers
Agency Name: City of Union City - Union City Transi	Assembly: _____
Contact Person: Steve Adams	Senate: _____
Contact Phone #: 510.675.5446	Congressional: _____
Email Address: sadams@unioncity.org	Amount: _____ PUC Funds Type: _____
Address: 34009 Alvarado-Niles Road	\$ 71,301.00 99313
Union City, CA 94587	\$ 8,417.00 99314

Table 2: Contributing Sponsor Information

Name: MTC	Amount :	PUC Fund Type:
Contact: Melanie Choy	\$ 71,301	99313
Contact Phone #: 510-817-5607	\$	
Email Address: mchoy@mtc.ca.gov		
Address: 101 8TH ST, OAKLAND CA 94607		
Other Contributing Sponsors: (Attach sheet with contact information)	Amount:	PUC Fund Type:
Name: _____	\$ _____	
Name: _____	\$ _____	
Name: _____	\$ _____	

TOTAL \$79,718

(*Contributing project sponsors provide signed letters of verification as to amount and eligibility or sign cover page)

Low Carbon Transit Operations Program (LCTOP)

PROJECT DESCRIPTION AND ALLOCATION REQUEST (PROJECT)

Table 3: Type of Project

See Attachment A for category of project (example: Category 1A Implement new or expanded transit service (for new routes or expansion of existing routes)).

Operations Projects		Capital Projects	
<input type="checkbox"/>	A1	<input type="checkbox"/>	Ai
<input type="checkbox"/>	A2	<input type="checkbox"/>	Aii
<input type="checkbox"/>	A3	<input type="checkbox"/>	Aiii
<input type="checkbox"/>	A4	<input type="checkbox"/>	Aiv
<input type="checkbox"/>	A5		
		<input type="checkbox"/>	B1
		<input type="checkbox"/>	B2
		<input type="checkbox"/>	B3
		<input type="checkbox"/>	B4
		<input type="checkbox"/>	1
			Bi
			Bii
			Bii

Table 4: Project Summary

a) Project Description - Describe the project in your own words, using comprehensive overall project description regarding improvements to be made, increased level of service and performance goals.

The City of Union City is currently (January 2016) evaluating all publicly owned facilities for energy upgrades and solar panel installation where appropriate. The Union Landing Transit Center is the second busiest location in the Union City Transit system and is also a transfer point to AC Transit routes heading to different parts of the region. As part of this project, the City of Union City hopes to make the transit center brighter and more inviting to current and potential riders without increasing the load on the electrical grid. The solar installation would need to be expandable to accommodate potential information displays in the future (not part of this project scope).

b) Project Location - Describe the location of the project. Also provide an 8 1/2" X 11" project site map that shows the transit service area and project location. Use link to CalEPA website for information,
<http://www.calepa.ca.gov/EnvJustice/GHGInvest/default.htm>.

The project is located at 32080 Union Landing Blvd, Union City, CA 94587. The project location is in the Union Landing Shopping and Entertainment Complex, a major source of activity and sales tax revenue for the City of Union City.

c) Project Life - For capital projects, state the Useful Life of the Project. For operations project state the number of months service will operate.

Capital: 25 years

Operations:

Low Carbon Transit Operations Program (LCTOP)

PROJECT DESCRIPTION AND ALLOCATION REQUEST (BENEFITS/OUTCOMES)

Table 5: Description of Major Benefits/Outcomes

a) Greenhouse Gas Reduction - Describe how this project will reduce greenhouse gases and any assumptions or data that support this description. For example, "The expanded transit service will reduce VMT and greenhouse gas emissions by replacing auto trips with transit trips. Initial estimates indicate that the expansion could add 50 commuter bus riders per day to replace an average auto trip of 10 miles each way." If available, please provide the expected amount of VMT reductions and greenhouse gas reductions.

By adding the solar panels, it will demonstrate a commitment to renewable energy by the City of Union City, but it will also allow for a brighter transit center without increasing the energy demand on the electrical grid. Typically, transit customers are discouraged from riding after the sun sets because they do not feel safe; by adding lighting in addition to the solar panels, we hope to encourage more customers to use the service as an option as opposed to needing to use private transportation option. We cannot quantify this at the moment specifically for this location. We hope to reduce VMT by 80,000 in the two years, then expect it to increase with an estimated increase in ridership annually of 5,000 customers.

b) Increased Mode Share - Describe how this project will directly increase mode share.

We hope to reduce VMT by 80,000 in the two years, then expect it to increase with an estimated increase in ridership annually of 5,000 customers.

c) Disadvantaged Communities (DAC) Project Criteria

See Attachment B for DAC Criteria to Evaluate Projects (example: Category 1B Project provides transit incentives to residents with a physical address in a disadvantaged community (e.g., vouchers, reduced fares, transit passes).

Low Carbon Transportation Projects

	1A		2A
	1B		2B
	1C		2C
	1D		

Transit Projects

	1A		1G		2E
	1B		1H		2F
	1C		2A		2G
	1D		2B		2H
	1E		2C		2I
	1F		2D		

d) Disadvantaged Communities (DAC) (if applicable*) - Describe how this project will directly benefit the DAC(s) within your service area in your own words. For agencies whose service area includes disadvantaged communities, at least 50 percent of the total moneys received shall be expended on projects that will benefit disadvantaged communities.

Low Carbon Transit Operations Program (LCTOP)

PROJECT DESCRIPTION AND ALLOCATION REQUEST (BENEFITS/OUTCOMES)

Table 5: Description of Major Benefits/Outcomes

e) Co-Benefits - Check all additional Benefits/Outcomes.

<input checked="" type="checkbox"/> Improved Safety	<input type="checkbox"/> Coordination with Educational Institutions
<input checked="" type="checkbox"/> Improved Public Health	<input type="checkbox"/> College/University <input type="checkbox"/> Grades K-12
<input checked="" type="checkbox"/> Reduced Operating/Maintenance Cost	<input type="checkbox"/> Promotes Active Transportation (walking, biking)
<input type="checkbox"/> Increase System Reliability	<input checked="" type="checkbox"/> Promotes integration with other modes of transportation
<input type="checkbox"/> Other Benefits (describe below)	

f) Co-Benefits - Describe benefits indicated above in d) and any other benefits not listed.

Table 6: Project Schedule

Capital Projects	
Begin Construction Phase (Contract Award)	7/1/2017
End Construction Phase (Contract Acceptance)	9/30/2017
Begin Vehicle/Equipment Order (Contract Award)	
End Vehicle/Equipment Order (Contract Acceptance)	
Begin Closeout Phase	10/1/2017
End Closeout Phase	12/31/2042

Operations Projects	
Begin expanded/enhanced transit services	
End expanded/enhanced transit services	
Begin Closeout Phase	
End Closeout Phase	

START DATE FOR LCTOP FUNDED PHASES MAY NOT PROCEED PROJECT APPROVAL LETTER.

Pre-construction costs (e.g design, environmental and right-a-way) are not eligible to be funded by LCTOP funds, they must be funded by other sources.

Low Carbon Transit Operations Program (LCTOP)

PROJECT DESCRIPTION AND ALLOCATION REQUEST (OPERATIONS DESCRIPTION)

Table 7: Operations Project Description

a) Describe the operating plan for this system.


b) Describe the fare structure for this system.

c) Describe the assumptions and process that were used to develop the ridership projections shown in the request.

d) Describe the assumptions and process for how the operating cost projections were developed.

Low Carbon Transit Operations Program TOTAL PROJECT COST AND FUNDING PLAN

The following Funding Plan has been reviewed and approved by the undersigned. It includes a complete list of funds for this project and is the total cost of the project, including LCTOP funds.

Person preparing this form (please type or print) Steve Adams	Phone: 510.675.5446	Date: 02/01/2016
Approval Authority: Sign and date  2/1/2016	Typed name and phone number: Mintze Cheng, Public Works Director 510.675.5306	

Shaded fields are automatically calculated. Please do not fill these fields.

Proposed Total Project Cost								Project
Component	Prior	FY 17	FY	FY	FY	FY	FY	Total
PA&ED	0	0	0	0	0	0	0	0
PS&E	0	0	0	0	0	0	0	0
R/W	0	0	0	0	0	0	0	0
CON	0	100,000	0	0	0	0	0	100,000
Veh/Equip Purchase	0	0	0	0	0	0	0	0
Operations/Other	0	0	0	0	0	0	0	0
TOTAL	0	100,000	0	0	0	0	0	100,000

Low Carbon Transit Operations Program (LCTOP)								Total
Component	Prior	FY 17	FY	FY	FY	FY	FY	
PA&ED								0
PS&E								0
R/W								0
CON		79,718						79,718
Veh/Equip Purchase								0
Operations/Other								0
TOTAL	0	79,718	0	0	0	0	0	79,718

Funding Source: TDA								Total
Component	Prior	FY 17	FY	FY	FY	FY	FY	
PA&ED								0
PS&E								0
R/W								0
CON		20,282						20,282
Veh/Equip Purchase								0
Operations/Other								0
TOTAL	0	20,282	0	0	0	0	0	20,282

Funding Source:								Total
Component	Prior	FY 17	FY	FY	FY	FY	FY	
PA&ED								0
PS&E								0
R/W								0
CON								0
Veh/Equip Purchase								0
Operations/Other								0
TOTAL	0	0	0	0	0	0	0	0

Funding Source:								Total
Component	Prior	FY 17	FY	FY	FY	FY	FY	
PA&ED								0
PS&E								0
R/W								0
CON								0
Veh/Equip Purchase								0
Operations/Other								0
TOTAL	0	0	0	0	0	0	0	0

Low Carbon Transit Operations Program TOTAL PROJECT COST AND FUNDING PLAN

Funding Source:								
Component	Prior	FY 17	FY	FY	FY	FY	FY	Total
PA&ED								0
PS&E								0
R/W								0
CON								0
Veh/Equip Purchase								0
Operations/Other								0
TOTAL	0	0	0	0	0	0	0	0

Funding Source:								
Component	Prior	FY 17	FY	FY	FY	FY	FY	Total
PA&ED								0
PS&E								0
R/W								0
CON								0
Veh/Equip Purchase								0
Operations/Other								0
TOTAL	0	0	0	0	0	0	0	0

Funding Source:								
Component	Prior	FY 17	FY	FY	FY	FY	FY	Total
PA&ED								0
PS&E								0
R/W								0
CON								0
Veh/Equip Purchase								0
Operations/Other								0
TOTAL	0	0	0	0	0	0	0	0

Funding Source:								
Component	Prior	FY 17	FY	FY	FY	FY	FY	Total
PA&ED								0
PS&E								0
R/W								0
CON								0
Veh/Equip Purchase								0
Operations/Other								0
TOTAL	0	0	0	0	0	0	0	0

Funding Source:								
Component	Prior	FY 17	FY	FY	FY	FY	FY	Total
PA&ED								0
PS&E								0
R/W								0
CON								0
Veh/Equip Purchase								0
Operations/Other								0
TOTAL	0	0	0	0	0	0	0	0



Agenda Item

DATE: 3/8/2016

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: BENJAMIN T. REYES II, CITY ATTORNEY

SUBJECT: ADOPT A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UNION CITY AUTHORIZING MAYOR DUTRA-VERNACI TO ATTEND THE LIYANG TEA FESTIVAL AS THE CITY'S DELEGATE; AUTHORIZING REIMBURSEMENT OF INCIDENTAL EXPENSES

Staff recommends that the City Council adopt a resolution authorizing Mayor Carol Dutra-Vernaci to attend the Liyang Tea Festival as Union City's delegate, and authorizing reimbursement of incidental expenses pursuant to Union City's travel policies.

BACKGROUND

Mayor Dutra-Vernaci was invited to attend the opening ceremony of the Liyang Tea Festival (the "Tea Festival") in April 2016. Liyang is one of seven Union City international "Sister Cities."

Liyang will pay for Mayor Dutra-Vernaci's domestic expenses including payment of all domestic travel and lodging related expenses such as food, beverages, lodging, and ground transportation. Mayor Dutra-Vernaci will be responsible for the payment of costs for international air travel to China.

The City Attorney's office has requested advice from the Fair Political Practices Commission (the "FPPC") in advance of Mayor Dutra-Vernaci's acceptance of payment for attendance at the Tea Festival. The request for advice seeks confirmation that the domestic travel, lodging and subsistence payments from Liyang are reportable gifts, but are not subject to the FPPC's \$460.00 gift limitation. The City Attorney's office anticipates that the FPPC advice letter will provide immunity for Mayor Dutra-Vernaci in accepting these gifts of travel. If the FPPC confirms that Mayor Dutra-Vernaci can accept these gifts of travel without exceeding the FPPC's gift limitation, Mayor Dutra-Vernaci will be permitted to attend the Tea Festival and accept travel payments without violating the Political Reform Act of 1974, the Ethics in Government Act of 1990 and the relevant FPPC regulations.

DISCUSSION

The resolution will allow Mayor Dutra-Vernaci to represent the City of Union City at the Tea Festival as a delegate. The legal effect of the resolution is to confirm the public purpose of Mayor Dutra-Vernaci's

attendance at the Tea Festival. This resolution will also permit Mayor Dutra-Vernaci to receive reimbursement of incidental travel expenses pursuant to Union City's reimbursement policies.

FISCAL IMPACT

This action has minimal fiscal impact to the City.

RECOMMENDATION

Staff recommends that the City Council adopt a resolution authorizing Mayor Carol Dutra-Vernaci to attend the Liyang Tea Festival as Union City's delegate, and authorizing reimbursement of incidental expenses pursuant to Union City's travel policies.

Prepared by:

Kristopher J. Kokotaylo, Deputy City Attorney

Submitted by:

Benjamin T. Reyes II, City Attorney

ATTACHMENTS:

Description	Type
☐ Resolution Regarding Liyang Tea Festival	Resolution

CITY COUNCIL RESOLUTION NO. __

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UNION CITY
AUTHORIZING MAYOR DUTRA-VERNACI TO ATTEND THE LIYANG
(JIANGSU, CHINA) TEA FESTIVAL AS THE CITY'S DELEGATE;
AUTHORIZING REIMBURSEMENT OF INCIDENTAL EXPENSES**

WHEREAS, Liyang (Jiangsu, China) is one of Union City's seven international "Sister Cities;" and

WHEREAS, Mayor Carol Dutra-Vernaci was invited to travel to Liyang to attend the opening ceremony of the Liyang Tea Festival (the "Tea Festival") in April 2016; and

WHEREAS, Mayor Dutra-Vernaci will attend the Tea Festival in her official capacity as a representative of the City for the specific governmental purpose of strengthening the City's relationship with Liyang; and

WHEREAS, expenses related to domestic travel and lodging, including the payment of local travel, food, beverages, subsistence and hotels will be paid for by Liyang; and

WHEREAS, Mayor Dutra-Vernaci will be responsible for costs associated with international air travel to China; and

WHEREAS, Mayor Dutra-Vernaci's attendance at the Tea Festival presents a unique opportunity for Union City to further build and strengthen the City's relationship with Liyang; and

WHEREAS, the opportunities presented to Union City through Mayor Dutra-Vernaci's attendance at the Tea Festival constitute an important public purpose; and

WHEREAS, participating in and attending important cultural events held by Union City's Sister Cities are consistent with Union City's efforts to strengthen its relationship with the international community and stimulate interest in Union City; and

WHEREAS, it would be in the best interest of the City of Union City to send Mayor Dutra-Vernaci as its delegate to the Tea Festival.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Union City hereby requests that Mayor Dutra-Vernaci participate in the Tea Festival in her capacity as Mayor of the City of Union City and declares that the City of Union City has an interest in strengthening its relationship with its Sister City Liyang and the international community as a whole.

BE IT FURTHER RESOLVED THAT Mayor Dutra-Vernaci may receive reimbursement of incidental travel expenses pursuant to Union City's reimbursement policies.

2616085.1



Agenda Item

DATE: 3/8/2016

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: TONY SANDHU, INTERIM FINANCE DIRECTOR

SUBJECT: RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UNION CITY
ACCEPTING THE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR
THE FISCAL YEAR ENDED JUNE 30, 2015

BACKGROUND

Each year the City is required to conduct an audit of its financial records and transactions. The City's Comprehensive Annual Financial Report, also known as the CAFR or annual audit, for the fiscal year ended June 30, 2015 is presented here. The CAFR reports the financial activities of each fund maintained by the City. The CAFR was prepared by Badawi & Associates, Certified Public Accountants, in their fourth year of a five year contract.

DISCUSSION

Based on the audit of the fiscal year ended June 30, 2015, Badawi & Associates issued this opinion:

"In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2015, 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."

In the General Fund, the primary operating fund of the City, revenues and other financing sources exceeded expenditures and other financing uses by \$4,539,027, a decrease of 13.8% over last fiscal year. This amount is referred to as the net change in fund balance. Included as part of the General Fund for reporting purposes are funds that are budgeted as special revenue funds but do not meet the criteria for classification as a special revenue fund in accordance with generally accepted accounting principles. At the end of the fiscal year, the General Fund reported a total fund balance of \$28,549,943. This amount includes \$5.7 million conveyance of former Redevelopment Agency land to the City.

Major factors contributing to the change in the General Fund fund balance include:
:

- Property taxes increased by \$1,336,000 or 7% over last fiscal year;
- Sales tax Measure JJ increased by \$187,000 or 4%;
- Transient occupancy tax increased by \$707,000 or 51% over the previous year;
- Franchise fees increased by \$379,000 or 6%;
- License and Permits were higher by \$558,300 or 37% compared to prior year;
- Payroll-related costs increased by 3.5% or \$867,000;
- Service-related cost went up by \$2,914,000 mainly related to Police Dispatch Consolidation and Teen Center Design Projects;

Fund balance is classified in the following categories:

- Nonspendable: \$998,918 representing prepaid items and long-term notes receivable;
- Restricted: \$7,403 representing state-mandated revenue collected under SB 1186 that is to be used to ensure compliance with disabled accessibility requirements; and \$5,743,960 former RDA land being held for sale by the city;
- Assigned: \$13,341,089 representing amounts intended for specific purposes that do not meet the criteria to be classified as restricted fund balance. \$3,456,206 of this amount is assigned for economic uncertainty. \$4,154,107 is associated with those funds included as part of the General Fund for reporting purposes.

Unassigned: \$8,458,573 represents all spendable amounts that are not contained in the other classifications. For the General Fund proper, unassigned fund balance is \$6,557,888 because a fund included in the General Fund for reporting purposes includes \$1,900,685 carryover projects like Teen center and Police Dispatch Consolidation.

FISCAL IMPACT

There is no fiscal impact associated with the acceptance of this resolution.

RECOMMENDATION

It is recommended that the City Council accept the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015.

Prepared by:

Gayle Okada, Supervising Accountant

Submitted by:

Tony Sandhu, Interim Finance Director

ATTACHMENTS:

Description	Type
☐ Resolution to Accept 2015 CAFR	Resolution

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UNION CITY ACCEPTING THE COMPREHENSIVE
ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

WHEREAS, by Council Policy, the City's activities and records are to be audited by an Independent Certified Public Accountant annually; and

WHEREAS, the firm of Badawi & Associates, an Independent Certified Public Accountancy firm has been selected to perform the audit of City records; and

WHEREAS, Badawi & Associates has reviewed the Comprehensive Annual Financial Report and has expressed an opinion on the financial position of the governmental activities; and

WHEREAS, the City Council of the City of Union City has previously established a Council Audit Committee for the purpose of reviewing the CAFR, and the Audit Committee has reviewed and accepted the CAFR.

NOW, THERE, BE IT RESOLVED, by the City Council of the City of Union City, that the Comprehensive Annual Financial Report the fiscal year ended June 30, 2015 is hereby accepted, and shall be posted electronically for public access.



Agenda Item

DATE: 3/8/2016

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: JOAN MALLOY, ECONOMIC AND COMMUNITY DEVELOPMENT DIRECTOR

SUBJECT: ADOPT A RESOLUTION DECLARING ITS INTENTION TO AUTHORIZE THE ANNEXATION OF TERRITORY TO COMMUNITY FACILITIES DISTRICT NO. 2006-1 (PUBLIC SERVICES) AND ADOPT A RESOLUTION ADOPTING BOUNDARY MAP SHOWING TERRITORY PROPOSED TO BE ANNEXED IN THE FUTURE TO COMMUNITY FACILITIES DISTRICT NO. 2006-1 (PUBLIC SERVICES)

Declaration of Intention to authorize Annexation No. 6 into Community Facilities District No. 2006-1 and Adoption of Boundary Map

BACKGROUND

On February 27, 2007 the City Council formed Community Facilities District No. 2006-1 (CFD No. 2006-1) to provide additional funding for certain increased public service costs resulting from new residential development. The attached resolutions begin the process to annex the property which identified by APNs 483 -0010-025-05 & 483 -0010-025-07 that is proposed to be developed into 36 low density multi-family residential units and 6 commercial units by City Ventures.

DISCUSSION

City staff engaged the services of NBS to assist with the annexation.

Significant provisions of the program are as follows:

1. The funding of services to be provided are in addition to those services provided in or required for the territory and will not be replacing services already available. These additional services include costs for public safety (Police and Fire Services) and park maintenance.
2. Beginning with fiscal year 2016/17, the proposed special tax will be levied for all residential units that have been issued a building permit prior to May 1. This special tax does not apply to commercial, office, or industrial space.
3. In fiscal year 2016/17, the annual special tax for Low Density Multi-family Residential (the classification of the 36 residential units) is \$300.95 per unit, increasing 2% per year. The special tax shall be levied in perpetuity.

4. Notice is given that on April 12, 2016 the public hearing will be held where this City Council will consider the annexation to CFD No. 2006-1 and may, in fact, conduct the election and tabulate the results.

FISCAL IMPACT

The special tax will provide additional funding for selected increased public service costs within the territory. Beginning in fiscal year 2016/17 it is expected that the special tax will generate \$10,834.20 per year, increasing 2% per year thereafter.

RECOMMENDATION

Staff recommends that the City Council approve the resolutions (1) Declaring its intention to authorize the annexation of territory to Community Facilities District No. 2006-1 (Public Services), and (2) Adopting the boundary map showing the territory proposed to be annexed in the future to Community Facilities District No. 2006-1 (Public Services).

Prepared by:

Steve Sprotte, Management Analyst

Submitted by:

Joan Malloy, Economic and Community Development Director

ATTACHMENTS:

Description	Type
<input type="checkbox"/> Resolution Declaring Intention	Resolution
<input type="checkbox"/> Exhibit A - Boundary Map	Exhibit
<input type="checkbox"/> Exhibit B - RMA	Exhibit
<input type="checkbox"/> Resolution Adopting Boundary Map	Resolution

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UNION CITY, CALIFORNIA, DECLARING ITS INTENTION TO AUTHORIZE THE ANNEXATION OF TERRITORY TO COMMUNITY FACILITIES DISTRICT NO. 2006-1 (PUBLIC SERVICES)

WHEREAS, the City Council of the City of Union City, California, (“City Council”), at this time desires to authorize the annexation of territory to City of Union City Community Facilities District No. 2006-1 (Public Services) (hereafter referred to as “CFD No. 2006-1”) pursuant to the terms and provisions of the “Mello-Roos Community Facilities Act of 1982”, being *Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California*, as amended (the “Act”); and,

WHEREAS, CFD No. 2006-1 was formed to finance public services in addition to those provided in or required for the territory within the CFD No. 2006-1 and will not be replacing services already available; and,

WHEREAS, certain territory is proposed to be annexed to CFD No. 2006-1 and such territory shall be known and designated as Community Facilities District No. 2006-1 (Public Services), Annexation No. 6 (The Sugarmill) (hereafter referred to as “Annexation No. 6”); and,

WHEREAS, this legislative body now desires to proceed to adopt its Resolution of Intention to annex Annexation No. 6 into CFD No. 2006-1, to describe the territory included within Annexation No. 6 proposed to be annexed, to specify the services to be financed from the proceeds of the levy of special taxes within Annexation No. 6, to set and specify the special taxes that would be levied within the territory to finance such services, and to set a time and place for a public hearing relating to the annexation of Annexation No. 6 into CFD No. 2006-1; and,

WHEREAS, a map showing the boundaries of Annexation No. 6 proposed to be annexed has been submitted, which map has been previously approved and a copy of the map shall be kept on file with the transcript of these proceedings.

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

SECTION 1 Recitals. The above recitals are all true and correct.

SECTION 2 Authorization. The proceedings for annexing Annexation No. 6 into CFD No. 2006-1 are authorized and initiated by this legislative body pursuant to the authorization of the Act.

SECTION 3 Intention to Annex. This legislative body hereby determines that the public convenience and necessity requires that Annexation No. 6 be added to CFD No. 2006-1 in order to pay the costs and expenses for the required and authorized new services generated from new development within the City and this City Council declares its intention to annex Annexation No. 6 to CFD No. 2006-1.

SECTION 4 Boundaries. A general description of the boundaries of Annexation No. 6 proposed to be annexed is as follows:

RESOLUTION NO. _____

All that territory proposed to be annexed to CFD No. 2006-1, as such property is shown on a map designated as “Annexation Map No. 6 (The Sugarmill) of Community Facilities District No. 2006-1 (Public Services), City of Union City, County of Alameda, State of California,” attached hereto as Exhibit “A” and hereby incorporated by reference.

SECTION 5 Name of District. The name of the district is “City of Union City Community Facilities District No. 2006-1 (Public Services)” and the designation for the territory to be annexed shall be “City of Union City Community Facilities District No. 2006-1 (Public Services), Annexation No. 6 (The Sugarmill).”

SECTION 6 Services Authorized to be Financed by CFD No. 2006-1, Annexation No. 6. The services that are authorized to be financed by CFD No. 2006-1 are certain services which are in addition to those provided in or required for the territory within CFD No. 2006-1 and Annexation No. 6 and will not be replacing services already available. A general description of the services to be financed by CFD No. 2006-1 and Annexation No. 6 is as follows:

PUBLIC SERVICES

New police services, fire protection and suppression services, paramedic services, and park maintenance, including but not limited to (i) the costs of contracting services, (ii) related facilities, equipment, vehicles, ambulances, fire apparatus and supplies, (iii) the salaries and benefits of City staff that directly provide police services, fire protection and suppression services, paramedic services, and park maintenance respectively, and (iv) City overhead costs associated with providing such services within CFD No. 2006-1 and Annexation No. 6. The Special Tax provides only partial funding for Public Services.

The same types of services which are authorized to be financed by CFD No. 2006-1 are the types of services to be provided in Annexation No. 6. If and to the extent possible, such services shall be provided in common within CFD No. 2006-1 and Annexation No. 6.

SECTION 7 Special Taxes. It is the further intention of this City Council body that, except where funds are otherwise available, a special tax sufficient to pay for such services to be provided in CFD No. 2006-1 and Annexation No. 6 and related incidental expenses authorized by the Act, secured by recordation of a continuing lien against all non-exempt real property in Annexation No. 6, will be levied annually within the boundaries of such Annexation No. 6. For further particulars as to the rate and method of apportionment of the proposed special tax, reference is made to the attached and incorporated Exhibit “B” (the “Rate and Method of Apportionment”), which sets forth in sufficient detail the method of apportionment to allow each landowner or resident within proposed Annexation No. 6 to clearly estimate the maximum amount that such person will have to pay.

The special tax proposed to be levied within Annexation No. 6 for services to be supplied within Annexation No. 6 shall be equal to the special tax levied to pay for the same services in CFD No. 2006-1, except that a higher or lower special tax may be levied within Annexation No. 6 to the extent that the actual cost of providing the services in Annexation No. 6 is higher or lower than the cost of providing those services in CFD No. 2006-1. Notwithstanding the foregoing, the special tax may not be levied at a rate that is higher than the maximum special tax

RESOLUTION NO. _____

authorized to be levied pursuant to the Rate and Method of Apportionment.

The special taxes herein authorized, to the extent possible, shall be collected in the same manner as ad valorem property taxes and shall be subject to the same penalties, procedure, sale and lien priority in any case of delinquency as applicable for ad valorem taxes. Any special taxes that may not be collected on the County tax roll shall be collected through a direct billing procedure by the Treasurer.

The maximum special tax rate in CFD No. 2006-1 shall not be increased as a result of the annexation of Annexation No. 6 to CFD No. 2006-1.

SECTION 8 Public Hearing. Notice is given that on April 12, 2016 at the hour of 7:00 p.m., in the regular meeting place of the City Council being the Council Chambers, located at 34009 Alvarado-Niles Road, Union City, California 94587, a public hearing will be held where this City Council will consider the authorization for the annexation of Annexation No. 6 to CFD No. 2006-1, the proposed method and apportionment of the special tax to be levied with Annexation No. 6 and all other matters as set forth in this Resolution of Intention.

At such public hearing, the testimony of all interested persons for or against the annexation of Annexation No. 6 or the levying of special taxes within Annexation No. 6 will be heard.

At such public hearing, protests against the proposed annexation of Annexation No. 6, the levy of special taxes within Annexation No. 6 or any other proposals contained in this resolution may be made orally by any interested person. Any protests pertaining to the regularity or sufficiency of the proceedings shall be in writing and shall clearly set forth the irregularities or defects to which objection is made. All written protests shall be filed with the City Clerk prior to the time fixed for the public hearing. Written protests may be withdrawn at any time before the conclusion of the public hearing.

SECTION 9 Majority Protest. If (a) 50% or more of the registered voters, or six (6) registered voters, whichever is more, residing within CFD No. 2006-1, (b) 50% or more of the registered voters, or six (6) registered voters, whichever is more, residing within Annexation No. 6, (c) owners of one-half or more of the area of land in the territory included in CFD 2006-1, or (d) owners of one-half or more of the area of land in the territory included in Annexation No. 6, file written protests against the proposed annexation of Annexation No. 6 to CFD No. 2006-1 in the future and such protests are not withdrawn so as to reduce the protests to less than a majority, no further proceedings shall be undertaken for a period of one year from the date of the decision by the City Council on the issues discussed at the public hearing.

SECTION 10 Notice. Notice of the time and place of the public hearing shall be given by the City Clerk by publication in the legally designated newspaper of general circulation, said publication pursuant to Section 6061 of the Government Code, with said publication to be completed at least seven (7) days prior to the date set for the public hearing.

RESOLUTION NO. _____

The foregoing Resolution No. _____ was passed and adopted by the City Council of the City of Union City on the _____, by the following vote:

AYES:	_____
NOES:	_____
ABSENT:	_____
ABSTAIN:	_____

	Mayor, City of Union City

Attest:

City Clerk,
City of Union City

EXHIBIT A
ANNEXATION MAP

EXHIBIT B
RATE AND METHOD OF APPORTIONMENT

ANNEXATION MAP NO. 6 (THE SUGARMILL) OF
CITY OF UNION CITY
COMMUNITY FACILITIES DISTRICT NO. 2006-1
(PUBLIC SERVICES)
CITY OF UNION CITY
COUNTY OF ALAMEDA
STATE OF CALIFORNIA



REFERENCE IS HEREBY MADE TO THAT CERTAIN MAP ENTITLED "PROPOSED BOUNDARIES OF CITY OF UNION CITY COMMUNITY FACILITIES DISTRICT NO. 2006-1 (PUBLIC SERVICES), CITY OF UNION CITY, COUNTY OF ALAMEDA, STATE OF CALIFORNIA," FILED THE 6TH DAY OF FEBRUARY, 2007, AT THE HOUR OF 11:24 O'CLOCK A.M. IN BOOK 16 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICT AT PAGE 68, IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF ALAMEDA, STATE OF CALIFORNIA, WHICH THIS ANNEXATION MAP AFFECTS.

CERTIFICATIONS

1. FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF UNION CITY THIS ____ DAY OF _____, 20__.

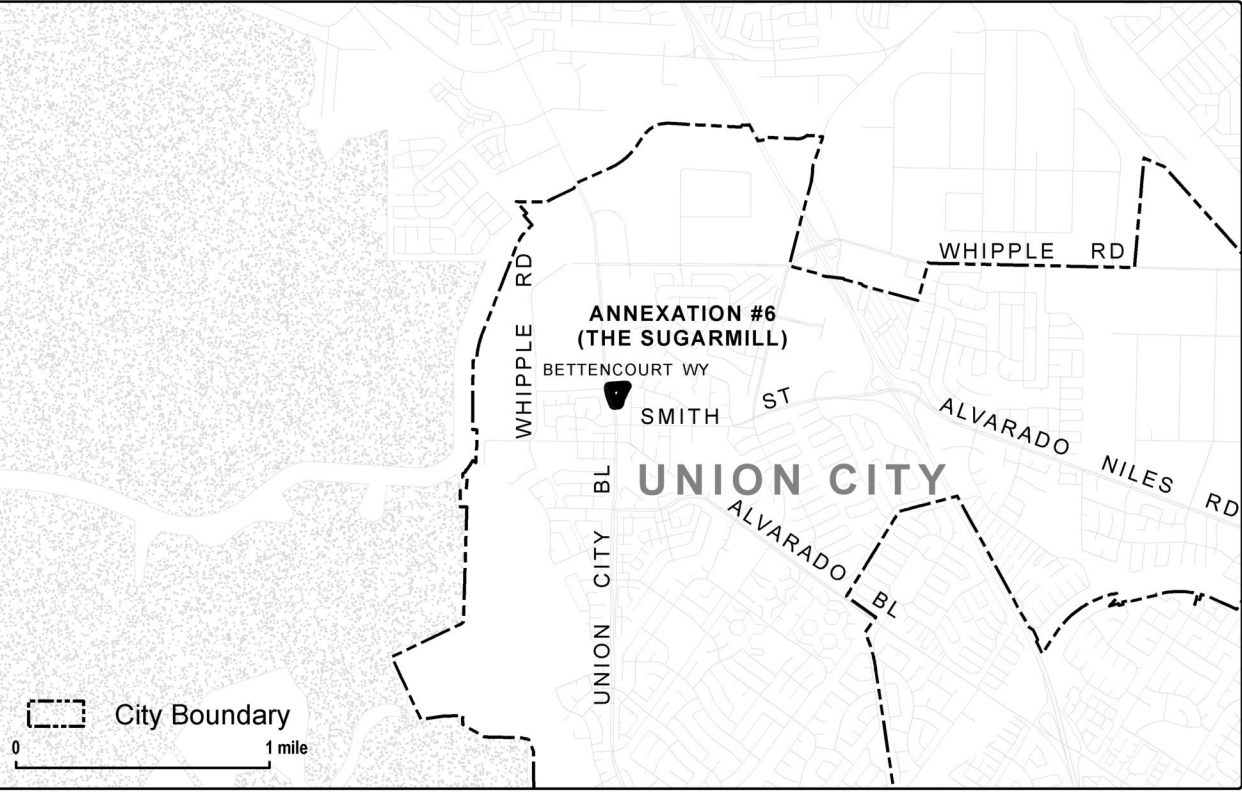
CITY CLERK

2. I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF ANNEXATION NO. 6 (THE SUGARMILL) TO CITY OF UNION CITY COMMUNITY FACILITIES DISTRICT NO. 2006-1 (PUBLIC SERVICES), COUNTY OF ALAMEDA, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF UNION CITY, AT A MEETING THEREOF, HELD ON THE ____ DAY OF _____, 20__, BY ITS RESOLUTION NO. ____.

CITY CLERK

3. FILED THIS ____ DAY OF _____, 20__, AT THE HOUR OF ____ O'CLOCK __.M., IN BOOK ____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE ____ IN THE OFFICE OF THE COUNTY RECORDER IN THE COUNTY OF ALAMEDA, STATE OF CALIFORNIA.

COUNTY RECORDER,
COUNTY OF ALAMEDA



 **Annexation Boundary**

 **Annexation No. 6 (The Sugarmill) District Parcel**

 **Other Area Parcels**

Data Source
Alameda County GIS

Projection
NAD 1983 StatePlane California III
FIPS 0403 Feet

Geographic Coordinate System
GCS North American 1983



RATE AND METHOD OF APPORTIONMENT

CITY OF UNION CITY COMMUNITY FACILITIES DISTRICT NO. 2006-1 (PUBLIC SERVICES)

A special tax as hereinafter defined shall be levied on and collected for Community Facilities District No. 2006-1 (Public Services) of the City of Union City ("CFD No. 2006-1") each Fiscal Year, commencing in Fiscal Year 2009-2010, in an amount determined by the City Council of the City of Union City through the application of the appropriate Special Tax for "Developed Residential Property" as described below. All of the real property in CFD No. 2006-1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Act" means the Mello-Roos Community Facilities Act of 1982, being Chapter 2.5, Part 1, Division 2 of Title 5 of the Government Code of the State of California, as amended.

"Administrative Expenses" means any actual ordinary and necessary expense of the City of Union City, or designee thereof or both, to carry out the administration of CFD No. 2006-1 related to the determination of the amount of the levy of the Special Tax, the collection of the Special Tax including the expenses of collecting delinquencies, the payment of a proportional share of salaries and benefits of any City employee whose duties are directly related to the administration of CFD No. 2006-1, fees and expenses for counsel, Special Tax consultant and other consultants hired by the City in relation to CFD No. 2006-1, costs associated with responding to public inquiries regarding CFD No. 2006-1, and costs otherwise incurred in order to carry out the authorized purposes of CFD No. 2006-1.

"Annual Escalation Factor" means the Maximum Special Tax shall be increased by two percent (2%) each subsequent year following the Base Year.

"Assessor's Parcel" means a lot or parcel shown in an Assessor's Parcel Map with an assigned assessor's parcel number.

"Assessor's Parcel Map" means an official map of the Assessor of the County designating parcels by assessor's parcel number.

"Base Year" means Fiscal Year ending June 30, 2010.

"Building Permit" means a permit for new construction for a residential dwelling or non-residential structure. For purposes of this definition, "Building Permit" shall not include permits for construction or installation of retaining walls, utility improvements, or other such improvements not intended for human habitation.

“CFD Administrator” means an official of the City, or designee thereof, responsible for the levy and collection of the Special Taxes.

“CFD No. 2006-1” means Community Facilities District No. 2006-1 (Public Services) established by the City under the Act.

“City” means the City of Union City.

“Council” means the City Council of the City, acting as the legislative body of CFD No. 2006-1.

“County” means the County of Alameda, California.

“Developed Residential Property” means an Assessor’s Parcel within CFD No. 2006-1 for which a Building Permit was issued for purposes of constructing Single-Family Residential, Duplex, Low Density Multi-Family Residential, or High Density Multi-Family Residential dwelling Units prior to May 1 preceding the Fiscal Year for which the Special Tax is being levied.

“Duplex” means all Assessor’s Parcels of Developed Residential Property for which a Building Permit has been issued for purposes of constructing a residential structure or structures consisting of two Residential Units.

“Fiscal Year” means the period starting July 1 and ending on the following June 30.

“High Density Multi-Family Residential” means all Assessor’s Parcels of Developed Residential Property for which a Building Permit has been issued for purposes of constructing a Multi-Family Residential Unit within a structure consisting of four or more stories of livable units. For purposes of this definition, non-livable areas such as parking garages and common areas are not considered to be livable units.

“Homeowner Association Property” means any property within the boundaries of the District that is owned by, or irrevocably dedicated as indicated in an instrument recorded with the County Recorder to, a property owner association, including any master or sub-association.

“Land Use Class” means any of the classes listed in Table 1 of Section C.

“Low Density Multi-Family Residential” means all Assessor’s Parcels of Developed Residential Property for which a Building Permit has been issued for purposes of constructing a Multi-Family Residential Unit within a structure consisting of less than four stories of livable units. For purposes of this definition, non-livable areas such as parking garages and common areas are not considered to be livable units.

“Maximum Special Tax” means the maximum Special Tax, determined in accordance with Section C below that can be levied by CFD No. 2006-1 in any Fiscal Year on Developed Residential Property within CFD No. 2006-1.

“Mixed-Use Property” means an Assessor’s Parcel within CFD No. 2006-1 for which a Building Permit has been issued for purposes of constructing a structure or structures that consists of one or more Residential Units, but also has dedicated space for non-residential use. Residential Units on Mixed-Use Property shall be classified as Low Density Multi-Family Residential.

“Multi-Family Residential” means all Assessor’s Parcels of Developed Residential Property for which a Building Permit has been issued for purposes of constructing a residential structure consisting of more than two Residential Units, including, but not limited to, triplexes, condominiums, and apartment Units.

“Non-Residential Property” means all Assessors’ Parcels for which a Building Permit(s) has been issued for non-residential use and does not contain any Residential Units.

“Public Property” means any property within the boundaries of CFD No. 2006-1 that is owned by or irrevocably dedicated to the City, the federal government, the State of California, the County, or other public agency or is used for public purposes. For purposes of this definition, property owned by the Redevelopment Agency of the City of Union City is **not** considered Public Property and any property owned by the Redevelopment Agency will be subject to the levy of a Special Tax in accordance with Section C and D herein.

“Public Services” means new police services, fire protection and suppression services, paramedic services, and park maintenance, including but not limited to (i) the costs of contracting services, (ii) related facilities, equipment, vehicles, ambulances, fire apparatus and supplies, (iii) the salaries and benefits of City staff that directly provide police services, fire protection and suppression services, paramedic services, and park maintenance respectively, and (iv) City overhead costs associated with providing such services within CFD No. 2006-1. The Special Tax provides only partial funding for Public Services.

“Residential Unit” or “Unit” means any separate residential dwelling unit in which a person or persons may live, which comprises an independent facility capable of conveyance separate from adjacent residential dwelling units and is not considered to be for commercial or industrial use.

“Single-Family Residential” means all Assessors’ Parcels of Developed Residential Property for which a Building Permit(s) has been issued for purposes of constructing one single-family residential dwelling unit.

“Special Tax” means the special tax to be levied in each Fiscal Year on each Assessor’s Parcel of Developed Residential Property, and shall include special taxes levied or to be levied under Sections C and D.

“State” means the State of California.

“Tax-Exempt Property” means an Assessor’s Parcel not subject to the Special Tax as defined under Section E.

“Undeveloped Property” means an Assessor’s Parcel within CFD No. 2006-1 for which a Building Permit has not been issued and is not classified as Public Property or Homeowner Association Property.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, commencing with Fiscal Year 2009-2010, all Assessor’s Parcels within CFD No. 2006-1 shall be classified as either Developed Residential Property or Tax-Exempt Property, using the definitions in Section A. In addition, Developed Residential Property shall be further classified as Single-Family Residential, Duplex, Low Density Multi-Family

Residential or High Density Multi-Family Residential. All Developed Residential Property shall be subject to Special Taxes pursuant to Sections C and D.

C. MAXIMUM SPECIAL TAX RATE

1. Developed Residential Property

TABLE 1

**Maximum Special Tax for Developed Residential Property
Community Facilities District No. 2006-1
(Public Services)**

Land Use Class	Description	Maximum Special Tax Per Unit ¹
1	Single-Family Residential	\$523 per Unit
2	Duplex	\$367 per Unit
3	Low Density Multi-Family Residential	\$262 per Unit
4	High Density Multi-Family Residential	\$200 per Unit
¹ Maximum Special Tax includes the costs for Administrative Expenses		

On each July 1 following the Base Year, the Maximum Special Tax in Table 1 shall be increased in accordance with the Annual Escalation Factor.

2. Tax-Exempt Property

No Special Tax shall be levied on Tax-Exempt Property.

3. Multiple Land Use Classes

In some instances an Assessor's Parcel may contain more than one Land Use Class. The Maximum Special Tax levied on such an Assessor's Parcel shall be the sum of the Maximum Special Tax levies that can be imposed on all Land Use Classes located on that Assessor's Parcel.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2009-2010, and for each subsequent Fiscal Year, the Special Tax shall be levied on each Assessor's Parcel of Developed Residential Property at the applicable Maximum Special Tax as set forth in Section C.

E. EXEMPTIONS

No Special Tax shall be levied on Undeveloped Property, Homeowner Association Property, Non-Residential Property or Public Property.

F. APPEALS

Any taxpayer who believes that the amount of the Special Tax assigned to a parcel is in error may file a written notice with the CFD Administrator appealing the levy of the Special Tax. This notice is required to be filed with the CFD Administrator during the Fiscal Year in which the error is believed to have occurred. The City and/or CFD Administrator will then promptly review the appeal and, if necessary, meet with the taxpayer. If the City and/or CFD Administrator verifies that the tax should be changed, the Special Tax levy shall be corrected and, if applicable in any case, a refund shall be granted.

F. MANNER OF COLLECTION

The Special Tax, as levied pursuant to Section D above, shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes, provided, however, that CFD No. 2006-1 may direct bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary, to meet the financial obligations of CFD No. 2006-1, or as otherwise determined appropriate by the City.

G. TERM OF SPECIAL TAX

The Special Tax shall be levied in perpetuity to fund Public Services provided to CFD No. 2006-1.

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UNION CITY, CALIFORNIA, ADOPTING BOUNDARY MAP SHOWING TERRITORY PROPOSED TO BE ANNEXED IN THE FUTURE TO COMMUNITY FACILITIES DISTRICT NO. 2006-1 (PUBLIC SERVICES)

WHEREAS, the City Council of the City of Union City, California, (“City Council”), formed a Community Facilities District, designated as Community Facilities District No. 2006-1 (Public Services) (hereafter referred to as “CFD No. 2006-1”), pursuant to the terms and provisions of the “Mello-Roos Community Facilities Act of 1982”, being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California, as amended (the “Act”); and

WHEREAS, the City Council desires to initiate proceedings to annex certain territory to CFD No. 2006-1; and,

WHEREAS, there has been submitted a map showing the territory proposed to be annexed to CFD No. 2006-1, said area to be designated as Community Facilities District No. 2006-1 (Public Services), Annexation No. 6 (The Sugarmill) (hereafter referred to as “Annexation No. 6”).

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

SECTION 1 Recitals. The above recitals are all true and correct.

SECTION 2 Annexation Map. The map showing Annexation No. 6 and to be subject to the levy of a special tax by CFD No. 2006-1 upon the annexation of such territory to CFD No. 2006-1 is hereby approved and adopted. Such map is designated by the name of “Annexation Map No. 6 (The Sugarmill) of Community Facilities District No. 2006-1 (Public Services), City of Union City, County of Alameda, State of California.”

SECTION 3 Certificate. A certificate shall be endorsed on the original and on at least one (1) copy of the map of Annexation No. 6, evidencing the date and adoption of this Resolution, and within fifteen days after the adoption of the Resolution fixing the time and place of the Public Hearing on the intention to annex Annexation No. 6 to CFD No. 2006-1, a copy of said map shall be filed with the correct and proper endorsements thereon with County Recorder, all in the manner and form provided for Section 3111 of the Streets and Highways Code of the State California.

RESOLUTION NO. _____

The foregoing Resolution No. _____ was passed and adopted by the City Council of the City of Union City on the _____, by the following vote:

AYES:	_____
NOES:	_____
ABSENT:	_____
ABSTAIN:	_____

	Mayor
	City of Union City

Attest:

City Clerk
City of Union City



Agenda Item

DATE: 3/8/2016

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: TONY SANDHU, INTERIM FINANCE DIRECTOR

SUBJECT: FISCAL YEAR 2015-16 2ND QUARTER (QTR) REPORT ON BUDGET TO ACTUAL RESULTS FOR THE PERIOD OF JULY 1 THROUGH DECEMBER 31, 2015 (INFORMATION ONLY); ADOPT TWO RESOLUTIONS AMENDING THE ADOPTED FISCAL YEAR 2015-16 OPERATING BUDGET AND CAPITAL IMPROVEMENT PLAN

This report provides an analysis of the City's General Fund finances (revenues and expenses) through the second quarter of Fiscal Year (FY) 2015-16. Projections for FY 2015-16 year-end results are not included in this report but subsequent reports will include them based on the most current information and data available at that time.

This informational report provides the following:

- An analysis of the City's General Fund finances (revenues and expenses) through the second quarter of Fiscal Year (FY) 2015-16;
- A comparison of Year to Date (YTD) expenditures with the financial plan included in the Adopted and Amended Fiscal Year 2015-16 Annual Budget.
- An update on the usage of the City Manager Administrative Contingency Account (0.5% of the Annual General Fund Adopted Operating Budget);
- Proposed elimination of various assigned fund balance categories which are no longer needed and transfer balances from Unassigned (Undesignated) Reserve balances to the City's Risk Management Program, and other Assigned (Designated) categories to comply with council-approved reserve policies;
- A resolution amending and appropriating FY 2014-15 carryover amount of \$2,498,909 to the adopted 2015-16 General Fund operating budget for the Fremont Dispatch Consolidation Project (\$974,590), 1 Center Phase One Project (\$1 Million), Economic Development Marketing Program (\$200,205), and other departments combined (\$324,114) per Attachment 1-A; and
- A resolution amending and appropriating FY 2015-16 adopted operating and capital budget revenue expenditures categories for various funds per Attachment 1-B.

Staff recommends acceptance of this informational report and adoption of both proposed resolutions amending the Adopted FY 2015-16 Operating Budget and Capital Improvement Plan.

BACKGROUND

The City Council has directed staff to provide quarterly reports on the financial condition of the City's General Fund and related budget performance. The intent of this report is to keep the City Council informed of recent developments affecting the City's General Fund, to recommend appropriate actions when necessary, and to ensure the ability of the City to meet its commitments and obligations contained in the budgetary plan.

DISCUSSION

General Fund revenues and expenditures are summarized in Attachment 2. This report analyzes revenues and expenditures using three basic comparisons:

- **Prior Year YTD Comparison:** current YTD actuals versus prior fiscal year's YTD (FY 2014-15);
- **Current Year YTD Comparison:** current year amended budget versus current fiscal year's YTD actuals (FY 2015-16); and
- **Current Year Budget Comparison:** current year amended budget versus current year adopted budget (FY 2015-16).

At the midyear point of the FY 2015-16, the City's General Fund remains within the target plan with overall revenues within the budgeted levels and expenditures staying within their budgetary allocation. On the revenue side, there are both negative and positive variances which are discussed in detail within the report. The following three Tables below show the amendments to the adopted FY 2015-16 budget, composed of YTD Council approved supplemental appropriations, appropriations from the Administrative Contingency, and rolled over Budget/POs (Attachment 1-A); and Mid-Year Adjustments (Attachment 1-B):

Table 1 – FY 2015-16 General Fund Budget Amendments

Description	Amount
Revenues	
Adopted Budget	\$49,605,400
Add: Amendments	891,400
Amended Budget	\$50,496,800
Expenses	
Adopted Budget	\$49,428,400
Add:	
Rolled over Project Budget/Purchase Orders	2,498,900
Supplemental Appropriation-CM Admin Contingency	200,100
Supplemental Appropriation-Unassigned Fund Balance	2,573,500
Supplemental Appropriation-Current Operating Revenues	124,400
Amended Budget	\$54,825,300

Table 2 – FY 2015-16 Other Funds Budget Amendments

Description	Amount	Fund	GLAccount
Revenues			
Comcast Settlement	\$15,000	CUPA Enforcement	2215-6106-41072
Cable TV PEG	25,000	Cable TV PEG	2060-00000-47110
OPEB Funding-50% of General Fund Operating Surplus (FY 2014-15)	1,378,600	PERS/OPEB Retiree Medical Trust	2020-00000-49610

Worker's Comp Funding	956,000	Worker's Comp Program	6110-00000-49610
Total	\$2,374,600		
Expenses			
Hazardous Waste Enforcement Training Program	\$15,000	CUPA Enforcement	2215-6106-41072-54110
Transfer from Retirement/Benefit Reserve to General Fund	\$561,800	Retirement/Benefit Reserve	2011-8888-00000-59101
Total	\$576,800		

Table 3 – FY 2015-16 Capital Improvement Plan Budget Amendments

Description	Increase (Decrease)	Fund	GLAccount
Slurry Seal – Project 91502	\$150,000	ACTIA-Streets & Roads	2542-3199-91502-54111
Whipple Road Overlay – Project 91310	(\$150,000)	ACTIA-Streets & Roads	2542-3199-91302-54111
Overlay – Project 91501	\$250,000	ACTIA-Streets & Roads	2542-3199-91501-54111
Right-of Way Fence/Wall Installation – Project 90920	\$100,000	Gas Tax	2510-3199-90920-54111
Upgrade Traffic Signal System – Project 90506	(\$100,000)	Gas Tax	2510-3199-90506-54111
Total	\$250,000		

GENERAL FUND REVENUES

Table 4

REVENUES BY SUMMARY	2014-15 YTD Actuals	2015-16 Amended Budget	2015-16 YTD Actuals	\$ Change 2014-15	% Change 2014-15	\$ Change 2015-16 Budget	% Change 2015-16 Budget
Property Taxes	\$9,683,994	\$20,713,500	\$9,534,569	(\$149,425)	-1.5%	\$706,800	3.5%
Sales Tax	2,251,849	7,902,000	2,257,862	6,013	0.3%	(1,111,000)	-12.3%
Sales Tax - Measure JJ	1,586,413	4,871,000	1,578,219	(8,194)	-0.5%	(200,800)	-4.0%
Other Taxes	1,872,078	8,796,800	2,035,480	163,401	8.7%	791,600	9.9%
Licenses & Permits	745,346	2,110,900	1,126,485	381,139	51.1%	106,600	5.3%
Fines & Forfeitures	195,088	529,600	174,977	(20,111)	-10.3%	(20,300)	-3.7%
Intergovernmental Revenues	420,022	1,105,800	355,367	(64,655)	-15.4%	147,900	15.4%
Charges for Services	947,416	2,352,500	1,215,658	268,242	28.3%	79,200	3.5%
Invest. & Rental Income	229,251	454,000	109,263	(119,988)	-52.3%	(241,100)	-34.7%
Miscellaneous Receipts (a)	45,692	358,600	123,452	77,760	170.2%	70,700	24.6%
TOTAL GENERAL FUND REVENUES	\$17,977,149	\$49,194,700	\$18,511,331	\$534,182	3.0%	\$329,600	.7%

(a) Excluding \$5,761,456 Conveyed properties from Successor Agency in FY 2014-15

Revenues

Current Year versus Prior Year YTD Comparison - General Fund Revenues (less Transfers In) collected during the first six months of FY 2015-16 are **3.0%** or **\$534,182 higher** compared to the same period in prior year (**FY 2015-16 → \$18,511,331 vs. FY 2014-15 → \$17,977,149**). The net increase is primarily due to the increases in Licenses and Permits (\$381,000) and Service Charges (\$268,000) and Other Taxes (\$163,400).

Current Year YTD Comparison – The YTD General Fund Revenues received is 37.6% of the FY 2015-16 amended revenue estimate compared to 37.8% in FY 2014-15.

Current Year Budget Comparison – FY 2015-16 amended budget (minus Transfer In) of \$49,194,700 exceeds the adopted budget revenue estimate of \$48,865,100 by **\$329,600**, or **.7%**. This is due mostly to a \$1.6M combined upward adjustments to Property Taxes and Transient Occupancy Tax offset by a \$1.3M downward adjustment to Sales Tax revenues. A full list of major revenue sources will be discussed in more detail below.

Analysis of City's Major Revenue Generating Categories:

The following provides a detailed analysis of the City's top six (6) revenue generating categories that comprise 93.6% of the General Fund's budgeted revenue for FY 2015-16.

Property Tax – FY 2015-16 YTD receipts are **-1.5% or (\$149,425) lower than** the previous fiscal year (**FY 2015-16 → \$9,534,569 vs. FY 2014-15 → \$9,683,994**) mainly due to a lower receipt of Property Tax-Sales Tax In-Lieu. Based on the latest property tax revenue projections provided by the City's property tax consultant, staff is proposing to increase its FY 2015-16 budget estimate to \$20.7 million; an increase of \$700,000 from the adopted budget. This reflects a strong real estate market and impact of Prop 8 which reinstate assessed values to original levels implemented during Great Recession. Property Taxes are the City's largest revenue source and make up 42.1% of the total General Fund revenues for FY 2015-16.

Sales Tax – FY 2015-16 YTD collections were **0.3% or \$6,000 greater than** the previous year (**FY 2015-16 → \$2,257,862 vs. FY 2014-15 → \$2,251,849**) It is important to note that crucial 4th quarter sales tax data has not yet been received, and will have a very significant impact on revenue projection, as the last quarter of every calendar year is the largest sales tax quarter for the year due to holiday shopping.

Based on the Sales Tax received YTD and analysis received from the City's Sales Tax consultants, staff has lowered year-end projections for sales tax revenue to \$7.9 million; a decrease of \$1.1M from original budget estimates of \$9 million. Sales Tax collections along with Measure JJ Sales tax make up 26% of the total budgeted revenues for FY 2015-16, and so, staff will closely monitor its activity.

Measure JJ Sales Tax – FY 2015-16 YTD Measure JJ revenues are **-0.5% or (\$8,000) less than** the previous year (**FY 2015-16 → \$1,578,219 vs. FY 2014-15 → \$1,586,413**).

Based on the Sales Tax received YTD and analysis received from the City's Sales Tax consultants, staff has lowered year-end projections for Measure JJ sales tax revenue to \$4.9 million; a decrease of \$200,800 from original budget estimates of \$5.1 million. Measure JJ Sales Tax collections make up 9.9% of the total budgeted revenues for FY 2015-16.

Other Taxes – This category includes Transient Occupancy Tax (TOT), Franchise Taxes from various utility providers to city residents, Business License Tax, and Real Property Transfer Tax etc. FY 2015-16 YTD collections are **8.7% or \$163,000 higher than** the previous fiscal year (**FY 2015-16 → \$2,035,480 vs. FY 2014-15 → \$1,872,078**) due largely to a \$67,000 increase in Franchise Tax-Disposal and a \$77,000 increase in Business License Tax. Based on YTD receipts and FY 2014-15 TOT revenue performance, staff has increased its projections to \$8.8 million; an increase of \$791,600 from the adopted budget estimate of \$8.0 million. Other Taxes currently make up 17.9% of the total budgeted revenues for FY 2015-16.

Licenses & Permits – FY 2015-16 YTD revenues for licenses & permits were **51.1% or \$381,139 higher than** the previous fiscal year (**FY 2015-16 → \$1,126,485 vs. FY 2014-15 → \$745,346**). This is mainly due to an increase in Building Permit revenues related to the Windflower Project, Haz Mat Storage Permits, Parking Permits, and other permits across the board. Staff has increased its projections to \$2.1 million; an increase of \$100,000 from the adopted budget of \$2 million. Licenses & Permits make up 4.2% of the total budgeted revenues for FY

Charges for Service – FY 2015-16 YTD revenue collections are **28.3% or \$268,242 higher than** the previous fiscal year (**FY 2015-16 → \$1,215,658 vs. FY 2014-15 → \$947,416**). This is mainly due to an increase in Plan Check and Inspection Fees related to Windflower Project. Staff has increased its year-end projections to \$2.4 million; an increase of \$79,000 from the original adopted budget estimate of \$2.3 million. Charges for Service make up 4.7% of the total budgeted revenues for FY 2015-16.

GENERAL FUND EXPENDITURES

Table 5

EXPENDITURES BY DEPARTMENT	2014-15 YTD Actuals	2015-16 Amended Budget	2015-16 YTD Actuals	\$ Change 2014-15	% Change 2014-15	\$ Change 2015-16 Budget	% Change 2015-16 Budget
City Council	\$142,456	\$569,200	\$144,611	\$2,155	1.5%	\$0	0%
City Manager	496,289	2,518,100	732,584	236,295	47.6%	256,700	11.4%
City Attorney	206,178	445,500	259,952	53,774	26.1%	0	0%
City Clerk	121,682	365,300	132,782	11,100	9.1%	4,600	1.3%
Finance (Administrative Services)	1,320,682	4,585,100	1,640,290	319,608	24.2%	83,300	1.9%
Police Department	8,726,313	20,472,800	10,049,264	1,322,951	15.2%	1,138,600	5.9%
Fire Services	3,688,782	9,508,500	3,169,196	(519,586)	-14.1%	0	0%
Public Works	1,725,127	5,104,700	1,767,369	42,242	2.4%	1,231,800	31.8%
Recreation & Community Services (Leisure Services)	1,118,011	3,781,400	1,246,375	128,364	11.5%	14,400	0.4%
Economic & Comm. Dev.	1,478,671	3,765,300	1,381,856	(96,814)	-6.5%	332,900	9.7%
Non-Departmental	95,077	348,100	251,204	156,127	164.2%	0	.0%
TOTAL GENERAL FUND EXPENDITURES	\$19,119,267	\$51,464,000	\$20,775,482	\$1,656,215	8.7%	\$3,062,300	6.3%

Expenditures

The YTD comparison of the City's current fiscal year to last fiscal year shows an increase of \$1,656,215, or 8.7% (**FY 2015-16 → \$20,775,482 vs. FY 2014-15 → \$19,119,267**). However, the City's current year General Fund expenditures of \$20,775,482 (40.4% of the annual appropriation of \$51.4 million) represented a lower "burn rate" when compared to the prior fiscal year actual expenditures of \$19,119,267 (42.6% of the total expenses for the year).

The increase in year-over-year expenditures is mainly due to the following YTD departmental expenditure trends:

- **City Manager - \$236,295 increase** which is due to legal expenses related to the Tax Allocation Bonds and Windflower project outside legal costs; and consulting fees related to the 2016 Ballot Measure.
- **Finance Department** (former Administrative Services Department) - **\$319,608 increase** which is due to increased consulting and contractual support cost for IT; and an increase annual software licensing costs.
- **Police Department - \$1,322,951 increase** due to reaching full staffing, department re-organization to address proper supervisory coverage and succession planning, and contractual and consulting costs related to the Dispatch Consolidation project.
- **Non-Departmental - \$156,127 increase** which is due to the new 7-year lease agreement related to the City's network infrastructure. This variance represents the 1st year lease payment.
- **Recreation and Community Services** (former Leisure Services) - **\$128,364 increase** which is mostly due to increased salaries and benefits costs in UC Sports Center and Kennedy Center.
- These major departmental increases are offset largely by the **(\$519,586) decrease** in Fire Services

which is due to a combined timing issue in paying the September and December, 2015 invoices (paid in the following Qtr.) and increased costs for the City's contract with the Alameda County Fire Department (ACFD) as planned for in the current year's budget.

CITY MANAGER GENERAL FUND CONTINGENCY ACCOUNT

Current Council policy establishes a City Manager Contingency Reserve Account equal to 0.5% of the annual General Fund operating budget. For FY 2015-16, this account equals approximately \$239,000 (1/2% of \$47.8 million). The purpose of the account is to allow unbudgeted, but necessary, expenses for supplies, equipment, services and projects to be incurred without going through the budget amendment process. In return for this authority, it is incumbent upon the expenditures from the contingency reserve to be reported publicly on a quarterly basis.

So far this fiscal year, the following appropriations have been made from this account:

Description	Amount
Beginning Balance 07/01/15 (@ .5% of the Adopted General Fund Operating Budget)	\$239,000
HR Office Remodel	(92,650)
Lew Edward Group-Public Education Program for 2016 Ballot Measure	(49,500)
Godbe Research-Public Opinion Polling for 2016 Ballot Measure	(31,000)
Intern-Climate Action Plan Implementation	(2,340)
Preparation of Plats & Legal-Schools & Park property transfers	(24,600)
YTD Total Appropriation	(200,090)
Ending Balance 12/31/15	\$38,910

SUPPLEMENTAL SPENDING AUTHORITY PROPOSALS

As the fiscal year progresses, certain programs and initiatives that were not fully developed when the budget adopted can evolve to the point where they become ready for implementation. Other programs and projects that were foreseen can experience changed conditions that require supplemental funding in order to proceed.

Staff has identified below, the priority needs that require supplemental appropriation:

General Fund	
Local Hazard Mitigation Plan	\$100,000
Union City Monitoring Well Destruction	65,000
Consulting Fee for Traffic Study	24,100
PERS/OPEB Reserve Funding	1,378,600
Workers' Compensation Self Ins. Funding	956,000
Total General Fund	\$2,523,700
Capital Improvement Plan (Fund 2542-ACTIA Streets & Roads)	
Overlay Project 91501	\$250,000

GENERAL FUND RESERVE BALANCES

Chart 1 – Summary of General Fund Reserve Balance (with Midyear Proposed Changes)

Beginning Fund Balance (July 1, 2016)	\$19,347,370
Annual Revenues (Projected FY 2015/16)	\$ 50,496,800

Annual Expenditures (Projected FY 2015/16)	(\$ 4,825,300)
NET INCREASE (DECREASE) IN FUND BALANCE	(\$ 4,328,500)
Ending Fund Balance (June 30, 2016)	\$ 15,018,870
As % of Expenditures (Excluding Transfer Out)	29.2%

A 29.2% General Fund Reserve (Assigned + Unassigned) would cover approximately 3.5 month of operating expenditures should the City find itself in an emergency situation. The Government Finance Officers Association (GFOA) does not provide absolute guidance on the level of unrestricted fund balance since it should be assessed based upon a government's own specific circumstances, but it does recommend an unrestricted General Fund reserve of no less than 2 months (16.67%) of operating expenditures (or revenues)[1]. Thus, the City could exceed this recommendation by approximately 2¼ months or 18.64%.

While the projected FY 2015-16 Year-End General Fund Reserve is certainly encouraging, it must again be noted that it was built with the following **one-time revenue items** from FY 2014-15 that total **\$2.2 million**:

- Transfer In from General Liability Fund (6130) **\$501,163**. These funds were transferred because this Fund was deemed larger than any anticipated need.
- Transfer In from Worker's Comp Fund (6110) **\$956,000**. These funds were transferred because this Fund was deemed larger than any anticipated need. The midyear report proposes to return this amount back to the fund in 2015-16.
- Misc. Receipts of one-time **\$775,000** payment from Republic Services. This payment resulted from a settlement agreement with Republic Services.

As stated in the FY 2013-14 year-end fiscal report, per GFOA best practices, use of one-time revenue sources to fund on-going expenses is not generally recommended. It would be more appropriate to use these one-time funds for one-time capital projects that do not result in on-going operating expenditures. Other options would be to:

- Pre-fund time-sensitive operating expenses;
- Strengthen Council policy on the optimum unencumbered reserve amounts. This would also include a discussion as to under what circumstances these funds should be utilized; and
- Pay down existing unfunded liabilities for pension and retiree medical costs.

Specific recommendations are provided in this staff report in subsequent sections.

GENERAL FUND RESEVE POLICY

During the Biennial 2015-16 and 2016-17, the Council adopted Resolution No. 4773-15 which included the follo major changes to the General Fund Reserve Policy:

1. Established an administrative contingency reserve under the City Manager's discretion which is equal to 0.50% General Fund appropriations.
2. Established a minimum General Fund reserve which is not less than 20% of General Fund Appropriations.
3. Set-aside 50% of any General Fund operating surplus (net of transfers) for payments made either directly to o irrevocable trust accounts for the purpose of reducing PERS or OPEB related unfunded liabilities.

As shown on Chart 1, General fund Assigned and Unassigned Beginning Fund Balance is \$19,347,370. The Attachr 2 shows breakdown of total fund balance by various designations established under the Generally Accepted Accour Principles (GAAP) and council policies over the years. Some of the designations are either obsolete or no lo needed and can be combined with designations which are more relevant with current reserve policies. Staff is propo to close the following designations:

Support for 911 Communications – This designation was established when the City implemented a 911 phone which was later declared unconstitutional by the Courts. Staff is recommending to eliminate this designation and transfer the balance to unassigned fund balance.

Litigation Contingency – The category was created to earmark funds to settle large litigation settlements. Staff recommends that it be eliminated as the City is carrying a General Liability ISF Reserve to meet the SIR and other claims settlements.

Retirement Benefits – The City established this reserve to payoff accrued vacation and other leave balances upon employee retirements or separations. Per GAAP, the City also maintains a Compensated Absence Reserve for the same purpose. Staff recommends to close this account and transfer the current balance to the undesignated category.

In addition, staff is also recommending to make the following changes:

Economic Uncertainty – This reserve was established to mitigate the impact of unanticipated loss of revenues or increase in expenses due to natural disasters or other operating needs which were not built in the City's operating capital budget. As mentioned above, the Council established a 20% minimum target for General Fund Reserve. Staff is recommending that the 20% minimum balance be maintained in the Economic Uncertainty Reserve to serve the purpose. To meet the 20% threshold, staff is recommending to transfer \$4,300,929 from the undesignated account bringing the balance to \$7,754,135 which equates to 16% of General Fund appropriations. Staff will continue to identify budgetary savings to fund the reserve to its minimum target level.

OPEB Unfunded Liability Reserve – As mentioned above, Council approved to set-aside 50% of General Fund operating surplus in a trust account related to PERS or OPEB unfunded liabilities. As reported in the FY 2014-15 CA, the one-half of General Fund operating surplus (net of transfers) equals \$1,378,600. Staff is recommending to transfer this amount to unfunded liability account to comply with the Council policy. In addition, the City also transferred \$2,052,000 in FY 2013-14 and FY 2014-15 as approved in the operating budget which will bring the total balance to \$3,830,877. Of this balance, \$3,500,000 will be contributed to the irrevocable trust account in the current fiscal year. This will bring the total balance in the trust account to around \$11 million.

General Liability Reserve – The City maintains this reserve in the General Liability Internal Service fund (ISF) to reserve the Self Insured Reserve (SIR) portion of filed claims. In FY 2014-15 Budget, City transferred \$501,163 reserve amount to balance the General Fund operating budget. Staff believes that current reserve balance of \$6.7 million is sufficient to meet City's SIR and other legal settlement requirements.

Workers' Compensation Reserve – This reserve is maintained in the Workers' Compensation (WC) ISF to support the SIR portion of the claims. In FY 2014-15 Budget, \$956,000 was transferred to balance the General Fund operating budget. With the General Fund reporting an operating surplus, staff is proposing to transfer \$956,000 back to the Reserve bringing the total to \$8.5 million.

As reported to the Council in a recent study session, the City is facing a serious exposure to the WC claims filed due to the work-related injuries. As the City is liable for each claim up to \$250,000, current benefit payment structure is costing dearly in Risk Pool premium costs. Even though maintaining a healthy reserve will help to mitigate the escalation in premium costs, the City needs to do more to aggressively address the closure of open WC claims. Staff is working closely with the City's Risk Pool (BCJPIA) adjuster to address the closure of open claims in a timely manner.

[1] *Determining the Appropriate Level of Unrestricted Fund Balance in the General Fund* by GFOA (October 2009; revised June 2011) - <http://gfoa.org/determining-appropriate-level-unrestricted-fund-balance-general-fund>

FISCAL IMPACT

Staff is recommending amendments to adopted revenue or expenditure budgets shown in Attachment 1-B of FY 2015-16 Midyear Budget Update.

Revenues are either positively or negatively adjusted based on currently known factors. Net increase to General Fund revenues and transfers are \$891,000, while Non-General Fund funds are collectively increased by \$996,000.

Staff is recommending the use of \$2,499,600 of General Fund Unassigned Reserve monies to fund expenses related to the Local Hazard Mitigation Plan (\$100,000), and Union City Monitoring Well Destruction (\$65,000). In addition, staff is recommending Transfer of Funds using the General Fund Unassigned Reserve to OPEB Retiree Medical Trust (\$1,378,585), and Worker's Compensation Self Ins. Fund (\$956,000).

Lastly, staff is recommending the use of General Fund current operating revenues to fund the consulting fee for the traffic study (\$24,100). Overall, the combined total Mid-year General Fund expenditure budget adjustment is \$2,523,700 while other funds is \$826,800.

Adopting the staff recommendations in this staff report for supplemental appropriations and transfers from the General Fund Reserves will leave a \$1.3 million Undesignated Reserve in the General Fund that is available for meet unforeseen City needs or priorities.

Staff will continue to monitor revenues and expenditures and report to Council any deviations from budgetary estimates and revised projections presented in this report.

RECOMMENDATION

Staff recommends the City Council accept this informational report and approve:

- A resolution amending and appropriating FY 2014-15 carryover amount of \$2,498,909 to the adopted 2015-16 General Fund operating budget for the Fremont Dispatch Consolidation Project (\$974,590), 1 Center Phase One Project (\$1 Million), Economic Development Marketing Program (\$200,205), and o departments combined (\$324,114) per Attachment 1-A, and
- A resolution amending and appropriating FY 2015-16 adopted operating and capital budget revenue expenditures categories for various funds per Attachment 1-B.

Prepared by:

Anita E. Castillo, Budget Manager/Purchasing Agent

Submitted by:

Tony Sandhu, Interim Finance Director


ATTACHMENTS:

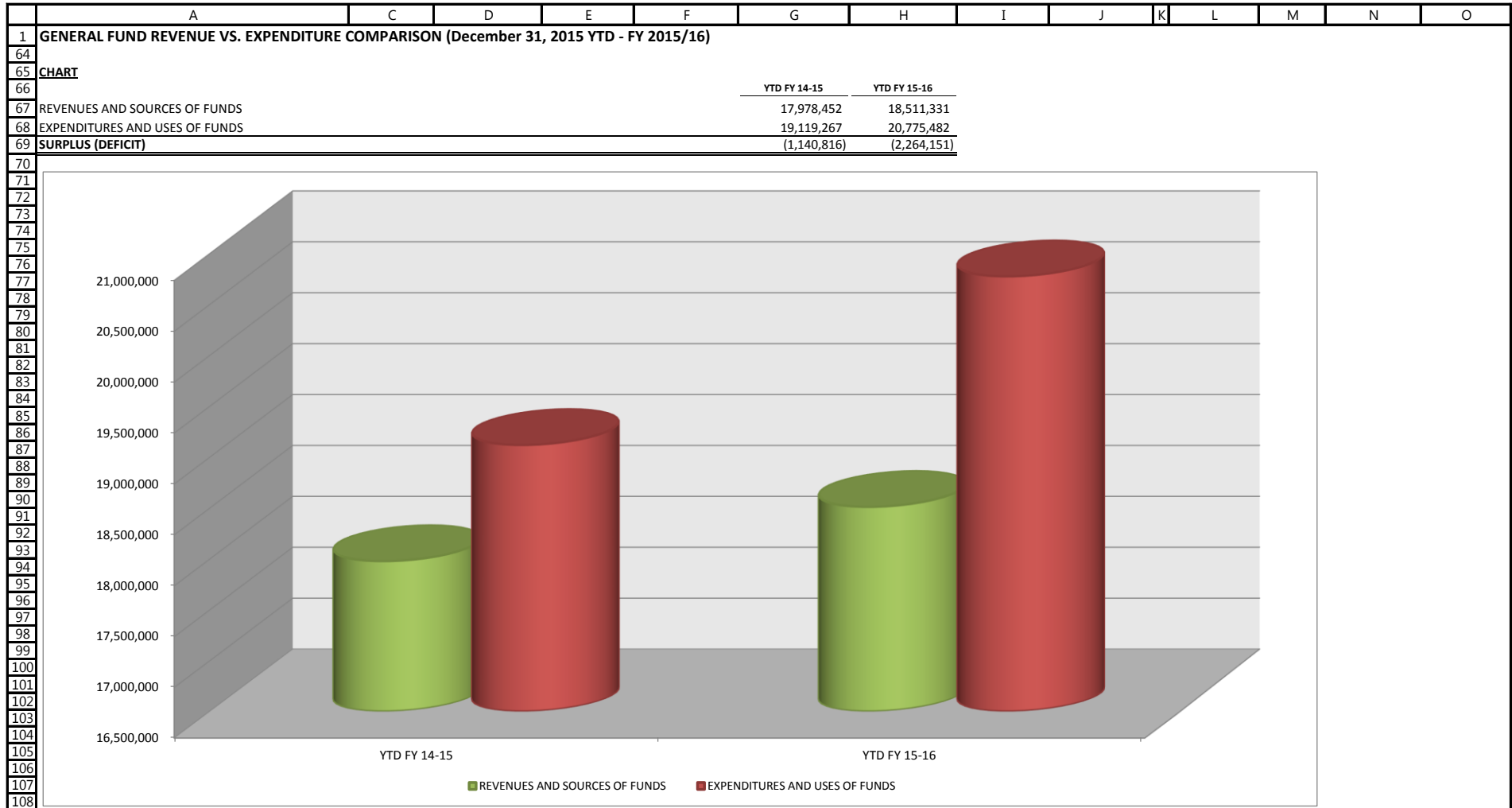
Description	Type
<input type="checkbox"/> Attachment 1-A YTD Budget Amendments	Attachment
<input type="checkbox"/> Attachment 1-B Mid-Year Budget Amendments	Attachment
<input type="checkbox"/> Attachment 2 General Fund Revenue vs. Expenditure Comparison	Attachment
<input type="checkbox"/> Resolution - Carryover FY15	Resolution
<input type="checkbox"/> Resolution - Mid-Year Amendments	Resolution

	A	B	C
2	YTD AMENDMENTS TO ADOPTED BUDGET FOR FY 2015-16		
3			
4			
5		Amount	Reference
6	REVENUES		
	Administrative Expense Reimbursement from Successor Agency 2015 Refunding Bonds		
7	and Windflower Properties LLC-appropriated for Outside Legal Expenses (CM)	76,226	Reso. 4842-16
8	CA Dept. of Conservation Grant	19,205	Reso. 4841-16
9	CUPA Forum Environmental Protection Trust Fund Grant	4,928	Reso. 4803-15
10			
11	Total General Fund Revenue Adjustment	100,359	
12			
13	EXPENDITURES		
14	Supplemental Appropriation-Unassigned Fund Balance		
15	Reclassification of Administrative Assistant III to Deputy City Clerk	\$ 4,576	Reso. 4776-15
16	Donation to National Night Out	9,011	Reso. 4336-12
17	Donation to Make a Difference Day	3,350	Reso. 4336-12
18	Public Services Needs Assessment	10,114	Reso. 4815-15
19	General Plan Update Contract Amendment	46,340	Reso. 4838-15
20	Donation to US Cold Storage-Deck the Hall	500	
22			
23	Total Supplemental Appropriation-Unassigned Fund Balance	73,891	
24			
25	Supplemental Appropriation-CM Contingency		
26	Civic Center Remodel and HR Office	\$ 92,650	
27	Intern-Climate Action Plan Implementation	2,340	
28	Preparation of Plat & Legals-School & Park property transfer	24,600	
29	2016 Ballot Measure-Lew Edwards Group Contract (Public Education Program)	49,500	
30	2016 Ballot Measure-Godbe Research Contract (Public Opinion Polling)	31,000	
31			
32			
33	Total Supplemental Appropriation-CM Contingency	\$ 200,090	
34			
35	Rolled over Budget/Pos-Unassigned Fund Balance		
36	Youth/Teen Center Project-Kennedy Center-Project # 91311	\$ 1,000,000	
37	PD Dispatch Consolidation-Project # 82006	974,590	
38	Economic Development Strategic Plan	200,205	
39	Other (All Departments Combined)	324,114	
40			
41	Total Rolled over Budget/Pos	\$ 2,498,909	
42			
43	Supplemental Appropriation-Current Operating Revenues		
44	PW Parks Beverage Container Recycling and Litter Abatement Program	\$ 19,205	Reso. 4841-16
45	Promoting Enhancement of Environmental Protection and Chemical Safety	\$ 4,928	Reso. 4803.15
46	Additional appropriation for Legal Fees	76,226	Reso. 4842-16
47			
48	Total Supplemental Appropriation-Current Operating Revenues	\$ 100,359	
49	Total Expenditure Budget Amendments	\$ 2,873,249	
50			
51			

	A	B	C	D
2	MID-YEAR BUDGET ADJUSTMENTS FOR FY 2015-16			
3				
4				
5		Budget Increase (Decrease)		GL Account
6	REVENUES			
7	Property Tax-Secured	214,000		1110-00000-41110
8	Property Tax-Unsecured	20,200		1110-00000-41111
9	Prop Tax-Supplemental	(745,000)		1110-00000-41112
10	County Admin Fee	5,500		1110-00000-41120
11	Prop Tax -Sales Tax In-Lieu	438,200		1110-00000-41121
12	Residual Distribution Re RDA	773,900		1110-00000-41127
13	Sales Tax	(1,111,000)		1110-00000-41201
14	Sales Tax - Measure JJ	(200,800)		1110-00000-41202
15	Transient Occupancy Tax	721,500		1110-00000-41301
16	Franchise Tax-Cable TV	42,600		1110-00000-41404
17	Franchise Fee - Towing	9,200		1110-00000-41405
18	Franchise Tax-Recycling	18,300		1110-00000-41406
20	Parking Permit	20,000		1110-46001-42201
21	Fire Code Permit	12,100		1110-41008-42301
22	Haz Mat Storage Permit	43,000		1110-41010-42302
23	Fire-1 Time Permit	1,700		1110-41008-42303
24	Encroachment Permits	19,700		1110-33004-42401
25	Mobilehome Pk Mainte/Permit	10,100		1110-41002-42503
26	Fines and Forfeits	(15,900)		1110-21006-43001
27	Neighborhood Preserv Citn	(4,700)		1110-00000-43005
28	CUPA Citations	300		1110-41009-43006
29	Vehicle License Collection in Excess	(51,600)		1110-00000-44102
30	Mandated Cost Reimbursement	180,200		1110-00000-44103
31	Misc State Revenues	200		1110-90205-44161
32	Administrative Fees	(42,700)		1110-00000-45101
33	Service Fees	(47,200)		1110-21001-45105
34	Service Fees	24,100		1110-33005-45105
35	Inspection Fees	133,000		1110-41008-45108
36	Inspection Fees	7,000		1110-41002-45108
37	Damage Recovery	5,000		1110-33024-45121
38	Investment Earnings	(345,700)		1110-00000-46101
39	Invest Earnings Distrib	(15,700)		1110-00000-46102
40	Rental Income	120,300		1110-71121-46108
41	Donations	15,000		1110-21199-47105
42	Donations	1,100		1110-33036-47105
43	Donations	500		1110-21008-47105
44	BAB Interest Reimbursement	(27,200)		1110-90924-47110
45	Transfer In - From Retirement/Benefit Reserve	561,800		1110-00000-49610
46	Total General Fund Revenue Adjustment	\$ 791,000		
47				
48	Comcast Settlement	15,000		2215-6106-41072
49	Cable TV PEG	25,000		2060-00000-47110
50	Transfer from General Fund Reserve to OPEB Retiree Medical Trust	1,378,600		2020-00000-49610
51	Transfer from General Fund Reserve to Worker's Compensation Reserve	956,000		6110-00000-49610

	A	B	C	D
2	MID-YEAR BUDGET ADJUSTMENTS FOR FY 2015-16			
3				
4				
5		Budget Increase (Decrease)		GL Account
53	Other Funds Revenue Adjustment	\$ 2,374,600		
54				
55				
56	EXPENDITURES			
57	Supplemental Appropriation-Unassigned Fund Balance			
58	Local Hazard Mitigation Plan	\$ 100,000		1110-1201-12020-54111
59	Union City Monitoring Well Destruction	65,000		1110-3123-33023-54111
61	Transfer from General Fund Reserve to Worker's Compensation Reserve	956,000		1110-8888-00000-59101
63	OPEB Retiree Medical Trust	1,378,600		1110-8888-00000-59101
64				
65	Total Supplemental Appropriation-Unassigned Fund Balance	<u>2,499,600</u>		
66				
67	Supplemental Appropriation-CM Contingency			
68				
71				
72	Total Supplemental Appropriation-CM Contingency	<u>\$ -</u>		
73				
80	Supplemental Appropriation-Current Operating Revenues			
81	Consulting Fee for Traffic Study	\$ 24,100		1110-3105-33005-54111
85				
86	Total Supplemental Appropriation-Current Operating Revenues	<u>\$ 24,100</u>		
87				
88	Total General Fund Budget Appropriation Adjustments	\$ 2,523,700		
89				
90	Hazardous Waste Enforcement Training Program	15,000		2215-6106-41072-54110
92	Transfer From Retirement/Benefit Reserve to General Fund	561,800		2011-8888-00000-59101
93	Other Funds Budget Appropriation Adjustment	\$ 576,800		
94				
95				
96	CAPITAL IMPROVEMENT PLAN			
97	Slurry Seal - Project 91502	150,000		2542-3199-91502-54111
98	Whipple Road Overlay - Project 91310 (Completed and Accepted)	(150,000)		2542-3199-91302-54111
99	Overlay - Project 91501	250,000		2542-3199-91501-54111
100	Right-of-Way Fence/Wall Installation/Repair - Project 90920	100,000		2510-3199-90920-54111
101	Upgrade Traffic Signal System	(100,000)		2510-3199-90506-54111
102				
103	Net Capital Improvement Plan Budget Adjustment	\$ 250,000		
104				

	A	C	D	E	F	G	H	I	J	K	L	M	N	O
1	GENERAL FUND REVENUE VS. EXPENDITURE COMPARISON (December 31, 2015 YTD - FY 2015/16)													
2														
3														
4														
5														
6	SUMMARY	FY 2014-15	FY 2014-15 YTD	FY 2014-15	FY 2014-15 Bud	FY 2015-16	FY 2015-16 YTD	FY 2015-16	FY 2015-16 Bud	Δ fr. Prior Yr	Δ fr. Prior	FY 2015-16	FY 2015-16	
7		Actuals	Actuals	Bud Remain \$	Recv/Used %	Amended Budget	Actuals	Bud Remain \$	Recv/Used %	(\$)	Yr (%)	Adopted	Amended vs	
8	REVENUES											Budget	Adopted	
9	Formula -->	a	b	b - a	b / a	c	d	d - c	d / c	d - b	(d - b) / b	e	c - e	
10	Property Taxes	20,179,165	9,683,994	(10,495,171)	48.0%	20,713,500	9,534,569	(11,178,931)	46.0%	(149,425)	-1.5%	20,006,700	706,800	
11	Sales Tax	6,428,132	2,251,849	(4,176,283)	35.0%	7,902,000	2,257,862	(5,644,138)	28.6%	6,013	0.3%	9,013,000	(1,111,000)	
12	Sales Tax - Measure JJ	4,622,600	1,586,413	(3,036,187)	34.3%	4,871,000	1,578,219	(3,292,781)	32.4%	(8,194)	-0.5%	5,071,800	(200,800)	
13	Other Taxes	9,194,541	1,872,078	(7,322,463)	20.4%	8,796,800	2,035,480	(6,761,320)	23.1%	163,401	8.7%	8,005,200	791,600	
14	Licenses & Permits	2,070,030	745,346	(1,324,684)	36.0%	2,110,900	1,126,485	(984,415)	53.4%	381,139	51.1%	2,004,300	106,600	
15	Fines & Forfeitures	565,028	195,088	(369,940)	34.5%	529,600	174,977	(354,623)	33.0%	(20,111)	-10.3%	549,900	(20,300)	
16	Intergovernmental Revenues	1,335,155	420,022	(915,133)	31.5%	1,105,800	355,367	(750,433)	32.1%	(64,655)	-15.4%	957,900	147,900	
17	Charges for Services	2,194,178	947,416	(1,246,762)	43.2%	2,352,500	1,215,658	(1,136,842)	51.7%	268,242	28.3%	2,273,300	79,200	
18	Invest. & Rental Income	552,409	229,251	(323,158)	41.5%	454,000	109,263	(344,737)	24.1%	(119,988)	-52.3%	695,100	(241,100)	
19	Miscellaneous Receipts	446,924	45,692	(401,232)	10.2%	358,600	123,452	(235,148)	34.4%	77,760	170.2%	287,900	70,700	
20	Total: Revenues	47,588,163	17,977,149	(29,611,013)	37.8%	49,194,700	18,511,331	(30,683,369)	37.6%	534,182	3.0%	48,865,100	329,600	
21	Other Financing Sources													
22	Proceeds from Sale of Prop.	6,636	1,303	(5,334)	19.6%	-	-	-	N/A	(1,303)	-100.0%	-	-	
23	Transfers In	1,696,263	-	(1,696,263)	0.0%	1,302,100	-	(1,302,100)	0.0%	-	N/A	740,300	561,800	
24	Total: Other Financing Sources	1,702,899	1,303	(1,701,597)	0.1%	1,302,100	-	(1,302,100)	0.0%	(1,303)	-100.0%	740,300	561,800	
25	GRAND TOTAL REVENUES + OTHER FIN. SOURCES	49,291,062	17,978,452	(31,312,610)	36.5%	50,496,800	18,511,331	(31,985,469)	36.7%	532,879	3.0%	49,605,400	891,400	
26	<i>*Note: (-) Negative amounts in the last revenue column indicate downward adjustment to expected revenue when compared to adopted budgetary projections. (+) Numbers are upward adjustments to expectations.</i>													
27	EXPENDITURES													
28	Formula -->	a	b	b - a	b / a	b	c	b - c	c / b	c - a	(c - a) / a	e	c - e	
29	Expenditures by Department/Use													
30	City Council	570,894	142,456	428,438	25.0%	569,200	144,611	424,589	25.4%	2,155	1.5%	569,200	-	
31	City Manager	1,713,594	496,289	1,217,304	29.0%	2,518,100	732,584	1,785,516	29.1%	236,295	47.6%	2,261,400	256,700	
32	City Attorney	889,632	206,178	683,453	23.2%	445,500	259,952	185,548	58.4%	53,774	26.1%	445,500	-	
33	City Clerk	333,733	121,682	212,051	36.5%	365,300	132,782	232,518	36.3%	11,100	9.1%	360,700	4,600	
34	Finance	4,223,699	1,320,682	2,903,017	31.3%	4,585,100	1,640,290	2,944,810	35.8%	319,608	24.2%	4,501,800	83,300	
35	Police Department	18,646,642	8,726,313	9,920,329	46.8%	20,472,800	10,049,264	10,423,536	49.1%	1,322,951	15.2%	19,334,200	1,138,600	
36	Fire Services	9,017,800	3,688,782	5,329,018	40.9%	9,508,500	3,169,196	6,339,304	33.3%	(519,586)	-14.1%	9,508,500	-	
37	Public Works	3,545,511	1,725,127	1,820,384	48.7%	5,104,700	1,767,369	3,337,331	34.6%	42,242	2.4%	3,872,900	1,231,800	
38	Recreation & Comm. Services	2,468,220	1,118,011	1,350,209	45.3%	3,781,400	1,246,375	2,535,025	33.0%	128,364	11.5%	3,767,000	14,400	
39	Economic & Comm. Dev.	3,231,545	1,478,671	1,752,874	45.8%	3,765,300	1,381,856	2,383,444	36.7%	(96,814)	-6.5%	3,432,400	332,900	
40	Non-Departmental	189,727	95,077	94,650	50.1%	348,100	251,204	96,896	72.2%	156,127	164.2%	348,100	-	
41	Total: Expenditures	44,830,994	19,119,267	25,711,726	42.6%	51,464,000	20,775,482	30,688,518	40.4%	1,656,215	8.7%	48,401,700	3,062,300	
42	Other Financing Uses													
43	Transfers Out	1,211,752	-	1,211,752	0.0%	3,361,300	-	3,361,300	0.0%	-	N/A	1,026,700	2,334,600	
44	Total: Other Financing Uses	1,211,752	-	1,211,752	0.0%	3,361,300	-	3,361,300	0.0%	-	N/A	1,026,700	2,334,600	
45	GRAND TOTAL EXPENDITURES + OTHER FIN. USES	46,042,746	19,119,267	26,923,478	41.5%	54,825,300	20,775,482	34,049,818	37.9%	1,656,215	8.7%	49,428,400	5,396,900	
46	Supplemental Info: Expenditures by Type													
47	51-Salaries	16,765,294	7,998,530	8,766,764	47.7%	18,911,300	8,405,561	10,505,739	44.4%	407,031	5.1%	18,926,700	(15,400)	
48	52-Benefits	8,285,586	3,915,291	4,370,295	47.3%	8,836,200	4,590,404	4,245,796	51.9%	675,113	17.2%	8,836,200	-	
49	53-Supplies	472,294	198,525	273,769	42.0%	630,600	183,914	446,686	29.2%	(14,611)	-7.4%	604,800	25,800	
50	54-Services	19,003,718	6,883,517	12,120,201	36.2%	22,558,400	7,340,334	15,218,066	32.5%	456,817	6.6%	19,511,400	3,047,000	
51	57-Capital Outlay	114,375	28,328	86,047	24.8%	179,400	4,065	175,335	2.3%	(24,263)	-85.6%	174,500	4,900	
52	58-Debt Service	189,727	95,077	94,650	50.1%	348,100	251,204	96,896	72.2%	156,127	164.2%	348,100	-	
53	59-Transfer Out	1,211,752	-	1,211,752	0.0%	3,361,300	-	3,361,300	0.0%	-	N/A	1,026,700	2,334,600	
54	Total: Expenditures by Type	46,042,746	19,119,267	26,923,478	41.5%	54,825,300	20,775,482	34,049,818	37.9%	1,656,215	8.7%	49,428,400	5,396,900	
55	NET FUND BALANCE CHANGE	3,248,316	(1,140,816)			(4,328,500)	(2,264,151)					177,000		
56	FUND BALANCE ANALYSIS	2014-15 YE				2015-16 Amended						2015-16 Adopted		
57	Beginning Fund Balance (July 1)	16,099,054				19,347,370						19,347,370		
58	Change in Fund Balance	3,248,316				(4,328,500)						177,000		
59	Ending Fund Balance (June 30)	19,347,370				15,018,870						19,524,370		
60	As % of Expenditures													
61	(Excluding Transfer Out)	43.16%				29.18%						40.34%		
62	<i>*Note: Beginning Balance for FY 2015-16 includes 20% Assigned - Economic Uncertainty (\$7,754,135), 0.5% Assigned - Administrative Contingency (\$239,000), Assigned - Encumbrances (\$2,498,909), Assigned - General Fund Capital Improvements (\$1,166,000), Assigned - Parking Program Improvements (\$52,323), Assigned - Compensated Absences (\$387,905), Assigned-Other General Fund Reserves (\$3,592,263) and Unassigned (\$1,322,235)</i>													
63														



City of Union City
Fund Balance Summary Report
FY 2015-16 Midyear Report

<i>General Fund</i>	Description	FY2015-16 Beginning Bal	Midyear Change	FY 2015-16 Adj Balance	Midyear Change Explanations
Economic uncertainty	For unforeseen emergencies, revenue shortfall etc.	\$ 3,453,206	\$ 4,300,929	\$ 7,754,135	CC policy 20% of GF Exp, midyear only at 16%
Capital projects/improvements	\$250K annual contributions for use at council disposal	1,166,000	-	1,166,000	No change
Support for 911 communications	Funded in prior years from 911 fee per council policy	454,316	(454,316)	-	Not needed, X'fer to unassigned
CM administrative Contingency	0.5% of Current FY operating appropriations	43,281	195,719	239,000	Funded at 0.5% of GF exp. Per CC policy
Litigation contingency	Set aside for future legal settlements	579,435	(579,435)	-	Not needed, Combined with Gen Lia Resv
Parking programs	Set-aside funds from parking program improvements	52,323	-	52,323	No change
Compensated absence	Set-aside for employee accrued vac/SL liability	387,905	-	387,905	No change
Encumbrances/Carryover Projects	Set-aside for carryover PO/proj budget from prior years	2,498,909	-	2,498,909	Incl unspent PO/Bud Teen Ctr, PD Dispatch Proj
	Total Assigned	8,635,375	3,462,897	12,098,272	
	Total Unassigned	6,557,888	(5,235,653)	1,322,235	
	TOTAL GENERAL FUND BALANCE	\$ 15,193,263	\$ (1,772,756)	\$ 13,420,507	
<i>Other GF Reserves*</i>					
Retirement Benefit Reserve	Set-aside to payoff accrued vacation at retirements	561,844	(561,844)	-	No need as the City manatains comp abs acct
Fire Equipment Acquisition	Funded by developer fee	495,760	-	495,760	No change
Leisure and youth activities	Leisure revolving fund	474,486		474,486	No change
A.W. vehicle impact fee	To be spent on rehab of city streets	285,000		285,000	No change
Corp Yard and Fuel Fac Maint	Account for corp yard rev and user chg and maint	2,317,017		2,317,017	No change
Code enforcement	Funds collected for liens placed on properties	20,000		20,000	No change
	TOTAL OTHER GENERAL FUND RESERVES	4,154,107	(561,844)	3,592,263	
	TOTAL GENERAL FUND	\$ 19,347,370	\$ (2,334,600)	\$ 17,012,770	
<i>Risk Management and PERS/OPEB</i>					
OPEB Retiree Medical Trust	Set-aside to payoff unfunded liabilities for OPEB	2,452,292	1,378,600	3,830,892	Per CC policy, x'fered 50% GF oper surplus
Workers' Compensation Reserve	Set-aside to account for \$250K SIR	7,551,622	956,000	8,507,622	Return funds x'ferred to GF in 2014-15
General Liability Reserve	Set-aside to account for \$250K SIR	6,748,593	-	6,748,593	No change
Employment Law Self-Insurance	Set-aside to account for \$75K SIR	375,000	-	375,000	No change
	TOTAL RISK MANAGEMENT and PERS/OPEB RESERVES	\$ 17,127,507	\$ 2,334,600	\$ 19,462,107	

* Includes assigned accounts which are reported in general fund for reporting purposes only.

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UNION CITY AMENDING AND
APPROPRIATING FY 2014-15 CARRYOVER OF \$2,498,909 TO THE ADOPTED FY 2015-16
GENERAL FUND OPERATING BUDGET**

WHEREAS, pursuant to Resolution 4773-15, the City Council of the City of Union City has adopted the Biennial 2015-16 and 2016-17; and

WHEREAS, the staff has recommended the amendment and appropriation of FY 2014-15 carryover amount of \$2,498,909 to the FY 2015-16 Adopted General Fund Operating Budget for the Fremont Dispatch Consolidation Project (\$974,590), Teen Center Phase One Project (\$1Million), Economic Development Marketing Program (\$200,205), and other departments combined (\$324,114).

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Union City does hereby amend the FY 2015-16 Budget, as adopted by Resolution 4773-15, as set forth in Attachment 1-A YTD Amendments to the Budget for FY 2015-16, attached hereto and incorporated by reference herein.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Union City at a regular meeting held on March 8, 2016 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

CAROL DUTRA-VERNACI
Mayor

ATTEST:

APPROVED AS TO FORM:

ANNA BROWN
City Clerk

BENJAMIN T. REYES II
City Attorney

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UNION CITY AMENDING AND
APPROPRIATING FY 2015-16 ADOPTED OPERATING AND CAPITAL BUDGET REVENUE
AND EXPENDITURE CATEGORIES FOR VARIOUS FUNDS PER ATTACHMENT 1-B MID-
YEAR BUDGET ADJUSTMENTS
AND
APPROVING MID-YEAR CHANGES TO THE GENERAL FUND ASSIGNED AND
UNASSIGNED FUND BALANCE CATEGORIES TO COMPLY WITH COUNCIL APPROVED
RESERVE POLICIES**

WHEREAS, pursuant to Resolution 4773-15, the City Council of the City of Union City has adopted the Biennial 2015-16 and 2016-17; and

WHEREAS, Resolution 4733-15 included the following changes to the General Fund Reserve Policy:

1. Established an administrative contingency reserve under the City Manager's discretion which is equal to 0.50% of General Fund appropriations.
2. Established a minimum General Fund reserve which is not less than 20% of General Fund appropriations.
3. Set-aside 50% of any General Fund operating surplus (net of transfers) for payments made either directly to or to irrevocable trust accounts for the purpose of reducing PERS or OPEB related unfunded liabilities; and

WHEREAS, the staff has recommended Mid-Year budget amendments to FY 2015-16 Adopted Operating and Capital Budget Revenue and Expenditure categories for various funds per Attachment 1-B-Mid-Year Budget Adjustments; and

WHEREAS, the staff has also recommended the closure of various assigned fund balance categories which are no longer needed and transfer balances from Unassigned (Undesignated) Reserve balances to the City's Risk Management Program, and other Assigned (Designated) categories to comply with council-approved reserve policies as shown in Attachment 2, page 3-Fund Balance Summary Report.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Union City does hereby amend the FY 2015-16 Budget, as adopted by Resolution 4773-15, as set forth in Attachment 1-B Mid-Year Amendments to the Budget for FY 2015-16 and approve the Mid-Year changes to the General Fund Reserve balances to comply with council-approved reserve policies per Attachment 2, page 3-Fund Balance Summary Report, attached hereto and incorporated by reference herein.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Union City at a regular meeting held on March 8, 2016 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

CAROL DUTRA-VERNACI
Mayor

ATTEST:

APPROVED AS TO FORM:

ANNA BROWN
City Clerk

BENJAMIN T. REYES II
City Attorney



Agenda Item

DATE: 3/8/2016

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: JOAN MALLOY, ECONOMIC AND COMMUNITY DEVELOPMENT DIRECTOR

SUBJECT: UPDATE ON GENERAL PLAN LAND USE ALTERNATIVES REPORT AND PUBLIC OUTREACH

Staff is in the process of finalizing the “General Plan Update Land Use Alternatives Report”. The report provides an overview of the different land use alternatives that will shape how Union City grows in the future.

It is anticipated that the final report will be released by the week of March 14, 2016. An overview of the report’s key findings will be presented at the March 8, 2016 City Council meeting.

BACKGROUND

One of the most important decisions the community will make about growth in the General Plan Update process is the location and intensity of new land uses. The Land Use Alternatives phase, a step within the larger General Plan Update, informs the discussion regarding the selection of a preferred land use alternative as the basis for the updated General Plan.

The General Plan Update Land Use Alternatives Report (report) provides information about new land uses being considered for key areas within Union City. These focus areas include the Greater Station District Area, the Union City Boulevard Corridor, and the Horner-Veasby Area. Each of the focus areas includes several potential land use scenarios, which have been organized into five citywide land use alternatives that include the following:

Alternative A: Continues planned uses consistent with the existing 2002 General Plan;

Alternative B: Emphasizes lower density residential;

Alternative C: Emphasizes higher density residential;

Alternative D: Emphasizes a mix of lower-density residential and commercial/employment-generating uses; and

Alternative E: Emphasizes residential and a higher mix of commercial/office/employment-generating uses.

The report evaluates the alternatives on a wide variety of criteria, which address land use, economic and fiscal impacts, transportation and mobility, infrastructure and services, resources, and hazards and safety. The criteria are intended to help community members and decision-makers understand the impacts and benefits of each alternative. Decisions about future land uses will influence how many people will live in Union City, what kind of jobs and businesses will locate and thrive in Union City, where new parks will be built, and where traffic will

flow.

DISCUSSION

An overview of the report's key findings and public outreach efforts will be presented at the March 8, 2016 City Council meeting.

Release of the report will kick off a robust public outreach campaign over the next few months where City staff and the consultant team will be reaching out to the community and a variety of stakeholders to gather input on the different land use alternatives. Outreach activities include:

- Two (2) citywide community meetings including one at the Senior Center on Saturday, March 19 from 10:00 am to 12:00 pm and one at the Holly Community Center on Thursday, March 31 from 6:30 to 8:30 pm;
- Stakeholder meetings with property owners and businesses within each focus area;
- Joint meetings with the Chamber of Commerce and the Alvarado Historic District Merchants Association;
- Planning Commission Study Session;
- Online town hall forum; and
- Other meetings as requested.

Staff will be using a variety of outreach tools to get the word out regarding upcoming meetings as well as other opportunities to provide feedback. These include:

- Email blast to General Plan Update contact list, which includes approximately 10,000 email contacts;
- Electronic flyer distribution through New Haven Unified School District;
- Banners at City Hall, Kennedy Center, and corner of Dyer Street and Smith Street near Sugar Mill Park;
- Posting on Social Media (Facebook, Twitter, Nixle, and Next Door Neighbor), the General Plan update website (www.uc2040.com), and the City's website;
- Press releases to the local newspapers; and
- Outreach to religious institutions.

Public meetings will also be held with the Planning Commission, General Plan Advisory Team, and Economic Development Advisory Team. It is anticipated that staff will return to the City Council at their second meeting in June with a summary of the feedback received to date. At that time, the Council will be asked to consider a preferred option for a land use scenario that will then become the basis for the environmental review.

FISCAL IMPACT

There are no fiscal impacts associated with this report.

RECOMMENDATION

This is an informational item. No action is required.

Prepared by:

Carmela Campbell, Planning Manager

Submitted by:

Carmela Campbell, Planning Manager