



**BENICIA CITY COUNCIL
CITY COUNCIL MEETING AGENDA**

**Benicia City Hall, 250 East L Street
February 18, 2020
7:00 PM**

Call To Order (7:00 P.M.)

1. Convene Open Session

2. Roll Call

3. Pledge Of Allegiance

4. Reference To The Fundamental Rights Of The Public

A plaque stating the fundamental rights of each member of the public is posted at the entrance to this meeting room per section 4.04.030 of the City of Benicia's Open Government Ordinance.

5. Announcements

5.A - MAYOR'S OFFICE HOURS

Mayor Patterson will maintain an open office every Monday (except holidays) in the Mayor's office of City Hall from 6:00 to 7:00 p.m. No appointment is necessary. Other meeting times may be scheduled through City Hall by calling 707-746-4200.

5.B - OPENINGS ON BOARDS AND COMMISSIONS

- Arts & Culture Commission
1 Full Term, Expiring January 31, 2024

- Community Sustainability Commission
2 Partial Terms, Expiring January 31, 2023
1 Full Term, Expiring January 31, 2024
- Historic Preservation Review Commission
2 Full Terms, Expiring January 31, 2024
- Housing Authority Board
2 Full Terms, Expiring January 31, 2024
- Library Board of Trustees
1 Partial Term, Expiring July 31, 2023
- Planning Commission
1 Partial Term, Expiring January 31, 2022
2 Full Terms, Expiring January 31, 2024
- Sky Valley Open Space Committee
2 Full Terms, Expiring January 31, 2024

6. Proclamations

None

7. Appointments

None

8. Presentations

None

9. Adoption Of Agenda

10. Opportunity For Public Comments

This portion of the meeting is reserved for persons wishing to address the Council on any matter not on the agenda that is within the subject matter jurisdiction of the City Council. State law prohibits the City Council from responding to or acting upon matters not listed on the agenda. Each speaker has a maximum of five minutes for public comment. If others have already expressed your position, you may simply indicate that you agree with a previous speaker. If appropriate, a spokesperson may present the views of your entire group. Speakers may not make personal attacks on council members, staff or members of the public, or make comments which are slanderous or which may invade an individual's personal privacy.

11. Written Comment

12. Public Comment

13. Consent Calendar

Items listed on the Consent Calendar are considered routine and will be enacted, approved or adopted by one motion unless a request for removal or explanation is received from a Council Member, Staff or member of the public. Items removed from the Consent Calendar shall be considered immediately following the adoption of the Consent Calendar.

13.A - APPROVAL OF CITY COUNCIL MINUTES FROM JANUARY 21, 2020; FEBRUARY 4, 2020 SPECIAL MEETING; FEBRUARY 4, 2020 REGULAR MEETING (City Clerk)

Recommendation:
Approve the minutes.

[January 21, 2020 City Council Meeting Minutes](#)

[February 4, 2020 Special City Council Meeting Minutes](#)

[February 4, 2020 Regular City Council Meeting Minutes](#)

13.B - ACCEPT THE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2019 (Finance Director)

The City's auditor, Maze & Associates, has completed the review of the annual financial statements for the fiscal year ended June 30, 2019 and has issued an unmodified audit opinion. The audited financial statements are incorporated into a Comprehensive Annual Financial Report (CAFR). In addition to review of the financial statements, the auditors are required to report matters that could adversely affect the City's ability to record, process, summarize and report financial data.

Recommendation:
Move to accept the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019 (Attachment 1).

[Staff Report - CAFR 2019](#)

[1. Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2019](#)

[2. Memorandum on Internal Control for Fiscal Year Ending June 30, 2019](#)

13.C - ACCEPTANCE OF THE BENICIA PUBLIC LIBRARY ROOF REPLACEMENT PROJECT (Parks and Community Services Director)

On March 5, 2019, City Council adopted Resolution No. 19-13, awarding the construction contract to Stronger Building Services to remove and replace the existing library roofing material and skylights,

which had been installed when the library was constructed in 1994. The project was completed in September 2019 to the satisfaction of City staff. The total construction cost was \$995,540.

Recommendation:

Adopt a resolution (Attachment 1) accepting the Benicia Library Roof Replacement project as complete, authorizing the City Manager to sign the Notice of Completion, and authorizing the City Clerk to file the Notice of Completion (Attachment 2) with the Solano County Recorder.

[Staff Report - Acceptance of the Benicia Public Library Roof Replacement Project](#)

[1. Resolution - Acceptance of the Benicia Public Library Roof Replacement Project](#)

[2. Notice of Completion - Benicia Public Library Roof Replacement Project](#)

13.D - ACCEPTANCE OF THE JAMES LEMOS SWIM CENTER BOILER REPLACEMENT PROJECT (Parks and Community Services Director)

On September 17, 2019, City Council adopted Resolution No. 19-87, awarding the construction contract to Knorr Systems Inc. to remove and replace the existing the boilers at the James Lemos Swim Center. The project was completed in December 2019 to the satisfaction of City staff. The total construction cost was \$206,556.55.

Recommendation:

Adopt a resolution (Attachment 1) accepting the James Lemos Swim Center Boiler Replacement project as complete, authorizing the City Manager to sign the Notice of Completion, and authorizing the City Clerk to file the Notice of Completion with the Solano County Recorder.

[Staff Report - Acceptance of the James Lemos Swim Center Boiler Replacement Project](#)

[1. Resolution - Acceptance of the James Lemos Swim Center Boiler Replacement Project](#)

[2. Notice of Completion - James Lemos Swim Center Boiler Replacement Project](#)

13.E - APPROVAL OF TASK ORDER NO. 02 WITH CULLEN-SHERRY & ASSOCIATES, INC. FOR ENGINEERING SERVICES TO DESIGN THE WEST H AND WEST I STREET SHORELINE STABILIZATION (Public Works Director)

The City owns and maintains a sewer main along the shoreline, south of West I Street, between the West H Street cul-de-sac on the east, and West 5th Street on the west. The sewer main was constructed along the bottom of a slope and close to the shoreline. Due to shoreline erosion, stabilization along this shoreline is needed.

The proposed resolution (Attachment 1) would approve Task Order No.02 (Attachment 2) of the Master Agreement for Professional Engineering Services with Cullen-Sherry & Associates, Inc. (Attachment 3) to design the shoreline stabilization at a not-to-exceed cost of \$54,770.

Recommendation:

Adopt a resolution approving Task Order No. 02 with Cullen-Sherry & Associates, Inc. for professional engineering services to design the West H and I Street Shoreline Stabilization Project in the amount of \$54,770 and authorizing the City Manager to execute the Task Order on behalf of the City of Benicia.

[Staff Report - West H and West I Street Shoreline Stabilization](#)

[1. Resolution - West H and West I Street Shoreline Stabilization](#)

[2. Task Order No. 02 - Cullen-Sherry & Associates, Inc.](#)

[3. Master Professional Agreement with Cullen-Sherry & Associates, Inc.](#)

13.F - ACCEPTANCE OF THE 2019 STREET RESURFACING PROJECT (Public Works Director)

On July 2, 2019, City Council adopted Resolution No. 19-58, awarding the construction contract to Ghilotti Brothers, Inc. for the 2019 Street Resurfacing Project. The 2019 Street Resurfacing Project consisted of resurfacing nine streets and is ready to be accepted as complete. The total construction cost was \$1,649,811.62.

Recommendation:

Adopt the resolution (Attachment 1) accepting change orders (Attachment 3), accepting the 2019 Street Resurfacing Project as complete, authorizing the City Manager to sign the Notice of Completion (Attachment 2), and authorizing the City Clerk to file said notice with the Solano County Recorder.

[Staff Report - Acceptance of the 2019 Street Resurfacing Project](#)

[1. Resolution- Acceptance of the 2019 Street Resurfacing Project](#)

[2. Notice of Completion - 2019 Street Resurfacing Project](#)

[3. Exhibit A - Summary of Contract Changes](#)

13.G - AWARD OF CONSTRUCTION CONTRACT WITH KEREX ENGINEERING, INC. FOR THE HSIP – EAST 5TH AND VECINO STREET PEDESTRIAN IMPROVEMENT PROJECT AND BUDGET ADJUSTMENT (Public Works Director)

The Highway Safety Improvement Program (HSIP) – East 5th Street and Vecino Street Pedestrian Improvement Project consists of installing a concrete bulb-out with crosswalk pavement markings, two flashing beacons, streetlight improvement, extending the eastern sidewalk to the intersection of East 5th Street and I-780 and updating curb ramps to meet accessibility standards. A budget adjustment from Gas Tax Reserves is also necessary to fully fund this project.

Recommendation:

Adopt the resolution (Attachment 1) accepting the bids for the HSIP – East 5th Street and Vecino Street Pedestrian Improvement Project, awarding the construction contract (Attachment 2) to Kerex Engineering, Inc. of Pleasant Hill, CA, in the amount of \$563,475.00, authorizing the City Manager to sign the contract and any change orders on behalf of the City for an amount not-to-exceed \$619,822.50, which includes a 10% construction contingency, and approving a budget adjustment from Gas Tax Reserves to the project in the amount of \$131,779.95.

[Staff Report - HSIP - East 5th & Vecino St. Pedestrian Improvement Project](#)

[1. Resolution – HSIP - East 5th & Vecino St. Pedestrian Improvement Project](#)

[2. Construction Contract – Kerex Engineering, Inc.](#)

[3. Site Map - HSIP – East 5th & Vecino St. Pedestrian Improvement Project](#)

13.H - BENICIA CAPITOL STATE HISTORIC PARK OPERATING AGREEMENT (Parks and Community Services Director)

State Parks has requested a five-year extension to the Operating Agreement (Attachment 2) for maintenance of the restroom and a portion of the grounds at Benicia Capitol State Historic Park.

Recommendation:

Move to adopt the resolution (Attachment 1) approving the Operating Agreement for Benicia Capitol State Historic Park.

[Staff Report - Benicia Capitol State Park Operating Agreement](#)

[1. Resolution - Benicia Capitol State Historic Park Operating Agreement](#)

[2. Operating Agreement - Benicia Capitol State Historic Park](#)

13.I - APPROVAL TO WAIVE THE READING OF ALL ORDINANCES INTRODUCED OR ADOPTED PURSUANT TO THIS AGENDA (City Attorney)

14. Business Items

14.A - TWO-YEAR STREET AND ROAD REPAIR FUNDING REQUEST (Public Works Director)

The Citywide Street Projects planned for the next two years total \$9,196,772. Solid Waste Franchise fee revenue and gas tax funds (SB1) were appropriated during the budget adoption process; the balance remains to be appropriated. In addition, funding for the balance of the Park Road Improvement Project was pledged in 2017 and Council action is needed to appropriate adequate funding. Staff is recommending that the balance of needed funds totaling \$5,898,137 for all projects be appropriated from Measure C revenues. The proposed projects consist of the Park Road Improvement

Project, a microsurfacing project and Lake Herman cape seal project in summer of 2020, and a resurfacing project in summer of 2021.

Recommendation:

Adopt the resolution (Attachment 1) approving funding for the two-year Citywide Street Resurfacing Projects and the Park Road Improvement Project from Measure C funds for FY 19/20 and FY 20/21 to include budget adjustments from Measure C Funds to the following:

- Streets Capital Improvement, account number 4258050-7425 in the amount of \$3,908,848.
- Park Road Improvement Project, account number 4258050-7425 in the amount of \$1,989,289.

[Staff Report - Two-Year Street and Road Repair Funding Request](#)

[1. Resolution - Two-Year Street and Road Repair Funding Request](#)

[2. List of Microsurfacing Streets for FY 19-20](#)

[3. List of Resurfacing Streets for FY 20-21](#)

15. Council Member Committee Reports:

(Council Member serve on various internal and external committees on behalf of the City. Current agendas, minutes and meeting schedules, as available, from these various committees are included in the agenda packet. Oral reports by the Council Members are made only by exception.)

15.A - COUNCIL MEMBER COMMITTEE REPORTS

[Committee Reports](#)

16. Adjournment (9:15 P.M.)

Public Participation

The Benicia City Council and its Boards and Commissions welcome public participation.

Pursuant to the Brown Act, each public agency must provide the public with an opportunity to speak on any matter within the subject matter jurisdiction of the agency and which is not on the agency's agenda for that meeting. The City Council allows speakers to speak on non-agendized matters under public comment, and on agendized items at the time the agenda item is addressed at the meeting. Comments are limited to no more than five minutes per speaker. By law, no action may be taken on any item raised during the public comment period although informational answers to questions may be given and matters may be referred to staff for placement on a future agenda of the City Council.

Should you have material you wish to enter into the record, please submit it to the City Manager.

Disabled Access or Special Needs

In compliance with the Americans with Disabilities Act (ADA) and to accommodate any special needs, if you need special assistance to participate in this meeting, please contact Alan Shear, the ADA Coordinator, at (707) 746-4200. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to the meeting.

Meeting Procedures

All items listed on this agenda are for Council discussion and/or action. In accordance with the Brown Act, each item is listed and includes, where appropriate, further description of the item and/or a recommended action. The posting of a recommended action does not limit, or necessarily indicate, what action may be taken by the City Council.

Pursuant to Government Code Section 65009, if you challenge a decision of the City Council in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City Council at, or prior to, the public hearing. You may also be limited by the ninety (90) day statute of limitations in which to challenge in court certain administrative decisions and orders (Code of Civil Procedure 1094.6) to file and serve a petition for administrative writ of mandate challenging any final City decisions regarding planning or zoning.

The decision of the City Council is final as of the date of its decision unless judicial review is initiated pursuant to California Code of Civil Procedures Section 1094.5. Any such petition for judicial review is subject to the provisions of California Code of Civil Procedure Section 1094.6.

Public Records

The agenda packet for this meeting is available at the City Manager's Office and the Benicia Public Library during regular working hours. To the extent feasible, the packet is also available on the City's web page at www.ci.benicia.ca.us under the heading "Agendas and Minutes." Public records related to an open session agenda item that are distributed after the agenda packet is prepared are available before the meeting at the

City Manager's Office located at 250 East L Street, Benicia, or at the meeting held in the Council Chambers. If you wish to submit written information on an agenda item, please submit to the City Clerk as soon as possible so that it may be distributed to the City Council. A complete proceeding of each meeting is also recorded and available through the City Clerk's Office.

Contact Your Council Members

If you would like to contact the Mayor or a Council Member, please call the number listed below to leave a voicemail message.

Mayor Patterson: 746-4213

Vice Mayor Strawbridge: 746-4213

Council Member Campbell: 746-4213

Council Member Young: 746-4213

Council Member Largaespada: 746-4213

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MINUTES OF THE
REGULAR MEETING – CITY COUNCIL
JANUARY 21, 2020
7:00 PM

City Council Chambers, City Hall, 250 East L Street, complete proceedings of which are recorded on tape.

1) CLOSED SESSION (6:00 P.M.)

1.A - CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2):

Number of potential cases: 1

The Closed Session was cancelled.

2) CONVENE OPEN SESSION (7:00 P.M.)

CALL TO ORDER

Mayor Patterson called the meeting to order at 7:00 p.m.

3) ROLL CALL

All Council Members were present.

4) PLEDGE OF ALLEGIANCE

5) REFERENCE TO THE FUNDAMENTAL RIGHTS OF THE PUBLIC

6) ANNOUNCEMENTS

6.A - ANNOUNCEMENTS FROM CLOSED SESSION, IF ANY

The Closed Session was cancelled.

6.B - MAYOR'S OFFICE HOURS

6.C - OPENINGS ON BOARDS AND COMMISSIONS

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7) **PROCLAMATIONS**

8) **APPOINTMENTS**

9) **PRESENTATIONS**

9.A - ECO AWARD PRESENTATION BY REPUBLIC SERVICES

10) **ADOPTION OF AGENDA**

On motion of Council Member Largaespada, seconded by Vice Mayor Strawbridge, Council approved the Adoption of the Agenda, as presented, on a roll call by the following vote:

Ayes: Council Member Campbell, Council Member Largaespada, Vice Mayor Strawbridge, Council Member Young, Mayor Patterson

Noes: (None)

11) **OPPORTUNITY FOR PUBLIC COMMENTS**

12) **WRITTEN COMMENT**

Twenty nine items received (copies on file).

13) **PUBLIC COMMENT**

1. Julia Hahn - Ms. Hahn discussed concern regarding the lack of a left turn only light at the corner of Rose Drive and Columbus Parkway. She said it poses a safety risk.
2. Council Member Young - Council Member Young discussed a presentation that will be held at Presbyterian Church on 1/22/20, hosted by various entities that provide assistance to people in need.
3. Mayor Patterson - Mayor Patterson discussed the annual event recognizing Martin Luther King.

14) **CONSENT CALENDAR**

14.A - APPROVAL OF CITY COUNCIL MINUTES FROM DECEMBER 17, 2019 (City Clerk)

[December 17, 2019 City Council Meeting Minutes](#) 

14.B - PARTICIPATION IN THE SOLANO COUNTY SUBREGION FOR THE REGIONAL HOUSING NEEDS ALLOCATION PROCESS (Interim Community Development Director)

[Staff Report - RHNA Subregion](#) 

DRAFT

1. Resolution - RHNA Subregion

RESOLUTION 20-03 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA AUTHORIZING THE CITY OF BENICIA TO BECOME A MEMBER OF THE SOLANO COUNTY SUBREGION TO ADMINISTER THE REGIONAL HOUSING NEEDS ALLOCATION PROCESS FOR THE SOLANO COUNTY SUBREGION'S 2022-2030 HOUSING ELEMENT UPDATE

14.C - CITY APPOINTMENTS SUBCOMMITTEE (City Manager)

Staff Report - City Appointments Subcommittee 

1. Resolution - City Appointments Subcommittee

RESOLUTION 20-04 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA CONFIRMING THE MAYOR'S APPOINTMENT OF COUNCIL MEMBER STEVE YOUNG TO A CITY COUNCIL APPOINTMENT SUBCOMMITTEE FOR A ONE-YEAR TERM ENDING DECEMBER 31, 2020

14.D - APPROVAL OF AMENDMENT TO THE CONTRACT WITH WALKER CONSULTANTS FOR AN ADDITIONAL PUBLIC SURVEY, WORKSHOP AND MEETING TO UPDATE THE DOWNTOWN PARKING STUDY (Economic Development Manager)

Staff Report - Amendment to Walker Consultants Agreement 

1. Resolution - Amendment to Walker Consultants Agreement

2. Amendment to Agreement - Walker Consultants

RESOLUTION 20-05 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA AUTHORIZING AN AMENDMENT TO THE CONTRACT WITH WALKER CONSULTANTS TO CONDUCT AN UPDATED BENICIA DOWNTOWN PARKING STUDY

14.E - APPROVAL TO WAIVE THE READING OF ALL ORDINANCES INTRODUCED OR ADOPTED PURSUANT TO THIS AGENDA (City Attorney)

On motion of Council Member Largaespada, seconded by Council Member Young, Council approved the Consent Calendar, as presented, on a roll call by the following vote:

Ayes: Council Member Campbell, Council Member Largaespada, Vice Mayor Strawbridge, Council Member Young, Mayor Patterson

Noes: (None)

15) BUSINESS ITEMS

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15.A - CONSIDER THE ADOPTION OF A RESOLUTION OF INTENTION TO TRANSITION TO A BY-DISTRICT METHOD OF CITY COUNCIL ELECTIONS (City Attorney)

Staff Report - By-District Elections 

1. Resolution - Option 1 

2. Resolution - Option 2 

Ben Stock, City Attorney, reviewed the staff report and a PowerPoint presentation.

Council Member Young and Staff discussed whether the City had received any complaints regarding California Voting Rights Act (CVRA) violations to date (no), the issue of protected classes, and racial polarized voting. Council Member Young did not support transitioning to District Elections at this time.

Council Member Largaespada discussed other jurisdictions that have switched to District Elections. He and Staff discussed whether CVRA had recently been constitutionally tested and survived in court, whether Staff's scenario #2 was in violation of CVRA, Benicia Unified School District's demographic data and what percent of 'non-white' voters would compel switching to District Elections, and whether the City could afford going with option #3 and risk litigation costs. Lorie Tinfow, City Manager, stated it would have a negative impact on the City's budget. Council Member Largaespada stated he was split on which way to go. He is not sure which way would be better.

Vice Mayor Strawbridge discussed the emails Council received regarding not supporting switching to District Elections. She was also torn on which way to go. She and Staff discussed the issue of council members representing the entire City and all of the citizens, not just one district.

Council Member Campbell and Staff discussed how big the cities were that were reviewed, how districts are divided up and how to make them equitable, how often the Shenkman lawsuits happen (seven to date), how often the cities were settling in fear of a lawsuit, and what cities have made it to the appellate court level. Council Member Campbell was concerned there were only 7 lawsuits out of roughly 400 cities in California, and whether the City needed to switch.

Mayor Patterson and Staff discussed rules for closed session discussions and what could and could not be disclosed, what examples of 'company towns' had switched to district elections, what a 'company town' was, concern over being bullied into doing something with the threat of a lawsuit. Mayor Patterson had not seen evidence that the City needed to switch to district elections.

Council Member Young and Staff discussed whether Sausalito had switched to district elections, and whether there were small towns comparable to Benicia that had switched to district elections.

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Council Member Campbell and Staff discussed whether switching to district elections should be put before the voters.

Public Comment:

1. Terry Mollica - Mr. Mollica spoke in opposition to switching to district elections.
2. Marilyn Bardet - Ms. Bardet spoke in opposition to switching to district elections until it can be studied further.
3. Madeline Koster - Ms. Koster spoke in opposition to switching to district elections. She would like it studied further.
4. Judy Majias - Ms. Majias spoke in opposition to switching to district elections.
5. Carol Hazenfield - Ms. Hazenfield spoke in opposition to switching to district elections.
6. Mary Amey - Ms. Amey spoke in opposition to switching to district elections at this time. She supported doing further research on the issue.
7. Susan Street - Ms. Street spoke in opposition to switching to district elections.
8. Julia Hahn - Ms. Hahn spoke in opposition to switching to district elections at this time. She would like to wait until after the census is completed.
9. Dan Smith - Mr. Smith spoke in opposition to switching to district elections.
10. Trevor Macenski - Mr. Macenski would like the issue studied further.
11. Kathleen Brown - Ms. Brown spoke in opposition to switching to district elections.
12. Bob Berman - Mr. Berman spoke in opposition to switching to district elections.
13. Kathy Kerridge - Ms. Kerridge spoke in opposition to switching to district elections. She would like it studied further.
14. Vicki Dennis - Ms. Dennis spoke in opposition to switching to district elections. It needs to be researched further.
15. Evan Davidson - Mr. Davidson suggested this issue be put before the voters for a choice.
16. Bob Livesay - Mr. Livesay spoke in support of switching to district elections and going with option #1.

Council Member Largaespada and Staff discussed the issue of the burden of proof that the plaintiff has to overcome.

Council Member Campbell discussed how districting would affect the political action committees, concern regarding not enough qualified candidates running if the City switched to district elections, anticipation of receiving the Shenkman letter, whether the City could put itself in a holding pattern so it could wait to see what happens with the other pending lawsuits, and whether there was a possibility to connect with other cities to write one letter to change the legislation on this issue.

Council Member Young discussed concern regarding moving to district elections, concern regarding the lack of qualified candidates or candidates who would want to run, representative democracy, how distinct elections would affect politics, concern regarding the timing to get this done for the 2020 election, waiting until the 2022 election if Council decides to proceed, and whether there could be an advisory vote on this issue.

DRAFT

Vice Mayor Strawbridge discussed BUSD's district maps, her lack of support for switching to district elections, whether the League of California Cities had looked into getting the legislation changed on the CVRA, whether district elections would increase the number of candidates as well as voter turnout, and whether a city could switch back to at large elections after they went to district elections.

Mayor Patterson discussed the issue of a common defense with other cities, getting an Attorney General opinion on the issue, what evidence is available that switching to district elections increases voter turnout and the number of candidates, getting the League of California Cities involved, not designing districts to fit sitting candidates, and enfranchising Benicia's voters, and support for the #4 option to gather more information about how district elections work in cities of 35,000 residents or less.

Council Member Largaespada and Staff discussed the issue of putting this on a ballot for the voters to decide, gerrymandering, concern regarding potential costs to fight the issue, and concern with how long it would take to get the legislation changed.

Mayor Patterson stated she was looking for a motion that would convey considering the alternative that was recommended by Staff, projection of cost, demographics of Benicia, level of voter participation, potential common cause, as well as results of other smaller towns having districts.

Council Member Campbell made a motion to not transition to district elections and have City Staff contact all the cities who are transitioning and facing a lawsuit and come up with a letter of support and go to their legislators.

Council Member Young seconded the motion. More information would be helpful. He likes the common cause issue, as long as we go to comparable cities with demographics to Benicia. He was interested in seeing research on small cities who have switched and what effect it had on them.

Mayor Patterson clarified the motion was to seek common cause with other cities, appeal to legislature for some level of relief, to give direction to Staff to gather information about the results of districting in small cities, and to not make the transition to district elections.

Council Member Largaespada stated he could support option three but not the alternative (option 4). He was not sure what benefit the City would get from option #4/the alternative.

Vice Mayor Strawbridge discussed what would happen if the City received the Shenkman letter tomorrow - was there a plan? She discussed concern regarding opening the City up to expensive litigation.

DRAFT

Mr. Stock confirmed that if the City received a letter from Mr. Shenkman, he would bring it before Council.

On motion of Council Member Campbell, seconded by Council Member Young, Council approved giving direction to Staff to seek common cause with other cities, appeal to legislature for some level of relief, to give direction to Staff to gather information about the results of districting in small cities, and to not make the transition to district elections, on a roll call by the following vote:

Ayes: Council Member Campbell, Council Member Largaespada, Council Member Young, Mayor Patterson

Noes: Vice Mayor Strawbridge

15.B - INTRODUCTION OF AN ORDINANCE AMENDING CHAPTERS 17.16 (USE CLASSIFICATIONS), 17.70 (GENERAL REGULATIONS) AND 17.108 (DESIGN REVIEW) OF THE BENICIA MUNICIPAL CODE PERTAINING TO ACCESSORY DWELLING UNITS (PUBLIC HEARING) (Interim Community Development Director)

Staff Report - Accessory Dwelling Units

1. Draft Ordinance - Accessory Dwelling Units
2. ADU Summary of Legislative Changes
3. Summary of Stakeholder Feedback August and October 2019
4. Correspondence from Brandon Marshall August 2019
5. Summary of Stakeholder Feedback November 2019
6. Correspondence from Leann Taagepera and Staff Response
7. Mark-up of Current ADU Regulations
8. Correspondence from Mark Hajjar December 16, 2019.pdf
9. Presentation from Brandon Marshall and Brian Harkins, December 19 2019
10. Historic Preservation Review Commission Staff Report (without Attachments)
11. Draft Minutes HPRC, December 19, 2019
12. Resolution No. 19-14 (HPRC)
13. Correspondence from Mark Hajjar, January 9, 2020
14. Planning Commission Staff Report (without Attachments)
15. Draft Minutes of the Planning Commission, January 9, 2020
16. Resolution No. 20-1 (PC)

ORDINANCE 20- - AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BENICIA AMENDING BENICIA MUNICIPAL CODE CHAPTER 17.16 (USE CLASSIFICATIONS), CHAPTER 17.70 (GENERAL REGULATIONS) AND CHAPTER 17.108 (DESIGN REVIEW) OF TITLE 17 (ZONING), ALL PERTAINING TO THE REGULATION OF ACCESSORY DWELLING UNITS, AND FINDING ADOPTION OF THE ORDINANCE EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

Suzanne Thorsen, Principal Planner, reviewed the staff report.

DRAFT

Mayor Patterson and Staff discussed the HPRC and Planning Commission's unanimous votes on this issue.

Council Member Largaespada and Staff discussed the State's mandates on ADU's.

Vice Mayor Strawbridge and Staff discussed the issue of subjective standards and why they aren't allowed, and whether this would impact the design standards in the Historic District.

Council Member Young and Staff discussed what the minimum size, maximum size, and maximum height is of an ADU, and why various building materials are not allowed.

Public Comment:

1. Brian Harkins - Mr. Harkins discussed concern regarding the proposed ordinance.
2. Brandon Marshall - Mr. Marshall discussed concerns with the proposed ordinance.
3. Kathy Kerridge - Ms. Kerridge discussed concern regarding the housing costs in the Bay Area and the need to give homeowners as much discretion as possible with the ADU's over garages.
4. Evan Davidson - Mr. Davidson discussed the issue of wall height. He would prefer the limit was increased to 16 ft.
5. Tim Reynolds - Mr. Reynolds spoke in support of the proposed ordinance.

Council Member Largaespada and Staff discussed the issue of limiting the review of garage units to Staff, whether Council wanted to discuss flexibility in building materials, and the need to make sure the garage permitting does not become cumbersome.

Council Member Largaespada made a motion to approve the Ordinance, with the amendment that we streamline the garage permitting process, and we could then revisit the issue of building materials.

On motion of Council Member Largaespada, seconded by Vice Mayor Strawbridge, Council approved the Introduction and First Reading of the above Ordinance, as amended to streamline the garage permitting process, on a roll call by the following vote:

Ayes: Council Member Campbell, Council Member Largaespada, Vice Mayor Strawbridge, Council Member Young

Noes: Mayor Patterson

On motion of Council Member Young, seconded by Vice Mayor Strawbridge, Council approved continuing the meeting past 11:00 p.m. to hear the remaining agenda items, on a roll call by the following vote:

Ayes: Council Member Campbell, Council Member Largaespada, Vice Mayor Strawbridge, Council Member Young, Mayor Patterson

Noes: (None)

DRAFT

15.C - DISCUSSION OF REVISIONS TO USE PERMIT APPLICATION AND PUBLIC SAFETY LICENSE FEES FOR CANNABIS OPERATIONS (Interim Community Development Director)

Staff Report - Cannabis Fees

1. City of Benicia Planning Fee Schedule, Effective 9-1-19
2. Two-Step Request, Councilmember Young & Vice Mayor Strawbridge
3. Email from Councilmember Young - Cannabis Application Fees from San Francisco

Victoria Walker, Municipal Resources Group, reviewed the staff report.

Council Member Young and Staff discussed the issue of cost recovery, fixed cost for the use permit, security plans and safety license costs, the City of Sacramento's process for security plans.

Vice Mayor Strawbridge and Staff discussed whether what is proposed is competitive with other jurisdictions, and whether there were still interested parties who want to do cannabis business in Benicia.

Council Member Campbell and Staff discussed how to get the costs as accurate as possible, the need for predictable costs, and support for the flat fee approach.

Staff stated they would go with fixed rate and if it is not meeting cost recovery they will come back to Council.

Public Comment:

1. Richard Costanzo - Mr. Costanzo spoke in support of a flat fee approach.

On motion of Vice Mayor Strawbridge, seconded by Mayor Patterson, Council approved reducing the fixed fee to process a cannabis use permit application to a lesser amount such as the lowest existing amount in the current fee schedule for a Use Permit application of \$5,361; and reduce the fixed fee to process a Public Safety License application to \$11,610, on a roll call by the following vote:

Ayes: Council Member Campbell, Council Member Largaespada, Vice Mayor Strawbridge, Council Member Young, Mayor Patterson

Noes: (None)

15.D - MODIFICATION OF EXCISE TAX RATES FOR CANNABIS DELIVERY BUSINESSES OPERATING IN BENICIA (Interim Community Development Director)

Staff Report - Cannabis Delivery Excise Tax Rates

1. Resolution Modifying Tax Rates for Cannabis Delivery Businesses

DRAFT

2. Resolution No. 18-134 Setting Excise Tax Rates for Cannabis Businesses

RESOLUTION 20-06 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA MODIFYING THE EXCISE TAX RATES FOR CANNABIS DELIVERY BUSINESSES OPERATING IN BENICIA

Alan Shear, Acting Community Development Director, reviewed the staff report.

Vice Mayor Strawbridge and Staff discussed the deferred 2% tax, and whether the rate was competitive with other jurisdictions.

Council Member Young and Staff discussed whether Council could increase the rates on items other than deliveries.

Public Comment:

None

Vice Mayor Strawbridge made a motion to adopt the above resolution, with additional direction to Staff to come back with adjustments for the other excise tax.

On motion of Vice Mayor Strawbridge, seconded by Council Member Young, Council approved the adoption of the above resolution, with additional direction to Staff to come back with adjustments for the other excise tax, on a roll call by the following vote:

Ayes: Council Member Campbell, Council Member Largaespada, Vice Mayor Strawbridge, Council Member Young, Mayor Patterson

Noes: (None)

16) COUNCIL MEMBER COMMITTEE REPORTS:

16.A - COUNCIL MEMBER COMMITTEE REPORTS

[Committee Reports](#) 

17) ADJOURNMENT (11:00 P.M.)

Mayor Patterson adjourned the meeting at 12:11 a.m. on January 22, 2020.

DRAFT

MINUTES OF THE
SPECIAL MEETING – CITY COUNCIL
FEBRUARY 4, 2019
4:00 PM

City Council Chambers, City Hall, 250 East L Street, complete proceedings of which are recorded on tape.

1) **CALL TO ORDER (4:00 P.M.)**

Mayor Patterson called the Special Meeting to order at 4:00 p.m.

2) **CONVENE OPEN SESSION**

3) **ROLL CALL**

All Council Members were present.

Council Member Campbell arrived at 4:07 p.m.

4) **PLEDGE OF ALLEGIANCE**

5) **REFERENCE TO THE FUNDAMENTAL RIGHTS OF THE PUBLIC**

6) **ADOPTION OF THE AGENDA**

On motion of Council Member Largaespada, seconded by Council Member Young, Council approved the Adoption of the Agenda, as presented, on a roll call by the following vote:

Ayes: Council Member Largaespada, Vice Mayor Strawbridge, Council Member Young, Mayor Patterson

Noes: (None)

7) **OPPORTUNITY FOR PUBLIC COMMENTS**

8) **WRITTEN COMMENT**

Three items received (copies on file).

9) **PUBLIC COMMENT**

1. Will Emes - Mr. Emes thanked Staff for their time this week.

DRAFT

2. Marilyn Bardet - Ms. Bardet discussed the passing of Jerry Page, and read his obituary.
3. Constance Beutel - Ms. Beutel recognized individuals who pick up trash on the highway as well as around town.
4. Lorie Tinfow - Ms. Tinfow introduced Brad Misner as the City's new Community Development Director.

10) BUSINESS ITEMS

10.A - QUARTERLY POLICY ISSUES STUDY SESSION (City Manager)

Staff Report - Quarterly Policy Issues Study Session

1. City Council Rules of Procedure
2. Updated Council Work Plan 2019-20
3. Two-Step Request from Councilmember Campbell on Penalties for Excessive Residential Water Use
4. Two-Step Request from Mayor Patterson on adopting a Climate Emergency Resolution
5. Two-Step Request from Councilmember Campbell on drafting an advisory measure related to cannabis dispensaries for the November 2020 ballot
6. Two-Step Request from Councilmember Campbell to install Rainbow Crosswalks
7. Two-Step Request from Mayor Patterson to repurpose and update the Traffic, Bicycle & Pedestrian Safety Committee

Lorie Tinfow, City Manager, introduced the agenda item and explained how the process would work.

Council Member Young and Staff discussed Council's Rules of Procedure and how two-step requests are handled.

Council Member Campbell discussed concern regarding Council's Rules of Procedures with respect to points of order. He discussed concern that it was not being handled the way it is spelled out in Council's Rules of Procedures.

Two-Step Request from Council Member Campbell on Penalties for Excessive Residential Water Use:

Council Member Campbell discussed water usage throughout the City, how some people are using excessive water amounts, the inequity in the water billing, the suggestion to use a penalty based system for the high water users.

Kyle Ochencuszko, Deputy Public Works Director, discussed the possibility of a tiered water system.

Mayor Patterson and Staff discussed the issue of water based budgeting.

DRAFT

Council Member Largaespada and Staff discussed whether the City has ever had to purchased additional water as a result of the heavy water users.

Council and Staff discussed the issue of penalties. Ms. Tinfow pointed out that BUSD, the City of Benicia, and other businesses would not be exempt from a penalty based system.

Council Member Young discussed support for publicizing the top ten water users every month. He and Staff discussed whether a serious drought would allow the City to assess certain penalties.

Vice Mayor Strawbridge and Staff discussed whether the high water users were still continuing to overuse water, the City's State water contract, and the need for updates on where the City is on its water contracts.

Mayor Patterson and Staff discussed what the best ways were to get people to be good water users without shaming them.

Council Member Largaespada and Staff discussed the issue of water budgets, concern regarding about telling people what to do with their money, and concern regarding shaming anyone for any reason.

Public Comment:

1. Alyson Fleck - Ms. Fleck discussed various rebate programs available to homeowners and various other ways to conserve water.
2. Constance Beutel - Ms. Beutel spoke in support of raising rates or fines because water is precious.
3. Marilyn Bardet - Ms. Bardet suggested encouraging people to use rain barrel watering systems. She discussed the importance of education and various educational water programs available to people.
4. Kathy Kerridge - Ms. Kerridge discussed the energy it takes to pump water and the greenhouse gas emissions that are produced because of that.
5. Terry Scott - Mr. Scott discussed concern regarding the bureaucracy surrounding this issue. He discussed support for a tiered system.

Mayor Patterson discussed concern regarding shaming people into conserving water, possibly sending this to the CSC for review.

Council Member Campbell discussed how expensive it can get for cities to purchase water during a drought, the need to look at restrictors for the people who fail to conserve during droughts.

Council Member Largaespada made a motion to send the issue water conservation and education outreach to the CSC and have Staff update the ordinance so it provides for necessary steps to restrict excessive use of water.

DRAFT

Two-Step Request from Mayor Patterson on adopting a Climate Emergency Resolution:

Council Member Young discussed the issue of the global climate emergency, interest in practical things the City could do to address global warming, the need to know the City's progress over the past ten years, and the possibility of having an all-electrical fleet for the City vehicles.

Council Member Largaespada agreed with Council Member Young. He supported directing Staff to dust off the climate action plan, look at what progress we have made, and find out what still needs to be addressed. He would support making this an inaction item and bringing back the Climate Action Plan.

Public Comment:

1. Ralph Dennis - Mr. Dennis suggested proceeding with the resolution and pursue this as a two-step process.
2. Marilyn Bardet - Ms. Bardet agreed with Mr. Dennis' comments.
3. June Majias - Ms. Majias agreed with what was said by Ms. Bardet and Mr. Dennis.
4. Pat Toth Smith - Ms. Toth Smith discussed how real the current threat of climate changes is.
5. Lisa Reinertson - Ms. Reinertson discussed the emergency situation regarding climate change.
6. Kathy Kerridge - Ms. Kerridge discussed the need to take concrete steps and hire a climate action plan coordinator.
7. Steve Gollub - Mr. Gollub spoke in support of adopting a resolution.

Council Member Young made a motion to send the resolution to a City Council Subcommittee so they can get it back to Council for adoption.

Mayor Patterson clarified that the motion was for Council to establish a subcommittee, the subcommittee will rework the language as necessary, and the resolution would be brought back for Council's consideration in March 2020. Council Members Campbell and Young would be on the subcommittee.

Council Member Campbell would like to see footnotes showing where the data was obtained from.

Council Member Young was concerned about the amount of data that would need to be included in the footnotes. The subcommittee would work out the details.

Council Member Largaespada wants to keep it as local and feasible as possible, and in addition to footnotes, ensure that the data is as widely recognized as possible.

DRAFT

Two-Step Request from Council Member Campbell on drafting an advisory measure related to cannabis dispensaries for the November 2020 ballot:

Council Member Campbell suggested having the City Attorney come up with an advisory measure.

Council Member Largaespada suggested drafting an advisory measure reaffirming the buffers around residential zones, parks, childcare centers and youth centers.

Council Member Campbell clarified he was looking to see if the community supporting having retail cannabis dispensaries in Benicia.

Vice Mayor Strawbridge was concerned about opening up a can of worms. Council has already moved forward with approving cannabis dispensaries.

Council Member Young suggested creating a two person subcommittee to work on this issue.

Mayor Patterson clarified that motion was to create a subcommittee made up of Council Members Young and Largaespada to consider choices for the public to vote on dealing with retail cannabis that incorporates all the variability's that have been iterated.

Public Comment:

1. Kathy Kerridge - Ms. Kerridge though this was too soon to proceed with this.
2. Alyson Fleck - Ms. Fleck did not think this needed to move forward at this time.
3. Steve Gollub - Mr. Gollub agreed with the previous two speakers.

Lorie Tinfow, City Manager, and Ben Stock, City Attorney, stated that Council had the option of continuing the last item on the Special Meeting to the close of the Regular Meeting.

Two-Step Request from Council Member Campbell to install Rainbow Crosswalks:

Council Member Campbell suggested sending it to the Arts commission to be considered as public art.

Council Member Largaespada and Staff discussed guidelines for permissible sidewalks.

Staff discussed the legal rules for permissible sidewalks.

Council Member Campbell and Staff discussed the brick crosswalks on First Street.

Council Member Campbell made a motion to send this to the Arts and Culture Commission. The motion died for lack of a second.

DRAFT

Council Member Campbell made a motion to continue discussion on the Rainbow Crosswalk item to the end of the Regular Agenda. The motion was seconded by Council Member Young.

Council Member Young made a motion to continue discussion on the last agenda item (Two-Step Request from Mayor Patterson to repurpose and update the Traffic, Bicycle & Pedestrian Safety Committee) to the end of the Regular Meeting Agenda. The motion was seconded by Council Member Campbell.

At 6:37 p.m., Mayor Patterson continued the Special Meeting to the end of the Regular Meeting to hear the remaining agenda items.

At 8:18 p.m. Mayor Patterson adjourned the Regular Meeting and reconvened the Special City Council meeting to continue discussion on the last two items.

Two-Step Request from Council Member Campbell to install Rainbow Crosswalks (continued):

Will Tarbox, Public Works Director, discussed the brick sidewalks on First Street. They are legal and can exist. He discussed the issue of contrast and color in crosswalks.

Council Member Largaespada discussed the issue of inclusivity and process, and the issue of rules and what is permissible.

Mayor Patterson discussed concern regarding safe crosswalks and pedestrian safety. She was concerned the rainbow crosswalks were not safe for pedestrians. She wants to honor and respect the LGBTQ community every day, but not at the risk of pedestrian safety.

Public Comment:

1. Gretchen Burgess – Ms. Burgess spoke in support of installing rainbow crosswalks in the City.

Council Member Campbell made a motion to try a rainbow crosswalk somewhere in the City, location to be decided by the TPBSC. The motion died for lack of a second.

Two-Step Request from Mayor Patterson to repurpose and update the Traffic, Bicycle & Pedestrian Safety Committee (TPBSC):

Lorie Tinfow, City Manager, reviewed the two-step request.

Council Member Young discussed the request seeming to shift the focus away from traffic and towards pedestrian and bicycle safety. He has been on the committee for several years and traffic is a big issue. He would like to keep the focus on traffic safety. He did think the make up of the committee could be changes. He would like to see citizens on the committee.

DRAFT

Council Member Campbell discussed the relaxed rules that were in place when he was on the committee. The public who attended were treated almost like committee members. He thought it was fine the way it was.

Council Member Young discussed the charm of the less formal committee.

Mayor Patterson discussed her time on the TPBSC, the traffic calming manual that was developed, how federal funding has changed, active transportation, the need for advocacy from the City of Benicia for funding, how modernizing the committee would help with advocating for Benicia, the need to get ownership by the public, and how updating this committee would help inform the Planning Commission and the STA.

Council Member Campbell discussed support for keeping the committee the way it is because it seems to work.

Council Member Largaespada discussed support for the two-step request to modernize the committee.

Public Comment:

1. Gretchen Burgess – Ms. Burgess discussed the need for traffic calming measures other than stop signs, because they don't seem to work.

Mayor Patterson discussed how the Benicia Bicycle group helped get funding for bicycle lane funding. She discussed the need for advocacy.

Mayor Patterson stated she was looking for a motion to direct Staff to prepare a committee purpose statement that would include that it would be comprehensive with traffic as well as active transportation.

Council Member Largaespada made the motion, which was seconded by Council Member Young.

Council Member Young asked for clarification on what that would do to the composition of the TPBSC. Mayor Patterson stated that the reform would come back and it would be reflective of a community commission, and there would be Staff, and Council would receive recommendations.

On motion of Council Member Largaespada, seconded by Vice Mayor Strawbridge, Council approved sending the issue of water conservation and education outreach to the CSC and have Staff update the ordinance so it provides for necessary steps to restrict excessive use of water, on a roll call by the following vote:

Ayes: Council Member Campbell, Council Member Largaespada, Vice Mayor Strawbridge, Council Member Young, Mayor Patterson

Noes: (None)

DRAFT

On motion of Council Member Young, seconded by Vice Mayor Strawbridge, Council approved establishing a Council Subcommittee who will then rework the language in the resolution as necessary, and the resolution would be brought back for Council's consideration in March 2020. The subcommittee would be made up of Council Members Campbell and Young., on a roll call by the following vote:

Ayes: Council Member Campbell, Council Member Largaespada, Vice Mayor Strawbridge, Council Member Young, Mayor Patterson
Noes: (None)

On motion of Council Member Young, seconded by Council Member Largaespada, Council approved creating a subcommittee made up of Council Members Young and Largaespada to consider choices for the public to vote on dealing with retail cannabis that incorporates all the variability's that have been iterated, on a roll call by the following vote:

Ayes: Council Member Campbell, Council Member Largaespada, Council Member Young
Noes: Vice Mayor Strawbridge, Mayor Patterson

On motion of Council Member Campbell, seconded by Council Member Young, Council approved continuing the Rainbow Crosswalk agenda item to the end of the Regular Meeting agenda, on a roll call by the following vote:

Ayes: Council Member Campbell, Council Member Largaespada, Vice Mayor Strawbridge, Council Member Young, Mayor Patterson
Noes: (None)

On motion of Council Member Young, seconded by Council Member Campbell, at 6:37 p.m., Council approved continuing the Special Meeting to the close of the Regular Meeting to hear the Two Step Request from Mayor Patterson to repurpose and update the Traffic, Bicycle & Pedestrian Safety Committee, on a roll call by the following vote:

Ayes: Council Member Campbell, Council Member Largaespada, Vice Mayor Strawbridge, Council Member Young, Mayor Patterson
Noes: (None)

On motion of Council Member Largaespada, seconded by Council Member Young, Council approved directing Staff to prepare a committee purpose statement that would include that it would be comprehensive with traffic as well as active transportation, on a roll call by the following vote:

Ayes: Council Member Campbell, Council Member Largaespada, Vice Mayor Strawbridge, Council Member Young, Mayor Patterson
Noes: (None)

11) ADJOURNMENT (6:00 P.M.)

DRAFT

Mayor Patterson adjourned the Special Meeting at 8:53 p.m.

DRAFT

MINUTES OF THE
REGULAR MEETING – CITY COUNCIL
FEBRUARY 4, 2020
7:00 PM

City Council Chambers, City Hall, 250 East L Street, complete proceedings of which are recorded on tape.

CALL TO ORDER (7:00 P.M.)

Mayor Patterson called the Regular Meeting to order at 7:00 p.m.

1) **CONVENE OPEN SESSION**

2) **ROLL CALL**

All Council Members were present.

3) **PLEDGE OF ALLEGIANCE**

4) **REFERENCE TO THE FUNDAMENTAL RIGHTS OF THE PUBLIC**

5) **ANNOUNCEMENTS**

5.A - MAYOR'S OFFICE HOURS

5.B - OPENINGS ON BOARDS AND COMMISSIONS

6) **PROCLAMATIONS**

6.A - PROCLAMATION - LEAGUE OF WOMEN VOTERS 100TH ANNIVERSARY

Proclamation - League of Women Voters 100th Anniversary 

7) **APPOINTMENTS**

8) **PRESENTATIONS**

8.A - INFORMATION ON CENSUS 2020

8.B - BENICIA FEATURED IN SAN FRANCISCO BUSINESS TIMES SUPPLEMENT

9) **ADOPTION OF AGENDA**

DRAFT

Staff noted that Council met at 4:00 p.m. for a Special City Council meeting. Two of the agenda items from that meeting would be continued after the adjournment of the Regular Meeting.

On motion of Council Member Largaespada, seconded by Vice Mayor Strawbridge, Council approved the Adoption of the Agenda, as presented, on a roll call by the following vote:

Ayes: Council Member Campbell, Council Member Largaespada, Vice Mayor Strawbridge, Council Member Young, Mayor Patterson
Noes: (None)

10) OPPORTUNITY FOR PUBLIC COMMENTS

11) WRITTEN COMMENT

Two items received (copies on file).

12) PUBLIC COMMENT

1. Gretchen Burgess - Ms. Burgess discussed concern regarding the decline of the street and sidewalk conditions in her neighborhood and around the City,
2. Council Member Young - Council Member Young apologized for using the term gerrymandering during the discussion regarding the district elections and BUSD.

13) CONSENT CALENDAR

13.A - APPROVAL OF CITY COUNCIL MINUTES FROM JANUARY 7, 2020 (City Clerk)

[January 7, 2020 City Council Meeting Minutes](#) 

13.B - SECOND READING AND ADOPTION OF AN ORDINANCE AMENDING CHAPTERS 17.16 (USE CLASSIFICATIONS), 17.70 (GENERAL REGULATIONS) AND 17.108 (DESIGN REVIEW) OF THE BENICIA MUNICIPAL CODE PERTAINING TO ACCESSORY DWELLING UNITS (PUBLIC HEARING) (Community Development Director)

[Staff Report - ADUs](#) 

[1. Ordinance Amending Title 17 - Accessory Dwelling Units](#) 

ORDINANCE 20-1 - AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BENICIA AMENDING BENICIA MUNICIPAL CODE CHAPTER 17.16 (USE CLASSIFICATIONS), CHAPTER 17.70 (GENERAL REGULATIONS) AND CHAPTER 17.108 (DESIGN REVIEW) OF TITLE 17 (ZONING), ALL PERTAINING TO THE REGULATION OF ACCESSORY DWELLING UNITS,

AND FINDING ADOPTION OF THE ORDINANCE EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

13.C - MODIFICATION OF EXCISE TAX RATES FOR CANNABIS BUSINESSES OPERATING IN BENICIA (Assistant City Manager)

Staff Report - Cannabis Excise Tax Rates

1. Resolution Modifying Tax Rates for Cannabis Businesses
2. Resolution No. 18-134 Setting Excise Tax Rates for Cannabis Businesses
3. Resolution No. 20-06 Modifying Excise Tax Rates for Cannabis Delivery Businesses

RESOLUTION 20-07 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA MODIFYING THE EXCISE TAX RATES FOR CANNABIS MANUFACTURING BUSINESSES AND COMMERCIAL CANNABIS CULTIVATION BUSINESSES OPERATING IN BENICIA

13.D - APPROVAL TO WAIVE THE READING OF ALL ORDINANCES INTRODUCED OR ADOPTED PURSUANT TO THIS AGENDA (City Attorney)

On motion of Council Member Largaespada, seconded by Vice Mayor Strawbridge, Council approved the adoption of the Consent Calendar, as presented, on a roll call by the following vote:

Ayes: Council Member Campbell, Council Member Largaespada, Vice Mayor Strawbridge, Council Member Young, Mayor Patterson

Noes: (None)

14) BUSINESS ITEMS

14.A - AMENDMENT TO MASTER FEE SCHEDULE ADDING TOBACCO RETAIL LICENSE FEES (Police Chief)

Staff Report - Amendment to Master Fee Schedule for Tobacco Retail License Fees

1. Resolution - Amendment to Master Fee Schedule for Tobacco Retail License Fee
2. Proposed Master Fee Schedule for Police Department

RESOLUTION 20-08 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA AMENDING THE MASTER FEE SCHEDULE TO ADD TOBACCO RETAIL LICENSE FEES

Chief Uson reviewed the staff report.

Council Member Young and Staff discussed the issue of fines for smoking in condominiums, etc. Staff confirmed they would be doing outreach rather than fines at this time.

DRAFT

Public Comment:

1. Gretchen Burgess - Ms. Burgess discussed concern regarding a smoke shop in the Southampton Shopping Center displaying a vaping poster.

On motion of Council Member Largaespada, seconded by Vice Mayor Strawbridge, Council approved the adoption of Resolution 20-08, on a roll call by the following vote:

Ayes: Council Member Campbell, Council Member Largaespada, Vice Mayor Strawbridge, Council Member Young, Mayor Patterson

Noes: (None)

14.B - SETTING USE PERMIT AND PUBLIC SAFETY LICENSE APPLICATION FEES FOR ALL CANNABIS OPERATIONS (Assistant City Manager)

Staff Report - Cannabis Fees 

1. Resolution - Cannabis Fees 

1A. Proposed Updated City of Benicia Fee Schedule, effective 2-5-20 

RESOLUTION 20-09 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA ADOPTING FEES AND CHARGES RELATED TO CANNABIS USE PERMITS AND CANNABIS PUBLIC SAFETY LICENSES

Alan Shear, Assistant City manager, reviewed the staff report.

Council Member Young discussed the issue of annual bar licenses, concern regarding renewal license fees, and the need to reduce the fee.

Staff discussed the importance of keeping the fees as proposed at this time.

Council and Staff discussed the issue of coming back before the renewal period to reevaluate whether the fees needed to remain the same.

Mayor Patterson stated she was looking for a motion to adopt reso with added direction to report back to Council with a report for consideration of reducing fees based on experience.

Public Comment:

2. Will Emes - Mr. Emes spoke in support for the proposed motion.

On motion of Council Member Strawbridge, seconded by Council Member Campbell, Council approved the adoption of Resolution 20-09, with additional direction to Staff, on a roll call by the following vote:

Ayes: Council Member Campbell, Council Member Largaespada, Vice Mayor Strawbridge, Council Member Young, Mayor Patterson

Noes: (None)

15) ADJOURNMENT (10:00 P.M.)

Mayor Patterson adjourned the Regular Meeting at 8:16 p.m. and reconvened the Special Meeting at 8:18 p.m.



AGENDA ITEM
CITY COUNCIL MEETING DATE – FEBRUARY 18, 2020
CONSENT CALENDAR

TO : City Council

FROM : Finance Director

SUBJECT : **ACCEPT THE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2019**

EXECUTIVE SUMMARY:

The City’s auditor, Maze & Associates, has completed the review of the annual financial statements for the fiscal year ended June 30, 2019 and has issued an unmodified audit opinion. The audited financial statements are incorporated into a Comprehensive Annual Financial Report (CAFR). In addition to review of the financial statements, the auditors are required to report matters that could adversely affect the City’s ability to record, process, summarize and report financial data.

RECOMMENDATION:

Move to accept the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019 (Attachment 1).

BUDGET INFORMATION:

There is no fiscal impact associated with this action.

BACKGROUND:

The City is required to have an independent audit of its financial records conducted on an annual basis. The auditors have completed their review of the June 30, 2019 financial statements and have issued an unqualified opinion stating that the “financial statements 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 of Benicia...” An unqualified opinion is often called a “clean opinion” and is an independent auditor’s judgement that the financial statements are fairly and appropriately presented, without any identified exceptions, and in compliance with generally accepted accounting principles.

The audited financial statements are incorporated into a Comprehensive Annual Financial Report (CAFR), which provides additional analytical and statistical information to fully describe the City’s financial condition. Under normal circumstances, the CAFR would have been submitted to the Government Financial Officers Association of the United States and Canada (GFOA) for consideration of Award of the Certificate of Achievement for Excellence in Financial Reporting.

The City’s Governmental activities for Fiscal Year 2018-19 recorded a net increase in the change in net position of \$4.7 million, due to actual revenues exceeding projections and actual

expenditures that were lower than budgeted. The General Fund contributed to the majority of this increase. The General Fund's revenue increased by \$1.8 million. This increased included a \$1.4 million increase in sales tax revenue, due to sales tax growth; other revenues including charges for services, license and permits, and use of money and property increased approximately \$1.5 million; netted against a decrease of property tax revenue of \$1.1 million, due to the one-time November 2017 settlement of Valero's property valuation appeal recorded in Fiscal Year 2017-18.

Expenditures have been at pace with the increased costs of doing business compared to the prior year. Although compared to the budget, the General Fund expenditures were lower than anticipated. The majority of the budget savings is attributed to salary savings, due to staff vacancies. The City's 20% reserves have been maintained and the majority of the fund balances are restricted and have been committed for City capital projects. A portion of the General Fund's unassigned fund balance, in the amount of \$1.9 million, has already been appropriated and those actions will be reflected during the mid-year budget review.

The table below shows the detailed classifications of the City's Fund Balances as of June 30, 2019.

			General Obligation	Other	
		General	Bonds Debt	Governmental	
Fund Balance Classifications		Fund	Service Fund	Funds	Total
Nonspendable:					
Items not in spendable form:					
Loans Receivable		731,440	-	-	731,440
Prepaid Items		26,934	-	-	26,934
Total Nonspendable Fund Balances		758,374	-	-	758,374
Restricted for:					
Debt Service		-	199,243	-	199,243
Special Revenue		122,288		7,204,378	7,326,666
Capital Projects				3,685,893	3,685,893
Total Restricted Fund Balances		122,288	199,243	10,890,271	11,211,802
Committed to:					
Capital Projects		170,000	-	3,417,081	3,587,081
Future Projects		1,139,731	-	-	1,139,731
Emergency Reserves		4,578,005	-	-	4,578,005
Contingency Reserves		4,578,005	-	-	4,578,005
Section 115 Trust		1,500,000	-	-	1,500,000
Total Committed Fund Balances		11,965,741	-	3,417,081	15,382,822
Assigned to:					
Human Services		43,189	-	-	43,189
Arts and Cultural		786	-	-	786
Economic Development		854,190	-	-	854,190
Capital License		52,069	-	-	52,069
Library Books		7,187	-	-	7,187
Section 115 Trust		2,000,000	-	-	2,000,000
City Operations		1,267,149	-	-	1,267,149
Total Assigned Fund Balances		4,224,569	-	-	4,224,569
Unassigned:					
General Fund		13,644,316	-	-	13,644,316
Total Unassigned Fund Balances		13,644,316	-	-	13,644,316
Total Fund Balances		30,715,288	199,243	14,307,352	45,221,883

In addition to the CAFR, Maze & Associates issues a report titled “Memorandum on Internal Control”, reporting on matters that could adversely affect the City’s financial records (see Attachment 2). The auditors will identify significant deficiencies in internal control, which is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

The City has no new deficiencies for fiscal year ending June 30, 2019. We continue to have the deficiency from fiscal year ending June 30, 2018, which is the timeliness of the reporting, including bank reconciliations and investment reports. Several factors continued to contribute to this deficiency. First, the implementation of additional critical phases of the Enterprise Resource Planning (ERP) software, which includes utility billing and the payroll/HR modules, created some delays with staff focusing on the ERP task. Also, continued staffing vacancies contributed to the delay.

This memorandum also highlights new Governmental Accounting Standards Board (GASB) pronouncements that will become effective in future years. For Fiscal Year 2019-20, GASB 84 – *Fiduciary Activities* will improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. For Fiscal Year 2020-21, GASB 84 – *Leases* will require recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

NEXT STEPS:

N/A

ALTERNATIVE ACTIONS:

None

General Plan	Goal 1: Creating a sustainable community in Benicia
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Strategic Plan	Strategy Issue #3: Strengthening Economic and Fiscal Conditions Strategy Issue #4: Manage City Finances Prudently
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CEQA Analysis	The proposed amendments are exempt from the California Environmental Quality Act (CEQA) Guidelines Section 15061(b)(3), the “general rule” exemption that states that where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is exempt from CEQA. The City has determined that the proposed action will not have an impact on the environment and therefore are exempt from CEQA under the general rule.
----------------------	---

ATTACHMENTS:

1. Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2019
2. Memorandum on Internal Control for Fiscal Year Ending June 30, 2019

For more information contact: Cindy Mosser, Finance Director

Phone: (707) 746-4217

E-mail: cmosser@ci.benicia.ca.us

Fiscal Year Ended

June 30, 2019

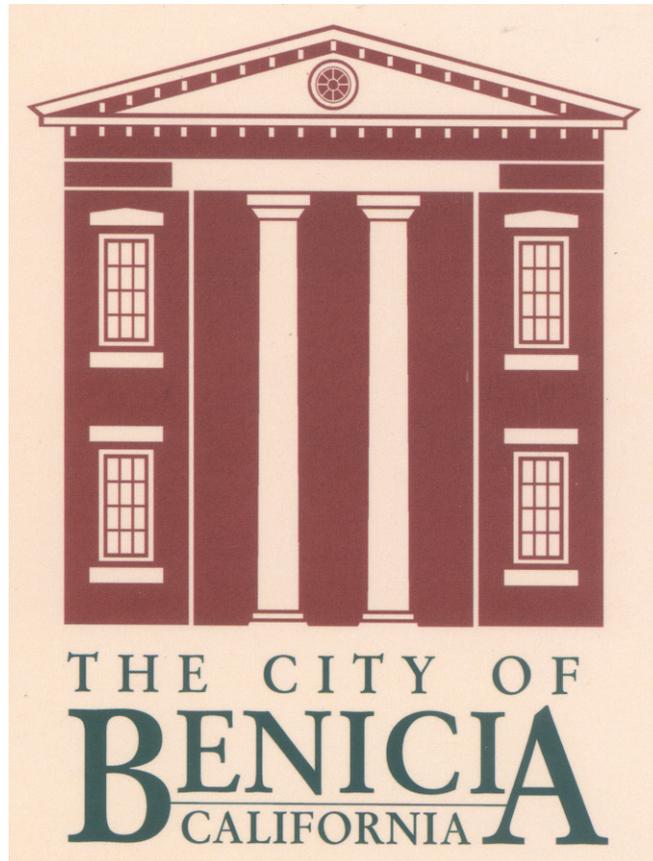
CITY OF BENICIA

**COMPREHENSIVE
ANNUAL FINANCIAL
REPORT**

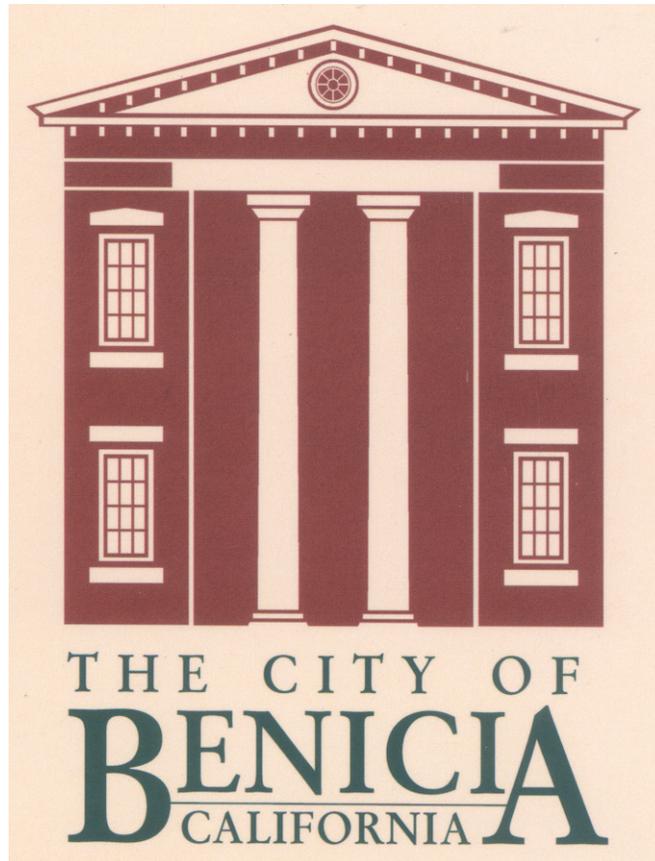


CITY OF BENICIA, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019

Prepared by
FINANCE DEPARTMENT



INTRODUCTORY SECTION



CITY OF BENICIA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2019

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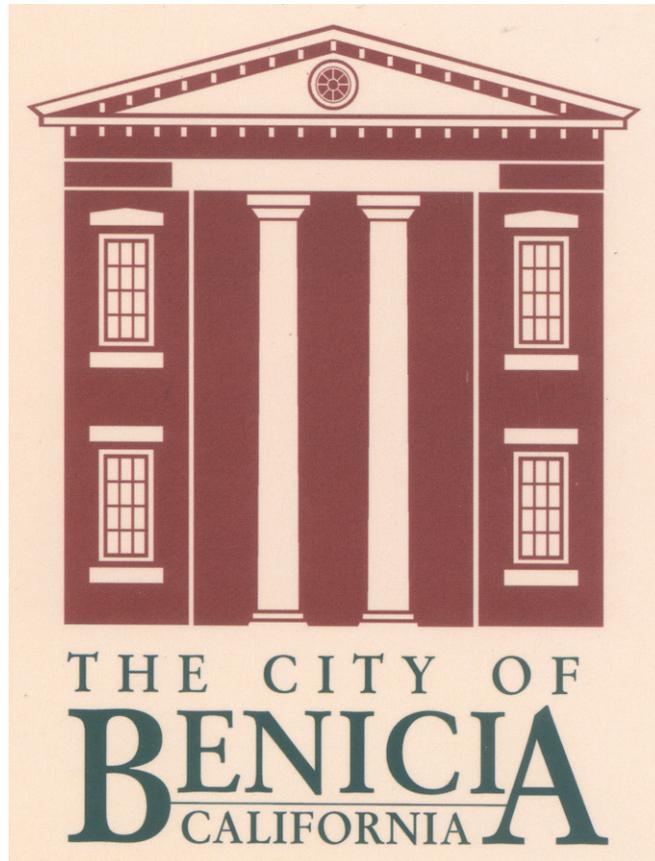
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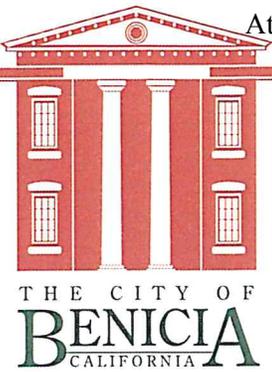
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January 28, 2020

**Honorable Mayor Elizabeth Patterson,
Members of the City Council, and
Citizens of the City of Benicia
Benicia, California:**

The Comprehensive Annual Financial Report (CAFR) of the City of Benicia for the fiscal year ended June 30, 2019, is submitted for Council's review and is published as a matter of public record for interested citizens. Management takes responsibility for completeness and reliability of the information contained in this report based upon a framework of internal control that has been established for this purpose. The objective of internal controls is to provide reasonable, rather than absolute, assurance that the CAFR information is accurate in all material respects.

The City of Benicia's financial statements have been audited by Maze and Associates, Certified Public Accountants. The goal of the independent audit is to obtain reasonable assurance that the basic financial statements are free of material misstatement and are fairly presented in conformity with generally accepted accounting principles (GAAP). Maze and Associates issued an unqualified opinion for the fiscal year ended June 30, 2019. Their report is presented as the first component of the financial section of this report.

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

THE BENICIA GOVERNMENT

Benicia, California is located in southern Solano County adjacent to the Carquinez Strait, which is part of the San Francisco Bay. It is a waterfront city, known for its small-town charm, history, and high quality of life. Benicia has moderate Mediterranean weather with dry warm summers and moderate winters. It currently occupies 14 square miles and serves a population of 27,641.

The City was incorporated in April 24, 1851, under the laws of the State of California. The City is a general law city administered by a council-manager form of government. The City provides a wide range of municipal services to its citizens including public safety (fire and police), library, parks and recreation, public works, planning and zoning, water and wastewater utilities, economic development, and general administrative services.

City Council: The Council consists of a mayor and four council members elected to staggered four-year terms through a general election process. The City Council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the Council, overseeing the day-to-day operations of the City; and, for appointing directors of the various City departments.

Finance Committee: While retaining authority to approve actions, the City Council has established a citizen committee (the Committee) to review certain financial matters. Two members of the Council also serve on the Committee. Currently, the Finance Committee meetings are on hold pending Council direction to staff to review ways to increase Finance Committee functionality and benefit to the City.

THE BENICIA ECONOMY AND FISCAL CONDITIONS

Benicia's strategic setting on the Carquinez Strait has made it an attractive location as both a place to live and a place for industrial activity. While largely built out, families continue to be attracted to the City of Benicia's quiet tree-lined neighborhoods, good schools, low crime rate and historic charm.

Benicia Industrial Park: The Benicia Industrial Park (BIP) located near the junction of I-680 and I-780, provides easy access to most of the San Francisco Bay Area. Benicia Industrial Park is home to over 450 businesses and 6,500 employees. The BIP provides a strong tax base for the City, generating over 48% of the local tax revenue collected (i.e., property tax, sales tax, utility users tax, etc). The business mix includes industrial and related uses such as petrochemical, manufacturing, wholesale trade, transportation, suppliers to major anchor businesses, and emerging new technology businesses.

Property tax: Property tax revenue remains the largest General Fund revenue source for the City, providing approximately 40 percent of total General Fund revenues. Benicia's property tax base is 63.2 percent residential, 27.7 percent industrial, and 3.6 percent commercial based on assessed values. Overall, the City's net taxable assessed value increased 2.3 percent during fiscal year 2018-19. During calendar year 2018, the average price of a detached single-family home in Benicia was \$675,461, an increase of 7.2 percent over the prior calendar year. Although the housing market in California remained strong, the number of home sales in Benicia decreased primarily due a low stock of available homes.

Sales tax: Sales tax revenue provides approximately 29.1 percent of the General Fund's total revenue. Excluding Measure C funds, The City's sales tax increased \$0.6 million in 2018-19, or 10.4 percent, compared to fiscal year 2017-18. This increase was primarily due to increases in the City's business and industry groups, as well as growth in the County pool allocations which includes sales tax from online retailers. The City's sales tax is volatile year over year, primarily due to the high concentration of business-industrial taxpayers. Additionally, the California Department of Tax and Fee Administration (CDTFA) recently implemented a new taxpayer remittance software. The implementation caused delays in timely remittance of revenues, which can cause fluctuations in sales tax revenue between fiscal years as the CDTFA catches up to the delayed returns. Excluding these aberrations, Benicia's sales tax is expected to continue to experience moderate increases.

Measure C: Measure C continues to provide a valuable enhancement to the City of Benicia's sales tax base. Voters approved Measure C in the November 2014 election, which increased sales tax by one percent in order to maintain City services as well as fund desired infrastructure projects. In 2018-19, the City collected approximately \$6.1 million in Measure C sales tax revenues. Of this total \$3.4 million funded General Fund operations and special projects and \$2.7 million funded capital projects.

Benicia's population is well educated, with 42.2 percent of the population having at least a bachelor's degree. Unemployment in the City remains the lowest in Solano County. According to the California Employment Development Department, Benicia's unemployment rate was 3.0 percent during calendar year 2018, compared to an unemployment rate of 3.9 percent for the County.

The state and local economy is expected to continue to experience modest growth in future years. Despite Benicia's low unemployment, and rising tax revenues, the City continues to face rising costs of operations, health, and pension costs. To mitigate a potential budget deficit, the City continues to look for ways to increase efficiency and support operations by increasing user fees.

FINANCIAL INFORMATION

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

Budgetary Controls: The City maintains budgetary controls. The objective of these controls is to ensure compliance with the Council-approved, annual appropriated budget. Project-length financial plans are adopted for the Capital Improvement Project Funds. Budgetary control is maintained at the fund level for administrative and operating expenditures, while capital improvements are maintained at the project budget total. Department directors have control of their department budgets and if transfers between departments are needed, the City Manager has the authority to approve them. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

General Fund Reserves: The City has adopted a fund balance reserve policy establishing a minimum fund balance equal to 20% of the fund's annual operating revenue budget for the purpose of stabilizing the delivery of City services during periods of operational budget deficits. At a minimum, the reserves include the following: Contingency Reserve of 10% to mitigate the effects of economic uncertainties, local disasters, and/or severe financial hardships resulting from unforeseen changes in operating results; and, an Emergency Reserve of 10% to mitigate all unforeseen events not covered in the Contingency Reserve. As of June 30, 2019, the General Fund reserve balance was at the required level of 20%, which is approximately \$9.2 million.

Long-Term Planning: The City of Benicia started the bi-annual budget process in December 2018 for fiscal years 2019-20 and 2020-21. The budget process is an opportunity for departments to review their financial forecasts and compare expected results to actuals. Departments then analyze trends and analysis to create an updated forecast and budget that provides a thorough understanding of the impact of current decisions on long range fiscal stability. The City projects a balanced budget in the General Fund in fiscal years 2019-21. These strategies include increasing the portion of Measure C funds dedicated to supporting operations by a modest 2.8% of total Measure C funds and the use of unassigned reserves for one-time expenses.

Gann Limit vs. Appropriations Subject to Limit: Proposition 4, the "Gann Initiative," was passed by California voters in 1978, and is intended to limit government appropriations. The appropriations limit is calculated each year based upon fiscal year 1978-79 appropriations, which is modified by the composite consumer price index and population changes that have occurred in subsequent years. The City's appropriations limit and the estimated appropriations subject to the limit for fiscal year 2018-19 amounted to \$97,376,247 and \$35,884,834 respectively. City appropriations subject to the limit have consistently remained far below the appropriation limits and are not expected to deviate from this trend in the foreseeable future.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting for agencies who publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. The City has received a Certificate of Achievement report for 26 of the past 27 years. Unfortunately, the report ended June 30, 2018 was not submitted to the GFOA due to delays in completion created by key staff vacancies and implementation of a new enterprise resource program.

The Finance Department Staff believes the current report ended June 30, 2019 conforms to the Certificate of Achievement Program requirements. Staff will submit the report for GFOA's award to demonstrate the City's conformance to the highest level of financial reporting standards.

ACKNOWLEDGEMENTS

The preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. I would like to express my special appreciation to Assistant Finance Director James Russell-Field, retired Accounting Systems Supervisor Alyson Kauzer, and Senior Account Technician Lindsay Sagastume. I would also like to thank the Mayor, City Council Members and the City Manager for their support in planning and conducting City financial affairs in a responsible and efficient manner.

Respectfully submitted,



Cindy Mosser
Finance Director

MUNICIPAL OFFICERS

CITY COUNCIL (Elected)

Elizabeth Patterson, Mayor	2016-2020
Christina Strawbridge, Vice Mayor	2018-2022
Tom Campbell, Council Member	2016-2020
Lionel Largaespada, Council Member	2018-2022
Steve Young, Council Member	2016-2020

OTHER (Elected)

Lisa Wolfe, City Clerk	2016-2020
Kenneth Paulk, City Treasurer	2016-2020

FINANCE COMMITTEE (Appointed)-Council Postponed

Paul Gigliotti	January 2021
Joseph Miesch	July 2019
John Potter	January 2019
Eric Sargeson	January 2021
Joshua Wilson	January 2019

APPOINTED OFFICIALS

Lorie Tinfow	City Manager
Benjamin Stock	City Attorney

DEPARTMENT HEADS

Assistant City Manager	Alan Shear
Police Chief	Erik Upson
Finance Director	Cindy Mosser
Fire Chief	Joshua Chadwick
Parks & Community Services Director	Mike Dotson
Library & Cultural Services Director	David Dodd
Public Works Director	William Tarbox
Community Development Director	Shawna Brekke-Read

CITY OF BENICA

Mission, Vision and Values

City Mission:

- Excellent Service

City Vision:

- To work together to build a sustainable community and enhance the City's overall quality of life.

City Values or Guiding Principles:

- Respect
- Responsiveness
- Integrity
- Inclusiveness & Collaboration
- Teamwork

CITY OF BENICA
ORGANIZATIONAL CHART

CITIZENS OF BENICIA

CITY COUNCIL

Elizabeth Patterson, Mayor

CITY CLERK

Lisa Wolfe

Christina Strawbridge, Vice Mayor

Tom Campbell

Lionel Largaespada

Steve Young

CITY TREASURER

Kenneth Paulk

CITY MANAGER

Lorie Tinfow

CITY ATTORNEY

Benjamin Stock

Assistant City Manager

Alan Shear

Police Chief

Erik Upson

Fire Chief

Joshua Chadwick

Finance Director

Cindy Mosser

Parks & Community Services Director

Mike Dotson

Public Works Director

William Tarbox

Library & Cultural Services Director

David Dodd

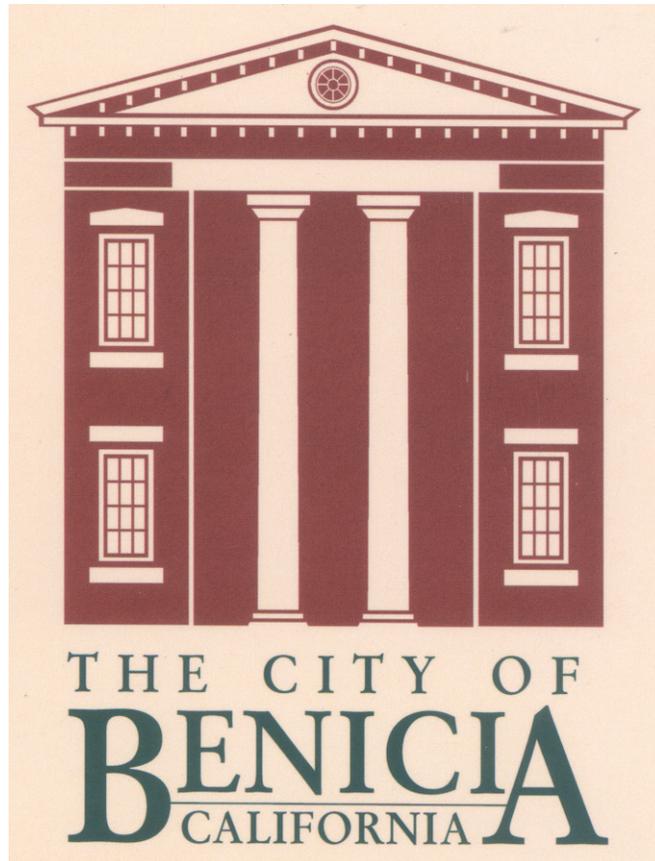
Community Development Director

Shawna Brekke-Read

Location Map

City of Benicia







INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the City Council
City of Benicia, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Benicia, California, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Benicia, California, as of June 30, 2019 and the respective changes in the financial position and, where applicable, cash flows thereof and the respective budgetary comparisons listed as part of the basic financial statements for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Management adopted the provisions of the following Governmental Accounting Standards Board Statement, which became effective during the year ended June 30, 2019:

Governmental Accounting Standards Board Statement 88 – *Certain Disclosures Related to Debt including Direct Borrowings and Direct Placements*. See Note 7 to the financial statements for relevant disclosures.

The emphasis of this matter does not constitute a modification of our opinions.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and other Required Supplementary Information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Introductory Section, Supplementary Information, and Statistical Section as listed in the Table of Contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The Supplementary Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Maze & Associates

Pleasant Hill, California
January 23, 2020

CITY OF BENICIA
Management's Discussion and Analysis

This management's discussion and analysis provides readers an overview and analysis of financial activities of the City of Benicia (City) for the fiscal year ended June 30, 2019. Please read this discussion and analysis in conjunction with the accompanying Transmittal Letter, the Basic Financial Statements and the accompanying notes to the financial statements.

FINANCIAL HIGHLIGHTS

- “Measure C”, an additional 1% sales tax, approved by voters in the November 2014 elections provided \$6.1 million this fiscal year to help maintain City services as well as fund desired infrastructure projects such as street repairs. \$3.4 million paid for the City's operations and the remaining revenue of \$2.7 million was earmarked for City Council approved capital projects.
- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$194.4 million.
- At the end of fiscal year 2018-19, the General Fund's fund balance totaled \$30.7 million, an increase of \$6.6 million. The increase was primarily due to increases in sales tax and investment earnings coupled with less than anticipated expenditures due to delays in capital projects.
- The City's total debt decreased by \$4.4 million due to the net result of debt maturities during fiscal year 2018-19.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which consists of three parts: (1) Government-wide Financial Statements, (2) Fund Financial Statements, and (3) Notes to the Basic Financial Statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The Government-wide Financial Statements provide readers with a broad view of the City's finances, in a manner similar to a private-sector business, using the economic resources measurement focus and accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, while expenses are recognized in the period in which liability is incurred.

The Statement of Net Position reports information about the City as a whole. This statement includes all assets (including infrastructure) as well as all liabilities (including long-term debt) of the City. Net position is the difference between assets and liabilities, which is one way to measure the City's financial health. Over time, increases or decreases in the City's net position is one indicator of whether its financial health is improving or deteriorating.

In the Government-wide statements, City activities are reported in two categories:

- **Governmental Activities** - Most of the City's basic services are reported in this category, including administration, community development, police, fire, parks and community services, public works, library services, and economic development. Property, sales and utility taxes, user fees, interest income, franchise fees, and state and federal grants are among the revenues that finance these activities.

CITY OF BENICIA
Management's Discussion and Analysis

- **Business-Type Activities** - The City charges a fee to customers to pay for the cost of certain services provided. The City's wastewater, water, and marina operations are reported in this category.

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State law or by bond covenants. However, the City establishes many other funds to help control and manage money for a particular purpose or to show that the City is meeting legal responsibilities for using certain taxes, grants, or other funds restricted in its use. Fund Financial Statements provide detailed information about the most significant funds, not the City as a whole.

All of the funds of the City can be divided into three categories:

- **Governmental Funds** - Most of the City's basic services are reported in governmental funds, using the current financial resources measurement focus and modified accrual accounting method, where revenues are recognized when measurable and available. Governmental funds are used to account for essentially the same functions reported as "governmental activities" in the Government-wide Financial Statements. However, unlike the Government-wide Financial Statements, Governmental Funds Financial Statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in determining the City's ability to finance its programs in the near future.

To better understand the City's long-term and short-term requirements, it is useful to compare the City's Governmental Fund Statements with the governmental activities in the Government-wide Financial Statements. To facilitate this comparison, a reconciliation of these statements is provided for both the governmental fund balance sheet and the statement of revenues, expenditures and changes in fund balance.

- **Proprietary Funds** - When the City charges customers for services, either to outside customers or to other City departments, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way in which all activities are reported in the Government-wide Financial Statements, using the accrual basis of accounting. The City's enterprise funds are the same as the "business-type activities" reported in the government-wide financial statements, but provide more detail and additional information, such as cash flows for each enterprise fund. The City uses internal service funds to report activities that provide supplies and services to the City's other programs and activities, such as insurance, general services, building and equipment management and the retirement stability funds. Internal Service Funds are reported with "governmental activities" in the Government-wide Financial Statements since services provided predominantly benefit governmental rather than business-type functions.
- **Fiduciary Funds** - The City is the trustee, or fiduciary, for certain funds held on behalf of third parties. The City's fiduciary activities are reported in a separate Statements of Fiduciary Net Assets. These activities are excluded from the City's Government-wide Financial Statements because the City cannot use these assets to finance its operations. However, the City is responsible for ensuring that assets reported in these funds are used for their specified purposes.

CITY OF BENICIA Management's Discussion and Analysis

Notes to the Financial Statements

The notes provide additional information essential to a full understanding of the data provided in both the Government-wide Financial Statements and Fund Financial Statements. The notes to the financial statements can be found on pages 35-78 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain Required Supplementary Information concerning the City's progress in funding its obligation to provide pension benefits to its employees.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City's combined Net Position for the year ended June 30, 2019 are summarized below.

Summary of Net Position
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 56.0	\$ 46.7	\$ 39.3	\$ 34.2	\$ 95.3	\$ 80.9
Capital assets	125.0	127.7	83.1	87.1	208.1	214.8
Total Assets	181.0	174.4	122.4	121.3	303.4	295.7
Deferred outflows of resources	13.1	17.9	1.2	1.6	14.3	19.5
Long-term liabilities outstanding	80.9	82.6	25.4	28.5	106.3	111.1
Other liabilities	8.2	8.4	4.9	5.0	13.1	13.4
Total Liabilities	89.1	91.0	30.3	33.5	119.4	124.5
Deferred inflows of resources	3.6	4.6	0.3	0.3	3.9	4.9
Net Position:						
Net investments in						
capital assets	111.5	114.0	61.4	61.9	172.9	175.9
Restricted	14.5	12.9	-	-	14.5	12.9
Unrestricted	(24.6)	(30.2)	31.6	27.2	7.0	(3.0)
Total Net Position	\$ 101.4	\$ 96.7	\$ 93.0	\$ 89.1	\$ 194.4	\$ 185.8

The largest portion of the City's net position (88.9%) reflects its investment of \$172.9 million in capital assets. The City uses these capital assets to provide services to citizens and are not available for future spending.

CITY OF BENICIA Management's Discussion and Analysis

Restricted net assets total \$14.5 million (7.5%) and represent total net assets that are subject to external restrictions. The remaining balance of unrestricted net assets totals \$7.0 million (3.6%) and may be used to meet the City's ongoing obligations to its citizens and creditors. Unrestricted net assets for governmental activities reflects a negative amount due to the recognition and recording of the City's net pension and OPEB liabilities as required by GASB 68 and 75.

Statement of Activities and Changes in Net Position, as of June 30, 2019, is presented below:

Statement of Activities and Changes in Net Position						
(in millions)						
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program Revenues:						
Charges for services	\$ 5.1	\$ 4.5	\$ 22.6	\$ 21.9	\$ 27.7	\$ 26.4
Operating grants and contributions	2.2	1.8	0.1	0.1	2.3	1.9
Capital grants and contributions	-	-	-	-	-	-
General Revenues:						
Property taxes	18.5	20.0	-	-	18.5	20.0
Sales taxes	14.3	12.6	-	-	14.3	12.6
Utility users' tax	4.8	4.6	-	-	4.8	4.6
Franchise Fees	2.0	2.2	-	-	2.0	2.2
Other taxes	1.2	1.2	-	-	1.2	1.2
Motor vehicle license fees	-	-	-	-	-	-
Investment earnings	1.7	0.5	0.9	0.2	2.6	0.7
Gain from sale	-	0.1	-	-	-	0.1
Miscellaneous	0.2	0.1	-	-	0.2	0.1
Total Revenues	<u>50.0</u>	<u>47.6</u>	<u>23.6</u>	<u>22.2</u>	<u>73.6</u>	<u>69.8</u>
Expenses:						
Administration	6.5	4.5	-	-	6.5	4.5
Public Safety - Police	11.7	11.1	-	-	11.7	11.1
Public Safety - Fire	9.2	8.2	-	-	9.2	8.2
Parks and Community Services	6.5	5.7	-	-	6.5	5.7
Public Works	5.6	6.2	-	-	5.6	6.2
Community Development	1.6	1.6	-	-	1.6	1.6
Library	2.3	2.2	-	-	2.3	2.2
Economic Development	0.5	0.5	-	-	0.5	0.5
General Government	0.2	0.2	-	-	0.2	0.2
Interest on long-term debt	0.9	0.9	-	-	0.9	0.9
Wastewater	-	-	9.2	9.4	9.2	9.4
Water	-	-	10.2	10.5	10.2	10.5
Benicia Marina	-	-	0.6	0.5	0.6	0.5
Total Expenses	<u>45.0</u>	<u>41.1</u>	<u>20.0</u>	<u>20.4</u>	<u>65.0</u>	<u>61.5</u>
Increase in net assets before transfers	5.0	6.5	3.6	1.8	8.6	8.3
Transfers	(0.3)	0.1	0.3	(0.1)	-	-
Increase in net position	4.7	6.6	3.9	1.7	8.6	8.3
Net position - beginning	<u>96.7</u>	<u>90.1</u>	<u>89.1</u>	<u>87.4</u>	<u>185.8</u>	<u>177.5</u>
Net position - ending	<u>\$ 101.4</u>	<u>\$ 96.7</u>	<u>\$ 93.0</u>	<u>\$ 89.1</u>	<u>\$ 194.4</u>	<u>\$ 185.8</u>

CITY OF BENICIA
Management's Discussion and Analysis

Governmental Activities

Total resources available during the year to finance governmental operations were \$146.3 million consisting of Net Position at July 1, 2018 of \$96.7 million, program revenues of \$7.3 million and general revenues and transfers of \$42.3 million.

The cost of all governmental activities for fiscal year 2018-19 totaled \$44.9 million. The largest governmental programs include Public Safety - both Police and Fire, followed by Administration and Parks and Community Services. The amount that was paid by those who directly benefited from governmental programs was \$5.1 million, while operating and capital grants and contributions paid for \$2.2 million of total costs. The City paid for the remaining "public benefit" portion of governmental activities with taxes and investment earnings.

The following table shows the Net Cost of Governmental Activities, which totaled \$37.6 million.

Net Cost of Governmental Activities

	Expenses	Program Revenues	Net Revenue (Expense) of Activities
Administration	\$ 6,487,670	\$ 304,273	\$ (6,183,397)
Public Safety - Police	11,666,246	908,841	(10,757,405)
Public Safety - Fire	9,191,539	876,676	(8,314,863)
Parks and Community Services	6,467,431	1,777,135	(4,690,296)
Public Works	5,631,831	1,854,932	(3,776,899)
Community Development	1,566,616	1,367,550	(199,066)
Library	2,297,867	170,516	(2,127,351)
Economic Development	537,434	-	(537,434)
General Government	165,098	-	(165,098)
Interest on long-term debt	864,186	-	(864,186)
Total	\$ 44,875,918	\$ 7,259,923	\$ (37,615,995)

CITY OF BENICIA
Management's Discussion and Analysis

Business-type Activities

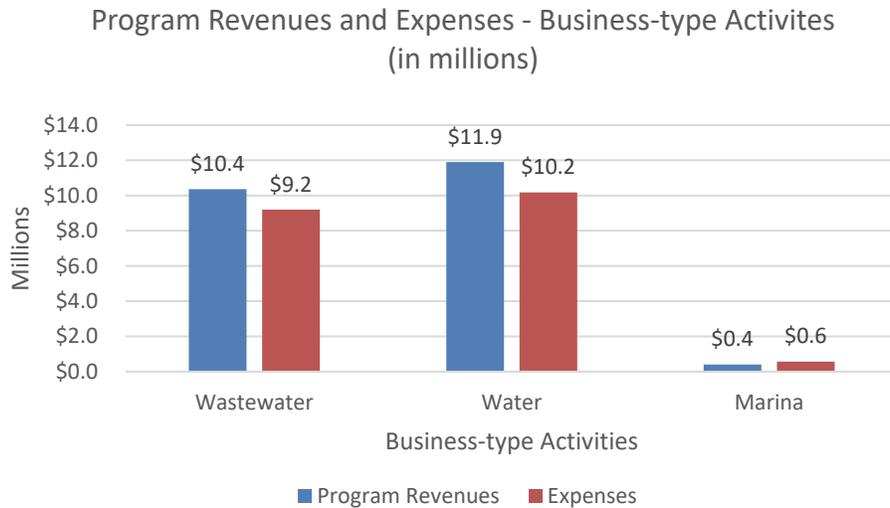
Total resources available during the year to finance Business-Type Activities were \$111.8 million consisting of Net Position at July 1, 2018, of \$89.1 million, program revenues of \$22.6 million and general revenues of \$0.1 million.

The cost of all Business-Type activities for fiscal year 2018-19 was \$19.9 million. As shown in the Statement of Activities and Changes in Net Position, the amounts paid by users of the systems totaled \$22.6 million, while operating and capital grants and contributions totaled \$0.1 million.

Net Cost of Business-Type Activities

	Expenses	Program Revenues	Net Revenue (Expense) of Activities
Wastewater	\$ 9,198,416	\$ 10,360,101	\$ 1,161,685
Water	10,175,634	11,900,413	1,724,779
Benicia Marina	569,445	405,747	(163,698)
Total	\$ 19,943,495	\$ 22,666,261	\$ 2,722,766

The following chart illustrates the comparison of operating revenues and expenses by business-type activity:



CITY OF BENICIA
Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

In addition to the accrual-basis government-wide statements described above, the City maintains financial records at the fund level for compliance with finance-related legal requirements and for budgetary control. The Fund Financial Statements focus on individual funds of the City, reporting operations in more detail than the Government-wide Financial Statements.

Governmental Funds

- The City's governmental funds provide information on near-term inflows, outflows, and balances of spendable resources. The City's governmental funds reported a combined fund balance at June 30, 2019, of \$45.2 million, an increase of \$8.2 million in comparison with the prior year, primarily due to increases in sales tax and investment earnings, as well as the positive reversal of a prior year end fair value accounting adjustment coupled with less than anticipated expenditures as a result of delays in capital projects.

As a result of the Fiscal Year 2010-2011 implementation of the Government Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the focus and terminology used for reporting fund balance has substantially been altered. The following are the components of fund balance:

- (1) Nonspendable Fund Balance – portion of net resources that cannot be spent because of their form (will never convert to cash) or must be maintained intact pursuant to legal or contractual requirements.
- (2) Restricted Fund Balance – portion of fund balance that are subject to externally enforceable legal restrictions such as creditors, grantors, contributors or other governments.
- (3) Committed Fund Balance – portion of fund balance whose use is constrained by limitations that the government imposes upon itself at its highest level of decision making (City Council) and remains binding unless removed in the same manner.
- (4) Assigned Fund Balance – portion of fund balance that reflects a government's intended use of resources.
- (5) Unassigned Fund Balance – net resources in excess of what can properly be classified in one of the four categories described above.

General Fund

The General Fund is the chief operating fund of the City. As a measure of the General Fund's ability to deliver City services during periods of operational budget deficits, the City has adopted a fund balance reserve policy that establishes a minimum fund balance equal to 20% of the fund's annual operating revenue budget or actual amounts for the fiscal year. At a minimum, the reserves include: Contingency Reserve of 10% to mitigate the effects of major economic uncertainties, local disasters and or severe financial hardships resulting from unforeseen changes in revenues and/or expenditures; and an Emergency Reserve of 10% to mitigate all unforeseen events not covered in the Contingency Reserve.

At the end of fiscal year 2018-19 the total fund balance of the General Fund increased \$6.6 million, to \$30.7 million. The reserve requirement adopted by the Council falls under Committed Fund Balance of \$9.2 million (20% of operating revenues) for Emergency Reserve, and Contingency Reserve.

CITY OF BENICIA Management's Discussion and Analysis

General Fund – Revenue and Expenditure Analysis

General Fund revenues for fiscal year 2018-19 were \$45.8 million, an increase of \$1.8 million (4.2 percent) compared to the prior fiscal year. The following table compares General Fund revenues for the past two fiscal years followed by key information:

	Comparison of General Fund Revenues			% of Increase (Decrease)	% of Total
	Fiscal Year 2018-19	Fiscal Year 2017-18	Variance Over/(Under) Last Year	Over Prior Year	
	Property taxes	18,447,866	19,595,383	(1,147,517)	
Sales taxes	13,299,330	11,895,722	1,403,608	11.8%	29.1%
Utility users' taxes	4,777,814	4,642,195	135,619	2.9%	10.4%
Franchise tax	1,954,908	2,173,140	(218,232)	-10.0%	4.3%
Other taxes	1,242,730	1,238,623	4,107	0.3%	2.7%
Licenses and permits	1,237,397	796,643	440,754	55.3%	2.7%
Fines and forfeitures	291,761	202,246	89,515	44.3%	0.6%
Use of money and property	1,383,345	620,368	762,977	123.0%	3.0%
Revenue from other agencies	352,055	181,117	170,938	94.4%	0.8%
Current service charges	2,516,350	2,419,330	97,020	4.0%	5.5%
Community donations	45,931	40,069	5,862	14.6%	0.1%
Other	230,567	125,319	105,248	84.0%	0.5%
Total Revenues	45,780,054	43,930,155	1,849,899	4.2%	100.0%

- Sales tax revenue increased \$1.4 million due to increases in sales tax growth. The City's sales tax is primarily driven by business and industry. However, the City experienced growth across other categories during the fiscal year. Additionally, the State's implementation of a new remittance software has caused delays in the timely remittance of revenue, causing fluctuations between fiscal years.
- Use of money and property increased \$0.8 million primarily due to an increase in investment earnings as well as the positive reversal of a prior year end fair value accounting adjustment.
- Licenses and permits increased \$0.4 million primarily due to an increase in construction permits and the implementation of cannabis permits.
- Property taxes decreased \$1.1 million (5.9 percent) primarily due to a non-recurring receipt of \$1.7 million in the prior year related to Valero's appeal for reduced assessment valuation. Excluding the non-recurring receipt, property tax increased approximately \$0.5 million (3.0 percent) due to an increase in assessed valuations.

General Fund expenditures for fiscal year 2018-19 were \$36.1 million, an increase of \$1.5 million (4.2 percent) compared to the prior fiscal year. The table on the following page compares General Fund expenditures for the past two fiscal year, followed by key information:

CITY OF BENICIA Management's Discussion and Analysis

Comparison of General Fund Expenditures					
	Fiscal Year	Fiscal Year	Variance	% of Increase	
	2018-19	2017-18	Over/(Under)	(Decrease)	% of Total
			Last Year	Over Prior	
				Year	
Current:					
Administration	5,749,077	5,067,088	681,989	13.5%	15.9%
Public safety - police	9,936,704	9,199,299	737,405	8.0%	27.5%
Public safety - fire	8,118,547	7,696,924	421,623	5.5%	22.5%
Parks and community services	5,345,012	5,155,178	189,834	3.7%	14.8%
Public works	2,816,749	2,917,171	(100,422)	-3.4%	7.8%
Community development	1,549,795	1,488,574	61,221	4.1%	4.3%
Library	1,417,611	1,339,001	78,610	5.9%	3.9%
Economic development	532,241	624,625	(92,384)	-14.8%	1.5%
General	65,749	42,926	22,823	53.2%	0.2%
Capital outlay	255,771	801,676	(545,905)	-68.1%	0.7%
Debt services:					
Principal	264,674	257,689	6,985	2.7%	0.7%
Interest and fiscal charges	60,042	67,027	(6,985)	-10.4%	0.2%
Total Expenditures	36,111,972	34,657,178	1,454,794	4.2%	100.0%

- Administration expenditures increased \$0.7 million (13.5 percent) primarily due to increases in salary and benefits and professional and contractual services.
- Police expenditures increased \$0.7 million (8.0 percent) primarily due to increases in salary and benefit costs, including an increase in safety pension costs.
- Fire expenditures increased \$0.4 million (5.5 percent) primarily due to an increase in safety pension costs.
- Capital outlay expenditures decreased primarily due to non-recurring expenditures in the prior year for vehicles and street maintenance.
- Public works expenditures decreased primarily due to primarily due to a decrease in professional and technical services related to a delay in capital projects

Proprietary Funds

The City's proprietary funds provide the same type of information found in the Government-wide Financial Statements, but in more detail.

Wastewater Fund – The City's wastewater utility fund collected \$10.3 million in user fees to maintain the system. The fund has \$44.9 million in capital assets, net of accumulated depreciation, financed with \$4.8 million of long-term debt. The fund made debt service payments of \$2.4 million during the year. The net position increased by \$1.6 million compared to an increase of \$1.4 million in the prior year. The net \$0.2 million increase was primarily due to a \$0.4 million increase in investment earnings and a \$0.1 million decrease in transfers out, offset by a net increase of \$0.2 million for salary and benefits, maintenance and operations, and materials and supplies. Increases in fund balance are set aside for future capital project needs to maintain and replace vital infrastructure.

CITY OF BENICIA
Management's Discussion and Analysis

Water Fund – The City's water utility fund collected \$11.4 million in user fees to sustain the system. The system has \$36.6 million in capital assets, net of accumulated depreciation, financed with \$11.5 million of long-term debt. The fund made \$1.4 million in debt service payments for the year. The net position increased by \$2.1 million compared to an increase of \$0.4 million in the prior year. The net \$1.6 million increase was primarily due to an increase of \$0.6 million in charges for services, \$0.3 million in interest income, and \$0.4 million from the Valero Good Neighbor Steering Committee Agreement settlement.

Benicia Marina – The City's Marina collected \$0.3 million in user fees to support its operating and debt service costs. The Marina has \$1.6 million in capital assets, net of accumulated depreciation, financed with \$1.9 million of long-term debt. Debt service payments for the year were \$0.3 million. The fund receives support from the General Fund. General Fund support to the Marina totaled \$0.2 million for fiscal year 2018-19. The City continues to evaluate options for a long-term operating solution.

GENERAL FUND BUDGETARY HIGHLIGHTS

City Council may revise the City budget over the course of the year. The Approved Budget is adopted by the City Council prior to the July 1 start of the fiscal year ("Original Budget"). The City Council may add appropriations or change revenue estimates during the fiscal year, primarily at midyear budget review. Finally, the revenue and expenditure estimates for the current fiscal year are revised as part of the Approved Budget ("Final Budget"). Fiscal year 2018-19 was the second year of a two-year budget. The original budget for 2018-19 was developed in early 2017. Major differences between the original and final revenue and expenditure budgets are highlighted below and on the following page.

The original budget for the General Fund revenues was \$38.8 million. Final budgeted revenues totaled \$41.1 million, an increase of \$2.3 million. The main components of the increase in the original revenue budget are as follows:

- \$1.5 million increase in property tax revenue due to increase in property valuations.
- \$0.4 million increase in licenses and permits.
- \$0.1 million increase in other revenue due to a non-recurring loan repayment receipt.
- \$0.1 million increase in other taxes for business license tax and transient occupancy tax.
- \$0.1 million increase in current service charges related to engineering and inspections.

Actual revenues exceeded final budgeted revenues by \$4.6 million in fiscal year 2018-19. The actual revenues were higher than budgetary estimates primarily due to an increase of \$2.0 million in sales tax as a result of sales tax growth and conservative budget estimates, \$0.9 million increase in the use of money and property due to an increase in the City's investment yield and the positive reversal of a prior year end fair value accounting adjustment, and \$0.7 million increase due to conservative budget estimates for plan processing fees for Community Development and reimbursable overtime for Fire.

The original budget for the General Fund expenditures were estimated at \$38.2 million. Final budgeted expenditures totaled \$40.4 million, an increase of \$2.2 million. The main components of the increase in the original expenditure budget are as follows:

- \$1.4 million increase in maintenance and operation encumbrance carryovers across all departments.
- \$0.2 million increase in utility and professional contracted services expenditures for Parks and Community Services.
- \$0.2 million increase in professional contracted services for Public Works.

CITY OF BENICIA Management's Discussion and Analysis

- \$0.1 million increase in City Attorney expenditures for associated with litigation and cannabis.
- \$0.1 million increase in reimbursable overtime for Fire.
- \$0.1 million increase related to the addition of a police officer for Police.
- \$0.1 million increase related to the addition of an associate planner for Community Development.

Actual expenditures were less than final budgeted expenditures by \$4.3 million in fiscal year 2018-19. The actual expenditures were lower than budgetary estimates primarily due to salaries and benefits savings of \$1.6 million as a result of position vacancies and staff turnover, less than anticipated expenditures of \$1.3 million in professional and contractual services, \$0.4 million in cost allocations, \$0.1 million in supplies and materials, and \$0.1 million in utilities and other expenses.

CAPITAL ASSETS

The capital assets of the City are those assets, which are used in the performance of the City's functions including infrastructure assets. This investment in capital assets includes land and easements, infrastructure, buildings and improvements, equipment and construction in progress. At June 30, 2019, net capital assets of the governmental activities totaled \$125.1 million and the net capital assets of the business-type activities totaled \$83.1 million. Depreciation on Governmental Capital Assets is recognized in the Government-wide Financial Statements, while depreciation on Proprietary Fund Capital Assets is recognized in both the Government-wide and Fund Financial Statements.

The following table provides a breakdown of the City's capital assets at June 30, 2019:

	Capital Assets							
	(in millions)							
	Governmental Activities		Business-type Activities		Total			
	2019	2018	2019	2018	2019	2018		
Land	\$ 18.5	\$ 18.5	\$ 2.6	\$ 2.6	\$ 21.1	\$ 21.1		
Buildings & Improvements	28.4	28.4	91.5	91.5	119.9	119.9		
Machinery & Equipment	14.1	11.8	9.8	9.8	23.9	21.6		
Infrastructure	159.7	159.7	86.6	86.6	246.3	246.3		
Construction in Progress	0.7	1.6	0.5	0.1	1.2	1.7		
Water Rights	-	-	5.0	5.0	5.0	5.0		
Total Capital Assets	221.4	220.0	196.0	195.6	417.4	415.6		
Accumulated Depreciation	(96.4)	(92.3)	(112.9)	(108.5)	(209.3)	(200.8)		
Net Assets	\$ 125.0	\$ 127.7	\$ 83.1	\$ 87.1	\$ 208.1	\$ 214.8		

Major capital assets added during fiscal year 2018-19 included the purchase of an aerial apparatus, two Type 3 brush units and an emergency generator for fire, four vehicles and two motorcycles for police, and Francesca Terrace playground equipment. Additions to Construction in Progress included the library re-roof and expansion of the women's locker room facility.

CITY OF BENICIA
Management's Discussion and Analysis

Additional information on the City's capital assets can be found in Note 6 on pages 52-54 of this report.

DEBT ADMINISTRATION

The City uses a variety of indebtedness to finance various capital acquisitions. At June 30, 2019, the City's long-term debt outstanding was \$42.8 million. Of this amount, \$21.1 million was in governmental activities and \$21.7 was in business-type activities. The City's governmental activities decreased by \$1.0 million, and business-type activities decreased by \$3.4 million.

The percentage of net bonded debt to taxable property valuation, and the amount of bonded debt per capita are useful indicators of the City's debt position. Per capita debt outstanding decreased by \$16 per capita from \$292 to \$276 from the previous fiscal year.

The following is a summary of the City's long-term debt obligations at June 30, 2019:

Long-term Debt
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
General Obligation Bonds	\$ -	\$ 0.3	\$ -	\$ -	\$ -	\$ 0.3
Pension Obligation Bonds	7.6	7.7	-	-	7.6	7.7
Certificates of Participation	11.5	11.8	-	-	11.5	11.8
Capital Lease	2.0	2.3	7.5	8.0	9.5	10.3
Utility Revenue Bonds	-	-	0.4	0.8	0.4	0.8
Loans Payable	-	-	13.8	16.3	13.8	16.3
Total Indebtedness	\$ 21.1	\$ 22.1	\$ 21.7	\$ 25.1	\$ 42.8	\$ 47.2

Additional information on the City's long-term debt can be found in Note 7 on pages 55-61 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

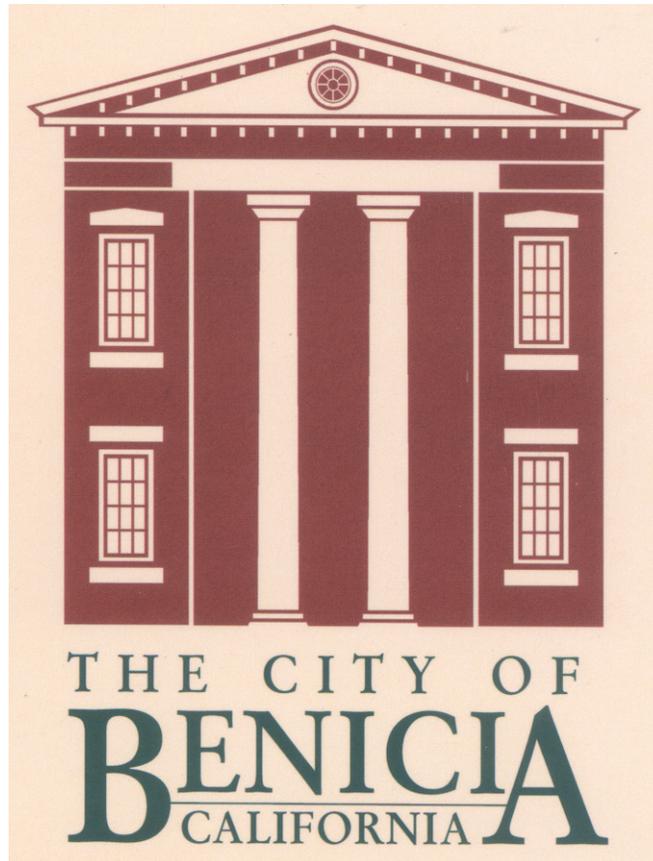
The City prepares a biennial budget which focuses on long-term financial viability and allows decision-makers to better understand the on-going impact of current policy decisions. Through the budget, the Council sets the direction of the City, including allocating resources and establishing priorities. For fiscal year 2018-19, the General Fund budget included a slight increase in projected revenues and an increase in expenditures due to rising health and pension costs. The budget also includes increased revenues in the Water Fund attributable to Council-approved rate increases. Council voted not to implement Wastewater rate increases in fiscal year 2018-19.

The City continues to actively manage on-going budget challenges and has been working diligently to provide a sustainable future for City operations and ensure continued service delivery to the community.

<p style="text-align: center;">CITY OF BENICIA Management's Discussion and Analysis</p>

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Finance Department at 250 East "L" Street, Benicia, CA 94510, phone (707) 746-4225.



CITY OF BENICIA

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**STATEMENT OF NET POSITION
AND STATEMENT OF ACTIVITIES**

Attachment 1 - Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2019

CITY OF BENICIA
STATEMENT OF NET POSITION
JUNE 30, 2019

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments available for City operations (Note 3)	\$47,875,653	\$32,156,533	\$80,032,186
Restricted cash and investments held by fiscal agents (Note 3)	1,970,814	378	1,971,192
Accounts receivable	3,492,691	4,962,044	8,454,735
Interest receivable	162,279	108,914	271,193
Materials, parts and supplies (Note 1H)	9,694	800,370	810,064
Prepaid items (Note 1H)	57,403	75,000	132,403
Lease receivable		267,226	267,226
Loans receivable (Note 5)	2,418,870	845,000	3,263,870
Capital assets (Note 6):			
Non-depreciable	19,244,288	3,021,927	22,266,215
Depreciable, net of accumulated depreciation	105,813,510	80,123,058	185,936,568
Total Assets	<u>181,045,202</u>	<u>122,360,450</u>	<u>303,405,652</u>
DEFERRED OUTFLOWS OF RESOURCES			
Related to pension (Note 10)	12,984,686	1,176,200	14,160,886
Related to OPEB (Note 11)	82,761	18,216	100,977
Total Deferred Outflows of Resources	<u>13,067,447</u>	<u>1,194,416</u>	<u>14,261,863</u>
LIABILITIES			
Accounts payable	1,548,893	621,604	2,170,497
Accrued payroll	93,239		93,239
Customer and performance deposits	1,096,207	187,037	1,283,244
Interest payable	89,887	170,923	260,810
Unearned revenue		129,908	129,908
General liability claims (Note 12):			
Due within one year	124,741		124,741
Workers compensation claims (Note 12):			
Due within one year	222,623		222,623
Due in more than one year	2,927,781		2,927,781
Accrued compensated absences (Note 1G):			
Due within one year	872,904	260,028	1,132,932
Due in more than one year	308,350		308,350
Long-term debt (Note 7):			
Due within one year	926,936	3,526,077	4,453,013
Due in more than one year	20,213,630	18,188,199	38,401,829
Net Pension Liability, due in more than one year (Note 10)	57,475,107	6,394,291	63,869,398
Total OPEB Obligation, due in more than one year (Note 11)	3,201,245	783,854	3,985,099
Total Liabilities	<u>89,101,543</u>	<u>30,261,921</u>	<u>119,363,464</u>
DEFERRED INFLOWS OF RESOURCES			
Related to pension (Note 10)	3,537,359	263,556	3,800,915
Related to OPEB (Note 11)	64,572	16,152	80,724
Total Deferred Inflows of Resources	<u>3,601,931</u>	<u>279,708</u>	<u>3,881,639</u>
NET POSITION (Note 8)			
Net investments in capital assets	111,533,644	61,430,709	172,964,353
Restricted for:			
Capital projects	2,938,244		2,938,244
Debt service	199,243	378	199,621
Special revenue projects	8,351,073		8,351,073
Landscaping and lighting	557,205		557,205
Library	759,817		759,817
Open space	479,007		479,007
Community services	1,222,006		1,222,006
Total Restricted Net Position	<u>14,506,595</u>	<u>378</u>	<u>14,506,973</u>
Unrestricted	(24,631,064)	31,582,150	6,951,086
Total Net Position	<u>\$101,409,175</u>	<u>\$93,013,237</u>	<u>\$194,422,412</u>

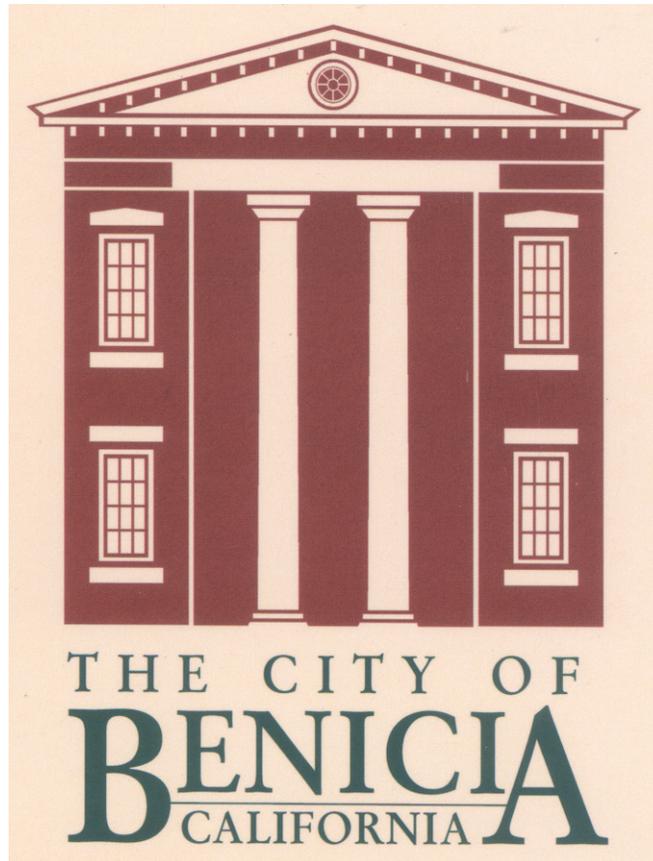
See accompanying notes to financial statements

Attachment 1 - Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2019

CITY OF BENICIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental Activities:						
Administration	\$6,487,670	\$255,008	\$49,265	(\$6,183,397)		(\$6,183,397)
Public safety - police	11,666,246	563,479	345,362	(10,757,405)		(10,757,405)
Public safety - fire	9,191,539	560,006	316,670	(8,314,863)		(8,314,863)
Parks and community services	6,467,431	1,775,140	1,995	(4,690,296)		(4,690,296)
Public works	5,631,831	455,869	1,399,063	(3,776,899)		(3,776,899)
Community development	1,566,616	1,367,550		(199,066)		(199,066)
Library	2,297,867	87,245	83,271	(2,127,351)		(2,127,351)
Economic development	537,434			(537,434)		(537,434)
General government	165,098			(165,098)		(165,098)
Interest on long-term debt	864,186			(864,186)		(864,186)
Total Governmental Activities	44,875,918	5,064,297	2,195,626	(37,615,995)		
Business-type Activities:						
Wastewater	9,198,416	10,360,101			\$1,161,685	1,161,685
Water	10,175,634	11,900,413			1,724,779	1,724,779
Benicia Marina	569,445	327,234	78,513		(163,698)	(163,698)
Total Business-type Activities	19,943,495	22,587,748	78,513		2,722,766	2,722,766
Total	\$64,819,413	\$27,652,045	\$2,274,139	(37,615,995)	2,722,766	(34,893,229)
General revenues:						
Taxes:						
Property taxes				18,469,252		18,469,252
Sales taxes				14,261,749		14,261,749
Utility users' tax				4,777,814		4,777,814
Franchise tax				1,954,908		1,954,908
Other taxes				1,242,730		1,242,730
Motor vehicle in-lieu, unrestricted				39,862		39,862
Investment earnings				1,668,253	932,702	2,600,955
Miscellaneous				175,714		175,714
Gain from sale of capital assets						
Transfers, net (Note 4)				(251,091)	251,091	
Total general revenues and transfers				42,339,191	1,183,793	43,522,984
Change in Net Position				4,723,196	3,906,559	8,629,755
Net Position-Beginning				96,685,979	89,106,678	185,792,657
Net Position-Ending				\$101,409,175	\$93,013,237	\$194,422,412

See accompanying notes to financial statements



FUND FINANCIAL STATEMENTS

The funds described below were determined to be Major Funds by the City in fiscal 2019. Individual non-major funds may be found in the Supplemental section.

GENERAL FUND

The General Fund is used for all of the general revenues of the City not specifically levied or collected for other City funds and the related expenditures.

GENERAL OBLIGATION BONDS DEBT SERVICE FUND

Accounts for property tax levies for the payment of voter-approved debt principal and interest of the General Obligation Bonds. On June 7, 2012, the City issued General Obligation Refunding Bonds, Series 2012, in the amount of \$4,270,000, bearing interest of 1.25%. The proceeds were used to refund the City's outstanding 1997 General Obligation Wastewater Bonds, Series A and B.

Attachment 1 - Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2019

CITY OF BENICIA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2019

	General	General Obligation Bonds Debt Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments available for				
City operations (Note 3)	\$26,156,488	\$198,569	\$13,152,704	\$39,507,761
Restricted cash (Note 3)	1,958,598			1,958,598
Accounts receivable	2,747,908		521,711	3,269,619
Interest receivable	97,948	674	36,240	134,862
Due from other funds (Note 4B)	511,915			511,915
Prepaid items (Note 1H)	26,934			26,934
Loans receivable (Note 5)	731,440		1,687,430	2,418,870
Total Assets	<u>\$32,231,231</u>	<u>\$199,243</u>	<u>\$15,398,085</u>	<u>\$47,828,559</u>
LIABILITIES				
Accounts payable	\$1,123,000		\$299,230	\$1,422,230
Accrued payroll	93,239			93,239
Customer deposits	299,704		791,503	1,091,207
Total Liabilities	<u>1,515,943</u>		<u>1,090,733</u>	<u>2,606,676</u>
FUND BALANCES				
Fund balance (Note 8):				
Nonspendable	758,374			758,374
Restricted	122,288	\$199,243	10,890,271	11,211,802
Committed	11,965,741		3,417,081	15,382,822
Assigned	4,224,570			4,224,570
Unassigned	13,644,315			13,644,315
Total Fund Balances	<u>30,715,288</u>	<u>199,243</u>	<u>14,307,352</u>	<u>45,221,883</u>
Total Liabilities and Fund Balances	<u>\$32,231,231</u>	<u>\$199,243</u>	<u>\$15,398,085</u>	<u>\$47,828,559</u>

See accompanying notes to financial statements

Attachment 1 - Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2019

CITY OF BENICIA
 Reconciliation of the
 GOVERNMENTAL FUNDS -- BALANCE SHEET
 with the
 STATEMENT OF NET POSITION
 JUNE 30, 2019

Total fund balances reported on the Governmental Funds Balance Sheet \$45,221,883

Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds above because of the following:

CAPITAL ASSETS

Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds. 107,875,374

ALLOCATION OF INTERNAL SERVICE FUND NET POSITION

Internal Service Funds are not Governmental Funds. However, they are used by management to charge the costs of certain activities, such as insurance, central services and maintenance to individual Governmental Funds. The net current position of the Internal Service Funds are therefore included in Governmental Activities in the following line item in the Statement of Net Position.

Cash and investments, available for City Operations	8,367,892
Restricted cash and investments	12,216
Accounts receivable	223,072
Interest receivable	27,417
Materials, parts and supplies	9,694
Prepaid items	30,469
Capital assets, net of accumulated depreciation	17,182,424
Accounts payable	(126,663)
Deposits payable	(5,000)
Internal balances	(511,915)
Workers' compensation claims	(3,150,404)
Interest payable	(78,643)
Long-term debt	(19,081,203)

LONG-TERM ASSETS AND LIABILITIES

The assets and liabilities below are not due and payable in the current period and therefore are not reported in the Funds:

Long-term debt	(2,059,363)
Interest payable	(11,244)
Non-current portion of compensated absences	(1,181,254)
Net pension liability and related deferred inflows and outflows of resources	(48,027,780)
Total OPEB obligation and related deferred inflows and outflows of resources	(3,183,056)
General liability claims payable	(124,741)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$101,409,175

See accompanying notes to financial statements

Attachment 1 - Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2019

CITY OF BENICIA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019

	General	General Obligation Bonds Debt Service Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$18,447,866	\$21,386		\$18,469,252
Sales taxes	13,299,330		\$962,419	14,261,749
Utility users' taxes	4,777,814			4,777,814
Franchise tax	1,954,908			1,954,908
Other taxes	1,242,730			1,242,730
Assessments			427,664	427,664
Licenses and permits	1,237,397			1,237,397
Fines and forfeitures	291,761			291,761
Use of money and property	1,383,345	8,426	356,125	1,747,896
Revenue from other agencies	352,055		1,839,485	2,191,540
Current service charges	2,516,350		139,037	2,655,387
Community donations	45,931		51,627	97,558
Other	230,567		13,472	244,039
Total Revenues	45,780,054	29,812	3,789,829	49,599,695
EXPENDITURES				
Current:				
Administration	5,749,077		312,593	6,061,670
Public safety - police	9,936,704		352,715	10,289,419
Public safety - fire	8,118,547			8,118,547
Parks and community services	5,345,012		551,759	5,896,771
Public works	2,816,749		606,837	3,423,586
Community development	1,549,795		18,310	1,568,105
Library	1,417,611		926,446	2,344,057
Economic development	532,241			532,241
General	65,749			65,749
Capital outlay	255,771		1,941,182	2,196,953
Debt service:				
Principal	264,674	335,000		599,674
Interest and fiscal charges	60,042	2,094		62,136
Total Expenditures	36,111,972	337,094	4,709,842	41,158,908
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	9,668,082	(307,282)	(920,013)	8,440,787
OTHER FINANCING SOURCES (USES)				
Transfers in (Note 4A)			2,870,787	2,870,787
Transfers (out) (Note 4A)	(3,121,878)			(3,121,878)
Proceeds from sale of property	10,800			10,800
Total Other Financing Sources (Uses)	(3,111,078)		2,870,787	(240,291)
NET CHANGE IN FUND BALANCES	6,557,004	(307,282)	1,950,774	8,200,496
BEGINNING FUND BALANCES	24,158,284	506,525	12,356,578	37,021,387
ENDING FUND BALANCES	\$30,715,288	\$199,243	\$14,307,352	\$45,221,883

See accompanying notes to financial statements

Attachment 1 - Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2019

CITY OF BENICIA
 Reconciliation of the
 NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS
 with the
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2019

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Position of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$8,200,496
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Amounts reported for governmental activities in the Statement of Activities are different because of the following:

CAPITAL ASSETS TRANSACTIONS

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.

The capital outlay expenditures are therefore added back to fund balance	2,196,953
Non-capitalized capital outlay expenditures were reclassified to various governmental activities	(1,173,246)
Depreciation expense is deducted from the fund balance (Depreciation expense is net of internal service fund depreciation of \$1,011,828 which has already been allocated to serviced funds)	(3,109,811)

LONG-TERM DEBT PROCEEDS AND PAYMENTS

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

Repayment of debt principal is added back to fund balance	599,674
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ACCRUAL OF NON-CURRENT ITEMS

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

Interest payable	3,290
Compensated absences	(22,607)
Net pension liability and related deferred inflows and outflows of resources	(2,716,770)
Net OPEB obligation	(133,569)
Claims payable	(22,097)

ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY

Internal Service Funds are used by management to charge the costs of certain activities, such as equipment acquisition, maintenance, and insurance to individual funds. The portion of the net revenue (expense) of these Internal Service Funds arising out of their transactions with governmental funds is reported with governmental activities because they service those activities.

Change in Net Position - Internal Service Fund	900,883
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$4,723,196
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See accompanying notes to financial statements

Attachment 1 - Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2019

CITY OF BENICIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes:				
Property	\$16,785,000	\$18,241,800	\$18,447,866	\$206,066
Sales	11,205,000	11,255,000	13,299,330	2,044,330
Utility users'	4,598,000	4,598,000	4,777,814	179,814
Franchise tax	2,134,000	2,134,000	1,954,908	(179,092)
Other	1,057,000	1,142,000	1,242,730	100,730
Licenses and permits	355,000	735,000	1,237,397	502,397
Fines and forfeitures	79,500	169,500	291,761	122,261
Use of money and property	511,035	511,035	1,383,345	872,310
Revenue from other agencies	234,060	235,060	352,055	116,995
Current service charges	1,693,850	1,846,020	2,516,350	670,330
Community donations	33,700	33,700	45,931	12,231
Other	82,690	215,690	230,567	14,877
Total Revenues	38,768,835	41,116,805	45,780,054	4,663,249
EXPENDITURES:				
Current:				
Administration	5,882,913	6,885,285	5,749,077	1,136,208
Public safety - police	10,051,502	10,340,877	9,936,704	404,173
Public safety - fire	8,180,694	8,383,610	8,118,547	265,063
Parks and community services	5,463,511	5,732,428	5,345,012	387,416
Public works	3,298,600	3,575,605	2,816,749	758,856
Community development	1,800,913	1,978,030	1,549,795	428,235
Library	1,496,441	1,537,309	1,417,611	119,698
Economic development	650,604	658,642	532,241	126,401
General	1,012,805	868,281	65,749	802,532
Capital outlay	213,220	340,711	255,771	84,940
Debt service:				
Principal retirement	84,656	84,656	264,674	(180,018)
Interest and fiscal charges	29,654	29,654	60,042	(30,388)
Total Expenditures	38,165,513	40,415,088	36,111,972	4,303,116
EXCESS OF REVENUES OVER EXPENDITURES	603,322	701,717	9,668,082	8,966,365
OTHER FINANCING SOURCES (USES)				
Transfers in (Note 4A)	967,168	967,168		(967,168)
Transfers (out) (Note 4A)	(4,294,136)	(4,144,136)	(3,121,878)	1,022,258
Proceeds from sale of property			10,800	10,800
Total other financing sources (uses)	(3,326,968)	(3,176,968)	(3,111,078)	65,890
NET CHANGE IN FUND BALANCE	(\$2,723,646)	(\$2,475,251)	6,557,004	\$9,032,255
Beginning fund balance			24,158,284	
Ending fund balance			\$30,715,288	

See accompanying notes to financial statements

MAJOR PROPRIETARY FUNDS

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

The City reported all of its Enterprise Funds as major funds in fiscal 2019.

WASTEWATER

Accounts for the transport, treatment and disposal of wastewater for residents and businesses located within the City.

WATER

Accounts for the purchase, treatment and distribution of water to residents and businesses located within the City.

BENICIA MARINA

Accounts for the operation and management of the City Marina.

Attachment 1 - Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2019

CITY OF BENICIA
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2019

	Business-type Activities-Enterprise Funds				Governmental Activities- Internal Service Funds
	Wastewater	Water	Benicia Marina	Totals	
ASSETS					
Current Assets:					
Cash and investments (Note 3):					
Available for City operations	\$18,516,555	\$12,806,726	\$384,172	\$31,707,453	\$8,816,972
Restricted cash and investments held by fiscal agents	348	30		378	12,216
Accounts receivable	2,261,865	2,496,570	203,609	4,962,044	223,072
Interest receivable	63,324	45,360	230	108,914	27,417
Materials, parts and supplies (Note 1H)	9,434	790,936		800,370	9,694
Prepaid items (Note 1H)			75,000	75,000	30,469
Total Current Assets	20,851,526	16,139,622	663,011	37,654,159	9,119,840
Non-Current Assets:					
Loans receivable (Note 5)	425,000	420,000		845,000	
Lease receivable			267,226	267,226	
Total Long-Term Assets	425,000	420,000	267,226	1,112,226	
Property, Plant and Equipment (Note 6):					
Land and improvements	669,710	1,850,389	63,983	2,584,082	556,909
Buildings and improvements	51,036,558	32,556,273	7,933,206	91,526,037	25,751,492
Machinery and equipment	6,510,824	3,311,113		9,821,937	5,299,538
Infrastructure and water rights	43,030,083	48,614,370		91,644,453	
Construction in progress		437,845		437,845	
Less: accumulated depreciation	(56,325,358)	(50,120,748)	(6,423,263)	(112,869,369)	(14,425,515)
Net Property, Plant and Equipment	44,921,817	36,649,242	1,573,926	83,144,985	17,182,424
Total Non-Current Assets	45,346,817	37,069,242	1,841,152	84,257,211	17,182,424
Total Assets	66,198,343	53,208,864	2,504,163	121,911,370	26,302,264
DEFERRED OUTFLOWS OF RESOURCES					
Related to pension (Note 10)	583,396	592,804		1,176,200	
Related to OPEB (Note 11)	9,916	8,300		18,216	
Total Deferred Outflows of Resources	593,312	601,104		1,194,416	
LIABILITIES					
Current Liabilities:					
Accounts payable	270,608	313,597	37,399	621,604	126,663
Customer and performance deposits		112,037	75,000	187,037	5,000
Interest payable	22,926	61,735	86,262	170,923	78,643
Due to other funds (Note 4B)					511,915
Unearned revenue	129,908			129,908	
Workers' compensation claims (Note 12)					222,623
Compensated absences (Note 1G)	141,589	118,439		260,028	
Current portion long-term liabilities (Note 7)	2,212,347	1,096,535	217,195	3,526,077	655,000
Total Current Liabilities	2,777,378	1,702,343	415,856	4,895,577	1,599,844
Long-Term Liabilities					
Workers' compensation claims (Note 12)					2,927,781
Net pension liability (Note 10)	3,171,568	3,222,723		6,394,291	
Total OPEB Liability (Note 11)	430,673	353,181		783,854	
Loans payable (Note 7)	4,584,401	4,746,406	1,872,159	11,202,966	
Lease obligation (Note 7)	207,370	6,777,863		6,985,233	
Certificates of Participation (Note 7)					11,154,931
Pension obligation bonds (Note 7)					7,271,272
Total Long-Term Liabilities	8,394,012	15,100,173	1,872,159	25,366,344	21,353,984
Total Liabilities	11,171,390	16,802,516	2,288,015	30,261,921	22,953,828
DEFERRED INFLOWS OF RESOURCES					
Related to pension (Note 10)	130,724	132,832		263,556	
Related to OPEB (Note 11)	8,890	7,262		16,152	
Total Deferred Inflows of Resources	139,614	140,094		279,708	
NET POSITION (Note 8)					
Net investment in capital assets	37,917,699	24,028,438	(515,428)	61,430,709	5,717,633
Restricted for debt service	348	30		378	12,076
Unrestricted	17,562,604	12,838,890	731,576	31,133,070	(2,381,273)
Total Net Position	\$55,480,651	\$36,867,358	\$216,148	92,564,157	\$3,348,436
Some amounts reported for <i>business-type activities</i> in the Statement of Net Position are different because certain internal service fund assets and liabilities are included with <i>business-type activities</i> .				449,080	
Change in Net Position of Business-type Activities				\$93,013,237	

See accompanying notes to financial statements

Attachment 1 - Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2019

CITY OF BENICIA
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN FUND NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2019

	Business-type Activities-Enterprise Funds				Governmental Activities- Internal Service Funds
	Wastewater	Water	Benicia Marina	Totals	
OPERATING REVENUES					
Charges for services	\$10,317,308	\$11,356,490		\$21,673,798	\$4,491,186
Connection fees	17,467	55,735		73,202	
Rentals			\$327,234	327,234	
Refunds and rebates	5,301	8,810		14,111	199,842
Total Operating Revenues	10,340,076	11,421,035	327,234	22,088,345	4,691,028
OPERATING EXPENSES					
Wages and benefits	3,249,688	2,739,981		5,989,669	537,630
Materials and supplies	396,541			396,541	420,703
Operations and maintenance	3,170,652	4,626,247	284,949	8,081,848	571,819
Purchased water		619,077		619,077	
Depreciation	2,234,531	1,887,916	189,612	4,312,059	1,011,828
Claims and Insurance					690,656
Total Cost of Sales and Operating Expenses	9,051,412	9,873,221	474,561	19,399,194	3,232,636
Operating Income (Loss)	1,288,664	1,547,814	(147,327)	2,689,151	1,458,392
NONOPERATING REVENUES (EXPENSES)					
Interest income	538,918	377,747	16,037	932,702	239,710
Interest (expense)	(205,252)	(330,126)	(94,884)	(630,262)	(805,340)
Intergovernmental revenue			78,513	78,513	
Gain from sale of capital assets					83,830
Other	20,025	479,378		499,403	10,252
Total Nonoperating Revenues (Expenses)	353,691	526,999	(334)	880,356	(471,548)
Income (Loss) Before Capital Contributions and Transfers	1,642,355	2,074,813	(147,661)	3,569,507	986,844
Transfers in (Note 4A)			251,091	251,091	
Change in Net Position	1,642,355	2,074,813	103,430	3,820,598	986,844
BEGINNING NET POSITION (DEFICIT)	53,838,296	34,792,545	112,718		2,361,592
ENDING NET POSITION (DEFICIT)	\$55,480,651	\$36,867,358	\$216,148		\$3,348,436

Some amounts reported for *business-type activities* in the Statement of Activities are different because the portion of the net income of certain internal service funds is reported with the business-type activities which those funds serviced.

	85,961
Change in Net Position of Business-type Activities	\$3,906,559

See accompanying notes to financial statements

Attachment 1 - Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2019

CITY OF BENICIA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2019

	Business-type Activities-Enterprise Funds				Governmental Activities- Internal Service Funds
	Wastewater	Water	Benicia Marina	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$10,401,170	\$11,792,819	\$304,292	\$22,498,281	\$4,478,254
Payments to suppliers	(3,685,620)	(5,162,122)	(253,370)	(9,101,112)	(922,965)
Payments to employees	(2,601,787)	(2,574,262)		(5,176,049)	(556,807)
Claims paid					(865,965)
Cash Flows from (used for) Operating Activities	4,113,763	4,056,435	50,922	8,221,120	2,132,517
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Interfund receipts			251,091	251,091	508,912
Operating grant and contributions			78,513	78,513	
Principal paid on non-capital debt					(325,000)
Interest paid on non-capital debt					(217,631)
Cash Flows from (used for) Noncapital Financing Activities			329,604	329,604	(33,719)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets		(386,167)		(386,167)	(440,868)
Proceeds from sale of capital assets					83,830
Principal payments on capital debt	(2,152,110)	(1,070,011)	(207,843)	(3,429,964)	(265,000)
Interest paid on capital debt	(216,851)	(334,085)	(103,458)	(654,394)	(373,644)
Community donations					2,954
Cash Flows (used for) Capital and Related Financing Activities	(2,368,961)	(1,790,263)	(311,301)	(4,470,525)	(992,728)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	475,594	332,387	15,807	823,788	212,293
Cash Flows from Investing Activities	475,594	332,387	15,807	823,788	212,293
Net Cash Flows	2,220,396	2,598,559	85,032	4,903,987	1,318,363
Cash and investments at beginning of period	16,296,507	10,208,197	299,140	26,803,844	7,510,825
Cash and investments at end of period	\$18,516,903	\$12,806,756	\$384,172	\$31,707,831	\$8,829,188
Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities:					
Operating income (loss)	\$1,288,664	\$1,547,814	(\$147,327)	\$2,689,151	\$1,458,392
Adjustments to reconcile operating income (loss) to cash flows from operating activities:					
Depreciation	2,234,531	1,887,916	189,612	4,312,059	1,011,828
Other non-operating revenue (expenses)	20,025	479,378		499,403	7,298
Change in assets and liabilities:					
Receivables, net	41,069	(105,136)	(22,942)	(87,009)	(223,072)
Materials, parts and supplies	11,376	150,625		162,001	(214)
Other assets					17,215
Accounts payable and other accrued expenses	(129,803)	(67,423)	31,579	(165,647)	55,556
Accrued compensated absences	(15,585)	(10,182)		(25,767)	
Refundable deposits		(2,458)		(2,458)	
Due to retirement system	647,484	162,505		809,989	
Due to OPEB	16,002	13,396		29,398	
Workers' compensation claims					(194,486)
Cash Flows from (used for) Operating Activities	\$4,113,763	\$4,056,435	\$50,922	\$8,221,120	\$2,132,517

See accompanying notes to financial statements

FIDUCIARY FUNDS

Trust funds are used to account for assets held by the City as a trustee agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the Entity-wide financial statements, but are presented in separate Fiduciary Fund financial statements. The City maintains a Trust Fund for the Affordable Housing Private Purpose Trust.

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

CITY OF BENICIA
 FIDUCIARY FUNDS
 STATEMENT OF FIDUCIARY NET POSITION
 JUNE 30, 2019

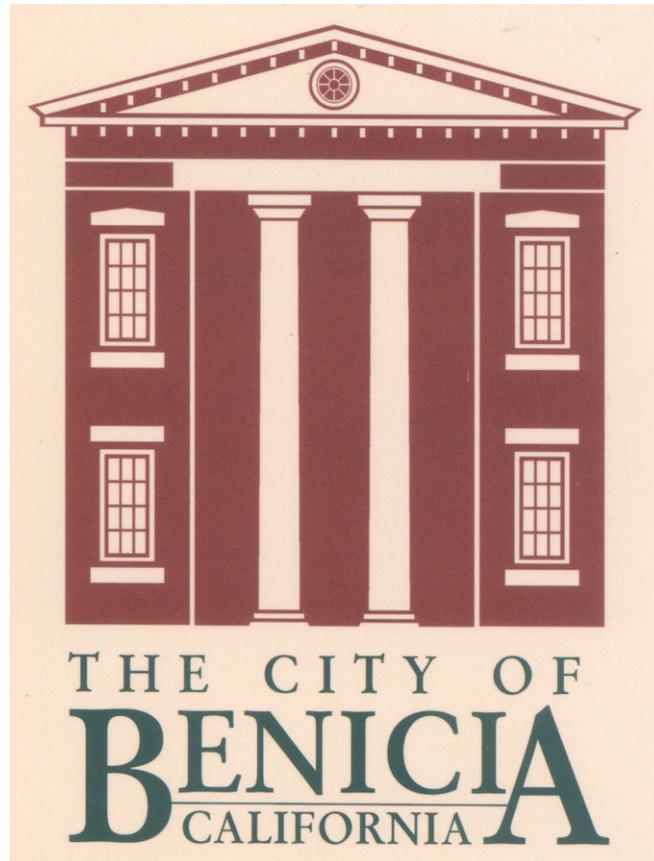
	Affordable Housing Private Purpose Trust Fund	Agency Funds
ASSETS		
Restricted cash and investments (Note 3)	\$21,495	\$1,360,602
Interest receivable	73	4,540
Total Assets	21,568	\$1,365,142
LIABILITIES		
Due to bondholders		\$1,365,142
Total Liabilities		\$1,365,142
NET POSITION		
Held in trust for:		
Other governments	21,568	
Total Net Position	\$21,568	

See accompanying notes to financial statements

CITY OF BENICIA
 FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2019

	Affordable Housing Private Purpose Trust Fund
ADDITIONS	
Use of money and property	\$647
Total Additions	647
CHANGE IN NET POSITION	647
NET POSITION, BEGINNING OF YEAR	20,921
NET POSITION, END OF YEAR	\$21,568

See accompanying notes to financial statements



CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Background

The City of Benicia was incorporated as a general law city on April 24, 1851. The City operates under the Council Manager form of government and provides the following services: public safety (police and fire), highways and streets, storm drains, water, wastewater, culture recreation, public improvements, planning and zoning, and general administration.

The financial statements and accounting policies of the City conform with generally accepted accounting principles applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting policies are summarized below:

Reporting Entity

The accompanying financial statements present the activities of the City of Benicia (the primary government).

Joint Ventures

In addition, the City participates in joint ventures with the Solano Water Authority and the Solano Transportation Authority. The Solano Water Authority was formed to coordinate water procurement and use among the Solano cities and county. The Solano Transportation Authority was established to develop regional strategies and to cooperatively address Solano County transportation issues. See Note 13 for more detailed information regarding these relationships.

Other Related Organization

The City Council is responsible for other related organization board appointments to the Benicia Housing Authority. See Note 18 for more detailed information regarding this relationship.

B. Basis of Presentation

The City's Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A.

These Standards require that the financial statements described below be presented.

Government-wide Statements: The Statement of Net Position and the Statement of Activities display information about the primary government (the City). These statements include the financial activities of the overall City government, except for fiduciary activities. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City's funds, including fiduciary funds. Separate statements for each fund category — *governmental*, *proprietary*, and *fiduciary* — are presented. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

C. Major Funds

Major funds are defined as funds that have either assets, liabilities, revenues or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. The General Fund is always a major fund. The City may also select other funds it believes should be presented as major funds.

The City reported the following major governmental funds in the accompanying financial statements:

General Fund – The General Fund is used for all the general revenues of the City not specifically levied or collected for other City funds and the related expenditures. The general fund accounts for all financial resources of a governmental unit, which are not accounted for in another fund.

General Obligation Bonds Debt Service Fund – Accounts for property tax levies for the payment of voter-approved debt principal and interest of the General Obligation Bonds. On June 7, 2012, the City issued General Obligation Refunding Bonds, Series 2012, in the amount of \$4,270,000, bearing interest of 1.25%. The proceeds were used to refund the City's then outstanding 1997 General Obligation Wastewater Bonds, Series A and B.

The City reported all of its enterprise funds as major funds in the accompanying financial statements:

Wastewater Fund – Accounts for the transport, treatment and disposal of wastewater for residents and businesses located within the City.

Water Fund – Accounts for the distribution of water to residents and businesses located within the City.

Benicia Marina Fund – Accounts for activities of the City's Marina.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City also reports the following fund types:

Internal Service Funds – These funds account for insurance, general services, building and equipment management, retirement stability, and energy; all of which are provided to other departments on a cost-reimbursement basis.

Fiduciary Funds – The City maintains two types of Fiduciary Funds - Trust Fund and Agency Funds. The Trust Fund accounts for activities of an individual private trust fund for the benefit of the Affordable Housing. Agency Funds are used to account for assets held by the City as an agent for the Fleetside Industrial Assessment District, and McAllister Assessment District. The financial activities of these funds are excluded from the Government-wide financial statement, but are presented in separate Fiduciary Fund financial statements.

D. Basis of Accounting

The government-wide and proprietary financial statements are reported using the *economic resources measurement focus* and the full *accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable* and *available*. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Governmental capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Those revenues susceptible to accrual at both the City-wide and Fund level are property, sales and franchise taxes, current service charges, and interest revenue. Fines and licenses and permits are not susceptible to accrual because they are not measurable until received in cash.

Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the City may fund certain programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position may be available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

Certain indirect costs are included in program expenses reported for individual functions and activities.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's business-type activities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and internal service funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

E. Property Tax Revenues

Solano County assesses properties and bills, collects, and distributes property taxes to the City. The County remits the entire amount levied and handles all delinquencies, retaining interest and penalties. Secured and unsecured property taxes are levied on January 1.

Secured property tax is due in two installments, on November 1 and March 1, and becomes a lien on those dates. It becomes delinquent on December 10 and April 10, respectively. Unsecured property tax is due on July 1, and becomes delinquent on August 31.

The term "unsecured" refers to taxes on personal property other than real estate, land and buildings. These taxes are secured by liens on the property being taxed. Property tax revenues are recognized by the City in the fiscal year they are assessed, provided they become available as defined above.

F. Revenue Recognition For Water and Sewer

Revenues are recognized based on cycle billings rendered to customers. Revenues for services provided but not billed at the end of a fiscal period are accrued at the end of the fiscal year.

G. Compensated Absences

Compensated absences are comprised of unpaid vacation and certain compensated time off, which are accrued as earned. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The City's liability for compensated absences is recorded in the Water and Wastewater funds as appropriate. The liability for compensated absences is determined annually. However, such compensated absences payments are not distinguished from regular payroll paid during the fiscal year. Amounts expected to be paid out of current financial resources are recorded as fund liabilities; the long-term portion is recorded in the Statement of Net Position.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Compensated absences activities were as follows for the year ended June 30, 2019:

	Governmental Activities	Business-type Activities	Total
Beginning Balance	\$1,158,647	\$285,795	\$1,444,442
Additions	895,511	164,542	1,060,053
Payments	(872,904)	(190,309)	(1,063,213)
Ending Balance	\$1,181,254	\$260,028	\$1,441,282
Current Portion	\$872,904	\$260,028	\$1,132,932

H. *Materials, Parts and Supplies, and Prepaid Items*

Materials, parts and supplies, and prepaid items are held for consumption and are valued at cost using the first-in-first-out (FIFO) basis. The cost is recorded as an expenditure at the time individual items are consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

I. *Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

J. *Deferred Outflows/Inflows of Resources*

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

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

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. *New Accounting Pronouncements*

Governmental Accounting Standards Board (GASB) Statement No. 83 – *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. This statement is effective for the 2018-2019 fiscal year and had no effect on the City’s financial statements.

Governmental Accounting Standards Board (GASB) Statement No. 88 – *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. This statement is effective for the 2018-2019 fiscal year. See Note 7 for additional information.

L. *Fair Value Measurements*

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 2 – BUDGET AND BUDGETARY ACCOUNTING

A. *Budgeting Procedures*

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

1. The City Manager submits to the City Council a proposed bi-annual operating budget for the next two fiscal years commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The biennial budget is adopted by City Council resolution prior to July 1.
4. Expenditures may not legally exceed budgeted appropriations at the fund level.
5. All budget adjustments and transfers between funds must be approved by the City Council by resolution during the fiscal year. The City Manager and Finance Director are authorized to transfer unencumbered appropriations within a department and between departments.
6. Formal budgetary integration, including the recording of encumbrances, is employed as a management control device during the year in all budgeted funds. Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of moneys are recorded in order to reserve that portion of the applicable appropriation.
7. Remaining appropriations lapse at year-end and must be reappropriated in the following year.
8. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except for the Developer Deposits Special Revenue Fund, which is not budgeted. The City adopts project budgets for the Capital Project funds except for the Casa de Vilarrasa Fund and McAllister Assessment District Fund.

Budgeted amounts are as originally adopted or as amended by the City Council. Individual amendments were not material in relation to the original appropriations. Budget and actual comparison for the General Fund are presented at the department level except for Administration which is composed of City Council, City Manager, Treasurer, Finance, City Attorney, Human Resources and City Clerk.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 3 – CASH AND INVESTMENTS

The City's dependence on property tax receipts, which are received semi-annually, requires it to maintain significant cash reserves to finance operations during the remainder of the year. The City pools cash from all sources and all funds except cash and investments held by trustees so that it can be invested at the maximum yield consistent with safety and liquidity, while individual funds can make expenditures at any time.

A. Policies

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the City's cash on deposit, or first trust deed mortgage notes with a market value of 150% of the deposit, as collateral for these deposits. Under California law, this collateral is held in a separate investment pool by another institution in the City's name and places the City ahead of general creditors of the institution.

The City pools cash from all sources and all funds, except certain specific investments within funds and cash with fiscal agents, so that it can be invested at the maximum yield, consistent with safety and liquidity, while individual funds can make expenditures at any time.

The City and its fiscal agents invest in individual investments and in investment pools. Individual investments are evidenced by specific identifiable pieces of paper called *security instruments*, or by an electronic entry registering the owner in the records of the institution issuing the security, called the *book entry* system. Individual investments are generally made by the City's fiscal agents as required under its debt issues. In order to maximize security, the City employs the Trust Department of a bank as the custodian of all City managed investments, regardless of their form.

The City's investments are carried at fair value, as required by generally accepted accounting principles. The City adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

CITY OF BENICIA Notes to Basic Financial Statements For the Year Ended June 30, 2019

NOTE 3 – CASH AND INVESTMENTS (Continued)
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B. Classification

Cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of City debt instruments.

Statement of Net Position	
Cash and investments available for City operations	\$80,032,185
Restricted cash and investments held by fiscal agent	<u>1,971,192</u>
City cash and investments of primary government	<u>82,003,377</u>
Restricted Cash and investments	
in Fiduciary Funds (separate statement)	
Trust Fund	21,495
Agency Funds	<u>1,360,602</u>
Total cash and investments	<u><u>\$83,385,474</u></u>

Cash and investments as of June 30, 2019, consist of the following:

Cash on hand	\$5,095
Deposits with financial institutions	6,323,081
Investments	<u>77,057,299</u>
Total cash and investments	<u><u>\$83,385,475</u></u>

Cash and investments available for City operations is used in preparing proprietary fund statements of cash flows because these assets are highly liquid and are expended to liquidate liabilities arising during the year.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 3 – CASH AND INVESTMENTS (Continued)**C. Investments Authorized by the California Government Code and the City's Investment Policy**

The City's investment policy and the California Government Code allow the City to invest in the following, provided the credit ratings of the issuers are acceptable to the City; and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code, or the City's Investment Policy where the City's Investment Policy is more restrictive.

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality *	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
Non-Negotiable Certificates of Deposit	5 years	N/A	25%	No Limit
Bankers' Acceptances	180 days	A-1	20%	No Limit
U.S. Treasury Bills and Notes	5 years	N/A	No Limit	No Limit
U.S. Government-Sponsored Enterprise Agencies	5 years	N/A	No Limit	No Limit
Repurchase Agreements	30 days	A-1	N/A	\$1 Million
Medium-Term Corporate Notes	5 years	A	30%	No Limit
Commercial Paper	270 days	A-1	25%	Lesser of 10% per account
State Local Agency Investment Fund	N/A	N/A	N/A	\$50 Million per account
Money Market Funds	N/A	AAA	20%	Lesser of 10% or \$5 Million
Negotiable Certificates of Deposit	N/A	N/A	30%	No Limit
Asset-Backed Securities	5 years	A	5%	No Limit

* At date of purchase

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 3 – CASH AND INVESTMENTS (Continued)**D. Investments Authorized by Debt Agreements**

The City must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged reserves to be used if the City fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with City resolutions, bond indentures or State statutes. The table below identifies the investment types that are authorized for investments held by fiscal agents. The bond indentures contain no limitations for the maximum investment in any one issuer or the maximum percentage of the portfolio that may be invested in any one investment type. The table also identifies certain provisions of these debt agreements:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality
Bankers' Acceptances	360 days	A-1
U.S. Treasury Bills and Notes	None	N/A
State General Obligations	None	A
Municipal Obligations	None	Aaa/AAA
U.S. Government Agency Securities	None to 3 years	AAA
U.S. Government Sponsored Securities	None to 3 years	AAA
Federal Housing Administration Debentures	None	N/A
Repurchase Agreements	None to 1 year	A
Commercial Paper	270 days	A-1+
State Local Agency Investment Fund	N/A	N/A
Money Market Fund	N/A	AAm
Defeasance Securities	N/A	N/A
Pre-refunded Municipal Obligations	None	AAA
Investment Agreements	N/A	AA
Unsecured Certificates of Deposit	30 days	A-1
CalTrust	None	N/A

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 3 – CASH AND INVESTMENTS (Continued)**E. Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City generally manages its interest rate risk by holding investments to maturity.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity or earliest call date:

Investment Type	12 Months or less	13 to 24 Months	25 to 36 Months	36 to 60 Months	Total
U.S. Treasury Notes	\$189,006	\$3,530,378	\$6,110,447	\$3,866,452	\$13,696,283
California Local Agency Investment Fund	45,357,511				45,357,511
Money Market Mutual Funds (Prime Institutional)	62,306				62,306
U.S. Government - Sponsored Enterprise Agencies	833,000	2,151,197	1,247,267	288,895	4,520,359
Corporate Notes	1,253,282	643,953	2,751,218	1,749,645	6,398,098
Commercial Paper	863,846				863,846
Negotiable Certificates of Deposit	1,029,078	1,541,171	307,425		2,877,674
Asset-Backed Security				1,310,264	1,310,264
Held by Trustees:					
Money Market Mutual Funds (U.S. Securities)	1,970,958				1,970,958
Total Investments	<u>\$51,558,987</u>	<u>\$7,866,699</u>	<u>\$10,416,357</u>	<u>\$7,215,256</u>	<u>\$77,057,299</u>

The City is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The balance is available for withdrawal on demand and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, United States Treasury Notes and Bills, and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations. At June 30, 2019, these investments matured in an average of 173 days.

Money market funds are available for withdrawal on demand and at June 30, 2019, matured in an average of 17 to 31 days.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 3 – CASH AND INVESTMENTS (Continued)**F. Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The actual ratings as of June 30, 2019, for all investments are as provided by Standard and Poor's investment rating system except as noted. The Local Agency Investment Fund was not rated as of June 30, 2019.

Investment Type	Total
<i>Rated AAA:</i>	
Medium-Term Corporate Notes	\$249,464
Asset-Backed Security	1,310,264
<i>Rated AA+:</i>	
U.S. Government-Sponsored Enterprise Agencies	4,520,359
Medium-Term Corporate Notes	274,331
<i>Rated AA:</i>	
Medium-Term Corporate Notes	933,509
<i>Rated AA-:</i>	
Medium-Term Corporate Notes	865,198
Negotiable Certificates of Deposit	1,037,694
<i>Rated A+:</i>	
Medium-Term Corporate Notes	607,203
Negotiable Certificates of Deposit	503,477
<i>Rated A:</i>	
Medium-Term Corporate Note	634,322
Negotiable Certificates of Deposit	307,425
<i>Rated A-:</i>	
Medium-Term Corporate Note	1,362,597
<i>Rated A-I+:</i>	
Negotiable Certificates of Deposit	551,976
<i>Rated A-I:</i>	
Commercial Paper	863,846
Negotiable Certificates of Deposit	477,102
<i>Rated AAAM:</i>	
Money Market Funds	2,033,264
<i>Rated BBB+:</i>	
Medium-Term Corporate Note	1,471,474
<i>Not rated:</i>	
State Local Agency Investment Fund	45,357,511
<i>Exempt from credit rating disclosure:</i>	
U.S. Treasury Notes	13,696,283
Total Investments	<u>\$77,057,299</u>

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 3 – CASH AND INVESTMENTS (Continued)**G. Fair Value Hierarchy**

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of June 30, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Investments By Fair Value Level:			
<i>Held by City:</i>			
U.S. Treasury Bills and Notes	\$13,696,283		\$13,696,283
Medium-Term Corporate Notes		\$6,398,098	6,398,098
Negotiable Certificates of Deposit		2,877,674	2,877,674
Commercial Paper		863,846	863,846
U.S. Government-Sponsored Enterprise Agencies		4,520,359	4,520,359
Assets-Backed Securities		1,310,264	1,310,264
Subtotal	<u>\$13,696,283</u>	<u>\$15,970,241</u>	29,666,524
Investments Measured at Amortized Cost:			
<i>Held by City:</i>			
Money Market Mutual Funds (Prime Institutional)			62,306
<i>Held by Trustees:</i>			
Money Market Mutual (U.S. Securities)			1,970,958
Investments Exempt from Fair Value Hierarchy:			
State Local Agency Investment Fund			<u>45,357,511</u>
Total Investments			<u>\$77,057,299</u>

U.S. Treasury bills and notes classified in Level 1 of the fair value hierarchy are valued using quoted prices in active markets. Medium-term corporate notes, negotiable certificates of deposit and U.S. government-sponsored enterprise agency securities, classified in Level 2 of the fair value hierarchy, are valued using matrix pricing techniques maintained by various pricing vendors. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 4 – INTERFUND TRANSACTIONS**A. Transfers Between Funds**

With Council approval, resources may be transferred from one City fund to another. Transfers between funds during the fiscal year ended June 30, 2019 were as follows:

Fund Making Transfer	Fund Receiving Transfers	Amount Transferred
General Fund	Benicia Marina Enterprise Fund	\$251,091 (A)
	Residential Landscaping and Lighting Special Revenue Fund	125,964 (A)
	Fleetside Landscaping and Lighting Special Revenue Fund	3,161 (A)
	Columbus Parkway Landscaping and Lighting Special Revenue Fund	11,912 (A)
	East 2nd St Landscaping and lighting Special Revenue Fund	1,488 (A)
	Goodyear Road Landscaping and Lighting Special Revenue Fund	3,262 (A)
	Public Safety Grants Special Revenue Fund	75,000 (A)
	Measure C Capital Projects Fund	2,650,000 (B)
		<u>\$3,121,878</u>

(A) Transfer to fund City operations.

(B) Transfer to fund capital projects.

B. Current Interfund Balances

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. At June 30, 2019, the General Services Internal Service Fund had a balance of \$511,915 due to the General Fund.

C. Internal Balances

Internal balances are presented in the Entity-wide financial statements only. They represent the net interfund receivables and payables remaining after the elimination of all such balances within governmental and business-type activities

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 5 – LOANS RECEIVABLE

At June 30, 2019, the City had the following loans receivable:

	Balance at June 30, 2019		
	Governmental Activities	Business-Type Activities	Total
Housing Rehabilitation Loan Program	\$55,000		\$55,000
Burgess Point, Benicia Housing Partners	550,000		550,000
Benicia Housing Authority	340,000	\$845,000	1,185,000
Hearthstone Village, Affordable Housing Affiliation	76,514	191,572	268,086
Bay Ridge Affordable Housing		756,750	756,750
Casa De Vilarrasa, Benicia Housing Authority	1,400,000		1,400,000
Benicia Resource Incentive Program RB Squared, LLC	16,370		16,370
Dohman Investments	50,000		50,000
Ponder Commercial Properties, LLC	7,500		7,500
Total Loans Receivable	<u>2,495,384</u>	<u>1,793,322</u>	<u>4,288,706</u>
Less: Forgivable Amounts	<u>(76,514)</u>	<u>(948,322)</u>	<u>(1,024,836)</u>
Total	<u>\$2,418,870</u>	<u>\$845,000</u>	<u>\$3,263,870</u>

A. Housing Rehabilitation Loan Program

The City administers a Housing Rehabilitation Loan Program using the Housing and Community Development Act funds. Under this program, residents with incomes below a certain level are eligible to receive low interest loans, secured by deeds of trust, for construction work on their homes. Federal grants are used to fund these loans. Upon approval of loans, the City disburses the funds, and arranges for and collects repayments. As of June 30, 2019, residents owed the City \$55,000 in loans offered by this program.

B. Burgess Point, Benicia Housing Partners

On July 1, 2003, the City authorized a loan to Benicia Housing Partners for an amount of \$550,000. The loan bears simple interest at eight percent annually and is secured by a deed of trust. The purpose of the loan was to provide funding for the construction of 56 units of tax credit rental housing. Annual payments are made from residual receipts collected by the developer to the extent such funds are available. Such payments continue until the loan and interest are paid in full or the remaining principal and interest is due in full on the earliest of: 1) the date of any transfer not authorized by the City, 2) the date of any default, or 3) December 31, 2035.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 5 – LOANS RECEIVABLE (Continued)

C. *Burgess Point, Benicia Housing Authority*

On July 23, 2003, the City authorized a loan to Benicia Housing Authority for an amount of \$1,185,000. The loan bears simple interest at six percent annually and is unsecured. The loan was to provide funding for the purchase of building permits by Benicia Housing Partners. Benicia Housing Authority makes annual payments from funds received from Benicia Housing Partners based upon a loan agreement. Such payments continue until the loan and interest is paid in full or the remaining principal and interest is due in full on the earliest of: 1) the date of any transfer not authorized by the City, 2) the date of any default, or 3) December 31, 2035.

D. *Hearthstone Village, Affordable Housing Affiliation*

On May 21, 2003, the City authorized loans to the Affordable Housing Affiliation in the amount of \$96,000 with deferred fees, totaling to \$268,086. The loans were later assumed by individual low income and very low-income home buyers (collectively “Hearthstone Village”) within the twelve-unit development. The loans are secured by deeds of trust creating a valid lien, not lower than third priority, upon the related property. The loans were assumed under a ten-year regulatory agreement requiring continued use of the properties for low and very low-income households. This requirement is no longer mandated by the City’s regulatory agreement which expired in May 2013; however, it is the City’s intent that the loans will continue to be deferred while the units are occupied by the low and very low-income owners.

E. *Bay Ridge Affordable Housing*

On November 12, 2002, developer fees were deferred in the form of a loan receivable for fifty affordable low-income household units in the Bay Ridge Affordable Housing Project. The Water and Wastewater Connection fees were deferred by a promissory note for \$381,750 and \$375,000, respectively, for a total deferred amount of \$756,750. The note bears simple interest at 5.5% annually. The loans will not be repaid unless there is a failure to comply with the eligibility terms in the loan agreement. The City waived other fees in the amount of \$253,250 to assist the low-income housing project. This waiver was a one-time waiver of fees that occurred in 2003.

F. *Casa de Vilarrasa, Benicia Housing Authority*

On January 6, 2005, the City authorized a loan to Benicia Housing Authority in an amount up to \$1.4 million. The loan bears simple interest not to exceed 10% a year and is unsecured. The loan was used to fund the improvements of the Casa de Vilarrasa housing project. The loan was expected to be paid in full on or before April 1, 2016. However, as of June 30, 2019, a loan amendment was still being negotiated.

G. *Benicia Resource Incentive Program – RB Squared*

On August 6, 2013, the City authorized loans to RB Squared LLC for the Benicia Resource Incentive Program in the amounts of \$25,000 at 0% and \$13,459 at 3.5% for a total amount of \$38,459. The principal and interest are to be amortized over 120 months and monthly payments are to be made starting November 1, 2013. Final payments for these loans will be on October 1, 2023. As of June 30, 2019, the outstanding amount was \$16,370.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 5 – LOANS RECEIVABLE (Continued)**H. Benicia Resource Incentive Program – Dohman Investment, LLC**

On January 1, 2018, the City authorized a Benicia Resource Incentive Program loan to Dohman Investment, LLC in the amount of \$50,000 at 0%. Repayment of the loan has been delayed until November 2019. Arrangements are being made for payments. As of June 30, 2019, the outstanding amount was \$50,000.

I. Benicia Resource Incentive Program – Ponder Commercial Properties, LLC

On December 10, 2014, the City authorized a Benicia Resource Incentive Program loan to Ponder Commercial Properties, LLC in the amount of \$50,000 at 0%. The principal amount is to be amortized over 60 months and payments shall commence on March 1, 2015 in monthly installments of \$833.33. Final payments of this loan will be on March 1, 2020. As of June 30, 2019, the outstanding amount was \$7,500.

NOTE 6 – CAPITAL ASSETS

Contributed capital assets are valued at their estimated fair market value on the date contributed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. All other capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. The City defines capital assets as assets with an initial individual cost of more than \$25,000 and an estimated useful life in excess of three years with the exception of federally funded acquisitions, which are \$5,000 or more. Land and infrastructure are capitalized at an initial individual cost of more than \$150,000.

Depreciation is provided using the straight-line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The City has assigned the useful lives listed below to capital assets:

Buildings and Improvements	15-40 years
Machinery and Equipment	5-30 years
Computer Software	5 years
Treatment Plant, Water and Sewer Pipes	40-60 years
Other Infrastructure	10-100 years
Water Rights	25 years

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 6 – CAPITAL ASSETS (Continued)

A. Capital asset activity during the fiscal year was as follows:

	Balance June 30, 2018	Additions	Retirements	Transfers	Balance June 30, 2019
Governmental Activities:					
Capital assets, not depreciated:					
Land	\$18,545,953				\$18,545,953
Construction in Progress	1,571,314	\$547,075		(\$1,420,054)	698,335
Total capital assets, not depreciated	20,117,267	547,075		(1,420,054)	19,244,288
Buildings and Improvements	28,394,820				28,394,820
Machinery and Equipment	11,821,093	917,501	(\$78,098)	1,420,054	14,080,550
Computer Software	92,391				92,391
Infrastructure	159,633,535				159,633,535
Total cost of depreciable assets	199,941,839	917,501	(78,098)	1,420,054	202,201,296
Less accumulated depreciation:					
Buildings and Improvements	(12,859,834)	(811,552)			(13,671,386)
Machinery and Equipment	(8,296,228)	(746,588)	78,098		(8,964,718)
Computer Software	(92,390)				(92,390)
Infrastructure	(71,095,793)	(2,563,499)			(73,659,292)
Total accumulated depreciation	(92,344,245)	(4,121,639)	78,098		(96,387,786)
Net depreciable assets	107,597,594	(3,204,138)		1,420,054	105,813,510
Governmental Activity Capital Assets, Net	\$127,714,861	(\$2,657,063)			\$125,057,798
Business-Type Activities:					
Capital assets, not depreciated:					
Land and Improvements	\$2,584,082				\$2,584,082
Construction in Progress	51,678	\$386,167			437,845
Total capital assets, not depreciated:	2,635,760	386,167			3,021,927
Capital assets, being depreciated:					
Buildings and Improvements	91,526,037				91,526,037
Machinery and Equipment	9,821,937				9,821,937
Infrastructure	86,644,453				86,644,453
Water Rights	5,000,000				5,000,000
Total cost of depreciable assets	192,992,427				192,992,427
Less accumulated depreciation:					
Buildings and Improvements	(52,586,883)	(2,227,633)			(54,814,516)
Machinery and Equipment	(6,307,495)	(399,908)			(6,707,403)
Infrastructure	(47,862,932)	(1,484,518)			(49,347,450)
Water Rights	(1,800,000)	(200,000)			(2,000,000)
Total accumulated depreciation	(108,557,310)	(4,312,059)			(112,869,369)
Net depreciable assets	84,435,117	(4,312,059)			80,123,058
Business-type Activity Capital Assets, Net	\$87,070,877	(\$3,925,892)			\$83,144,985

CITY OF BENICIA Notes to Basic Financial Statements For the Year Ended June 30, 2019

NOTE 6 – CAPITAL ASSETS (Continued)
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B. Capital Asset Contributions

Some capital assets may be acquired using Federal and State grant funds, or they may be contributed by developers or other governments. GASB Statement 34 requires that these contributions be accounted for as revenues at the time the capital assets are contributed.

C. Depreciation Allocation

Depreciation expense is charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or programs are as follows:

Governmental Activities:	
Administration	\$4,849
Public safety - police	185,633
Public safety - fire	177,160
Parks and community services	532,224
Public works	2,154,914
Library	386
General government	54,645
Internal Service Fund	<u>1,011,828</u>
Total Governmental Activities	<u><u>\$4,121,639</u></u>
Business-type Activities:	
Wastewater	\$2,234,531
Water	1,887,916
Benicia Marina	<u>189,612</u>
Total Business-Type Activities	<u><u>\$4,312,059</u></u>

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 7 – LONG -TERM DEBT

The City generally incurs long-term debt to finance projects or purchase assets, which will have useful lives equal to or greater than the related debt.

The City's debt issues and transactions are summarized below and discussed in detail thereafter.

A. Current Year Transactions and Balances

	Balance at July 1, 2018	Additions/ Accretion	Deletions	Balance at June 30, 2019	Due Within One Year
Governmental Activity Debt					
2006 Pension Obligation Bonds					
Series A-1 (Current Interest Bonds)	\$3,670,000			\$3,670,000	
Series A-2 (Capital Appreciation Bonds)	4,031,537	\$239,735	\$325,000	3,946,272	\$345,000
2016 Certificates of Participation					
Energy Conservation Refinancing Project	11,315,000		265,000	11,050,000	310,000
Plus unamortized original issue premium	438,834		23,903	414,931	
2012 General Obligation Refunding Bonds	335,000		335,000		
Governmental Activity Debt - Direct Borrowing:					
Casa de Vilarrasa- Capital Lease	679,910		84,687	595,223	88,510
Wells Fargo Capital Equipment Lease	\$1,644,127		179,987	1,464,140	183,426
Total Governmental Activity Debt	<u>\$22,114,408</u>	<u>\$239,735</u>	<u>\$1,213,577</u>	<u>\$21,140,566</u>	<u>\$926,936</u>

	Balance July 1, 2018	Deletions	Balance June 30, 2019	Due Within One Year
Business-Type Activity Debt				
2005 Wastewater Refunding Revenue Bonds	\$760,002	\$370,000	\$390,002	\$390,002
Less unamortized original issue discount	(6,225)	(4,664)	(1,561)	(1,561)
Total utility bonds payable net of discount	<u>753,777</u>	<u>365,336</u>	<u>388,441</u>	<u>388,441</u>
Business-Type Activity Debt - Direct Borrowing:				
State of California Marina Loans	2,297,197	207,843	2,089,354	217,194
State Revolving Loan Fund - WWTP	3,496,502	1,144,739	2,351,763	1,165,377
State Revolving Loan Fund - I & I WW	4,639,718	612,884	4,026,834	628,820
State Revolving Loan Fund- Water Treatment Plant	5,963,733	601,434	5,362,299	615,893
Wells Fargo Equipment Lease	338,007	36,995	301,012	37,702
Siemens Lease Purchase Agreement	7,655,306	460,733	7,194,573	472,650
Total Business-type Activity Debt	<u>\$25,144,240</u>	<u>\$3,429,964</u>	<u>\$21,714,276</u>	<u>\$3,526,077</u>

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 7 – LONG - TERM DEBT (Continued)

B. 2006 Pension Obligation Bonds

On June 15, 2006, the California Statewide Communities Development Authority issued the 2006 Series A-1 Current Interest Bonds and Series A-2 Capital Appreciation Bonds in the amounts of \$27,985,000 and \$34,828,647, of which \$7,430,000 and \$6,542,596 were the City's portion. The bond proceeds were used to partially fund the unfunded actuarial accrued liability of the Miscellaneous and Safety pension plans through the California Public Employees' Retirement System.

The Series A-1 Current Interest Bonds bear interest rates of 5.69%-5.93%. Principal payments are due annually through 2036. Interest payments are payable semi-annually on June 1 and December 1.

The Series A-2 Capital Appreciation Bonds unaccrued discount totaled \$1,858,279 at June 30, 2019. The capital appreciation bonds will accrete interest from the date of issuance and will be payable only upon maturity or redemption. The bonds are payable in any form of taxation. Interest on the Bonds accretes in value at the rates of 5.67% to 6.12%. Repayments of the accreted principal commenced on June 1, 2008.

C. 2016 Certificates of Participation Energy Conservation Refinancing Project

On April 7, 2011, the Public Property Financing Corporation of California (Corporation) issued Certificates of Participation (COPs) – 2011 Energy Conservation Projects (2011 Certificates) in the amount of \$13,195,000. The proceeds of the 2011 Certificates were used to finance various energy conservation projects throughout the vicinity of City of Benicia.

On October 4, 2016 the City Council authorized the issuance of the 2016 Refunding Certificates of Participation in the amount of \$11,745,000 to advance refund the 2011 Certificates, refinance the costs of energy conservation projects, and to pay the costs of issuance for Refunding Certificates of Participation. As of June 30, 2019, the outstanding defeased 2011 COPS amounted to \$11,000,000.

The 2016 Certificates contain a provision that in an event of default, the Corporation shall exercise any and all remedies available pursuant to law or granted pursuant to the lease agreement.

D. General Obligation Refunding Bonds Series 2012

On June 7, 2012, the City issued General Obligation Refunding Bonds, Series 2012, in the amount of \$4,270,000, bearing interest of 1.25%. The proceeds were used to refund the City's outstanding 1997 General Obligation Wastewater Bonds, Series A and B. Principal payments are due annually on August 1 through 2018. These bonds were repaid during fiscal year 2018-2019.

E. Casa de Vilarrasa – Capital Lease

In March 2005, the City entered into a loan agreement for \$1.4 million, at 4.5% interest, to finance the loan receivable from the Benicia Housing Authority as disclosed in Note 5F. Semi-annual payments are due on September 1 and March 1 each year. The first four payments are interest only and are financed from the lease proceeds. The loan principal is to be amortized over 20 years.

The lease agreement contains a provision that in an event of default, the lessor shall exercise any and all remedies available pursuant to law or granted pursuant to the lease agreement and may terminate the lease agreement. The City shall continue to remain liable for the payment of lease payments and/or damages for breach of the lease agreement.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 7 – LONG - TERM DEBT (Continued)

F. Wells Fargo – Capital Lease

In October 2016, the City entered into a Capital Lease for \$2,300,000, at 1.902% interest, to finance the purchase of seven large vehicle for the Fire Department and Public Works Department. The gross amount of capital assets acquired under this capital lease was \$2,618,456. Semi-annual payments are due on May and November each year through 2026.

The lease agreement contains a provision that in an event of default, an amount equal to the basic rental payments and other amount due under the lease during the current fiscal period shall automatically become and be immediately due and payable without notice or demand of any kind. The lessor may also exercise any other right or remedy available to it by law or by agreement and may in any event recover legal fees and other costs and expenses incurred by reason of an Event of Default or the exercise of any remedy hereunder.

G. 2005 Wastewater Refunding Revenue Bonds

In September 2005, the City issued the 2005 Wastewater Refunding Revenue Bonds in the amount of \$4,260,000. The proceeds were used to partially finance the refunding of the 1993 Refunding Wastewater Revenue Bonds in the outstanding principal amount of \$4,435,000. The 2005 Revenue Bonds are payable solely from and secured by a pledge of the net revenues derived from the sewer operation. Principal payments are payable annually on December 1 and interest payments semi-annually on May 1 and November 1.

The 2005 Revenue Bonds contain a provision that in an event of default, the Trustee may declare the principal of the bonds, together with all accrued interest at the date of default, immediately due and payable, or exercise any and all rights and remedies available to it under applicable law, including the right to enforce from the City all payments due on the 2005 Revenue Bonds, and the City will pay all reasonable fees and expenses incurred by the Trustee and those of its attorneys.

H. State of California Marina Loans

From 1976 through 1984, the State of California loaned the City a total of \$6,046,730 for various construction projects for the City's marina. Interest and principal are payable annually on August 1 through 2027. Debt service is payable from marina revenues and general fund transfers.

In an event of default, the City shall, upon demand, immediately accelerate the payment of all principal owed under this loan agreement, if any, which shall be immediately due and payable; pay interest at the highest legal rate on all amounts owed; and pay any additional payments as defined in the loan agreement.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 7 – LONG - TERM DEBT (Continued)

I. State Revolving Loan Fund – Wastewater Treatment Plant (WWTP)

In 1998, the City negotiated a State Revolving Fund Loan with the State Water Resources Control Board to finance the remainder of the wastewater treatment plant improvements. The loan is a long-term liability of the Wastewater Enterprise Fund, which borrowed the maximum available of \$20,129,576. While the loan bears no stated interest, the City is required to pay an amount termed Local/State Match in addition to the principal amount of the loan. The City has imputed an interest rate of 1.8% to provide for the payment of this match. Payments are due annually in December through 2020.

In an event of default, the City shall, upon demand, immediately accelerate the payment of all principal owed under this loan agreement, if any, which shall be immediately due and payable; pay interest at the highest legal rate on all amounts owed; and pay any additional payments as defined in the loan agreement.

J. State Revolving Loan Fund – Inflow & Infiltration (I & I)

In 2003, the City entered into a State Revolving Loan Fund loan agreement with the State Water Resources Control Board to finance the \$12 million inflow and infiltration project with a grant charge of 1.6% and service charge of 1.0%. The loan is a long-term liability of the Wastewater Enterprise Fund, which borrowed the maximum available of \$11,296,658. Payments are due annually on April 10 through 2025.

In an event of default, the City shall, upon demand, immediately accelerate the payment of all principal owed under this loan agreement, if any, which shall be immediately due and payable; pay interest at the highest legal rate on all amounts owed; and pay any additional payments as defined in the loan agreement.

K. State Revolving Loan Fund – Water Treatment Plant

In 2004, the City entered into a State Revolving Fund loan agreement with the State Department of Water Resources to assist financing the Water Treatment Plant Improvement Project, which will enable the City to meet safe drinking water standards set by the State. The loan is a long-term liability of the Water Enterprise Fund, bearing interest of 2.39%. Principal and interest are payable semi-annually on January 1 and July 1 of each year, commencing January 1, 2008 through 2027. The maximum amount the City can borrow is \$13,600,000; however, the City only borrowed \$11,716,747.

In an event of default, the City shall, upon demand, immediately accelerate the payment of all principal owed under this loan agreement, if any, which shall be immediately due and payable; pay interest at the highest legal rate on all amounts owed; and pay any additional payments as defined in the loan agreement.

L. Siemens Lease Purchase Agreement

In October 2016, the City entered into a lease purchase agreement for \$7,991,765, at 2.57% interest, to lease energy savings equipment, installation of water meters and advance metering infrastructure system and any other related services. Semi-annual payments are due on May 1 and November 1 each year.

The lease agreement contains a provision that in an event of default, the lessor may declare an amount equal to all amounts then due under the lease, and all remaining lease payments and other amounts due during the fiscal year to be immediately due and payable. The lessor may also exercise any other right or remedy available to it by law or by agreement and may in any event recover legal fees and other costs and expenses incurred by reason of an Event of Default or the exercise of any remedy hereunder.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 7 – LONG - TERM DEBT (Continued)

M. Pledged Revenue

The City has pledged future wastewater revenues, net of specified operating expenses, to repay the 2005 Wastewater Refunding Revenue Bonds, the State Revolving Loan Fund – Wastewater Treatment Plant and the State Revolving Loan Fund – Inflow & Infiltration. Projected net customer revenues are expected to provide coverage over debt service of at least 1.20 over the life of the bonds. For fiscal year 2019, Wastewater Fund Revenues including operating revenues and non-operating investment income totaled \$10,878,994, and operating costs, not including depreciation or amortization totaled \$6,695,843. Net Revenues available for debt service totaled \$4,183,151, which represented coverage of 1.79 of debt service payment of \$2,334,885.

The City has pledged future water revenues, net of specified operating expenses, to repay the State Revolving Loan Fund – Water Treatment Plant. Projected net customer revenues are expected to provide coverage over debt service of at least 1.20 over the life of the bonds. For fiscal year 2019, gross Water Fund Revenues including operating revenues and non-operating interest earnings totaled \$11,798,781 and operating costs, not including depreciation or amortization, totaled \$7,864,266. Net Revenues available for debt service totaled \$3,934,515, which represented coverage of 5.31 of debt service payment of \$740,394.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 7 – LONG - TERM DEBT (Continued)**N. Debt Service Requirements**

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

Governmental Activities: Pension Obligation Bonds

Year ending June 30	Principal	Interest
2020	\$345,000	\$217,631
2021	365,000	217,631
2022	385,000	217,631
2023	410,000	217,631
2,024	430,000	217,631
2025-2029	2,505,001	1,088,155
2030-2034	3,275,000	993,276
2035-2037	1,760,000	158,924
Total	<u>\$9,475,001</u>	<u>\$3,328,510</u>

Governmental Activities: Certificates of Participation

Year ending June 30	Principal	Interest
2020	\$310,000	\$363,044
2021	350,000	353,742
2022	345,000	339,744
2023	395,000	325,944
2,024	450,000	310,144
2025-2029	2,440,000	1,267,344
2030-2034	4,255,000	834,720
2035-2037	2,505,000	122,156
Total	<u>\$11,050,000</u>	<u>\$3,916,838</u>

Governmental Activities: Capital Leases, Direct Borrowings

Year ending June 30	Principal	Interest
2020	\$271,936	\$52,783
2021	279,467	45,250
2022	287,250	37,467
2023	295,294	29,424
2,024	303,607	21,110
2025-2028	621,809	18,417
Total	<u>\$2,059,363</u>	<u>\$204,451</u>

Enterprise Activities: Utility Bonds

Year ending June 30	Principal	Interest
2020	\$390,002	\$8,093
Total	<u>\$390,002</u>	<u>\$8,093</u>

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 7 – LONG - TERM DEBT (Continued)*Enterprise Activities: Revolving and Marina Loans, Direct Borrowings*

Year ending June 30	Principal	Interest
2020	\$2,627,284	\$365,705
2021	2,689,230	303,763
2022	1,544,991	240,221
2023	1,588,403	196,808
2024	1,633,115	152,094
2025-2028	3,747,227	154,133
Total	<u>\$13,830,250</u>	<u>\$1,412,724</u>

Enterprise Activities: Capital Leases, Direct Borrowings

Year ending June 30	Principal	Interest
2020	\$510,352	\$187,429
2021	523,298	174,483
2022	536,573	161,208
2023	550,187	147,594
2024	564,149	133,632
2025-2029	2,932,802	448,040
2030-2033	1,878,224	85,373
Total	<u>\$7,495,585</u>	<u>\$1,337,759</u>

O. Special Assessment Debt Without City Commitment

At June 30, 2019, the outstanding principal amount of bonded debt issued by special assessment districts in the City was as follows:

McAllister	\$6,522,548
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The City has no legal or moral responsibility with respect to the payment of this debt and has therefore not recorded it as a liability. However, the City is responsible for the construction of the improvements financed by the Districts; therefore, the related Capital Projects Funds are reflected in the City's financial statements. The City is also responsible, as the Districts' agent, for recording the Districts' cash receipts, disbursements and balances, which are reported as Agency Fund transactions in the financial statements.

NOTE 8 – NET POSITION AND FUND BALANCES**A. Net Position**

Net position is the excess of all the City's assets and deferred outflows over all its liabilities and deferred inflow, regardless of fund. Net position is divided into three captions on the Statement of Net Position. These captions apply only to net position, which is determined at the Government-wide level and proprietary funds and are described on the next page:

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 8 – NET POSITION AND FUND BALANCES (Continued)

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

Restricted describes the portion of net position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws or other restrictions which the City cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements and funds restricted to low and moderate income purposes.

Unrestricted describes the portion of net position which is not restricted as to use.

B. Fund Balances

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and receivables, less its liabilities.

The City's fund balances are classified based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the City prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

Nonspendable represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, such as Permanent Funds, and assets not expected to be converted to cash, such as prepaids, notes receivable, and land held for redevelopment are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed or assigned, then Nonspendable amounts are required to be presented as a component of the applicable category.

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Nonspendable amounts subject to restrictions are included along with spendable resources.

Committed fund balances include amounts that can be used only for the specific purposes determined by a formal action of the City Council's highest level of decision-making authority. The City Council can, by adoption of resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the City Council remains in place until a similar action is taken (the adoption of another resolution to remove or revise the limitation).

Assigned fund balances are comprised of amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by the City Council or its designee and may be changed at the discretion of the City Council or its designee. The City has, by resolution, authorized the City Manager to assign fund balance.

Unassigned fund balance represents the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. Other governmental funds may only report negative unassigned fund balance, which occurs when a fund has a residual deficit after allocation of fund balance to the non-spendable, restricted or committed categories.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 8 – NET POSITION AND FUND BALANCES (Continued)

Detailed classifications of the City's Fund Balances, as of June 30, 2019, are stated below:

Fund Balance Classifications	General Fund	General Obligation Bonds Debt Service Fund	Other Governmental Funds	Total
Nonspendables:				
Items not in spendable form:				
Loans Receivable	\$731,440			\$731,440
Prepaid Items	26,934			26,934
Total Nonspendable Fund Balances	758,374			758,374
Restricted for:				
Debt Service		\$199,243		199,243
St.Catherine's Wood Open Space	81,964			81,964
Cable	40,324			40,324
Streets and Road			\$1,904,660	1,904,660
Landscaping and Lighting			557,205	557,205
Housing			797,118	797,118
City Cemetery and Tree Maintenance			440,992	440,992
Library Programs			759,817	759,817
South Pacific Depot			145,832	145,832
Public Safety Programs			645,159	645,159
Arsenal			983,072	983,072
Measure C Projects			3,685,893	3,685,893
Resident Assistance Programs			168,637	168,637
Open Space			479,007	479,007
FEMA			44,502	44,502
Miscellaneous Grant Projects			16,697	16,697
Valero - GNSC			261,680	261,680
Total Restricted Fund Balances	122,288	199,243	10,890,271	11,211,802
Committed to:				
Capital Projects	170,000		3,417,081	3,587,081
Future Projects	1,139,731			1,139,731
Emergency Reserves	4,578,005			4,578,005
Contingency Reserves	4,578,005			4,578,005
Section 115 Trust	1,500,000			1,500,000
Total Committed Fund Balances	11,965,741		3,417,081	15,382,822
Assigned to:				
Human Services	43,189			43,189
Arts and Cultural	786			786
Economic Development	854,190			854,190
Capital License	52,069			52,069
Library Books	7,187			7,187
Section 115 Trust	2,000,000			2,000,000
City Operations	1,267,149			1,267,149
Total Assigned Fund Balances	4,224,570			4,224,570
Unassigned:				
General Fund	13,644,315			13,644,315
Total Unassigned Fund Balances	13,644,315			13,644,315
Total Fund Balances	\$30,715,288	\$199,243	\$14,307,352	\$45,221,883

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 8 – NET POSITION AND FUND BALANCES (Continued)

C. *Minimum Fund Balance Policies*

The City's Budget and Fiscal Policy requires the City to strive to maintain a goal of 20% of annual adopted operating budget revenues in the General Fund's and Enterprise Fund's cash reserves. If the City falls below 20% thresholds in the General Fund and Enterprise Funds, the City is required to present a plan for replenishing reserves in a reasonable time to Council. The ability of the City to maintain 20% cash reserves in the General Fund and Enterprise funds depends upon the timing of infrastructure projects.

An Emergency Reserve is maintained in the General Fund to mitigate all unforeseen events not covered in the Contingency Reserves. The Emergency Reserves shall be appropriated by the City Council to provide for Natural Disaster expenditures of epic proportion, such as an 8.0 Earthquake or 200-Year Flood Event. These funds will only be used by Council formal action and for the purposes stated.

D. *Fund Equity Deficits*

The Insurance Internal Service Fund had deficit net position of \$725,408 at June 30, 2019. Management is looking for options to increase service rates and reduce the deficit over time.

The General Services Internal Service Fund had deficit net position of \$242,626 at June 30, 2019. Service rates will be increased in fiscal year 2019-20 to cover the deficit.

The Retirement Stability Internal Service Fund had deficit net position of \$6,417,915 at June 30, 2019. Management is looking for options to reduce deficit over time.

NOTE 9 – DEFERRED COMPENSATION PLAN

City employees may defer a portion of their compensation under a City sponsored Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. Under this plan, participants are not taxed on the deferred portion of their compensation until distributed to them. Distributions may be made only at termination, retirement, death or in an emergency as defined by the Plan.

The laws governing deferred compensation plan assets require plan assets to be held by a Trust for the exclusive benefit of plan participants and their beneficiaries. Since assets held under these plans are not the City's property and are not subject to City control, they have been excluded from these financial statements.

NOTE 10 – PENSION PLAN

A. *Plan Descriptions and Summary of Balances by Plan*

The City has two defined benefit pension plans, one Miscellaneous Plan and one Safety Plan (Police and Fire). The Miscellaneous Plan is an Agent-Multiple Employer Plan and the Safety Plan is a Cost Sharing Multiple Employer Plan. Benefit provisions under the Plans are established by State statute and City Ordinance. All qualified permanent and probationary employees are eligible to participate in the Plan for which they are an eligible member based on their employment position with the City.

All the Plans are administered by the California Public Employees' Retirement System (CalPERS) which acts as a common investment and administrative agent for its participating member employers. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 10 – PENSION PLAN (Continued)

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Miscellaneous and Safety Plans and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Below is a summary of the deferred outflows of resources, net pension liabilities and deferred inflows of resources by Plan:

	Deferred Outflows of Resources	Net Pension Liability	Deferred Inflows of Resources
Miscellaneous	\$5,026,486	\$27,326,030	\$1,126,309
Safety (Police & Fire)	9,134,400	36,543,368	2,674,606
Total	<u>\$14,160,886</u>	<u>\$63,869,398</u>	<u>\$3,800,915</u>

B. Miscellaneous Plan

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

The Plan's provisions and benefits in effect at June 30, 2019, are summarized as follows:

	Prior to October 1, 2012	October 1, 2012 - January 1, 2013	After January 1, 2013
Hire date			
Benefit formula	2.7% @ 55	2.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50-55	50-63	52-67
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.092% to 2.418%	1.0% to 2.5%
Required employee contribution rates	8.00%	7.00%	6.25%
Required employer contribution rates	25.461%	25.461%	25.461%

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability (UAL). The dollar amounts are billed on a monthly basis. The City's required contribution for the unfunded liability in the Miscellaneous Plan was \$1,698,367 in fiscal year 2018-2019.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 10 – PENSION PLAN (Continued)

Employees Covered – As of the June 30, 2017 actuarial valuation date and the June 30, 2018 measurement date, the following employees were covered by the benefit terms for the Plan:

	<u>Miscellaneous</u>
Inactive employees or beneficiaries currently receiving benefits	196
Inactive employees entitled to but not yet receiving benefits	182
Active employees	<u>156</u>
Total	<u><u>534</u></u>

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

Net Pension Liability

The City’s net pension liability for the Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of each of the Plan is measured as of June 30, 2018, using an annual actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown in Note 10D.

Changes in the Net Pension Liability – The changes in the Net Pension Liability for the Plan follows:

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability/(Asset)</u>
Balance at June 30, 2017	<u>\$110,208,494</u>	<u>\$81,455,600</u>	<u>\$28,752,894</u>
Changes in the year:			
Service cost	1,983,062		1,983,062
Interest on the total pension liability	7,687,745		7,687,745
Differences between actual and expected experience	(473,543)		(473,543)
Changes in assumptions	(630,927)		(630,927)
Plan to Plan Resource Movement		(200)	200
Contribution - employer		2,589,748	(2,589,748)
Contribution - employee		879,668	(879,668)
Net investment income		6,891,958	(6,891,958)
Administrative expenses		(126,930)	126,930
Benefit payments, including refunds of employee contributions	(5,149,294)	(5,149,294)	
Other Miscellaneous Income/(Expense)		(241,043)	241,043
Net changes	<u>3,417,043</u>	<u>4,843,907</u>	<u>(1,426,864)</u>
Balance at June 30, 2018	<u><u>\$113,625,537</u></u>	<u><u>\$86,299,507</u></u>	<u><u>\$27,326,030</u></u>

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 10 – PENSION PLAN (Continued)

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

	<u>Miscellaneous</u>
1% Decrease	6.15%
Net Pension Liability	\$42,535,123
Current Discount Rate	7.15%
Net Pension Liability	\$27,326,030
1% Increase	8.15%
Net Pension Liability	\$14,765,930

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

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

For the year ended June 30, 2019, the City recognized pension expense of \$1,671,137. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$2,872,160	
Differences between actual and expected experience		(\$720,713)
Changes in assumptions	1,923,972	(405,596)
Net differences between projected and actual earnings on plan investments	230,354	
Total	<u>\$5,026,486</u>	<u>(\$1,126,309)</u>

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 10 – PENSION PLAN (Continued)

\$2,872,160 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Annual Amortization
2019	\$2,164,058
2020	(75,844)
2021	(830,390)
2022	(229,807)

Actuarial assumptions and information regarding the discount rate are discussed in Note 10D.

C. Safety Plan

The City's Safety Plan is part of the public agency cost-sharing multiple-employer defined benefit pension plan (PERF C), which is administered by CalPERS. PERF C consists of a miscellaneous pool and a safety pool (also referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Individual employers may sponsor more than one miscellaneous and safety rate plan. The employer participates in one cost-sharing multiple-employer defined benefit pension plan regardless of the number of rate plans the employer sponsors. The City sponsors four rate plans within the safety risk pool.

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

The Plan's provisions and benefits in effect at June 30, 2019, are summarized as follows:

Hire date	Prior to 10/1/12	10/1/12 - 1/1/13	After 1/1/13
Benefit formula	3.0% @ 50	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50-55	50-57
Monthly benefits, as a % of eligible compensation	3.0%	2.4% to 3.0%	2.0% to 2.7%
Required employee contribution rates	8.989%	8.984%	12.75%
Required employer contribution rates	22.346%	19.353%	12.965%

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 10 – PENSION PLAN (Continued)

Beginning in fiscal year 2016, CalPERS collects employer contributions for the cost-sharing plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability and side fund. The dollar amounts are billed on a monthly basis. The City's required contribution for the unfunded liability and side fund was \$1,900,587 in fiscal year 2018-2019.

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

For the year ended June 30, 2019, the contributions recognized as part of pension expense for the Plan were as follows:

	Amount
Contributions - employer	\$2,995,117
Contributions - employee (paid by employer)	161,943
Total	<u>\$3,157,060</u>

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions – For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plans and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

As of June 30, 2019, the City reported net pension liabilities for its proportionate shares of the net pension liability of the Plan, was \$36,543,368.

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2018, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plan as of June 30, 2017 and 2018 was as follows:

	<u>Safety</u>
Proportion - June 30, 2017	0.6022%
Proportion - June 30, 2018	0.6228%
Change - Increase (Decrease)	<u>0.0206%</u>

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 10 – PENSION PLAN (Continued)

For the year ended June 30, 2019, the City recognized pension expense of \$669,421 for the Safety Plan. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions for the Safety plan from the following sources:

	Safety	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$2,995,117	
Differences between actual and expected experience	785,194	(\$2,979)
Changes in assumptions	3,585,542	(483,754)
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	1,521,131	(2,187,873)
Net differences between projected and actual earnings on plan investments	247,416	
Total	<u>\$9,134,400</u>	<u>(\$2,674,606)</u>

\$2,995,117 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Annual Amortization
2020	\$3,375,375
2021	1,504,815
2022	(1,162,355)
2023	(253,158)

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

	Safety
1% Decrease	6.15%
Net Pension Liability	\$54,093,482
Current Discount Rate	7.15%
Net Pension Liability	\$36,543,368
1% Increase	8.15%
Net Pension Liability	\$22,164,193

Actuarial assumptions and information regarding the discount rate are discussed in Note 10D below.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 10 – PENSION PLAN (Continued)**D. Information Common to the Miscellaneous and Safety Plans**

Actuarial Assumptions – For the measurement period ended June 30, 2018, the total pension liabilities were determined by rolling forward the June 30, 2017 total pension liability. The June 30, 2017 and June 30, 2018 total pension liabilities were based on the following actuarial methods and assumptions:

	Miscellaneous and Safety (Police and Fire)
Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Investment Rate of Return	7.15% (1)
Inflation	2.50%
Payroll Growth	3.00%
Projected Salary Increase	Varies by Entry Age and Service
Mortality	Derived using CalPERS Membership Data for all Funds (2)
Post Retirement Benefit Increase	Contract COLA up to 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

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

(2) The mortality table used was developed based on CalPERS' specific data.

The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS) demographic data from 1997 to 2015) that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2017 valuation were based on the results of a December 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experience Study can be found on the CalPERS website.

Change of Assumptions – For the measurement date of June 30, 2018, the inflation rate reduced from 2.75 percent to 2.50 percent.

Discount Rate – The discount rate used to measure the total pension liability for each Plan was 7.15%. The projection of cash flows used to determine the discount rate for each Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, each Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members for all plans in the PERF. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability for each Plan.

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

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 10 – PENSION PLAN (Continued)

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

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

Asset Class (a)	New Strategic Allocation	Real Return Years 1 - 10(b)	Real Return Years 11+(c)
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	<u>100%</u>		

(a) In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(b) An expected inflation of 2.00% used for this period.

(c) An expected inflation of 2.92% used for this period.

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

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS**A. General Information about the City's Other Post Employment Benefit (OPEB) Plan**

Plan Description – The City's Post Employment Benefit Plan contracts with Kaiser, Ameritas Dental and Vision and United Healthcare to provide medical, dental, and vision benefits to both active and retired employees through a single-employer defined benefit plan. The City pays no direct financial contribution towards retiree health benefits; however, due to the fact that retirees and active employees are insured in the same pool it indirectly subsidizes their premium through payments for current employees. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board Statement No. 75.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS (Continued)

Benefits Provided – The following is a summary of Plan benefits by employee group as of June 30, 2019:

Employees (and their spouses) are eligible for retiree health benefits if they retire from the City on or after age 50 with at least 5 years of service and are eligible for a PERS pension. Retirees younger than age 65 are required to contribute the full amount of the monthly medical insurance premiums that are in effect for active employees. Retirees who are age 65 or older are required to contribute the full amount of the monthly premium rates in effect for Medicare Supplement insurance.

Employees Covered by Benefit Terms – Membership in the plan consisted of the following at the measurement date of June 30, 2019:

Active employees	184
Inactive employees or beneficiaries currently receiving benefit payments	34
Inactive employees entitled to but not yet receiving benefit payments	3
Total	221

B. Total OPEB Liability

Actuarial Methods and Assumptions – The City’s total OPEB liability was measured as of June 30, 2018 and the total OPEB liability was determined by an actuarial valuation dated June 30, 2018, that was rolled forward using standard update procedures to determine the total OPEB liability as of June 30, 2019 based on the following actuarial methods and assumptions:

	Actuarial Assumptions
Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal Cost, level percent of pay
Actuarial Assumptions:	
Discount Rate	3.89% as of June 30, 2018 3.51% as of June 30, 2019
Inflation	2.75%
Payroll Growth	3.25%
Mortality Rate	MacLeod Watts Scale 2018 applied generationally from 2015
Healthcare Trend Rates	7.5% grading down to 5% for years 2024 and thereafter

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS (Continued)**C. Changes in Total OPEB Liability**

The changes in the total OPEB liability follows:

	Increase (Decrease)
	Total OPEB
	Liability
	(a)
Balance at June 30, 2018 Measurement Date	\$3,711,026
Changes Recognized for the Measurement Period:	
Service cost	253,640
Interest on the total OPEB liability	149,532
Changes of benefit terms	
Differences between expected and actual experience	
Changes of assumptions	112,234
Contributions from the employer	
Benefit payments	(241,333)
Net changes	274,073
Balance at June 30, 2019 Measurement Date	\$3,985,099

D. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.51%) or 1-percentage-point higher (4.51%) than the current discount rate:

Total OPEB Liability/(Asset)		
Discount Rate -1%	Discount Rate	Discount Rate +1%
(2.51%)	(3.51%)	(4.51%)
\$4,299,349	\$3,985,099	\$3,697,654

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Total OPEB Liability/(Asset)		
Healthcare Cost		
1% Decrease	Trend Rates	1% Increase
\$3,632,088	\$3,985,099	\$4,394,588

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS (Continued)**E. OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB**

For the year ended June 30, 2019, the City recognized OPEB expense of \$404,300. At June 30, 2019, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$100,977	\$80,724
Total	<u>\$100,977</u>	<u>\$80,724</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as part of OPEB expense as follows:

Year Ended June 30	Annual Amortization
2020	\$1,128
2021	1,128
2022	1,128
2023	1,128
2024	1,128
Thereafter	14,613

NOTE 12 – HEALTH, GENERAL LIABILITY AND WORKERS’ COMPENSATION COVERAGE**A. Coverages**

City employees are covered under a medical and prescriptions policy with Kaiser and Healthnet. The City provides group dental and vision coverage to employees through programs that are administered by a service agent. The City pays all dental and vision claims.

Prior to January 2018 the City participated in Association of Bay Area Governments (ABAG) Plan Corporation, a non-profit public benefit corporation established to provide liability insurance coverage, claims, and risk management, and legal defense to its participating members. On January 16, 2018, ABAG Plan Corporation transitioned to the Pooled Liability Assurance Network Joint Powers Authority (PLAN JPA). PLAN JPA provides general liability coverage of \$5,000,000 above the City's deductible of \$25,000 per occurrence, and property damage insurance up to \$1,000,000. PLAN JPA is governed by a board consisting of representatives from member municipalities. The board controls the operations of PLAN JPA funding policies and approval of operating budgets, independent of any influence by member municipalities beyond their representation on the Board.

Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating. During the fiscal year ended June 30, 2019, the City contributed \$844,547 for current year coverage.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 12 – HEALTH, GENERAL LIABILITY AND WORKERS’ COMPENSATION COVERAGE
(Continued)

Audited financial statements may be obtained from PLAN JPA, 1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833.

The Local Agency Workers’ Compensation Excess Insurance Joint Powers Authority (LAWCX) covers workers’ compensation up to statutory limits. The City has a deductible or uninsured liability of up to \$350,000 per claim. During the fiscal year ended June 30, 2019, the City contributed \$191,371 for current year coverage.

LAWCX’s financial statements may be obtained from Bickmore & Associates, 6371 Auburn Boulevard, Citrus Heights, CA 95621.

B. Liability for Uninsured Claims

The City’s liability for uninsured claims, including estimated claims incurred but not reported, was estimated by management based on prior years claims experience and was computed as follows as of June 30:

	2019			2018
	Workers' Compensation	General Liability	Total	
Beginning balance	\$3,344,890	\$102,644	\$3,447,534	\$3,111,962
Liability for current year claims and change in prior year claims estimate	(124,177)	193,304	69,127	849,490
Claims paid in fiscal year	(70,309)	(171,207)	(241,516)	(513,918)
Ending balance	<u>\$3,150,404</u>	<u>\$124,741</u>	<u>\$3,275,145</u>	<u>\$3,447,534</u>
Claim liabilities due within a year	<u>\$222,623</u>	<u>\$124,741</u>	<u>\$347,364</u>	<u>\$339,695</u>

For the years ended June 30, 2019, 2018, and 2017, the amount of settlements did not exceed insurance coverage.

NOTE 13 – JOINT POWERS AUTHORITIES

The City participates in joint ventures discussed below through separate entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, these entities exercise full powers and authorities within the scope of the related Joint Powers Agreements including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Each joint venture is governed by a board consisting of representatives from member municipalities. Each board controls the operations of the respective joint venture, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on that board. Obligations and liabilities of these joint ventures are not the City's responsibility and the City does not have an equity interest in the assets of each joint venture except upon dissolution of the joint venture.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 13 – JOINT POWERS AUTHORITIES (Continued)

A. *Solano Water Authority*

Solano Water Authority was established to coordinate water procurement and use among the Cities and County of Solano.

Members share the Water Authority's expenses equally and each member has one representative on the commission that governs the Water Authority.

Audited financial statements may be obtained from the Solano Water Authority at 508 Elmira Road, Vacaville, California, 95687.

B. *Solano Transportation Authority*

Solano Transportation Authority (STA) was established to develop regional strategies and meet regional transit and paratransit needs and to cooperatively address Solano County transportation issues.

The City's payments to STA are in accordance with a formula under which each member entity pays a proportionate share of expenditures based on the entity's population.

Audited financial statements may be obtained from STA at One Harbor Center, Suite 130, Suisun City, California, 94585.

NOTE 14 – OPERATING LEASE

The City has signed a lease agreement with the Benicia Unified School District (BUSD), commencing April 1, 2007 and ending on March 31, 2047, to lease the Mills School building and grounds located at 380 L Street, Benicia, for City use as a Community Center. This agreement can be renewed for two (2) additional ten (10) year terms.

The annual rent for said property shall be One Hundred Twenty Thousand Dollars (\$120,000), payable in equal monthly payments of Ten Thousand Dollars (\$10,000). According to the lease agreement, beginning in 2011, the monthly rent is adjusted annually for each succeeding years using the Consumer Price Index for all Urban Consumers (CPI-U).

Under the agreement, the City will pay for all water, gas, light, heat, power, telephone, security service, garbage pick-up, sewage fees and all other services supplied on the premises. The City may, at its sole cost and expense, construct any improvements including buildings, roadways, sidewalks, fences, playgrounds, parking areas, utilities, signs, monuments and landscaping which City deems necessary to the operations of its business. In addition, the City will maintain the existing premises and BUSD shall have no maintenance or repair obligations with respect to the premises being leased.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 15 – OTHER COMMITMENTS AND CONTINGENT LIABILITIES

The City participates in several Federal and State grant programs. These programs have been audited by the City's independent accountants in accordance with the provisions of the Federal Single Audit Act and applicable State requirements. No cost disallowances were proposed as a result of these audits. However, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

The City is a defendant in a number of lawsuits that have arisen in the normal course of business, the outcome of which cannot be predicted with certainty. In the opinion of the City Attorney, these actions when finally adjudicated will not have a material adverse effect on the financial position of the City.

NOTE 16 – MARINA

The City of Benicia contracts with the Benicia Harbor Corporation (BHC) to conduct annual dredging in the Benicia Marina common areas. In fiscal 2009-10, they failed to initiate and complete their dredging commitment and have claimed that it was due, in part, to the City's inability to acquire a California Dredging Permit in a timely manner. In fiscal year 2018-2019, the amount under review was \$49,523. During fiscal year 2018-2019, the City did not receive any rents or percentage of rent from BHC.

NOTE 17 – OTHER RELATED ORGANIZATIONS

The City Council of the City of Benicia appoints board members of the Benicia Housing Authority (the Authority). The Authority sets policy for, and administers, affordable housing programs within the City of Benicia. The City has related financial transactions with the Authority represented by loans receivable from the Authority in a total amount of \$2,585,000 as of June 30, 2019. See further discussion in Notes 5C and F.

REQUIRED SUPPLEMENTARY INFORMATION

Attachment 1 - Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2019

CITY OF BENICIA

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS - MISCELLANEOUS PLAN

Agent Multiple Employer Defined Benefit Plan

Last 10 Years*

Measurement Date	Miscellaneous Plan				
	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018
Total Pension Liability					
Service Cost	\$1,908,663	\$1,796,349	\$1,854,712	\$2,010,679	\$1,983,062
Interest	6,645,981	6,996,796	7,247,791	7,444,918	7,687,745
Changes in benefits					
Changes in assumptions		(1,732,356)		6,199,466	(630,927)
Differences between expected and actual experience		134,316	(1,170,364)	(1,341,389)	(473,543)
Benefit payments, including refunds of employee contributions	(3,941,793)	(4,162,502)	(4,579,445)	(4,732,973)	(5,149,294)
Net change in total pension liability	4,612,851	3,032,603	3,352,694	9,580,701	3,417,043
Total pension liability - beginning	89,629,645	94,242,496	97,275,099	100,627,793	110,208,494
Total pension liability - ending (a)	\$94,242,496	\$97,275,099	\$100,627,793	\$110,208,494	\$113,625,537
Plan fiduciary net position					
Contributions - employer	\$1,554,005	\$1,878,933	\$2,135,425	\$2,279,273	\$2,589,748
Contributions - employee	859,183	787,294	790,781	780,488	879,668
Net investment income	11,447,269	1,692,887	405,222	8,288,537	6,891,958
Benefit payments, including refunds of employee contributions	(3,941,793)	(4,162,502)	(4,579,445)	(4,732,973)	(5,149,294)
Plan to plan resource movement		160			(200)
Administrative expense		(85,845)	(46,468)	(110,660)	(126,930)
Net change in plan fiduciary net position	9,918,664	110,927	(1,294,485)	6,504,665	4,843,907
Plan fiduciary net position - beginning	66,215,829	76,134,493	76,245,420	74,950,935	81,455,600
Plan fiduciary net position - ending (b)	\$76,134,493	\$76,245,420	\$74,950,935	\$81,455,600	\$86,299,507
Net pension liability - ending (a)-(b)	\$18,108,003	\$21,029,679	\$25,676,858	\$28,752,894	\$27,326,030
Plan fiduciary net position as a percentage of the total pension liability	80.79%	78.38%	74.48%	73.91%	75.95%
Covered - payroll	\$9,781,279	\$10,020,807	\$10,331,281	\$10,361,272	\$13,039,199
Net pension liability as percentage of covered payroll	185.13%	209.86%	248.54%	277.50%	209.57%

Notes to Schedule:

Benefit changes. The figures above do not include any liability impact that may have resulted from plan changes which occurred after the 6/30/16 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in assumptions. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016 and 2018, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

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

Attachment 1 - Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2019

CITY OF BENICIA
 SCHEDULE OF CONTRIBUTIONS - MISCELLANEOUS PLAN
 Agent Multiple Employer Defined Benefit Plan
 Last 10 Years*

Fiscal Year Ended June 30	Miscellaneous Plan				
	2015	2016	2017	2018	2019
Actuarially determined contribution	\$1,884,361	\$2,135,435	\$2,278,778	\$2,588,969	\$2,872,160
Contributions in relation to the actuarially determined contributions	(1,884,361)	(2,135,435)	(2,278,778)	(2,588,969)	(2,872,160)
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Covered payroll	\$10,020,807	\$10,331,281	\$10,361,272	\$13,039,199	\$14,401,167
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Contributions as a percentage of covered payroll	18.80%	20.67%	21.99%	19.86%	19.94%
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Notes to Schedule:

Valuation date:	6/30/2012	6/30/2013	6/30/2014	6/30/2015	6/30/2016
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Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	15 years
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increases	Varies by Entry Age and Service
Investment rate of return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement age	The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

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

Attachment 1 - Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2019

CITY OF BENICIA
 SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 - SAFETY (POLICE & FIRE) PLAN
 Cost Sharing Multiple Employer Defined Benefit Plan
 Last 10 Years*

Measurement Date	Safety Plan				
	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018
Plan's Proportion of the Net Pension Liability/Asset	0.329%	0.492%	0.608%	0.363%	0.379%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$20,524,909	\$20,285,275	\$31,510,451	\$35,981,127	\$36,543,368
Plan's Covered Payroll	6,670,183	6,740,500	6,095,403	6,644,534	7,657,943
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	308%	301%	517%	542%	477%
Plan's Fiduciary Net Pension Liability/(Asset) as a Percentage of the Plan's Total Pension Liability	79.82%	78.40%	74.06%	73.31%	75.26%
Plan's Proportionate Share of Aggregate Employer Contributions	\$246,159	\$3,126,216	\$2,892,211	\$3,052,549	\$3,829,014

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

Attachment 1 - Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2019

CITY OF BENICIA
 SCHEDULE OF CONTRIBUTIONS - SAFETY (POLICE & FIRE) PLAN
 Cost Sharing Multiple Employer Defined Benefit Plan
 Last 10 Years*

Fiscal Year Ended June 30	Safety Plan				
	2015	2016	2017	2018	2019
Actuarially determined contribution	\$1,512,924	\$3,126,216	\$2,892,211	\$2,167,184	\$2,995,117
Contributions in relation to the actuarially determined contributions	(1,434,239)	(847,816)	(3,232,727)	(2,167,184)	(2,995,117)
Contribution deficiency (excess)	<u>\$78,685</u>	<u>\$2,278,400</u>	<u>(\$340,516)</u>	<u>\$0</u>	<u>\$0</u>
Covered payroll	\$6,740,500	\$6,095,403	\$6,644,534	\$7,657,943	\$8,507,451
Contributions as a percentage of covered payroll	21.28%	13.91%	48.65%	28.30%	35.21%

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

CITY OF BENICIA
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
 Retiree Medical Benefits (OPEB) Plan
 Single Employer Defined Benefit Plan
 Last 10 fiscal years*

Measurement Date	<u>6/30/18</u>	<u>6/30/19</u>
Total OPEB Liability (1)		
Service Cost	\$260,255	\$253,640
Interest	133,803	149,532
Changes of benefit terms		
Differences between expected and actual experience		
Changes of assumptions	(100,982)	112,234
Benefit payments	<u>(224,496)</u>	<u>(241,333)</u>
Net change in total OPEB liability	68,580	274,073
Total OPEB liability - beginning	3,642,446	3,711,026
Total OPEB liability - ending (a)	<u><u>\$3,711,026</u></u>	<u><u>\$3,985,099</u></u>
Plan fiduciary net position		
Contributions - employer	\$224,496	\$241,333
Contributions - employee		
Net investment income		
Administrative expense		
Benefit payments	<u>(224,496)</u>	<u>(241,333)</u>
Net change in plan fiduciary net position		
Plan fiduciary net position - beginning		
Plan fiduciary net position - ending (b)		
Net OPEB liability - ending (a)-(b)	<u><u>\$3,711,026</u></u>	<u><u>\$3,985,099</u></u>
Covered-employee payroll	<u><u>\$20,697,142</u></u>	<u><u>\$22,908,618</u></u>
Net OPEB liability as a percentage of covered-employee payroll	<u><u>17.93%</u></u>	<u><u>17.40%</u></u>

* Fiscal year 2018 was the first year of implementation.

CITY OF BENICIA
SCHEDULE OF CONTRIBUTIONS

Retiree Medical Benefits (OPEB) Plan
Single Employer Defined Benefit Plan
Last 10 fiscal years*

Fiscal Year Ended June 30,	2018	2019
	Implicit	Implicit
Actuarially required contribution	\$224,496	\$241,333
Contributions in relation to the actuarially required contributions	224,496	241,333
Contribution deficiency (excess)	\$0	\$0
Covered-employee payroll	\$20,697,142	\$22,908,618
Contributions as a percentage of covered-employee payroll	1.08%	1.05%

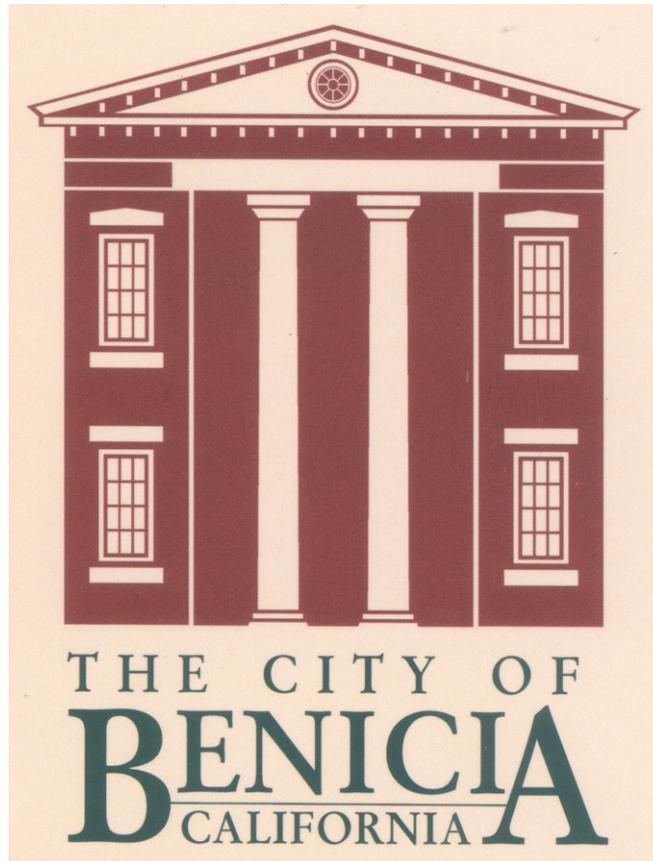
Notes to Schedule:

Valuation date:

Methods and assumptions used to determine contribution rates:

Valuation Date	June 30, 2018
Actuarial Assumptions	
Discount Rate	3.89% at June 30, 2018 3.51% as of June 30, 2019
Inflation	2.75%
Salary Increase	3.25%
Investment Rate of Return	7.15%
Mortality Rate	MacLeod Watts Scale 2018 applied generationally from 2015
Healthcare Trend Rate	7.5% grading down to 5% for years 2024 and thereafter

* Fiscal year 2018 was the first year of implementation.



SUPPLEMENTARY INFORMATION

Attachment 1 - Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2019

CITY OF BENICIA
 GENERAL OBLIGATION DEBT SERVICE FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes			\$21,386	\$21,386
Use of money and property			8,426	8,426
Total Revenues			29,812	29,812
EXPENDITURES:				
Debt service:				
Principal retirement	\$335,000	\$335,000	335,000	
Interest and fiscal charges	2,094	2,094	2,094	
Total Expenditures	337,094	337,094	337,094	
NET CHANGE IN FUND BALANCE	<u>(\$337,094)</u>	<u>(\$337,094)</u>	(307,282)	<u>\$29,812</u>
Beginning fund balance			506,525	
Ending fund balance			<u>\$199,243</u>	

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

GAS TAX

Accounts for monies received and expended from state gas tax allocation to cities.

LANDSCAPING AND LIGHTING DISTRICTS: RESIDENTIAL, FLEETSIDE, COLUMBUS PARKWAY, EAST 2ND STREET, AND GOODYEAR ROAD

Accounts for monies received from property owners and allocated for the maintenance of landscaping of paths in walkways and lighting of streetlights within the bounds of the specified districts.

COMMUNITY DEVELOPMENT BLOCK GRANT

Accounts for moneys received and expended by the City as a participant in the Federal Community Development Block Grant program.

COMMUNITY SERVICES PROGRAM

Accounts for moneys received from developers, grants, and cemetery fees for expenditures to maintain the City Cemetery, and also local grant money for a citywide tree maintenance program.

LIBRARY PROGRAMS

Accounts for donations and grant funds intended to promote literacy in the City.

COUNTY SALES TAX MEASURE

Accounts for funds from Solano County Measure B sales tax to be used for enhancement of library services.

SOUTHERN PACIFIC DEPOT

Accounts for community donations and rent receipts expended for the Southern Pacific Depot.

PUBLIC SAFETY GRANTS

Accounts for various public safety grant revenues and their expenditures.

HUMAN SERVICES

Accounts for endowment and restricted donations to support resident assistance programs within the City.

DEVELOPER DEPOSITS

Accounts for developer deposits, fees and related expenditures incurred for specific projects.

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

TOURTELOT MITIGATION

Accounts for the cost of maintaining open space in the project area. Sources of revenue include fees paid by the developer and investment earnings.

FEMA

Accounts for the cost of disasters. Sources of revenue include support from the Federal Emergency Management Agency.

MISCELLANEOUS GRANTS

Accounts for miscellaneous recycling and ABAG workplace safety grants.

VALERO GNSC

Accounts for the Valero settlement monies to be used for various water and energy conservation projects.

ARSENAL

Accounts for moneys set aside for future Arsenal-related expenditures.

CAPITAL PROJECTS FUNDS

MEASURE C

Accounts for the capital improvements approved under the sales tax ballot measure that was passed by voters in November 2014.

TRAFFIC MITIGATION

Accounts for installation of new traffic signals and modification of streets for standardization of intersections. Sources of revenue include investment earnings, State grants, development fees and interfund transfers.

PARK DEDICATION

Accounts for construction and capital improvements of the City's parks, trails and open space lands. Sources of revenue include investment earnings, Parkland dedication fees, local and state grants.

LIBRARY BASEMENT PROJECT

Accounts for costs of remodeling the basement of the Library and to provide expanded services for customers and staff.

McALLISTER ASSESSMENT DISTRICT

The McAllister Assessment District Capital Projects Fund accounts for the construction of public improvements benefiting the property within the bounds of the Assessment District, which is located north of Rose Drive and to the west of East Second Street. Source revenues include investment earnings and proceeds from bonds.

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

STREETS AND TRANSPORTATION FUND (INTERMODAL TRANSPORTATION FUND)

Accounts for funding and construction of various intermodal transportation projects. Sources of revenue include transfers provided by the General Fund, debt proceeds, investment earnings and grant funding.

CASA DE VILARRASA

Accounts for the capital improvements and rehabilitation of the project. Sources of revenue include investment earnings and proceeds from bonds.

Attachment 1 - Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2019

CITY OF BENICIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2019

	SPECIAL REVENUE FUNDS			
	Gas Tax	Residential Landscaping and Lighting	Fleetside Landscaping and Lighting	Columbus Parkway Landscaping and Lighting
ASSETS				
Cash and investments available for City operations	\$1,855,553	\$128,864	\$161,665	\$158,167
Accounts receivable	98,249			
Interest receivable	6,298	8	538	496
Loans receivable				
Total Assets	<u>\$1,960,100</u>	<u>\$128,872</u>	<u>\$162,203</u>	<u>\$158,663</u>
LIABILITIES				
Accounts payable	\$14,019	\$13,104	\$431	\$39
Customer deposits	41,421			
Total Liabilities	<u>55,440</u>	<u>13,104</u>	<u>431</u>	<u>39</u>
FUND BALANCES				
Restricted	1,904,660	115,768	161,772	158,624
Committed				
Total Fund Balances (Deficits)	<u>1,904,660</u>	<u>115,768</u>	<u>161,772</u>	<u>158,624</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$1,960,100</u>	<u>\$128,872</u>	<u>\$162,203</u>	<u>\$158,663</u>

SPECIAL REVENUE FUNDS

East 2nd Street Landscaping and Lighting	Goodyear Road Landscaping and Lighting	Community Development Block Grant	Community Services Program	Library Programs	County Sales Tax Measure	Southern Pacific Depot	Public Safety Grants
\$83,969	\$37,111	\$723,559	\$443,986	\$99,227	\$296,202	\$145,339	\$670,271
280	115	2,455	1,506	1,545	366,684		54,710
		55,000		434	1,005	493	2,137
<u>\$84,249</u>	<u>\$37,226</u>	<u>\$781,014</u>	<u>\$445,492</u>	<u>\$101,206</u>	<u>\$663,891</u>	<u>\$145,832</u>	<u>\$727,118</u>
\$408	\$26		\$4,500	\$3,385	\$1,895		\$28,562
							53,397
<u>408</u>	<u>26</u>		<u>4,500</u>	<u>3,385</u>	<u>1,895</u>		<u>81,959</u>
83,841	37,200	\$781,014	440,992	97,821	661,996	\$145,832	645,159
<u>83,841</u>	<u>37,200</u>	<u>781,014</u>	<u>440,992</u>	<u>97,821</u>	<u>661,996</u>	<u>145,832</u>	<u>645,159</u>
<u>\$84,249</u>	<u>\$37,226</u>	<u>\$781,014</u>	<u>\$445,492</u>	<u>\$101,206</u>	<u>\$663,891</u>	<u>\$145,832</u>	<u>\$727,118</u>

(Continued)

CITY OF BENICIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2019

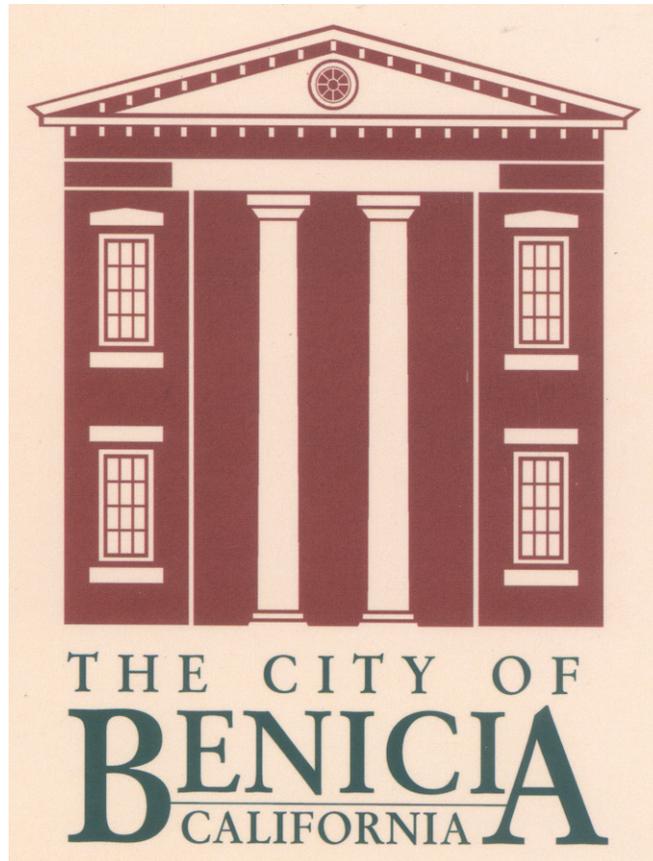
	SPECIAL REVENUE FUNDS			
	Human Services	Developer Deposits	Tourtelot Mitigation	FEMA
ASSETS				
Cash and investments available for City operations	\$168,067	\$771,454	\$477,598	\$44,352
Accounts receivable		523		
Interest receivable	570	2,618	1,620	150
Loans receivable				
	<u>\$168,637</u>	<u>\$774,595</u>	<u>\$479,218</u>	<u>\$44,502</u>
LIABILITIES				
Accounts payable		\$61,806	\$211	
Customer deposits		696,685		
		<u>758,491</u>	<u>211</u>	
FUND BALANCES				
Restricted	\$168,637	16,104	479,007	\$44,502
Committed				
	<u>168,637</u>	<u>16,104</u>	<u>479,007</u>	<u>44,502</u>
Total Fund Balances (Deficit)	<u>168,637</u>	<u>16,104</u>	<u>479,007</u>	<u>44,502</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$168,637</u>	<u>\$774,595</u>	<u>\$479,218</u>	<u>\$44,502</u>

SPECIAL REVENUE FUNDS				CAPITAL PROJECTS FUNDS			
Miscellaneous Grants	Valero GNSC	Arsenal	Measure C	Traffic Mitigation	Park Dedication	Library Basement Project	McAllister Assessment District
\$16,658	\$259,584	\$979,748	\$3,852,713	\$878,156	\$112,963	\$309,275	\$1,006
39	2,096	3,324	4,024	2,979 35,480	383 196,950	1,049	3
<u>\$16,697</u>	<u>\$261,680</u>	<u>\$983,072</u>	<u>\$3,856,737</u>	<u>\$916,615</u>	<u>\$310,296</u>	<u>\$310,324</u>	<u>\$1,009</u>
			\$170,844				
			170,844				
\$16,697	\$261,680	\$983,072	3,685,893	\$916,615	\$310,296	\$310,324	\$1,009
16,697	261,680	983,072	3,685,893	916,615	310,296	310,324	1,009
<u>\$16,697</u>	<u>\$261,680</u>	<u>\$983,072</u>	<u>\$3,856,737</u>	<u>\$916,615</u>	<u>\$310,296</u>	<u>\$310,324</u>	<u>\$1,009</u>

(Continued)

CITY OF BENICIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2019

	<u>CAPITAL PROJECTS FUNDS</u>		
	<u>Streets and Transportation (Intermodal Transportation)</u>	<u>Casa De Vilarrasa</u>	<u>Total Non-major Governmental Funds</u>
ASSETS			
Cash and investments available for City operations	\$477,217		\$13,152,704
Accounts receivable			521,711
Interest receivable	1,620		36,240
Loans receivable		\$1,400,000	1,687,430
	<u>478,837</u>	<u>1,400,000</u>	<u>15,398,085</u>
Total Assets			
LIABILITIES			
Accounts payable			\$299,230
Customer deposits			791,503
			<u>1,090,733</u>
Total Liabilities			
FUND BALANCES			
Restricted			10,890,271
Committed	\$478,837	\$1,400,000	3,417,081
	<u>478,837</u>	<u>1,400,000</u>	<u>14,307,352</u>
Total Fund Balances			
Total Liabilities and Fund Balances (Deficits)	<u>\$478,837</u>	<u>\$1,400,000</u>	<u>\$15,398,085</u>



Attachment 1 - Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2019

CITY OF BENICIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019

	SPECIAL REVENUE FUNDS			
	Gas Tax	Residential Landscaping and Lighting	Fleetside Landscaping and Lighting	Columbus Parkway Landscaping and Lighting
REVENUES				
Property tax				
Sales tax				
Assessments		\$299,886	\$79,977	\$15,800
Use of money and property	\$51,232	1,070	4,430	4,296
Revenue from other agencies	1,139,836			
Current service charges				
Community donations				
Other	11,457			
Total Revenues	1,202,525	300,956	84,407	20,096
EXPENDITURES				
Current:				
Administration				
Public safety - police				
Parks and community services		441,164	65,974	13,914
Public works	605,366			
Community development				
Library				
Capital outlay	45,360			
Total Expenditures	650,726	441,164	65,974	13,914
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	551,799	(140,208)	18,433	6,182
OTHER FINANCING SOURCES (USES)				
Transfers in		125,964	3,161	11,912
Total Other Financing Sources (Uses)		125,964	3,161	11,912
NET CHANGE IN FUND BALANCES	551,799	(14,244)	21,594	18,094
BEGINNING FUND BALANCES (DEFICITS)	1,352,861	130,012	140,178	140,530
ENDING FUND BALANCES (DEFICITS)	<u>\$1,904,660</u>	<u>\$115,768</u>	<u>\$161,772</u>	<u>\$158,624</u>

SPECIAL REVENUE FUNDS

<u>East 2nd Street Landscaping and Lighting</u>	<u>Goodyear Road Landscaping and Lighting</u>	<u>Community Development Block Grant</u>	<u>Community Services Program</u>	<u>Library Programs</u>	<u>County Sales Tax Measure</u>	<u>Southern Pacific Depot</u>	<u>Public Safety Grants</u>
					\$962,419		
\$28,001 2,353	\$4,000 1,031	\$57,828	\$13,446	\$4,553 82,256	8,409	\$7,129	\$18,146 352,549
			103,441 6,346 1,995	45,161 20			120
<u>30,354</u>	<u>5,031</u>	<u>57,828</u>	<u>125,228</u>	<u>131,990</u>	<u>970,828</u>	<u>7,129</u>	<u>370,815</u>
							215,986
23,211	6,419		1,077				
		1,070		175,643	750,803		
			88,613				55,819
<u>23,211</u>	<u>6,419</u>	<u>1,070</u>	<u>89,690</u>	<u>175,643</u>	<u>750,803</u>		<u>271,805</u>
<u>7,143</u>	<u>(1,388)</u>	<u>56,758</u>	<u>35,538</u>	<u>(43,653)</u>	<u>220,025</u>	<u>7,129</u>	<u>99,010</u>
<u>1,488</u>	<u>3,262</u>						<u>75,000</u>
<u>1,488</u>	<u>3,262</u>						<u>75,000</u>
8,631	1,874	56,758	35,538	(43,653)	220,025	7,129	174,010
<u>75,210</u>	<u>35,326</u>	<u>724,256</u>	<u>405,454</u>	<u>141,474</u>	<u>441,971</u>	<u>138,703</u>	<u>471,149</u>
<u>\$83,841</u>	<u>\$37,200</u>	<u>\$781,014</u>	<u>\$440,992</u>	<u>\$97,821</u>	<u>\$661,996</u>	<u>\$145,832</u>	<u>\$645,159</u>

(Continued)

CITY OF BENICIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019

	SPECIAL REVENUE FUNDS			
	Human Services	Developer Deposits	Tourtelot Mitigation	FEMA
REVENUES				
Property tax				
Sales tax				
Assessments				
Use of money and property	\$5,052	\$16,104	\$14,353	\$979
Revenue from other agencies				
Current service charges				
Community donations				
Other				
Total Revenues	<u>5,052</u>	<u>16,104</u>	<u>14,353</u>	<u>979</u>
EXPENDITURES				
Current:				
Administration				
Public safety - police				
Parks and community services				
Public works			1,471	
Community development				
Library				
Capital outlay				
Total Expenditures			<u>1,471</u>	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>5,052</u>	<u>16,104</u>	<u>12,882</u>	<u>979</u>
OTHER FINANCING SOURCES (USES)				
Transfers in				
Total Other Financing Sources (Uses)				
NET CHANGE IN FUND BALANCES	5,052	16,104	12,882	979
BEGINNING FUND BALANCES (DEFICITS)	<u>163,585</u>		<u>466,125</u>	<u>43,523</u>
ENDING FUND BALANCES (DEFICITS)	<u><u>\$168,637</u></u>	<u><u>\$16,104</u></u>	<u><u>\$479,007</u></u>	<u><u>\$44,502</u></u>

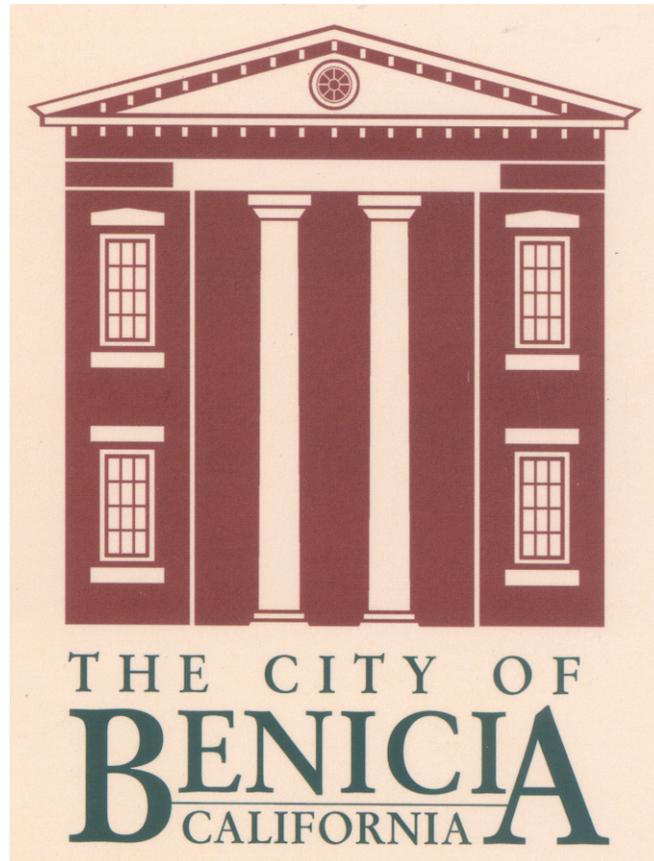
Attachment 1 - Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2019

SPECIAL REVENUE FUNDS				CAPITAL PROJECTS FUNDS			
Miscellaneous Grants	Valero GNSC	Arsenal	Measure C	Traffic Mitigation	Park Dedication	Library Basement Project	McAllister Assessment District
\$479 27,080	\$16,132	\$28,455	\$51,987	\$27,047 12,722	\$3,087 22,874	\$9,288	\$29
27,559	16,132	28,455	51,987	39,769	25,961	9,288	29
12,414	54	185,736	114,389 136,729				
	17,240		1,651,468	51,922			
12,414	17,294	185,736	1,902,586	51,922			
15,145	(1,162)	(157,281)	(1,850,599)	(12,153)	25,961	9,288	29
			2,650,000				
			2,650,000				
15,145	(1,162)	(157,281)	799,401	(12,153)	25,961	9,288	29
1,552	262,842	1,140,353	2,886,492	928,768	284,335	301,036	980
\$16,697	\$261,680	\$983,072	\$3,685,893	\$916,615	\$310,296	\$310,324	\$1,009

(Continued)

CITY OF BENICIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019

	<u>CAPITAL PROJECTS FUND</u>		<u>Total Non-major Governmental Funds</u>
	<u>Streets and Transportation (Intermodal Transportation)</u>	<u>Casa Villarasa</u>	
REVENUES			
Property tax			
Sales tax			\$962,419
Assessments			427,664
Use of money and property	\$9,210		356,125
Revenue from other agencies	237,764		1,839,485
Current service charges			139,037
Community donations			51,627
Other			13,472
			<u>3,789,829</u>
Total Revenues	<u>246,974</u>		<u>3,789,829</u>
EXPENDITURES			
Current:			
Administration			312,593
Public safety - police			352,715
Parks and community services			551,759
Public works			606,837
Community development			18,310
Library			926,446
Capital outlay	48,000		1,941,182
			<u>4,709,842</u>
Total Expenditures	<u>48,000</u>		<u>4,709,842</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>198,974</u>		<u>(920,013)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in			2,870,787
			<u>2,870,787</u>
Total Other Financing Sources (Uses)			<u>2,870,787</u>
NET CHANGE IN FUND BALANCES	198,974		1,950,774
BEGINNING FUND BALANCES (DEFICITS)	<u>279,863</u>	<u>\$1,400,000</u>	<u>12,356,578</u>
ENDING FUND BALANCES (DEFICITS)	<u>\$478,837</u>	<u>\$1,400,000</u>	<u>\$14,307,352</u>



Attachment 1 - Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2019

CITY OF BENICIA
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2019

	GAS TAX			RESIDENTIAL LANDSCAPING AND LIGHTING		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property tax						
Sales tax						
Assessments				\$309,885	\$299,886	(\$9,999)
Use of money and property	\$41,000	\$51,232	\$10,232		1,070	1,070
Revenue from other agencies	575,449	1,139,836	564,387			
Current service charges						
Community donations						
Other		11,457	11,457			
Total Revenues	616,449	1,202,525	586,076	309,885	300,956	(8,929)
EXPENDITURES						
Current:						
Administration						
Public safety - police						
Public safety - fire						
Parks and community services				412,965	441,164	(28,199)
Public works	521,642	605,366	(83,724)			
Community development						
Library						
Capital outlay	541,300	45,360	495,940			
Total Expenditures	1,062,942	650,726	412,216	412,965	441,164	(28,199)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(446,493)	551,799	998,292	(103,080)	(140,208)	(37,128)
OTHER FINANCING SOURCES (USES)						
Transfers in				125,964	125,964	
Transfers out						
Total Other Financing Sources (Uses)				125,964	125,964	
NET CHANGE IN FUND BALANCES	<u>(\$446,493)</u>	<u>551,799</u>	<u>\$998,292</u>	<u>\$22,884</u>	<u>(14,244)</u>	<u>(\$37,128)</u>
BEGINNING FUND BALANCES (DEFICITS)		<u>1,352,861</u>			<u>130,012</u>	
ENDING FUND BALANCES (DEFICITS)		<u>\$1,904,660</u>			<u>\$115,768</u>	

Attachment 1 - Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2019

FLEETSIDE LANDSCAPING AND LIGHTING			COLUMBUS PARKWAY LANDSCAPING AND LIGHTING			EAST 2ND STREET LANDSCAPING AND LIGHTING		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$95,000	\$79,977	(\$15,023)	\$15,800	\$15,800		\$28,000	\$28,001	\$1
3,500	4,430	930	800	4,296	\$3,496	350	2,353	2,003
<u>98,500</u>	<u>84,407</u>	<u>(14,093)</u>	<u>16,600</u>	<u>20,096</u>	<u>3,496</u>	<u>28,350</u>	<u>30,354</u>	<u>2,004</u>
113,999	65,974	48,025	22,444	13,914	8,530	39,715	23,211	16,504
<u>113,999</u>	<u>65,974</u>	<u>48,025</u>	<u>22,444</u>	<u>13,914</u>	<u>8,530</u>	<u>39,715</u>	<u>23,211</u>	<u>16,504</u>
(15,499)	18,433	33,932	(5,844)	6,182	12,026	(11,365)	7,143	18,508
3,161	3,161		11,912	11,912		1,448	1,488	40
<u>3,161</u>	<u>3,161</u>		<u>11,912</u>	<u>11,912</u>		<u>1,448</u>	<u>1,488</u>	<u>40</u>
<u>(\$12,338)</u>	21,594	<u>\$33,932</u>	<u>\$6,068</u>	18,094	<u>\$12,026</u>	<u>(\$9,917)</u>	8,631	<u>\$18,548</u>
	<u>140,178</u>			<u>140,530</u>			<u>75,210</u>	
	<u>\$161,772</u>			<u>\$158,624</u>			<u>\$83,841</u>	

(Continued)

Attachment 1 - Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2019

CITY OF BENICIA
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2019

	GOODYEAR ROAD LANDSCAPING AND LIGHTING			COMMUNITY DEVELOPMENT BLOCK GRANT		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property tax						
Sales tax						
Assessments	\$4,000	\$4,000				
Use of money and property	250	1,031	\$781	\$16,500	\$57,828	\$41,328
Revenue from other agencies						
Current service charges						
Community donations						
Other						
Total Revenues	4,250	5,031	781	16,500	57,828	41,328
EXPENDITURES						
Current:						
Administration						
Public safety - police						
Public safety - fire						
Parks and community services	7,564	6,419	1,145			
Public works						
Community development					1,070	(1,070)
Library						
Capital outlay						
Total Expenditures	7,564	6,419	1,145		1,070	(1,070)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,314)	(1,388)	1,926	16,500	56,758	40,258
OTHER FINANCING SOURCES (USES)						
Transfers in	3,262	3,262				
Transfers out						
Total Other Financing Sources (Uses)	3,262	3,262				
NET CHANGE IN FUND BALANCES	<u>(\$52)</u>	<u>1,874</u>	<u>\$1,926</u>	<u>\$16,500</u>	<u>56,758</u>	<u>\$40,258</u>
BEGINNING FUND BALANCES (DEFICITS)		<u>35,326</u>			<u>724,256</u>	
ENDING FUND BALANCES (DEFICITS)		<u>\$37,200</u>			<u>\$781,014</u>	

Attachment 1 - Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2019

COMMUNITY SERVICES PROGRAM			LIBRARY PROGRAMS			COUNTY SALES TAX MEASURE		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
						\$718,000	\$962,419	\$244,419
	\$13,446	\$13,446		\$4,553	\$4,553	4,000	8,409	4,409
	103,441	103,441	\$22,271	82,256	59,985			
\$48,800	6,346	(42,454)	117,050	45,161	(71,889)			
	1,995	1,995		20	20			
<u>48,800</u>	<u>125,228</u>	<u>76,428</u>	<u>139,321</u>	<u>131,990</u>	<u>(7,331)</u>	<u>722,000</u>	<u>970,828</u>	<u>248,828</u>
	1,077	(1,077)						
<u>142,871</u>	<u>88,613</u>	<u>54,258</u>	<u>236,986</u>	<u>175,643</u>	<u>61,343</u>	<u>863,165</u>	<u>750,803</u>	<u>112,362</u>
						<u>2,300</u>		<u>2,300</u>
<u>142,871</u>	<u>89,690</u>	<u>53,181</u>	<u>236,986</u>	<u>175,643</u>	<u>61,343</u>	<u>865,465</u>	<u>750,803</u>	<u>114,662</u>
<u>(94,071)</u>	<u>35,538</u>	<u>129,609</u>	<u>(97,665)</u>	<u>(43,653)</u>	<u>54,012</u>	<u>(143,465)</u>	<u>220,025</u>	<u>363,490</u>
<u>(\$94,071)</u>	<u>35,538</u>	<u>\$129,609</u>	<u>(\$97,665)</u>	<u>(43,653)</u>	<u>\$54,012</u>	<u>(\$143,465)</u>	<u>220,025</u>	<u>\$363,490</u>
	<u>405,454</u>			<u>141,474</u>			<u>441,971</u>	
	<u>\$440,992</u>			<u>\$97,821</u>			<u>\$661,996</u>	

(Continued)

Attachment 1 - Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2019

CITY OF BENICIA
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2019

	SOUTHERN PACIFIC DEPOT			PUBLIC SAFETY GRANTS		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property tax						
Sales tax						
Assessments						
Use of money and property	\$2,500	\$7,129	\$4,629	\$1,725	\$18,146	\$16,421
Revenue from other agencies				338,520	352,549	14,029
Current service charges						
Community donations					120	120
Other						
Total Revenues	<u>2,500</u>	<u>7,129</u>	<u>4,629</u>	<u>340,245</u>	<u>370,815</u>	<u>30,570</u>
EXPENDITURES						
Current:						
Administration						
Public safety - police				275,771	215,986	59,785
Public safety - fire						
Parks and community services	26,000		26,000			
Public works						
Community development						
Library						
Capital outlay				80,290	55,819	24,471
Total Expenditures	<u>26,000</u>		<u>26,000</u>	<u>356,061</u>	<u>271,805</u>	<u>84,256</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(23,500)</u>	<u>7,129</u>	<u>30,629</u>	<u>(15,816)</u>	<u>99,010</u>	<u>114,826</u>
OTHER FINANCING SOURCES (USES)						
Transfers in				75,000	75,000	
Transfers out						
Total Other Financing Sources (Uses)				<u>75,000</u>	<u>75,000</u>	
NET CHANGE IN FUND BALANCES	<u>(\$23,500)</u>	<u>7,129</u>	<u>\$30,629</u>	<u>\$59,184</u>	<u>174,010</u>	<u>\$114,826</u>
BEGINNING FUND BALANCES (DEFICITS)		<u>138,703</u>			<u>471,149</u>	
ENDING FUND BALANCES (DEFICITS)		<u>\$145,832</u>			<u>\$645,159</u>	

Attachment 1 - Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2019

HUMAN SERVICES			TOURTELOT MITIGATION			MISCELLANEOUS GRANTS		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$1,300	\$5,052	\$3,752	\$3,500	\$14,353	\$10,853	\$61,138	\$479 27,080	\$479 (34,058)
<u>1,300</u>	<u>5,052</u>	<u>3,752</u>	<u>3,500</u>	<u>14,353</u>	<u>10,853</u>	<u>61,138</u>	<u>27,559</u>	<u>(33,579)</u>
							12,414	(12,414)
			23,184	1,471	21,713	43,000		43,000
			<u>23,184</u>	<u>1,471</u>	<u>21,713</u>	<u>43,000</u>	<u>12,414</u>	<u>30,586</u>
<u>1,300</u>	<u>5,052</u>	<u>3,752</u>	<u>(19,684)</u>	<u>12,882</u>	<u>32,566</u>	<u>18,138</u>	<u>15,145</u>	<u>(2,993)</u>
<u>\$1,300</u>	<u>5,052</u>	<u>\$3,752</u>	<u>(\$19,684)</u>	<u>12,882</u>	<u>\$32,566</u>	<u>\$18,138</u>	<u>15,145</u>	<u>(\$2,993)</u>
	<u>163,585</u>			<u>466,125</u>			<u>1,552</u>	
	<u>\$168,637</u>			<u>\$479,007</u>			<u>\$16,697</u>	

(Continued)

Attachment 1 - Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2019

CITY OF BENICIA
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2019

	VALERO GNSC			ARSENAL		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property tax						
Sales tax						
Assessments						
Use of money and property		\$16,132	\$16,132		\$28,455	\$28,455
Revenue from other agencies						
Current service charges						
Community donations						
Other						
Total Revenues		<u>16,132</u>	<u>16,132</u>		<u>28,455</u>	<u>28,455</u>
EXPENDITURES						
Current:						
Administration	\$46,715	54	46,661		185,736	(185,736)
Public safety - police						
Public safety - fire						
Parks and community services						
Public works						
Community development		17,240	(17,240)			
Library						
Capital outlay	<u>169,848</u>		<u>169,848</u>			
Total Expenditures	<u>216,563</u>	<u>17,294</u>	<u>199,269</u>		<u>185,736</u>	<u>(185,736)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(216,563)</u>	<u>(1,162)</u>	<u>215,401</u>		<u>(157,281)</u>	<u>(157,281)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in				\$150,000		(150,000)
Transfers out						
Total Other Financing Sources (Uses)				<u>150,000</u>		<u>(150,000)</u>
NET CHANGE IN FUND BALANCES	<u>(\$216,563)</u>	<u>(1,162)</u>	<u>\$215,401</u>	<u>\$150,000</u>	<u>(157,281)</u>	<u>(\$307,281)</u>
BEGINNING FUND BALANCES (DEFICITS)		<u>262,842</u>			<u>1,140,353</u>	
ENDING FUND BALANCES (DEFICITS)		<u>\$261,680</u>			<u>\$983,072</u>	

Attachment 1 - Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2019

MEASURE C			TRAFFIC MITIGATION			PARK DEDICATION		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$2,700,000		(\$2,700,000)						
	\$51,987	51,987	\$6,000	\$27,047	\$21,047		\$3,087	\$3,087
			12,000	12,722	722		22,874	22,874
<u>2,700,000</u>	<u>51,987</u>	<u>(2,648,013)</u>	<u>18,000</u>	<u>39,769</u>	<u>21,769</u>		<u>25,961</u>	<u>25,961</u>
4,000	114,389	(110,389)						
50,000	136,729	(86,729)						
740,491		740,491						
8,683		8,683						
<u>2,539,007</u>	<u>1,651,468</u>	<u>887,539</u>	<u>758,703</u>	<u>51,922</u>	<u>706,781</u>	<u>\$5,130</u>		<u>5,130</u>
<u>3,342,181</u>	<u>1,902,586</u>	<u>1,439,595</u>	<u>758,703</u>	<u>51,922</u>	<u>706,781</u>	<u>5,130</u>		<u>5,130</u>
<u>(642,181)</u>	<u>(1,850,599)</u>	<u>(1,208,418)</u>	<u>(740,703)</u>	<u>(12,153)</u>	<u>728,550</u>	<u>(5,130)</u>	<u>25,961</u>	<u>31,091</u>
2,650,000	2,650,000							
<u>2,650,000</u>	<u>2,650,000</u>							
<u>\$2,007,819</u>	<u>799,401</u>	<u>(\$1,208,418)</u>	<u>(\$740,703)</u>	<u>(12,153)</u>	<u>\$728,550</u>	<u>(\$5,130)</u>	<u>25,961</u>	<u>\$31,091</u>
	<u>2,886,492</u>			<u>928,768</u>			<u>284,335</u>	
	<u>\$3,685,893</u>			<u>\$916,615</u>			<u>\$310,296</u>	

(Continued)

Attachment 1 - Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2019

CITY OF BENICIA
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2019

STREETS AND TRANSPORTATION (INTERMODAL TRANSPORTATION)			
	Budget	Actual	Variance Positive (Negative)
REVENUES			
Property tax			
Sales tax			
Assessments			
Use of money and property		\$9,210	\$9,210
Revenue from other agencies	\$147,719	237,764	90,045
Current service charges			
Community donations			
Other			
Total Revenues	<u>147,719</u>	<u>246,974</u>	<u>99,255</u>
EXPENDITURES			
Current:			
Administration			
Public safety - police			
Public safety - fire			
Parks and community services			
Public works			
Community development			
Library			
Capital outlay	<u>940,602</u>	<u>48,000</u>	<u>892,602</u>
Total Expenditures	<u>940,602</u>	<u>48,000</u>	<u>892,602</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(792,883)</u>	<u>198,974</u>	<u>991,857</u>
OTHER FINANCING SOURCES (USES)			
Transfers in			
Transfers out			
Total Other Financing Sources (Uses)			
NET CHANGE IN FUND BALANCES	<u>(\$792,883)</u>	198,974	<u>\$991,857</u>
BEGINNING FUND BALANCES (DEFICITS)		<u>279,863</u>	
ENDING FUND BALANCES (DEFICITS)		<u>\$478,837</u>	

INTERNAL SERVICE FUNDS

INSURANCE FUND

Accounts for the accumulation and allocation of costs associated with the administration of medical coverage, temporary disability payments, safety training to all employees and maintaining excess insurance coverage for Workers' Compensation.

GENERAL SERVICES

Accounts for the accumulation and allocation of costs pertaining to utility billing, liability insurance and property insurance of the Water and Wastewater Funds. The Fund also accounts for the preparation, maintenance and repair of mechanical equipment and vehicles for other departments.

BUILDING AND EQUIPMENT MANAGEMENT

Accounts for the maintenance and remodeling of City owned buildings and facilities and acquisition of replacement vehicles and equipment.

RETIREMENT STABILITY FUND

Provides for equalization of retirement costs. Sources of revenue include investment earnings, and service charges to departments.

ENERGY FUND

Accounts for the accumulation and allocation of costs for certain energy conservation projects throughout the City; primarily solar panels. The fund operates as an internal electricity-provider to various sites within the City where solar arrays were constructed. Sources of the revenue include service charges to departments and energy rebates.

Attachment 1 - Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2019

CITY OF BENICIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2019

	Insurance	General Services	Building and Equipment Management
ASSETS			
Current Assets:			
Cash and investments			
Available for City operations	\$2,431,056	\$484,154	\$3,585,910
Restricted cash and investments held by fiscal agents			
Accounts receivable			39,463
Interest receivable	8,270		12,251
Materials, parts and supplies		9,694	
Prepaid items		30,469	
Total Current Assets	<u>2,439,326</u>	<u>524,317</u>	<u>3,637,624</u>
Non-Current Assets:			
Other assets			
Property, plant and equipment:			
Land			
Buildings and improvements			13,108,305
Machinery and equipment			5,299,538
Less: accumulated depreciation			<u>(11,994,900)</u>
Total Non-Current Assets			<u>6,412,943</u>
Total Assets	<u>2,439,326</u>	<u>524,317</u>	<u>10,050,567</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	14,330	12,951	64,148
Customer and performance deposits			
Interest payable			
Workers' compensation claims	222,623		
Current portion long-term liabilities			
Due to other funds		511,915	
Total Current Liabilities	<u>236,953</u>	<u>524,866</u>	<u>64,148</u>
Long-Term Liabilities:			
Workers' compensation claims	2,927,781		
Certificates of participation			
Pension obligation bonds			
Total Long-Term Liabilities	<u>2,927,781</u>		
Total Liabilities	<u>3,164,734</u>	<u>524,866</u>	<u>64,148</u>
NET POSITION			
Net investment in capital assets			6,412,943
Restricted for debt service			
Unrestricted	<u>(725,408)</u>	<u>(549)</u>	<u>3,573,476</u>
Total Net Position	<u><u>(\$725,408)</u></u>	<u><u>(\$549)</u></u>	<u><u>\$9,986,419</u></u>

Attachment 1 - Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2019

Retirement Stability	Energy	Total
\$1,200,342	\$1,115,510	\$8,816,972
12,076	140	12,216
	183,609	223,072
4,075	2,821	27,417
		9,694
		30,469
<u>1,216,493</u>	<u>1,302,080</u>	<u>9,119,840</u>
	556,909	556,909
	12,643,187	25,751,492
		5,299,538
	<u>(2,430,615)</u>	<u>(14,425,515)</u>
	<u>10,769,481</u>	<u>17,182,424</u>
<u>1,216,493</u>	<u>12,071,561</u>	<u>26,302,264</u>
	35,234	126,663
	5,000	5,000
18,136	60,507	78,643
		222,623
345,000	310,000	655,000
		511,915
<u>363,136</u>	<u>410,741</u>	<u>1,599,844</u>
		2,927,781
	11,154,931	11,154,931
<u>7,271,272</u>		<u>7,271,272</u>
<u>7,271,272</u>	<u>11,154,931</u>	<u>21,353,984</u>
<u>7,634,408</u>	<u>11,565,672</u>	<u>22,953,828</u>
	(695,310)	5,717,633
12,076		12,076
<u>(6,429,991)</u>	<u>1,201,199</u>	<u>(2,381,273)</u>
<u>(\$6,417,915)</u>	<u>\$505,889</u>	<u>\$3,348,436</u>

Attachment 1 - Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2019

CITY OF BENICIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Insurance</u>	<u>General Services</u>	<u>Building and Equipment Management</u>
OPERATING REVENUES			
Charges for services	\$1,438,880	\$924,509	\$771,497
Refunds and rebates		68	16,165
Total Operating Revenues	<u>1,438,880</u>	<u>924,577</u>	<u>787,662</u>
OPERATING EXPENSES			
Wages and benefits	70,308	467,322	
Materials and supplies		13,010	407,693
Operations and maintenance	103,807	425,432	(45,508)
Claims and Insurance	671,479	19,177	
Depreciation			662,081
Total Operating Expenses	<u>845,594</u>	<u>924,941</u>	<u>1,024,266</u>
Operating Income (Loss)	<u>593,286</u>	<u>(364)</u>	<u>(236,604)</u>
NONOPERATING REVENUES (EXPENSES)			
Interest income	67,938		103,911
Interest expense			
Gain from the sale of capital assets			83,830
Other	7,298		2,954
Total Nonoperating Revenues (Expenses)	<u>75,236</u>		<u>190,695</u>
Change in Net Position	668,522	(364)	(45,909)
BEGINNING NET POSITION (DEFICITS)	<u>(1,393,930)</u>	<u>(185)</u>	<u>10,032,328</u>
ENDING NET POSITION (DEFICITS)	<u><u>(\$725,408)</u></u>	<u><u>(\$549)</u></u>	<u><u>\$9,986,419</u></u>

Attachment 1 - Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2019

<u>Retirement Stability</u>	<u>Energy</u>	<u>Total</u>
\$622,067	\$734,233	\$4,491,186
	183,609	199,842
<u>622,067</u>	<u>917,842</u>	<u>4,691,028</u>
		537,630
		420,703
3,683	84,405	571,819
		690,656
	349,747	1,011,828
<u>3,683</u>	<u>434,152</u>	<u>3,232,636</u>
<u>618,384</u>	<u>483,690</u>	<u>1,458,392</u>
39,083	28,778	239,710
(457,366)	(347,974)	(805,340)
		83,830
		10,252
<u>(418,283)</u>	<u>(319,196)</u>	<u>(471,548)</u>
200,101	164,494	986,844
<u>(6,618,016)</u>	<u>341,395</u>	<u>2,361,592</u>
<u>(\$6,417,915)</u>	<u>\$505,889</u>	<u>\$3,348,436</u>

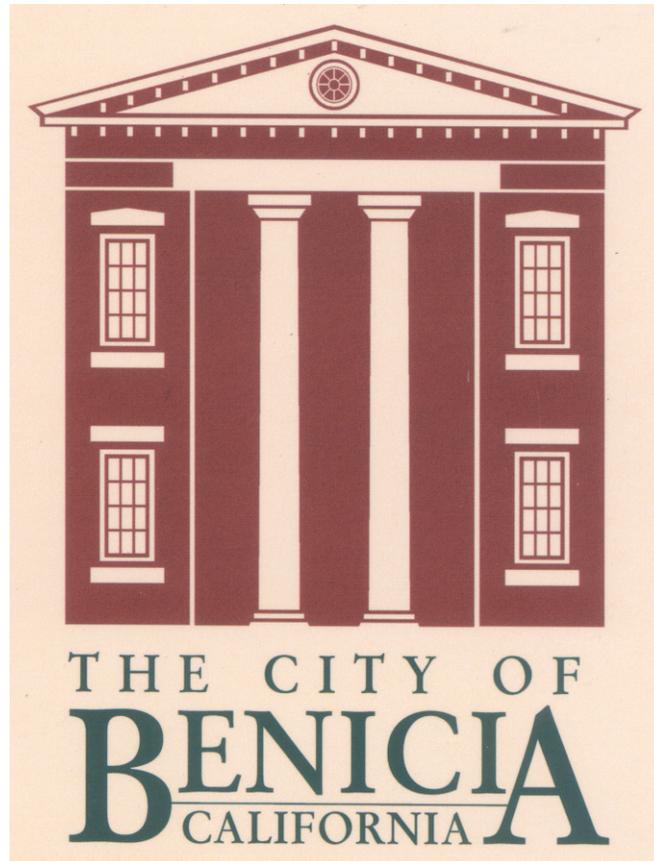
Attachment 1 - Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2019

CITY OF BENICIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

	Insurance	General Services	Building and Equipment Management
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$1,446,178	\$924,577	\$748,199
Payments to suppliers	(107,932)	(462,836)	(298,097)
Payments to employees	(70,308)	(486,499)	
Claims paid	(865,965)		
	<u>401,973</u>	<u>(24,758)</u>	<u>450,102</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Receipts from interfund loans		508,912	
Principal paid on non-capital debt			
Interest paid on non-capital debt			
		<u>508,912</u>	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal paid on capital debt			
Interest paid on capital debt			
Acquisition of capital assets			(440,868)
Sale of capital assets			83,830
Community donations			2,954
			<u>(354,084)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	59,668		91,660
	<u>59,668</u>		<u>91,660</u>
Net Cash Flows	461,641	484,154	187,678
Cash and investments at beginning of period	1,969,415		3,398,232
Cash and investments at end of period	<u>\$2,431,056</u>	<u>\$484,154</u>	<u>\$3,585,910</u>
Reconciliation of operating income (loss) to net cash flows			
from operating activities:			
Operating income (loss)	\$593,286	(\$364)	(\$236,604)
Adjustments to reconcile operating income to net cash flows			
from operating activities:			
Depreciation			662,081
Other non-operating revenue (expenses)	7,298		
Change in assets and liabilities:			
Materials, parts and supplies		(214)	
Prepaid items		14,715	
Accounts receivable			(39,463)
Accounts payable	(4,125)	(38,895)	64,088
Workers' compensation claims	(194,486)		
Cash Flows from Operating Activities	<u>\$401,973</u>	<u>(\$24,758)</u>	<u>\$450,102</u>

Attachment 1 - Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2019

Retirement Stability	Energy	Total
\$625,067	\$734,233	\$4,478,254
(4,183)	(49,917)	(922,965)
		(556,807)
		(865,965)
<u>620,884</u>	<u>684,316</u>	<u>2,132,517</u>
		508,912
(325,000)		(325,000)
(217,631)		(217,631)
<u>(542,631)</u>		<u>(33,719)</u>
	(265,000)	(265,000)
	(373,644)	(373,644)
		(440,868)
		83,830
		<u>2,954</u>
	<u>(638,644)</u>	<u>(992,728)</u>
<u>35,008</u>	<u>25,957</u>	<u>212,293</u>
<u>35,008</u>	<u>25,957</u>	<u>212,293</u>
113,261	71,629	1,318,363
<u>1,099,157</u>	<u>1,044,021</u>	<u>7,510,825</u>
<u>\$1,212,418</u>	<u>\$1,115,650</u>	<u>\$8,829,188</u>
\$618,384	\$483,690	\$1,458,392
	349,747	1,011,828
		7,298
		(214)
2,500		17,215
	(183,609)	(223,072)
	34,488	55,556
		<u>(194,486)</u>
<u>\$620,884</u>	<u>\$684,316</u>	<u>\$2,132,517</u>



AGENCY FUNDS

ASSESSMENT DISTRICTS

Accounts for the collection of assessments and disbursements to District bondholders for Assessment Districts debt without City commitment.

CITY OF BENICIA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2019

	Balance 6/30/2018	Additions	Deductions	Balance June 30, 2019
<u>Fleetside Industrial Assessment District</u>				
<u>Assets</u>				
Restricted cash and investments	\$25,992	\$802	\$91	\$26,703
Total assets	<u>\$25,992</u>	<u>\$802</u>	<u>\$91</u>	<u>\$26,703</u>
<u>Liabilities</u>				
Due to bondholders	\$25,992	\$802	\$91	\$26,703
Total liabilities	<u>\$25,992</u>	<u>\$802</u>	<u>\$91</u>	<u>\$26,703</u>
<u>McAllister Assessment District</u>				
<u>Assets</u>				
Restricted cash and investments	\$1,311,166	\$721,705	\$698,972	\$1,333,899
Interest receivable		4,540		4,540
Total assets	<u>\$1,311,166</u>	<u>\$726,245</u>	<u>\$698,972</u>	<u>\$1,338,439</u>
<u>Liabilities</u>				
Due to bondholders	\$1,311,166	\$726,245	\$698,972	\$1,338,439
Total liabilities	<u>\$1,311,166</u>	<u>\$726,245</u>	<u>\$698,972</u>	<u>\$1,338,439</u>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Restricted cash and investments	\$1,337,158	\$722,507	\$699,063	\$1,360,602
Interest receivable		4,540		4,540
Total assets	<u>\$1,337,158</u>	<u>\$727,047</u>	<u>\$699,063</u>	<u>\$1,365,142</u>
<u>Liabilities</u>				
Due to bondholders	\$1,337,158	\$727,047	\$699,063	\$1,365,142
Total liabilities	<u>\$1,337,158</u>	<u>\$727,047</u>	<u>\$699,063</u>	<u>\$1,365,142</u>

STATISTICAL SECTION

This part of the City's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. In contrast to the financial section, the statistical section information is not subject to independent audit.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time:

1. Net Position by Component
2. Changes in Net Position
3. Government Activities of Tax Revenue By Source
4. Fund Balances of Governmental Funds
5. Changes in Fund Balance of Governmental Funds

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax:

1. Assessed and Estimated Actual Value of Taxable Property
2. Property Tax Rates, All Direct and Overlapping Governments
3. Principal Property Taxpayers
4. Property Tax Levies and Collections

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future:

1. Ratio of Outstanding Debt by Type
2. Ratio of General Bonded Debt Outstanding
3. Computation of Direct and Overlapping Debt
4. Computation of Legal Bonded Debt Margin
5. Pledged Revenue Coverage, Water and Wastewater Revenue Bonds

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place:

1. Demographic and Economic Statistics
2. Principal Employers

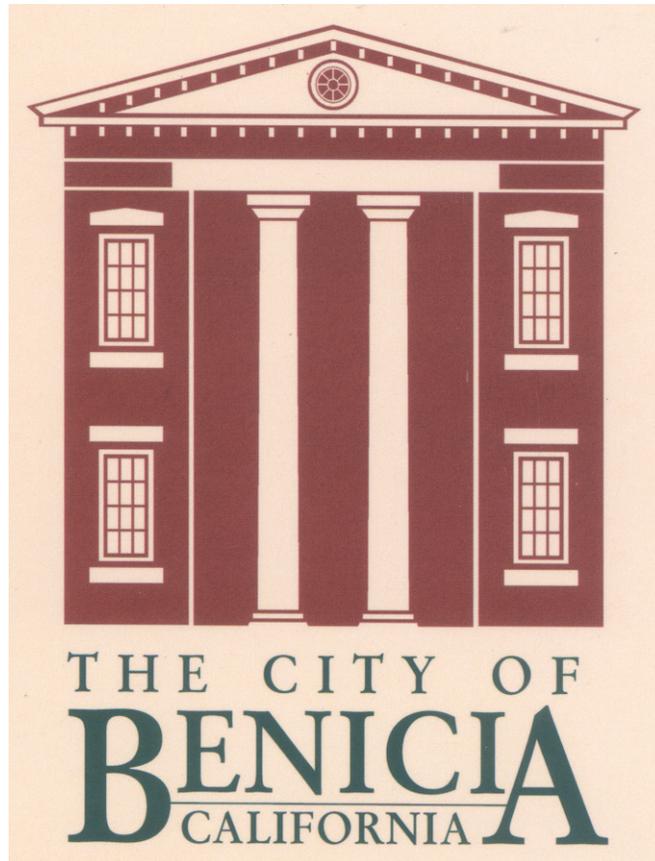
Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs:

1. Full-Time Equivalent City Government Employees by Function
2. Operating Indicators by Function/Program
3. Capital Asset Statistics by Function/Program

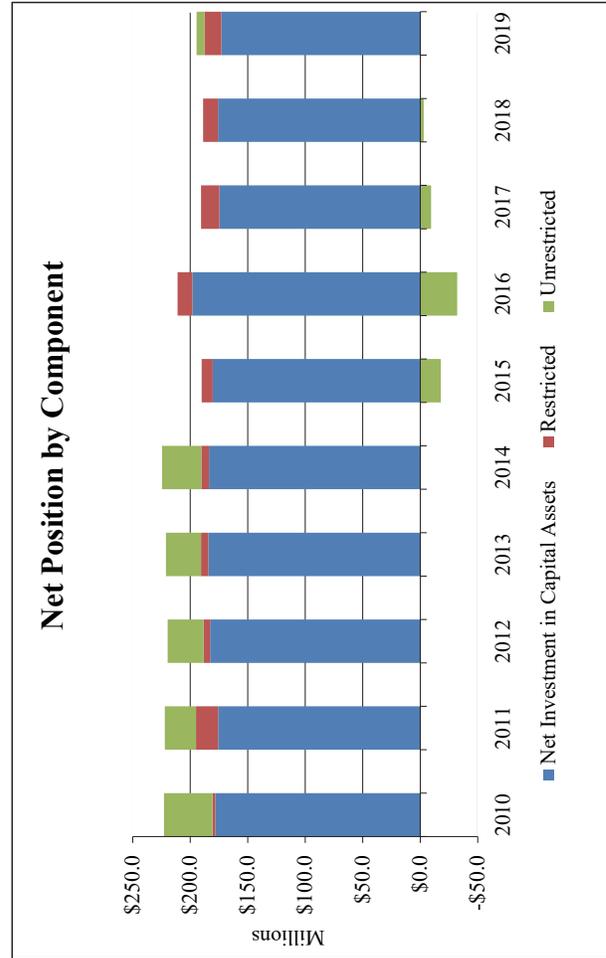
Sources

Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.



CITY OF BENICIA
Net Position by Component
Last Ten Fiscal Years
 (accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net investments in capital assets	\$ 115,359,499	\$ 112,701,775	\$ 120,052,758	\$ 121,948,249	\$ 120,434,163	\$ 117,899,038	\$ 116,727,502	\$ 114,719,779	\$ 113,971,990	\$ 111,533,644
Restricted	2,507,802	19,174,006	5,641,592	6,316,224	6,573,412	9,526,578	12,963,665	13,887,513	12,863,103	14,506,595
Unrestricted	14,171,681	1,081,215	6,767,569	5,038,875	8,093,156	(40,937,523)	(37,759,794)	(35,607,065)	(30,149,114)	(24,631,064)
Total governmental activities net assets	\$ 132,038,982	\$ 132,956,996	\$ 132,461,919	\$ 133,303,348	\$ 135,100,731	\$ 86,488,093	\$ 91,931,373	\$ 93,000,227	\$ 96,685,979	\$ 101,409,175
Business-type activities										
Net investments in capital assets	\$ 62,819,454	\$ 63,064,298	\$ 62,660,031	\$ 62,321,179	\$ 63,311,581	\$ 62,566,681	\$ 81,305,746	\$ 59,960,276	\$ 61,926,677	\$ 61,430,709
Restricted	-	-	-	-	-	-	-	1,997,713	70	378
Unrestricted	27,932,802	26,022,756	24,419,432	25,465,370	26,084,805	23,060,961	5,625,599	26,185,642	27,179,931	31,582,150
Total business-type activities net assets	\$ 90,752,256	\$ 89,087,054	\$ 87,079,463	\$ 87,786,549	\$ 89,396,386	\$ 85,627,642	\$ 86,931,345	\$ 88,143,631	\$ 89,106,678	\$ 93,013,237
Primary government										
Invested in capital assets, net of related debt	\$ 178,178,953	\$ 175,766,073	\$ 182,712,789	\$ 184,269,428	\$ 183,745,744	\$ 180,465,719	\$ 198,033,248	\$ 174,680,055	\$ 175,898,667	\$ 172,964,353
Restricted	2,507,802	19,174,006	5,641,592	6,316,224	6,573,412	9,526,578	12,963,665	15,885,226	12,863,173	14,506,973
Unrestricted	42,104,483	27,103,971	31,187,001	30,504,245	34,177,961	(17,876,562)	(32,134,195)	(9,421,423)	(2,969,183)	6,951,086
Total primary government net assets	\$ 222,791,238	\$ 222,044,050	\$ 219,541,382	\$ 221,089,897	\$ 224,497,117	\$ 172,115,735	\$ 178,862,718	\$ 181,143,858	\$ 185,792,657	\$ 194,422,412



CITY OF BENICIA
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

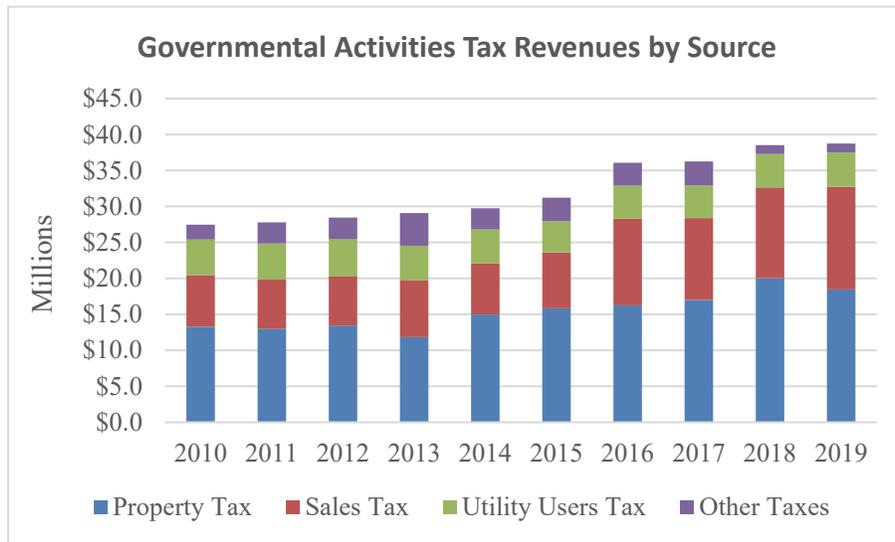
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental Activities:										
Administration	\$ 3,404,371	\$ 3,202,068	\$ 3,046,735	\$ 3,118,013	\$ 2,924,434	\$ 3,448,980	\$ 4,959,201	\$ 4,217,323	\$ 4,560,565	\$ 6,487,670
Community Development *	8,898,817	8,896,808	8,812,511	1,935,323	3,747,043	1,649,255	2,130,335	1,831,203	1,563,805	1,566,616
Public Safety - Police	6,744,682	6,925,232	6,503,886	6,362,097	8,077,408	7,560,181	7,817,517	9,322,788	11,096,614	11,666,246
Public Safety - Fire	5,867,659	5,714,379	5,744,533	5,631,017	5,767,977	6,220,950	8,154,710	7,716,881	8,241,007	9,191,539
Parks & Community Services	6,017,134	6,113,748	7,621,379	3,076,360	1,556,413	5,325,886	4,998,189	6,069,250	5,733,687	6,467,431
Public Works *	2,117,872	2,600,356	2,081,313	1,927,951	1,976,200	1,755,551	2,326,530	2,079,165	2,172,746	5,631,831
Library	485,052	609,814	474,430	647,573	488,870	460,622	899,096	710,024	497,125	537,434
Economic Development	2,339,200	2,942,788	3,163,220	3,077,915	2,948,133	851,090	798,993	235,455	180,571	165,098
General Government	1,658,589	1,265,618	1,160,564	1,588,003	1,387,936	1,410,138	1,336,569	2,345,357	897,815	864,186
Interest expense	37,533,376	38,270,811	38,608,571	35,593,550	34,989,427	33,668,690	38,692,644	41,141,369	41,123,821	44,875,918
Total Governmental Activities Expenses	7,422,265	7,082,311	7,030,478	7,181,756	7,012,560	6,905,007	8,172,784	9,060,845	9,362,519	9,198,416
Business-Type Activities:	7,780,492	7,753,095	7,843,223	7,289,049	7,746,457	9,308,351	8,097,701	8,993,593	10,536,424	10,175,634
Wastewater	479,098	564,182	419,517	600,429	572,931	580,231	582,394	633,550	513,443	569,445
Water	1,165,705	1,005,375	72,047	15,071,234	15,331,948	16,793,589	16,852,879	18,687,988	20,412,386	19,943,495
Benicia Marina	16,847,560	16,404,963	15,363,265	50,664,784	50,321,375	50,462,279	55,545,523	59,829,357	61,536,207	64,819,413
Transit	54,380,936	54,675,774	53,973,836	50,664,784	50,321,375	50,462,279	55,545,523	59,829,357	61,536,207	64,819,413
Total Business-Type Activities Expenses	16,863	50,305	17,817	15,908	26,391	22,690	5,935	20,259	120,593	255,008
Total Primary Government Expenses	202,345	155,331	236,101	177,489	437,529	683,873	610,671	545,626	863,228	1,367,550
Program Revenues	171,946	44,626	44,887	85,498	189,670	175,251	499,701	345,379	426,313	563,479
Governmental Activities:	1,707,119	1,181,041	1,106,889	1,104,054	1,591,878	291,107	456,057	234,714	518,703	560,006
Charges for Services:	1,123,401	577,489	774,391	727,631	121,677	170,062	141,411	325,450	1,685,586	1,775,140
Administration	158,938	144,819	101,045	48,360	71,080	72,842	71,019	71,601	658,717	455,869
Community Development	52	320	-	-	-	-	-	-	179,159	87,245
Public Safety - Police	422,926	667,848	284,818	300,401	407,560	335,528	353,818	371,572	1,791,033	2,195,626
Public Safety - Fire	2,751,185	2,299,326	3,322,456	3,239,730	1,959,337	2,625,160	1,969,791	1,690,512	1,791,033	2,195,626
Parks & Community Services	868,271	4,350,257	1,714,778	500,000	1,820,481	776,561	1,228,558	468,073	6,243,332	7,259,923
Public Works	7,423,046	9,471,362	7,603,192	6,199,071	7,018,159	6,776,716	6,991,423	5,849,180	6,243,332	7,259,923
Library	52	320	-	-	-	-	-	-	-	-
Economic Development	52	320	-	-	-	-	-	-	-	-
General Government	422,926	667,848	284,818	300,401	407,560	335,528	353,818	371,572	1,791,033	2,195,626
Operating Grants and Contributions	2,751,185	2,299,326	3,322,456	3,239,730	1,959,337	2,625,160	1,969,791	1,690,512	1,791,033	2,195,626
Capital Grants and Contributions	868,271	4,350,257	1,714,778	500,000	1,820,481	776,561	1,228,558	468,073	6,243,332	7,259,923
Total Government Activities Program Revenues	7,423,046	9,471,362	7,603,192	6,199,071	7,018,159	6,776,716	6,991,423	5,849,180	6,243,332	7,259,923
Business-Type Activities:	6,522,329	6,620,605	6,543,982	7,186,846	8,030,511	8,499,089	8,674,971	9,004,873	10,567,478	10,360,101
Charges for Services:	6,610,587	6,379,255	6,569,607	7,358,983	7,760,079	8,973,777	8,786,778	10,187,339	10,993,586	11,900,413
Wastewater	318,767	307,916	141,842	320,803	315,602	326,109	318,837	326,316	334,033	327,234
Water	84,520	88,486	70,128	190,231	72,160	67,900	78,164	82,978	77,480	78,513
Benicia Marina	809,348	782,879	70,128	190,231	72,160	67,900	78,164	82,978	77,480	78,513
Transit	14,345,551	14,179,141	13,325,559	15,056,863	16,613,761	17,866,875	17,858,750	19,601,506	21,972,577	22,666,261
Operating Grants and Contributions	2,176,859	2,365,503	2,092,875	2,125,934	2,363,192	2,464,591	2,485,017	2,545,686	2,815,909	2,992,618
Capital Grants and Contributions	14,345,551	14,179,141	13,325,559	15,056,863	16,613,761	17,866,875	17,858,750	19,601,506	21,972,577	22,666,261
Total Business-Type Activities Program Revenue	2,176,859	2,365,503	2,092,875	2,125,934	2,363,192	2,464,591	2,485,017	2,545,686	2,815,909	2,992,618
Total Primary Government Program Revenues	\$ (30,110,330)	\$ (28,799,449)	\$ (31,005,379)	\$ (29,394,479)	\$ (27,971,268)	\$ (26,891,974)	\$ (31,701,221)	\$ (35,292,189)	\$ (34,880,489)	\$ (37,615,995)
Net (Expense)/Revenue	(2,502,009)	(2,225,822)	(2,039,706)	(14,371)	1,281,813	1,073,286	1,005,871	913,518	1,560,191	2,722,766
Governmental Activities	(32,612,339)	(31,025,271)	(33,045,085)	(29,408,850)	(26,689,455)	(25,818,688)	(30,695,350)	(34,378,671)	(33,320,298)	(34,893,229)
Business-Type Activities	30,110,330	28,799,449	31,005,379	29,394,479	27,971,268	26,891,974	31,701,221	35,292,189	34,880,489	37,615,995
Total Primary Government Net Expense	\$ (2,502,009)	\$ (2,225,822)	\$ (2,039,706)	\$ (14,371)	\$ 1,281,813	\$ 1,073,286	\$ 1,005,871	\$ 913,518	\$ 1,560,191	\$ 2,722,766
Total Primary Government Net Expense	\$ (32,612,339)	\$ (31,025,271)	\$ (33,045,085)	\$ (29,408,850)	\$ (26,689,455)	\$ (25,818,688)	\$ (30,695,350)	\$ (34,378,671)	\$ (33,320,298)	\$ (34,893,229)

CITY OF BENICIA
Changes in Net Position
 (continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Taxes:										
Property Taxes	\$ 13,266,103	\$ 12,974,217	\$ 13,447,764	\$ 11,835,074	\$ 14,960,814	\$ 15,843,353	\$ 16,254,148	\$ 17,003,131	\$ 20,040,594	\$ 18,469,252
Sales Tax	7,196,964	6,854,911	6,888,750	7,873,396	7,100,073	7,789,308	12,040,536	11,388,283	12,604,790	14,261,749
Utility Users Tax	4,938,585	5,027,163	5,087,381	4,825,055	4,739,792	4,318,066	4,594,385	4,515,825	4,642,195	4,777,814
Franchise Fees	1,292,872	1,570,184	1,598,206	1,637,825	1,859,241	2,200,664	2,079,543	2,148,659	2,173,140	1,954,908
Other Taxes	1,189,561	1,362,982	1,435,854	2,913,592	1,087,893	1,070,045	1,106,213	1,204,737	1,238,623	1,242,730
Motor Vehicle in Lieu	1,951,715	1,942,991	1,908,529	1,822,267	11,915	11,510	11,172	12,320	14,580	39,862
Investment Earnings	358,210	269,344	195,064	(92)	98,392	216,322	380,381	180,174	493,564	1,668,253
Gain from Disposal of Capital Assets	30,415	156	20,734	-	10,631	187	-	-	76,795	-
Miscellaneous	-	(284,486)	(71,980)	(671,209)	(100,100)	99,463	662,398	117,189	136,593	175,714
Transfers	-	29,717,462	30,510,302	30,235,908	29,768,651	(209,275)	15,725	(209,275)	66,974	(251,091)
Total Government Activities	30,224,425	29,717,462	30,510,302	30,235,908	29,768,651	31,339,643	37,144,501	36,361,043	41,487,848	42,339,191
Business-Type Activities:										
Interest Earnings	429,139	273,576	196,287	48,860	227,924	194,435	313,557	85,824	190,670	932,702
Gain (Loss) from Disposal of Capital Assets	-	2,558	(236,152)	1,388	-	-	(15,725)	-	-	-
Transfers	(30,415)	284,486	71,980	671,209	100,100	209,275	(66,974)	209,275	(66,974)	251,091
Total Business-Type Activities	398,724	560,620	32,115	721,457	328,024	403,710	297,832	295,099	123,696	1,183,793
Total Primary Government	\$ 30,623,149	\$ 30,278,082	\$ 30,542,417	\$ 30,957,365	\$ 30,096,675	\$ 31,743,353	\$ 37,442,333	\$ 36,656,142	\$ 41,611,544	\$ 43,522,984
Change in Net Assets										
Governmental Activities	\$ 1,424,976	\$ (1,287,917)	\$ 1,115,823	\$ 2,264,640	\$ 2,876,677	\$ (361,578)	\$ 1,852,312	\$ 1,480,554	\$ 6,607,359	\$ 4,723,196
Business-Type Activities	(1,827,098)	(1,479,086)	17,744	2,003,270	1,401,310	1,409,581	1,211,350	1,855,290	1,683,887	3,906,559
Total Primary Government	\$ (402,122)	\$ (2,767,003)	\$ 1,133,567	\$ 4,267,910	\$ 4,277,987	\$ 1,048,003	\$ 3,063,662	\$ 3,335,844	\$ 8,291,246	\$ 8,629,755

CITY OF BENICIA
Governmental Activities Tax Revenues By Source
Last Ten Fiscal Years
(accrual basis of accounting)

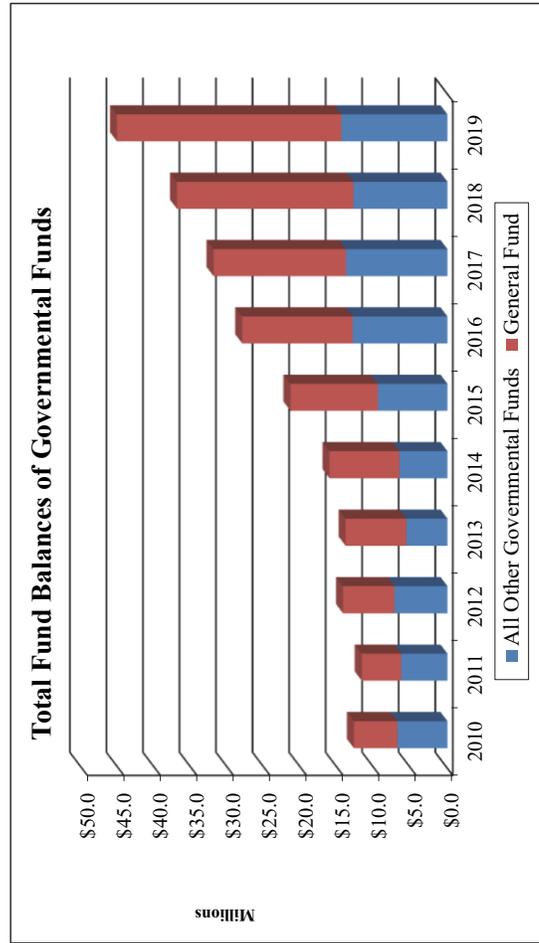
Fiscal Year	Property Tax	Sales Tax	Utility Users Tax	Other Taxes	Total
2010	\$13,266,103	\$7,196,964	\$4,938,585	\$2,067,433	\$27,469,085
2011	12,974,217	6,854,911	5,027,163	2,933,166	27,789,457
2012	13,447,764	6,888,750	5,087,381	3,034,060	28,457,955
2013	11,835,074	7,873,396	4,825,055	4,551,417	29,084,942
2014	14,960,814	7,100,073	4,739,792	2,947,134	29,747,813
2015	15,843,353	7,789,308	4,318,066	3,270,709	31,221,436
2016	16,254,148	12,040,536	4,594,385	3,185,756	36,074,825
2017	17,003,131	11,388,283	4,515,825	3,353,396	36,260,635
2018	20,040,594	12,604,790	4,642,195	1,238,623	38,526,202
2019	18,469,252	14,261,749	4,777,814	1,242,730	38,751,545



CITY OF BENICIA
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund	\$ 560,871	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserved	5,384,445	-	-	-	-	-	-	-	-	-
Unreserved	-	2,143,040	636,667	30,750	30,750	767,860	650,604	740,384	775,112	834,888
Nonspendable	-	128,430	162,961	203,047	189,581	176,891	157,593	141,859	121,284	122,288
Restricted	-	2,999,973	3,106,627	3,097,360	3,146,027	6,604,104	8,701,436	8,652,234	10,373,948	11,965,741
Committed	-	200,471	358,928	1,054,192	5,976,428	1,208,003	1,702,927	1,841,497	1,968,851	4,224,569
Assigned	-	(72,371)	2,792,694	3,943,937	233,218	3,204,454	3,909,481	6,750,750	10,919,089	13,567,802
Unassigned	\$5,945,316	\$ 5,399,543	\$ 7,057,877	\$ 8,329,286	\$ 9,576,004	\$ 11,961,312	\$ 15,122,041	\$ 18,126,724	\$ 24,158,284	\$ 30,715,288
Total General Fund	\$2,414,901	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
All Other Governmental Funds	3,639,961	-	-	-	-	-	-	-	-	-
Reserved	800,599	-	-	-	-	-	-	-	-	-
Unreserved, reported in:	-	-	-	-	-	-	-	-	-	-
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Capital project funds	-	1,475	-	-	-	-	-	-	-	-
Nonspendable	-	5,429,411	4,984,800	4,404,805	5,018,601	6,566,573	9,619,366	11,091,501	9,668,121	11,089,514
Restricted	-	2,612,563	2,618,151	1,480,824	1,555,616	3,211,578	3,351,668	2,895,151	3,194,982	3,417,081
Committed	-	(1,713,546)	(355,839)	-272,217	(805)	(251,573)	(7,369)	(99,139)	-	-
Unassigned	\$6,855,461	\$ 6,329,903	\$ 7,247,112	\$ 5,613,412	\$ 6,573,412	\$ 9,526,578	\$ 12,963,665	\$ 13,887,513	\$ 12,863,103	\$ 14,506,595
Total all other governmental funds	\$2,414,901	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(a) The change in total fund balance for the General Fund and other governmental funds is explained in Management's Discussion and Analysis.



CITY OF BENICIA
Changes in Fund Balance of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Taxes	\$ 27,896,749	\$ 27,698,473	\$ 28,289,246	\$ 28,246,659	\$ 30,053,333	\$ 31,649,100	\$ 36,502,489	\$ 36,687,899	\$ 41,127,006	\$ 41,134,117
Licenses, permits and fees	320,466	315,208	277,267	391,830	531,474	480,554	458,696	796,643	1,237,397	1,237,397
Fines and forfeitures	105,391	99,898	184,084	125,016	92,633	82,198	102,280	202,246	291,761	291,761
Use of money and property	587,040	701,264	514,674	347,451	562,568	553,513	907,017	599,581	714,398	1,747,896
Intergovernmental revenues	4,855,610	5,200,591	4,931,453	4,853,473	3,366,221	2,847,632	2,199,299	1,636,742	1,711,236	2,191,540
Charges for services	2,234,871	1,485,991	2,407,509	1,620,508	1,792,391	1,887,502	2,282,367	2,165,041	2,572,513	2,655,387
Other	1,651,482	1,933,329	2,446,893	1,587,488	627,336	745,778	1,580,731	736,670	419,174	341,597
Total Revenues	37,651,609	37,434,754	38,151,126	37,112,425	36,886,469	38,297,197	44,054,737	42,396,801	47,543,216	49,599,695
Expenditures										
Current:										
Administration	3,365,557	3,101,146	2,978,057	2,989,783	3,288,675	4,427,640	4,490,769	4,345,176	5,185,170	6,061,670
Community development	-	-	-	1,351,994	1,032,179	1,287,113	1,508,851	1,439,367	1,556,053	1,568,105
Public Safety - Police	8,970,286	8,568,999	8,425,574	8,381,295	8,495,411	8,410,085	8,862,878	8,989,937	10,586,462	10,289,419
Public Safety - Fire	6,779,441	6,555,355	6,193,806	6,490,519	6,449,095	6,870,350	7,482,750	7,211,065	7,696,924	8,118,547
Parks & Community Services	5,482,353	5,371,171	5,097,677	5,160,108	5,407,167	5,579,622	5,520,405	5,758,533	5,728,426	5,896,771
Public Works	4,615,700	2,825,598	2,412,189	1,486,669	1,484,907	2,302,990	2,630,397	2,808,321	3,579,865	3,423,586
Library	2,134,589	2,158,850	2,019,269	1,961,284	2,027,067	2,093,511	2,175,008	2,215,440	2,401,567	2,344,057
Economic Development	493,857	458,470	443,384	653,720	537,493	572,719	744,460	624,625	42,926	532,241
General	2,418,903	2,641,205	2,863,369	2,821,213	2,899,981	722,030	528,144	25,710	42,926	65,749
Capital outlay	4,356,489	7,080,488	9,872,108	3,434,964	2,604,625	2,057,354	2,067,089	5,546,128	4,038,173	2,196,953
Debt service:										
Principal repayment	770,542	807,565	5,435,150	993,334	937,139	966,668	991,759	819,648	927,689	599,674
Interest and fiscal charges	429,528	471,211	1,138,271	135,505	129,355	102,611	74,043	71,585	75,402	62,136
Refunding bonds issuance costs	-	-	98,550	-	-	-	-	-	-	-
Total Expenditures	39,817,045	40,040,058	46,977,404	35,860,388	35,293,094	35,392,693	37,076,553	39,951,823	42,443,282	41,158,908
Excess (deficiency) of revenues over (under) expenditures	(2,165,436)	(2,605,304)	(8,826,278)	1,252,037	1,593,375	2,904,504	6,978,184	2,444,978	5,099,934	8,440,787
Other Financing Sources (Uses)										
Transfers in	1,926,107	2,521,117	3,331,208	2,285,097	498,129	134,750	620,645	320,645	31,488,633	2,870,287
Transfers (out)	(1,795,692)	(2,805,603)	(3,933,188)	(3,196,613)	(598,229)	(390,537)	(1,001,012)	(744,942)	(3,241,659)	(3,121,878)
State water resources loans	-	-	-	-	-	-	-	-	-	-
General obligation bonds issued	-	-	-	-	-	-	-	-	-	-
Capital lease issued	-	-	-	-	-	-	-	1,907,850	-	-
Proceeds from bonds issuance	-	13,195,000	-	-	-	-	-	-	-	-
Bond issue costs	-	(235,368)	-	-	-	-	-	-	-	-
Refunding bonds issued	-	-	4,270,000	-	-	-	-	-	-	-
Discount on bond	-	(12,328)	(21,350)	-	-	-	-	-	-	-
Contribution from other entity/land owners	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	156	20,734	-	10,631	187	-	-	242	10,800
Total other financing sources (uses)	130,415	12,662,974	3,667,404	(911,516)	(89,469)	(255,600)	(380,367)	1,483,553	(92,784)	(240,291)
Net Change in fund balances	(2,035,021)	\$ 10,057,670	\$ (5,158,874)	\$ 3,405,521	\$ 1,503,906	\$ 2,648,904	\$ 6,597,817	\$ 3,928,531	\$ 5,007,150	\$ 8,200,496
Debt service as a percentage of noncapital expenditures	3.4%	3.9	17.7%	3.5%	3.5%	3.2%	3.0%	2.7%	2.7%	1.7%

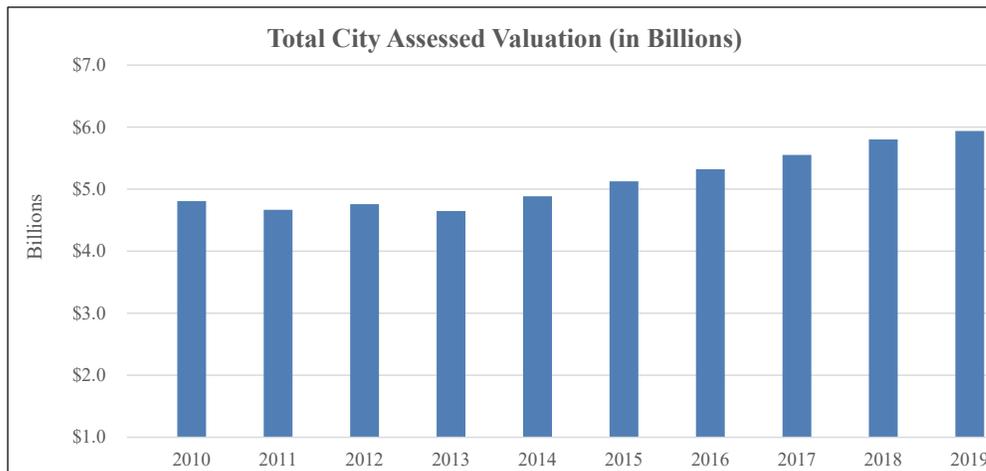
NOTE:
(a) The City implemented GASB Statement 34 in fiscal year 2003.

CITY OF BENICIA
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year	Real Property				Total Real Secured Property	Unsecured Property	Total Assessed (a)	Estimated Full Market (a)	Total Direct Tax Rate (b)
	Residential Property	Commercial Property	Industrial Property	Other					
2010	\$ 2,828,918,727	\$ 175,489,888	\$ 1,502,183,217	\$ 67,625,542	\$ 4,574,217,374	\$ 232,563,062	\$ 4,806,780,436	\$ 4,806,780,436	0.26547%
2011	2,740,155,696	176,848,852	1,463,741,183	67,837,288	4,448,583,019	218,306,994	4,666,890,013	4,666,890,013	0.26506%
2012	2,671,810,615	173,679,880	1,608,049,893	66,734,598	4,520,274,986	238,247,984	4,758,522,970	4,758,522,970	0.26145%
2013	2,585,442,237	172,176,509	1,589,839,265	66,361,809	4,413,819,820	234,346,390	4,648,166,210	4,648,166,210	0.26282%
2014	2,818,861,818	184,614,253	1,596,452,011	61,269,569	4,661,197,651	223,586,294	4,884,783,945	4,884,783,945	0.26290%
2015	3,081,003,497	193,975,573	1,559,702,541	61,556,385	4,896,237,996	230,216,645	5,126,454,641	5,126,454,641	0.24913%
2016	3,225,335,174	201,238,626	1,573,661,075	63,718,495	5,063,953,370	256,737,838	5,320,691,208	5,320,691,208	0.24918%
2017	3,404,967,491	206,276,891	1,618,061,212	66,992,516	5,296,298,110	254,806,049	5,551,104,159	5,551,104,159	0.24918%
2018	3,576,788,524	203,705,500	1,694,433,733	77,785,547	5,552,713,304	249,234,056	5,801,947,360	5,801,947,360	0.25950%
2019	3,750,994,811	211,430,526	1,644,230,923	83,627,641	5,690,283,901	247,741,026	5,938,024,927	5,938,024,927	0.25934%

Source: Solano County Assessor 2008/09 - 2017/18 Combined Tax Rolls

- (a) In 1978, the voters of the State of California passed Proposition 13 which limited taxes to a total maximum rate of 1%, based upon the assessed value of the property being taxed. Each year, the assessed value of the property may be increased by an "inflation factor" (limited to a maximum of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.
- (b) California cities do not set their own direct tax rate. The state constitution establishes the rate at 1% and allocates a portion of that amount, by an annual calculation, to all the taxing entities within a tax rate area.

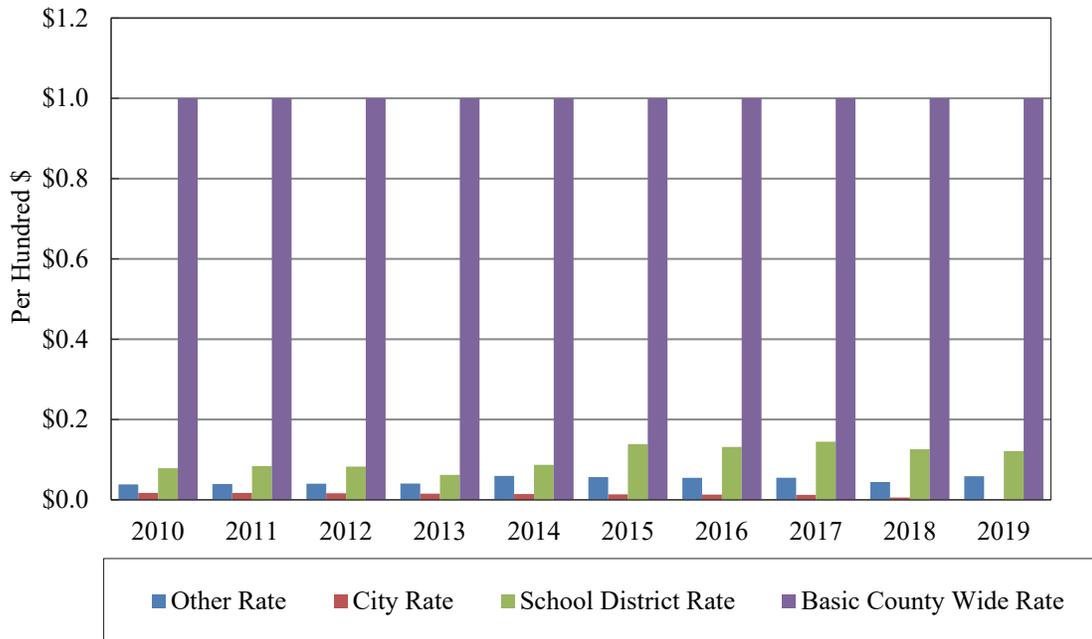


CITY OF BENICIA
PROPERTY TAX RATES
ALL DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$100 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS

Fiscal Year	City Direct Rate	Overlapping Rates:				Total Direct Rate
		Basic County Wide Rate	School District Rate	City Rate	Other Rate	
2010	0.25737	1.0000	0.0788	0.0173	0.0385	1.1345
2011	0.25737	1.0000	0.0839	0.0171	0.0395	1.1405
2012	0.26378	1.0000	0.0827	0.0165	0.0402	1.1394
2013	0.25133	1.0000	0.0621	0.0154	0.0406	1.1181
2014	0.20411	1.0000	0.0871	0.0143	0.0596	1.1610
2015	0.24913	1.0000	0.1389	0.0137	0.0567	1.2093
2016	0.24918	1.0000	0.1318	0.0130	0.0549	1.1997
2017	0.24918	1.0000	0.1448	0.0125	0.0550	1.2123
2018	0.25950	1.0000	0.1259	0.0058	0.0444	1.1761
2019	0.25934	1.0000	0.1215	0.0000	0.0589	1.1804

Source: HdL, Coren & Cone Report

**Direct and Overlapping Property Tax Rates
Per \$100 of Assessed Value**



CITY OF BENICIA
Principal Property Taxpayers
Current Year and Ten Years Ago

<u>Taxpayer</u>	<u>2018-2019</u>			<u>2009-2010</u>		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
VALERO REFINING COMPANY CALIFORNIA	\$ 961,257,119	1	16.19%	\$ 899,039,955	1	18.70%
ICON OWNER POOL 1 SF N-B P LLC	141,349,488	2	2.38%			
BENICIA INDUSTRIES INC	79,544,036	3	1.34%	67,909,834	3	1.41%
TULLOCH CONSTRUCTION INC.	52,888,816	4	0.89%	21,826,877	7	0.45%
CRANBROOK REALTY INVESTMENT FUND	30,500,000	5	0.51%			
GONSALVES AND SANTUCCI INC.	28,668,913	6	0.48%	21,364,725	8	0.44%
WRI WEST GATE SOUTH LP	28,655,092	7	0.48%	25,318,723	4	0.53%
CLUB PACIFICA LLC	25,046,917	8	0.42%	22,055,705	6	0.46%
CLEAN HARBORS ENVIRON SVS INC	17,907,402	9	0.30%			
5001 LLC	15,004,119	10	0.25%	13,257,166	10	0.28%
WALTON CWCA				170,625,601	2	3.55%
SPK INDUSTRIAL PORTFOLIO LLC				22,862,790	5	0.48%
MP BENICIA LOGISTICS LLC				13,834,722	9	0.29%
Total	<u>\$ 1,380,821,902</u>		<u>23.25%</u>	<u>\$ 1,278,096,098</u>		<u>26.59%</u>

Total Net Assessed Valuation:

Fiscal Year 2018-2019 \$5,938,024,927

Fiscal Year 2009-2010 \$4,806,786,036

Source: HdL, Coren & Cone Report

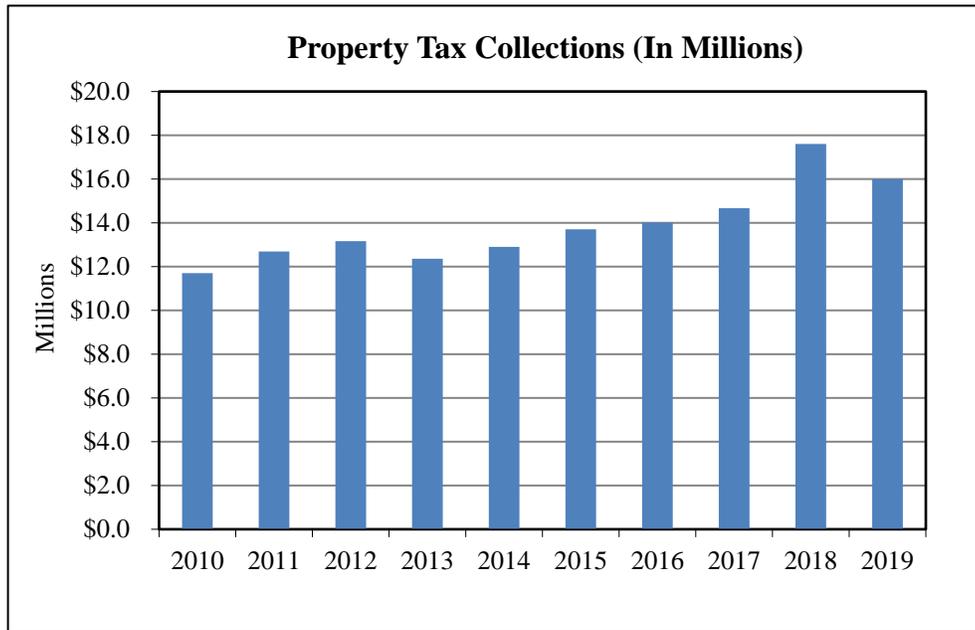
**CITY OF BENICIA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year	Total Tax Levy (a)	Current Tax Collections	Percent of Levy Collected	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
2010 *	\$ 11,701,913	\$ 11,701,913	100.0000%	\$ 11,701,913	100.0000%
2011 *	12,689,250	12,689,250	100.0000%	12,689,250	100.0000%
2012 *	13,162,059	13,162,059	100.0000%	13,162,059	100.0000%
2013 *	12,360,087	12,360,087	100.0000%	12,360,087	100.0000%
2014 *	12,899,586	12,899,586	100.0000%	12,899,586	100.0000%
2015 *	13,702,925	13,702,925	100.0000%	13,702,925	100.0000%
2016 *	14,014,604	14,014,604	100.0000%	14,014,604	100.0000%
2017 *	14,665,965	14,665,965	100.0000%	14,665,965	100.0000%
2018 *	17,603,205	17,603,205	100.0000%	17,603,205	100.0000%
2019 *	15,992,768	15,992,768	100.0000%	15,992,768	100.0000%

Source: Solano County Auditor-Controller's Office

Note: Current tax collections beginning in 1993 have been reduced by a mandatory tax reallocation imposed by the State of California

* Information derived from City's collection from Solano County - under the Teeter Plan.



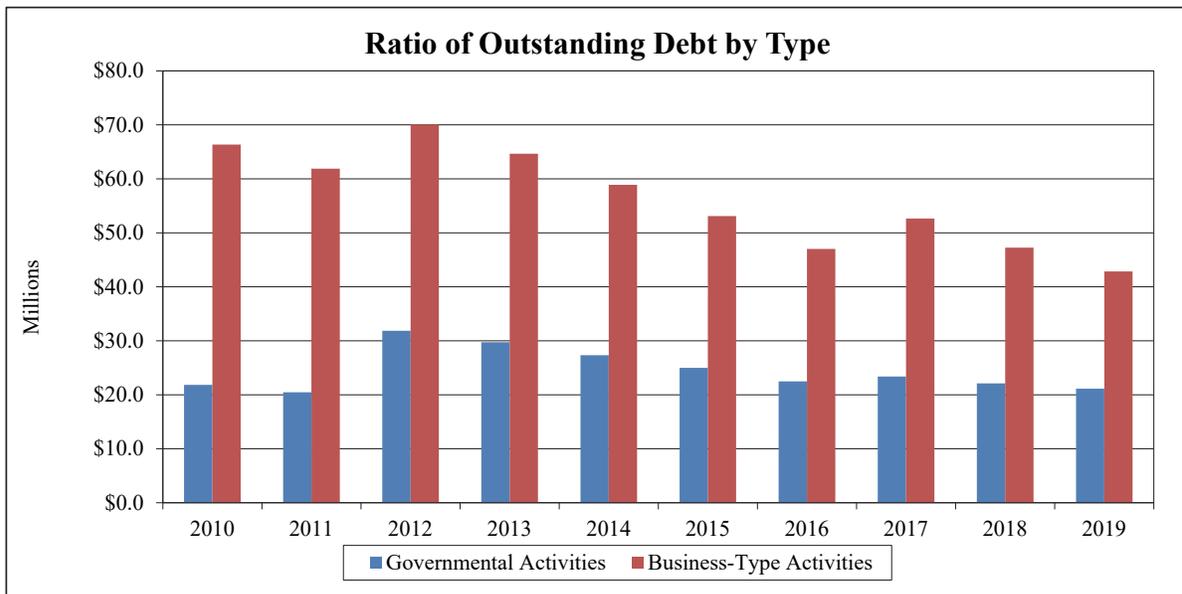
CITY OF BENICIA
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Governmental Activities					
Fiscal Year	General Obligation Bonds	Pension Obligation Bonds	Lease Obligation	Certificates of Participation	Total
2010	\$ 5,590,000	\$ 13,273,493	\$ 2,971,873	\$ -	\$ 21,835,366
2011	5,055,000	12,758,370	2,667,460	13,195,000	20,480,830
2012	4,270,000	12,148,201	2,349,067	13,100,000	31,867,268
2013	3,575,000	11,451,726	2,016,035	12,700,000	29,742,761
2014	2,950,000	10,668,519	1,667,675	12,050,509	27,336,703
2015	2,310,000	9,787,852	1,303,202	11,595,804	24,996,858
2016	1,660,000	8,826,105	922,322	11,071,101	22,479,528
2017	1,005,000	7,762,706	2,624,334	11,989,158	23,381,198
2018	335,000	7,701,537	2,324,037	11,753,834	22,114,408
2019	-	7,616,272	2,059,363	11,464,931	21,140,566

Business-Type Activities						Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
Fiscal Year	Water Revenue Bonds	Sewer Revenue Bonds	Loans Payable	Lease Purchase	Total			
2010	\$ 6,358,639	\$ 3,201,466	\$ 34,967,876	\$ -	\$ 44,527,981	\$ 66,363,347	5.86%	\$ 2,378
2011	5,661,631	2,931,130	32,820,100	-	41,412,861	61,893,691	5.64%	2,203.72
2012	4,934,118	2,650,795	30,624,276	-	38,209,189	70,076,457	6.03%	2,603.23
2013	4,186,139	2,365,459	28,377,285	-	34,928,883	64,671,644	5.73%	2,380.87
2014	3,407,718	2,070,123	26,090,472	-	31,568,313	58,905,016	5.04%	2,145.59
2015	2,598,877	1,759,788	23,750,423	-	28,109,088	53,105,946	4.57%	1,931.48
2016	1,754,631	1,439,452	21,355,786	-	24,549,869	47,029,397	3.93%	1,710.10
2017	890,000	1,104,116	18,905,171	8,366,073	29,265,360	52,646,558	4.33%	1,900.94
2018	-	753,777	16,397,150	7,993,313	25,144,240	47,258,648	3.82%	1,718.56
2019	-	388,441	13,830,250	7,495,585	21,714,276	42,854,842	3.21%	1,554.40

Sources: City of Benicia
HdL, Coren & Cone

(a) See page 140 (Demographic Statistics) for personal income and population data.



CITY OF BENICIA
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Pension Obligation Bonds	Total	Percentage of Actual Taxable Value of Property (1)	Per Capita (2)
2010	\$ 5,590,000	\$ 13,273,493	\$ 18,863,493	0.39%	\$ 676
2011	5,055,000	12,758,370	17,813,370	0.38%	634.24
2012	4,270,000	12,148,201	16,418,201	0.35%	609.91
2013	3,575,000	11,451,726	15,026,726	0.32%	553.21
2014	2,950,000	10,668,519	13,618,519	0.28%	496.05
2015	2,310,000	9,787,852	12,097,852	0.24%	440.00
2016	1,660,000	8,826,105	10,486,105	0.20%	381.30
2017	1,005,000	7,762,706	8,767,706	0.16%	316.58
2018	335,000	7,701,537	8,036,537	0.14%	292.25
2019	-	7,616,272	7,616,272	0.13%	276.25

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) See Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

(2) Population data can be found in the Schedule of Demographic and Economic Statistics.

CITY OF BENICIA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
JUNE 30, 2019

2018-19 Assessed Valuation

\$ 5,941,290,543

	Total Debt 6/30/2019	Percentage Applicable (1)	City's Share of Debt 6/30/2019
<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</u>			
Solano County Community College District	\$ 276,464,164	11.177%	\$ 30,900,400
Benicia Unified School District	59,683,282	99.277%	59,251,772
City of Benicia 1915 Act Bonds	6,198,854	100%	<u>6,198,854</u>
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			<u>\$ 96,351,026</u>
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT</u>			
Solano County Certificates of Participation	67,315,000	10.794%	\$ 7,265,981
Solano County Pension Obligation Bonds	23,375,000	10.794%	2,523,098
Solano County Community College District Certificates of Participation	8,409,602	11.177%	939,941
Benicia Unified School District General Fund Obligations	2,382,172	99.277%	2,364,949
City of Benicia General Fund Obligations	13,524,294	100%	13,524,294 (2)
City of Benicia Pension Obligations	7,616,272	100%	<u>7,616,272 (3)</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 34,234,535
TOTAL DIRECT DEBT			21,140,566
TOTAL OVERLAPPING DEBT			<u>109,444,995</u>
COMBINED TOTAL DEBT			<u>\$ 130,585,561 (4)</u>

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Includes capital leases in the amount of \$2,059,363.

(3) Includes accreted value from series A-2 bonds.

(4) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

RATIOS TO 2018-19 ASSESSED VALUATION:

Total Direct and Overlapping Tax and Assessment Debt	1.62%
Total Direct Debt (\$23,675,692)	0.36%
Combined Total Debt	2.20%

Source: California Municipal Statistics, Inc. and City of Benicia

CITY OF BENICIA
COMPUTATION OF LEGAL BONDED DEBT MARGIN
JUNE 30, 2019

ASSESSSED VALUATION:

Secured property assessed value, net of exempt real property	\$ 5,690,283,901
---	------------------

BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)	\$ 213,385,646
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AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt	\$ 19,469,644
Less Revenue Bonds, Certificate of Participation not subject to limit	19,469,644

Amount of debt subject to limit	-
---------------------------------	---

LEGAL BONDED DEBT MARGIN	\$ 213,385,646
--------------------------	----------------

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2009	\$ 180,894,855	\$ 6,100,000	\$ 174,794,855	3.49%
2010	171,533,152	5,590,000	165,943,152	3.37%
2011	166,821,863	5,055,000	161,766,863	3.12%
2012	169,510,312	4,270,000	165,240,312	2.58%
2013	165,518,243	3,575,000	161,943,243	2.21%
2014	174,794,912	2,950,000	171,844,912	1.72%
2015	181,298,925	2,310,000	178,988,925	1.29%
2016	188,238,251	1,660,000	186,578,251	0.89%
2017	197,606,179	1,005,000	196,601,179	0.51%
2018	207,891,749	335,000	207,556,749	0.16%
2019	213,385,646	-	213,385,646	0.00%

NOTE:

- (a) California Government Code, Section 43605 sets the debt limit at 15%. The Code section was enacted prior to the change in basing assessed value to full market value when it was previously 25% of market value. Thus, the limit shown as 3.75% is one-fourth the limit to account for the adjustment of showing assessed valuation at full cash value.

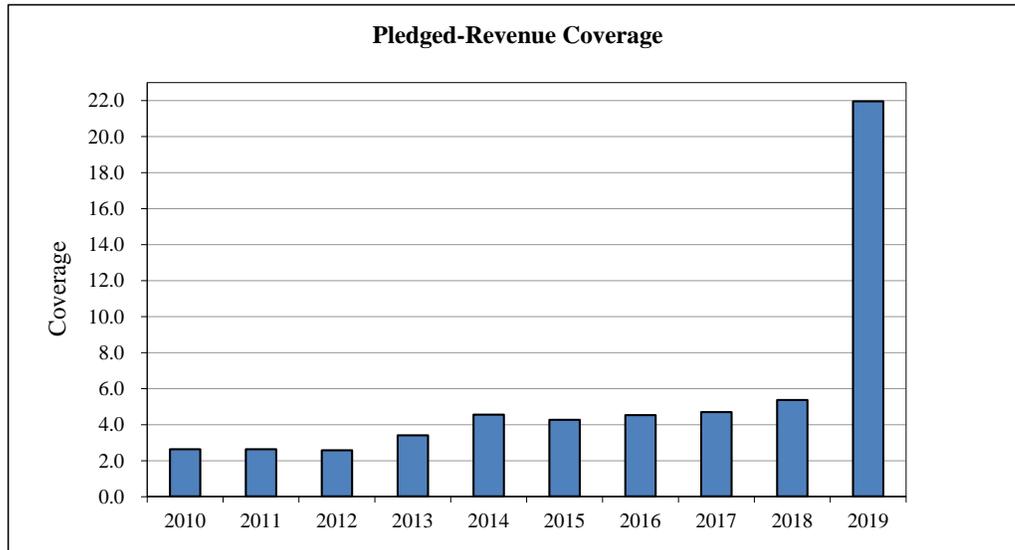
CITY OF BENICIA
PLEDGED-REVENUE COVERAGE
WATER AND WASTEWATER REVENUE BONDS
LAST TEN FISCAL YEARS
 (amounts expressed in thousands)

Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2010	\$ 13,540	\$ 10,014	\$ 3,526	\$ 950	\$ 385	\$ 1,335	2.64
2011	13,253	9,736	3,517	975	356	1,331	2.64
2012	13,290	9,845	3,445	1,015	321	1,336	2.58
2013	14,577	10,059	4,518	1,040	284	1,324	3.41
2014	16,000	9,958	6,042	1,080	245	1,325	4.56
2015	17,650	11,979	5,671	1,125	203	1,328	4.27
2016	17,759	11,746	6,013	1,170	158	1,328	4.53
2017	19,266	13,094	6,172	1,205	109	1,314	4.70
2018 (3)	21,737	14,741	6,996	1,245	57	1,302	5.37
2019	23,177	14,560	8,617	370	22	392	21.96

Notes:

- (1) Includes all Water & Wastewater Operating Revenues, Non-operating Interest Revenue, Connection Fees and other Non-operating Revenue
- (2) Includes all Water & Wastewater Operating Expenses less Depreciation and Interest
- (3) 2002 Water Refunding Bonds were paid in full in fiscal year 2017-18.

Source: City of Benicia



**CITY OF BENICIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

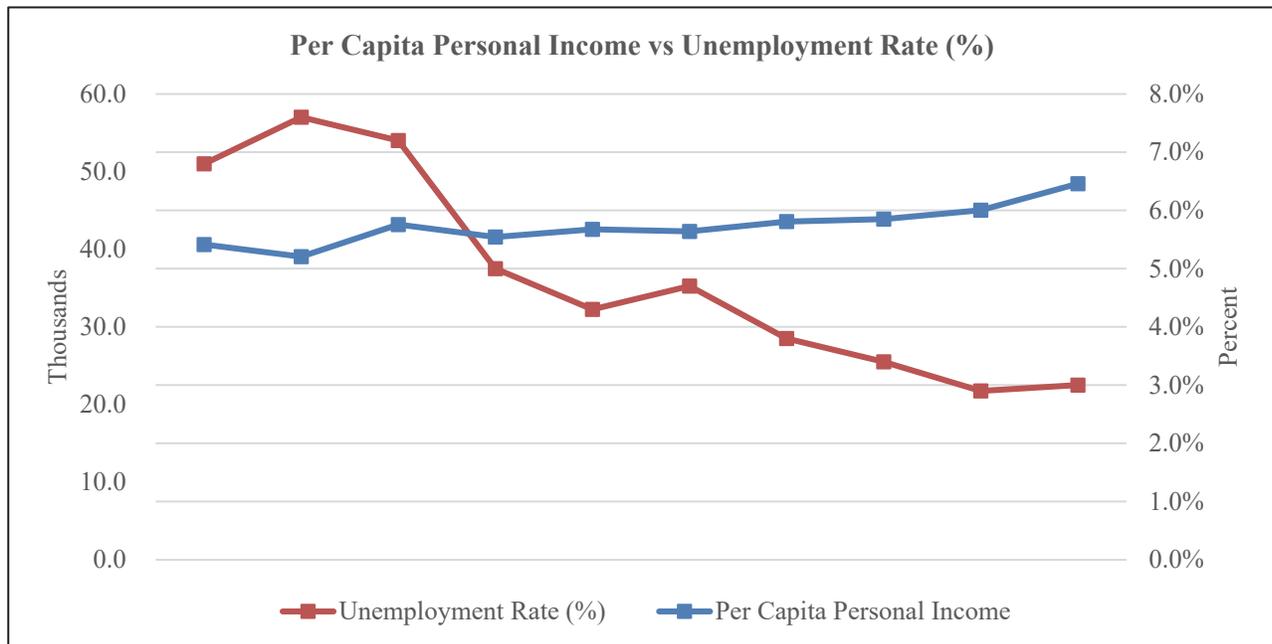
Fiscal Year	(a) City Population	Total Personal Income	Per Capita Personal Income	Unemployment Rate (%)	(a) County Population	City Population % of County
2010	27,912	\$1,133,310,936	\$40,603	6.8%	427,837	6.52%
2011	28,086	1,096,561,698	39,043	7.6%	414,509	6.78%
2012	26,919	1,162,254,744	43,176	7.2%	413,786	6.51%
2013	27,163	1,129,247,399	41,573	5.0%	418,387	6.49%
2014	27,454	1,168,442,240	42,560	4.3%	424,233	6.47%
2015	27,495	1,162,901,025	42,295	4.7%	429,552	6.40%
2016	27,501	1,197,916,059	43,559	3.8%	431,498	6.37%
2017	27,695	1,215,173,515	43,877	3.4%	436,023	6.35%
2018	27,499	1,238,197,473	45,027	2.9%	439,102	6.26%
2019	27,570	1,335,573,510	48,443	3.0%	441,307	6.25%

Notes:

(a) Population is reported as of January 1st

Sources:

California State Department of Finance
California Employment Development Department
HdL, Coren & Cone

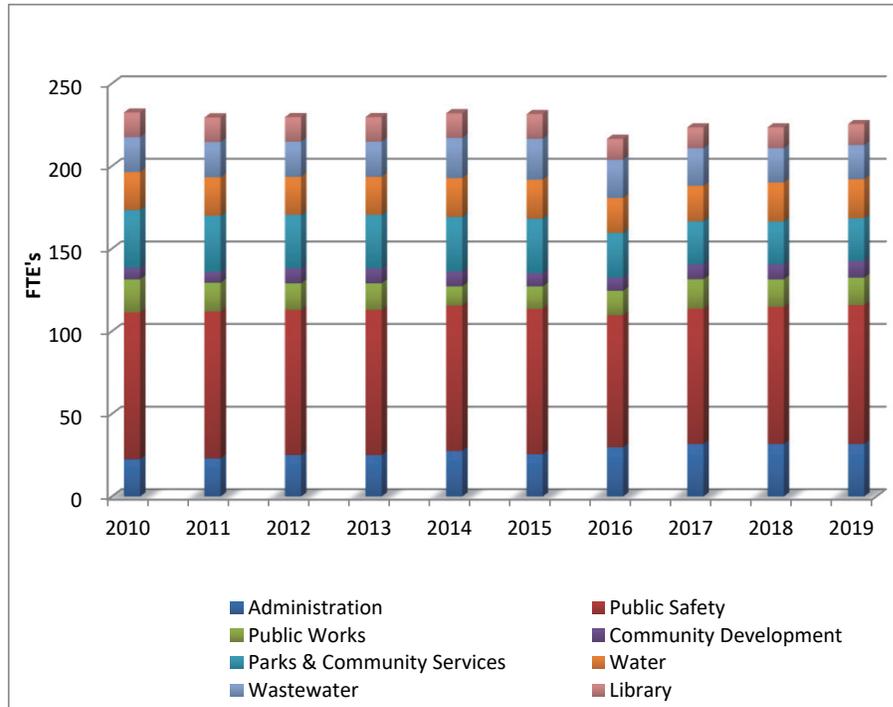


CITY OF BENICIA
Principal Employers
Current Year and Nine Years Ago

<u>Employer</u>	<u>2018-19</u>			<u>2009-10</u>		
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Valero	450	1	1.6%	538	1	1.9%
Benicia Unified School District	367	2	1.3%	465	2	1.7%
Dunlop Manufacturing	235	3	0.9%	234	4	0.8%
City of Benicia	226	4	0.8%	232	5	0.8%
Bio-Rad Laboratories Inc.	212	5	0.8%	268	3	1.0%
Pro-form Laboratories	193	6	0.7%			
Coca Cola Bottling Co.	191	7	0.7%	162	7	0.6%
Team Industrial Services Inc	182	8	0.7%			
Central Coast Wine Co	159	9	0.6%			
Molecule Labs, Inc.	151	10	0.5%			
Cytosport				171	5	0.6%
Benicia Fabrication & Machine				124	8	0.4%
The Pepsi Bottling Group				119	9	0.4%
Cycle Gear Inc				111	10	0.4%
Subtotal	<u>2,366</u>		<u>8.6%</u>	<u>2,424</u>		<u>8.7%</u>
Total City Day Population	<u>27,570</u>			<u>27,912</u>		

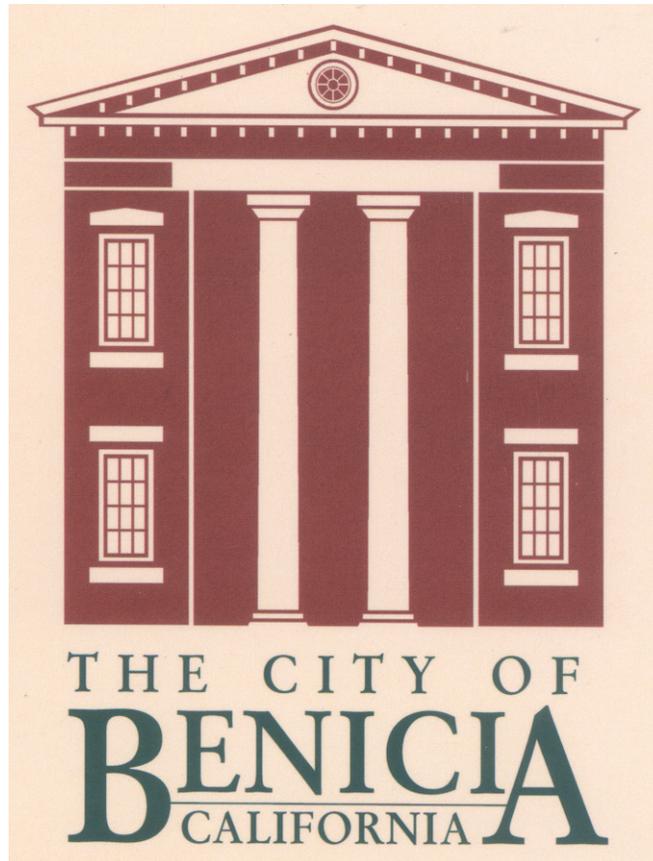
Source: City of Benicia Budget and City of Benicia Business Data, Economic Development

CITY OF BENICIA
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Function										
Administration	22.50	23.00	25.00	25.00	27.50	25.60	29.75	31.75	31.75	31.75
Public Safety	89.00	89.00	88.00	88.00	88.00	88.00	80.00	82.00	83.00	84.00
Public Works	19.95	17.35	16.03	16.03	11.65	13.55	14.75	17.75	16.70	16.70
Community Development	7.00	6.67	8.97	8.97	9.00	8.00	8.00	9.00	9.00	10.00
Parks & Community Services	35.00	34.00	32.50	32.50	33.00	33.00	27.00	26.00	26.00	26.00
Water	22.95	23.16	23.05	23.05	23.60	23.60	21.15	21.55	23.65	23.65
Wastewater	21.10	21.31	21.20	21.20	24.25	24.75	23.15	22.70	20.65	20.65
Library	15.00	15.00	15.00	15.00	15.00	15.00	12.75	12.75	12.75	12.75
Total	<u>232.50</u>	<u>229.49</u>	<u>229.75</u>	<u>229.75</u>	<u>#####</u>	<u>231.50</u>	<u>216.55</u>	<u>223.50</u>	<u>223.50</u>	<u>225.50</u>

Source: City of Benicia



CITY OF BENICIA
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year			
	2010	2011	2012	2013
Public safety:				
Fire:				
Fire calls for service	2,122	2,067	2,238	2,208
Primary fire inspections conducted (estimate)	935	750	690	401
Police:				
Police calls for Service***	27,029	14,536	12,422	18,867
Law violations:				
Physical arrests (adult and juvenile)	836	866	734	614
Traffic violations	2,546	2,346	2,394	1,296
Parking violations	237	230	206	77
Public Works				
Street resurfacing (miles)	5	0.8	8.9	1.3
Potholes repaired (cubic feet) *	1,764	1,395	953	999
Parks & Community Services:				
Community Services:				
Recreation class programs	800	820	1,104	971
Recreation class participants**	8,560	9,137	10,126	9,546
Library:				
Volumes in Collection	106,965	106,264	109,436	99,608
Total Volumes Borrowed	384,056	384,134	433,264	474,472
Water				
Water service connections	9,557	9,547	9,434	9,827
Water main breaks	33	10	15	21
Average daily consumption (thousands of gallons)	3,540	3,808	3,714	4,062
Wastewater				
Storm drain inlets	2,040	2,040	2,040	2,040
Sewer service connections	9,261	9,278	9,277	9,283
Sewer main blockages	46	27	24	34
Average daily treatment (thousands of gallons)	2,280	2,433	2,370	2,180

Source: City of Benicia

* Potholes repaired were incorrectly stated in prior years as square miles. Amounts were based on average pothole size in cubic feet.

**In 2018 a new Point of Sale system was implemented in Parks and Recreation.

The new system allows for counting all participants in the drop in program.

***2018-2019 includes dispatch calls for service received from Cal Maritime.

Attachment 1 - Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2019

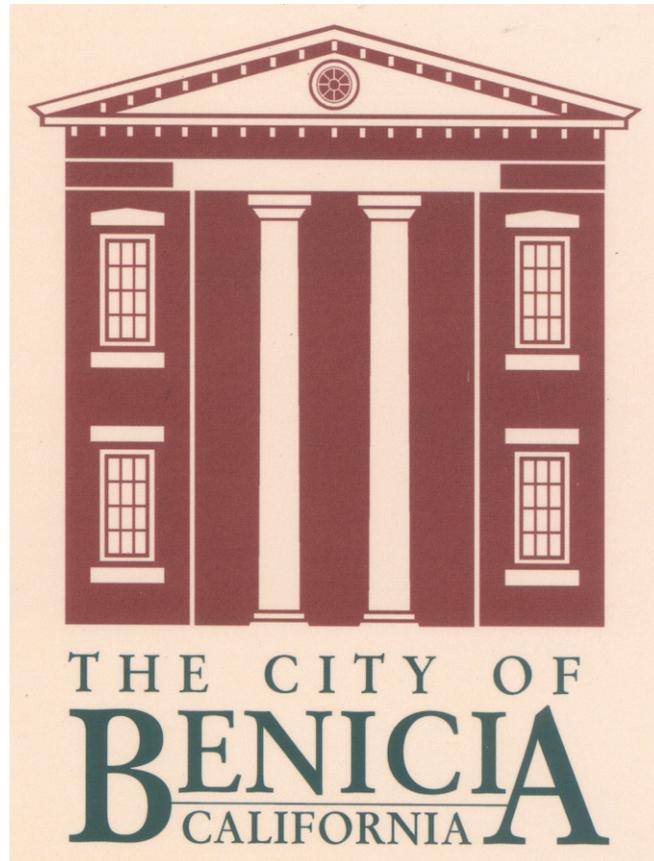
Fiscal Year					
2014	2015	2016	2017	2018	2019
2,180	2,346	2,465	2,579	2,523	2,524
398	331	877	621	935	1,132
17,557	13,027	18,560	22,003	29,177	32,346
602	562	671	704	741	695
1,239	775	758	1,525	1,545	1,338
148	134	230	273	235	216
2.8	0.8	-	7.0	6.7	8.6
420	467	644	6,288	3,132	7,156
986	1,177	1,180	1,132	1,331	1,340
9,071	9,701	9,800	9,035	37,547	40,618
104,546	105,441	103,864	108,894	97,253	105,647
490,984	457,210	431,687	312,060	268,847	251,503
9,682	9,698	9,687	9,710	9,522	9,542
18	26	40	23	27	9
4,014	3,129	2,593	2,687	3,165	3,089
2,040	2,040	2,040	2,040	2,040	2,040
9,185	9,197	9,181	9,204	9,223	9,245
23	12	14	10	6	13
2,110	2,018	1,967	2,106	2,106	2,219

CITY OF BENICIA
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year			
	2010	2011	2012	2013
Public safety:				
Fire stations	2	2	2	2
Police stations	1	1	1	1
Police patrol units	12	12	11	13
Public works				
Miles of streets	97	97	97	97
Street lights	2,232	2,232	2,232	2,232
Traffic Signals	10	11	11	11
Parks and recreation:				
Community services:				
City parks	36	36	36	36
City parks acreage	214	214	214	214
Recreation centers	2	2	2	2
Senior citizen centers	1	1	1	1
Regional park acreage	577	577	577	577
Library:				
City libraries	1	1	1	1
Water				
Miles of water mains	160	160	160	160
Fire hydrants	1,430	1,428	1,429	1,449
Maximum daily capacity (millions of gallons)	12	12	12	12
Wastewater				
Miles of sanitary sewers	150	150	150	150
Miles of storm drains	78	78	78	78
Number of treatment plants	1	1	1	1

Attachment 1 - Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2019

Fiscal Year						
2014	2015	2016	2017	2018	2019	
2	2	2	2	2	2	2
1	1	1	1	1	1	1
13	13	13	13	13	13	13
97	97	97	97	97	97	97
2,232	2,232	2,232	2,358	2,358	2,358	2,358
11	11	11	11	11	11	11
36	36	36	36	36	36	36
214	214	214	214	214	214	214
2	2	2	2	2	2	2
1	1	1	1	1	1	1
577	577	577	577	577	577	577
1	1	1	1	1	1	1
160	160	160	160	160	160	160
1,449	1,452	1,452	1,452	1,452	1,452	1,452
12	12	12	12	12	12	12
150	150	150	150	153	153	153
78	78	78	78	78	78	78
1	1	1	1	1	1	1



**CITY OF BENICIA
MEMORANDUM ON INTERNAL CONTROL
AND
REQUIRED COMMUNICATIONS
FOR THE YEAR ENDED JUNE 30, 2019**

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**CITY OF BENICIA
MEMORANDUM ON INTERNAL CONTROL
AND
REQUIRED COMMUNICATIONS**

For The Year Ended June 30, 2019

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MEMORANDUM ON INTERNAL CONTROL

To the City Council of
the City of Benicia
Benicia, California

In planning and performing our audit of the basic financial statements of the City of Benicia as of and for the year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Management's written responses included in this report have not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of management, City Council, others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Maze & Associates

Pleasant Hill, California
January 23, 2020

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**CITY OF BENICIA
MEMORANDUM ON INTERNAL CONTROL**

SCHEDULE OF OTHER MATTERS

NEW GASB PRONOUNCEMENTS OR PRONOUNCEMENTS NOT YET EFFECTIVE

The following comment represents new pronouncements taking effect in the next few years. We have cited them here to keep you abreast of developments:

EFFECTIVE FISCAL YEAR 2019/20:

GASB 84 - Fiduciary Activities

The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

GASB 90 - Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61

The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

**CITY OF BENICIA
MEMORANDUM ON INTERNAL CONTROL**

SCHEDULE OF OTHER MATTERS

EFFECTIVE FISCAL YEAR 2020/21:

GASB 87 - Leases

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

GASB 89 - Accounting for Interest Cost Incurred before the End of a Construction Period

The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

**CITY OF BENICIA
MEMORANDUM ON INTERNAL CONTROL**

SCHEDULE OF OTHER MATTERS

EFFECTIVE FISCAL YEAR 2021/22:

GASB 91 - Conduit Debt Obligations

The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

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**CITY OF BENICIA
MEMORANDUM ON INTERNAL CONTROL**

CURRENT STATUS OF PRIOR YEAR SIGNIFICANT DEFICIENCIES

2018 – 01: Timeliness of Year-End Close

Criteria: When implementing a new financial system, it is crucial that control procedures be maintained in order to produce accurate and timely financial data.

Condition: The City converted to a new financial system in fiscal year 2017-18. The system conversion was given top priority during the fiscal year and in the months subsequent to year end, which are usually the months that the City focuses on closing its books of the prior fiscal year. The condition was exacerbated by the retirement of the Assistant Finance Director and other vacancies in the Finance Department. As a result, the year-end audit was adversely affected. City staff has worked diligently during the system conversion and has provided full cooperation to our audit. However, while the new financial system is expected to contribute to efficiency, improvements and ease the year-end closing pressures in future years, the first-year close under the new system proved challenging. During the audit, staff proposed twenty-one post-closing entries, an increase over prior year. Staff had difficulty completing bank reconciliations timely, and the closing balances for capital assets, pension and OPEB-related items, and various revenue and expenditure accruals. These areas affected the year-end close and most of the City's funds.

Potential Effect: The above condition delayed the completion of the year-end close which increases the risk that errors may go undetected by staff and corrections may not be made in a timely manner. Audit effort was substantially increased in response to these increased risks.

Cause: As mentioned above, the condition was caused by system conversion, and staffing shortages and turnovers.

Recommendation: The City has made substantial progress in the system implementation and has since filled the vacancies in the Department. Therefore, the effects occurred this audit are not expected to be a major issue in future years. However, continued refinement of the system should be ongoing to ensure that the timeliness of critical closing procedures improves so that required reporting can be completed timely.

Current Year Status: Partially implemented. The City made substantial progress in the timeliness of critical closing procedures during the fiscal year 2019 audit. However, bank and investment reconciliations were still not current.

During the final phase of our current year audit in November 2019, we noted the following:

1. The November 2018 and April 2019 bank reconciliations were not signed off by the preparer or reviewer.
2. The quarterly investment reports for the periods ending December 2018 and March 2019 had not been finalized with approval, thus delaying the presentation to the City Council.

Current Year Management Response: The City concurs with the finding. Staff is diligently working on improving the timeliness of reporting including bank reconciliations and investment reports. Staff is continuing with the implementation of critical phases of the Enterprise Resource Planning software which has taken considerable staff time.

**CITY OF BENICIA
MEMORANDUM ON INTERNAL CONTROL**

CURRENT STATUS OF PRIOR YEAR SIGNIFICANT DEFICIENCIES

2016 – 02: Timely Preparation of Bank Reconciliations

Criteria: Bank reconciliations are one of the most important internal controls a City can have, and the bank reconciliation cannot be considered complete until it has been reviewed and approved. To be an effective control, bank reconciliations and the associated review should be completed in their entirety as soon as reasonably possible after each month-end, usually within thirty to forty-five days of bank statement date.

Condition: During the interim audit in June 2016, we selected the November 2015 and February 2016 bank reconciliations for testing of timely preparation and documentation of review and approval. We noted that the November 2015 bank reconciliation was completed until March 3, 2016, and February 2016 bank reconciliation April 25, 2016.

Potential Effect: By not completing and reviewing the bank reconciliations timely, accounting errors, misstatements and/or unauthorized activities may not be identified or corrected in a timely manner.

Cause: City staff indicated that they were behind in preparing and reviewing the bank reconciliations due to the implementation of a new accounting system and an increase in workload.

Recommendation: The City has since caught up the reconciliation process. Going forward, bank reconciliations should remain a high priority and be completed and reviewed timely.

Current Year Status: See current status of Significant Deficiency 2018-01.



REQUIRED COMMUNICATIONS

To the City Council of
the City of Benicia, California

We have audited the basic financial statements of the City of Benicia for the year ended June 30, 2019. Professional standards require that we communicate to you the following information related to our audit under generally accepted auditing standards.

Significant Audit Findings

Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Benicia are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year, except as follows:

The following Governmental Accounting Standards Board (GASB) pronouncement became effective, but did not have a material effect on the financial statements.

GASB 83 Certain Asset Retirement Obligations

The following GASB pronouncement became effective, but did not have a material effect on the financial statements. See Note 7 to the financial statements for additional disclosure.

GASB 88 Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements

Unusual Transactions, Controversial or Emerging Areas

We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were:

Estimated Fair Value of Investments: As of June 30, 2019, the City held approximately \$83 million of cash and investments as measured by fair value as disclosed in Note 3 to the financial statements. Fair value is essentially market pricing in effect as of June 30, 2019. These fair values are not required to be adjusted for changes in general market conditions occurring subsequent to June 30, 2019.

Estimate of Depreciation: Management's estimate of the depreciation is based on useful lives determined by management. These lives have been determined by management based on the expected useful life of assets as disclosed in Note 6 to the financial statements. We evaluated the key factors and assumptions used to develop the depreciation estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Estimated Net Pension Assets and Liabilities and Pension-Related Deferred Outflows and Inflows of Resources: Management's estimate of the net pension assets and liabilities and deferred outflows/inflows of resources are disclosed in Note 10 to the financial statements and are based on actuarial studies determined by a consultant, which are based on the experience of the City. We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Estimated Total OPEB Liabilities and OPEB-Related Deferred Outflows and Inflows of Resources: Management's estimate of the total OPEB liabilities and deferred outflows/inflows of resources are disclosed in Note 11 to the financial statements and are based on actuarial studies determined by a consultant, which are based on the experience of the City. We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Disclosures

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Professional standards require us to accumulate all known and likely uncorrected misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We have no such misstatements to report to the City Council.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in a management representation letter dated January 23, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the City’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information Accompanying the Financial Statements

We applied certain limited procedures to the required supplementary information that accompanies and supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the required supplementary information and do not express an opinion or provide any assurance on the required supplementary information.

We were engaged to report on the supplementary information, which accompanying the financial statements but are not required supplementary information. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

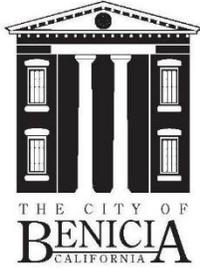
We were not engaged to report on the Introductory and Statistical Sections included as part of the Comprehensive Annual Financial Report but are not required supplementary information. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

This information is intended solely for the use of City Council and management and is not intended to be, and should not be, used by anyone other than these specified parties.

Maze & Associates

Pleasant Hill, California
January 23, 2020

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AGENDA ITEM
CITY COUNCIL MEETING DATE – FEBRUARY 18, 2020
CONSENT CALENDAR

TO : City Manager

FROM : Parks and Community Services Director

SUBJECT : **ACCEPTANCE OF THE BENICIA PUBLIC LIBRARY ROOF REPLACEMENT PROJECT**

EXECUTIVE SUMMARY:

On March 5, 2019, City Council adopted Resolution No. 19-13, awarding the construction contract to Stronger Building Services to remove and replace the existing library roofing material and skylights, which had been installed when the library was constructed in 1994. The project was completed in September 2019 to the satisfaction of City staff. The total construction cost was \$995,540.

RECOMMENDATION:

Adopt a resolution (Attachment 1) accepting the Benicia Library Roof Replacement project as complete, authorizing the City Manager to sign the Notice of Completion, and authorizing the City Clerk to file the Notice of Completion (Attachment 2) with the Solano County Recorder.

BUDGET INFORMATION:

The cost of the removal and replacement of the roofing material and the skylights is \$995,540. Staff had also asked for a 10% contingency of \$99,554, for a total project budget of \$1,095,094. Funds from the construction contingency were not used, resulting in a total construction cost of \$995,540. Funds for this project were allocated from Measure C account # 4259030, Project #900011.

BACKGROUND:

The existing roofing material and skylights were installed when the library was constructed in 1994. The standing seam galvanized sheet metal roof was treated with an acid wash solution to give it the look of aged copper. However, that treatment shortened the life of the roofing material from 50 years to 25, necessitating the current roof replacement project at this time.

In June of 2017, City Council approved the Measure C project list in Resolution No. 17-93. The copper material was selected because it was the original intent for the library to have a copper roof. The roofing material was approved by the Historic Preservation Review Commission on December 6, 2018.

On January 16, 2019, the construction plans and specifications were made available for public bidding. A mandatory pre-bid meeting was held on January 30, 2019. On February 6, 2019, the

City received and opened 4 bids. On March 5, 2019, City Council awarded the project to Stronger Building Services of San Leandro, California in Resolution No. 19-13. The proposed resolution (Attachment 1) accepts the project as complete and authorizes the signing and filing of the Notice of Completion (Attachment 2).

NEXT STEPS:

If the resolution is adopted, the City Manager will sign the Notice of Completion and the City Clerk will file the notice with the Solano County Recorder.

ALTERNATIVE ACTIONS:

None.

General Plan	Goal 2.28: Improve and maintain public facilities and services.
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Strategic Plan	Strategic Issue 4: Preserving and Enhancing Infrastructure
	Strategy 4.4: Provide adequate funding for ongoing infrastructure needs
	Strategic Issue 5: Maintain and Enhance a High Quality of Life

CEQA Analysis	The alternatives are categorically exempt from further review of the California Environmental Quality Act (CEQA) pursuant to Guidelines Section 15302, (Replacement or Reconstruction), which exempts replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced.
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ATTACHMENTS:

1. Resolution – Acceptance of the Benicia Public Library Roof Replacement Project
2. Notice of Completion – Benicia Public Library Roof Replacement Project

For more information contact: Rick Knight, Project Manager

Phone: 707.746.4322

E-mail: rknight@ci.benicia.ca.us

RESOLUTION NO. 20-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA ACCEPTING THE BENICIA PUBLIC LIBRARY ROOF REPLACEMENT PROJECT, AUTHORIZING THE CITY MANAGER TO SIGN THE NOTICE OF COMPLETION, AND AUTHORIZING THE CITY CLERK TO FILE THE NOTICE OF COMPLETION WITH THE SOLANO COUNTY RECORDER

WHEREAS, on March 5, 2019, by Resolution No. 19-13, the City Council awarded Stronger Building Services of San Leandro, California a contract for the removal and replacement of the roof material and skylights on the Benicia Public Library; and

WHEREAS, the total authorized budget for the project was \$1,095,094; and

WHEREAS, Stronger Building Services, has completed the work in accordance with the plans and specifications to the satisfaction of City staff; and

WHEREAS, the project is categorically exempt under CEQA pursuant to Section 15301 of the CEQA guidelines.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Benicia does hereby accept the Benicia Public Library Roof Replacement project as complete, with a total construction cost of \$995,540, funded by Measure C, account number 4259030, Project #900011.

BE IT FURTHER RESOLVED THAT the City Manager is hereby authorized to sign the Notice of Completion and the City Clerk is authorized to file the Notice of Completion with the Solano County Recorder.

On motion of Council Member _____, seconded by Council Member _____, the above resolution was adopted by the City Council of the City of Benicia at a regular meeting of said Council held on the 18th day of February, 2020 by the following vote:

Ayes:

Noes:

Absent:

Elizabeth Patterson, Mayor

Attest:

Lisa Wolfe, City Clerk

Date

Recorded at the request of:

CITY OF BENICIA

After recording return to:

CITY OF BENICIA
PUBLIC WORKS
250 EAST "L" STREET
BENICIA, CA 94510

NOTICE OF COMPLETION

NOTICE IS HEREBY GIVEN THAT:

1. The City of Benicia, 250 East "L" Street, Benicia, CA, 94510, is the owner of the property described as:

2150 East "L" Street, Benicia Public Library APN # 0088-141-070
2. The nature of the City's ownership of above listed property is **fee simple**.
3. A project to replace the Benicia Public Library roof was completed and accepted by the City Council of the City of Benicia at a regular meeting thereof on February 18, 2020.
4. The name of the contractor for such improvements was **Stronger Building Services of San Leandro Ca.**

CITY OF BENICIA

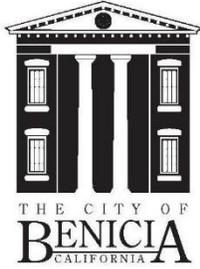
Dated: _____

By: _____
Lorie Tinfow,
City Manager

Attest: _____
Lisa Wolfe, City Clerk

The undersigned, being duly sworn, says: that she is the person signing the above document; that she has read the same and knows the contents thereof, and that the facts stated therein are true, under penalty of perjury.

Lisa Wolfe, City Clerk



**AGENDA ITEM
CITY COUNCIL MEETING DATE – FEBRUARY 18, 2020
CONSENT CALENDAR**

TO : City Manager

FROM : Parks and Community Services Director

SUBJECT : **ACCEPTANCE OF THE JAMES LEMOS SWIM CENTER
BOILER REPLACEMENT PROJECT**

EXECUTIVE SUMMARY:

On September 17, 2019, City Council adopted Resolution No. 19-87, awarding the construction contract to Knorr Systems Inc. to remove and replace the existing the boilers at the James Lemos Swim Center. The project was completed in December 2019 to the satisfaction of City staff. The total construction cost was \$206,556.55.

RECOMMENDATION:

Adopt a resolution (Attachment 1) accepting the James Lemos Swim Center Boiler Replacement project as complete, authorizing the City Manager to sign the Notice of Completion, and authorizing the City Clerk to file the Notice of Completion with the Solano County Recorder.

BUDGET INFORMATION:

The cost of the removal and replacement of the boiler is \$206,556.55, which was approved by City Council Resolution No. 19-87. Staff had also asked for a 10% contingency of \$20,656, for a total project budget of \$227,212.55. However, funds from the construction contingency were not used and construction was completed at a total project cost of \$206,556.55. Funds for this project were allocated from the Facility Maintenance Fund 6259010-7008, Project #910001.

BACKGROUND:

The current boilers that maintain the heat for the James Lemos Swim Center pools were installed in early 2002, with an expected life span of 10 to 12 years. Due to budgetary challenges following the Great Recession, staff worked diligently to extend the life of the existing boilers for several additional years. However, as the cost of maintaining these aging boilers was steadily increasing, staff determined that this was no longer a fiscally sound course. The reduced maintenance requirements for the new boilers will free staff time that can be reallocated to other maintenance projects.

In July 2019, the construction plans and specifications were made available and sent to six (6) nationwide vendors and two (2) local vendors for this specialty item. A mandatory pre-bid meeting was held on July 11, 2019. On August 6, 2019, the City received and opened three (3) bids. On September 17, 2019, City Council adopted Resolution No. 19-87, awarding the project to Knorr Systems Inc. of Livermore, California.

NEXT STEPS:

If the resolution is adopted, the City Manager will sign the Notice of Completion and the City Clerk will file the notice with the Solano County Recorder.

ALTERNATIVE ACTIONS:

None.

General Plan	Goal 2.28: Improve and maintain public facilities and services.
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Strategic Plan	Strategic Issue 4: Preserving and Enhancing Infrastructure
	Strategy 4.4: Provide adequate funding for ongoing infrastructure needs
	Strategic Issue 5: Maintain and Enhance a High Quality of Life

CEQA Analysis	The project is exempt from further review of the California Environmental Quality Act (CEQA) pursuant to Guidelines Section 15301(d) (Existing Facilities).
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ATTACHMENTS:

1. Resolution – Acceptance of the James Lemos Swim Center Boiler Replacement Project
2. Notice of Completion – James Lemos Swim Center Boiler Replacement Project

For more information contact: Rick Knight, Project Manager

Phone: 707.746.4322

E-mail: rknight@ci.benicia.ca.us

RESOLUTION NO. 20-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA ACCEPTING THE JAMES LEMOS SWIM CENTER BOILER REPLACEMENT PROJECT, AUTHORIZING THE CITY MANAGER TO SIGN THE NOTICE OF COMPLETION, AND AUTHORIZING THE CITY CLERK TO FILE THE NOTICE OF COMPLETION WITH THE SOLANO COUNTY RECORDER

WHEREAS, on September 17, 2019, by Resolution No. 19-87, the City Council awarded Knorr Systems Inc. of Livermore, California a contract for the removal and replacement of the boilers at the James Lemos Swim Center; and

WHEREAS, the total authorized budget for the project was \$227,212.55; and

WHEREAS, Knorr Systems Inc. has completed the work in accordance with the plans and specifications to the satisfaction of City staff; and

WHEREAS, the project is categorically exempt under CEQA pursuant to Section 15301 of the CEQA guidelines.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Benicia does hereby accept the James Lemos Swim Center Boiler Replacement project as complete, for a total construction cost of \$206,556.55, funded by the Facility Maintenance Fund 6259010-7008, Project #910001.

BE IT FURTHER RESOLVED THAT the City Manager is hereby authorized to sign the Notice of Completion and the City Clerk is authorized to file the Notice of Completion with the Solano County Recorder.

On motion of Council Member _____, seconded by Council Member _____, the above Resolution was adopted by the City Council of the City of Benicia at a regular meeting of said Council held on the 18th day of February, 2020 by the following vote:

Ayes:

Noes:

Absent:

Elizabeth Patterson, Mayor

Attest:

Lisa Wolfe, City Clerk

Date

Recorded at the request of:

CITY OF BENICIA

After recording return to:

CITY OF BENICIA
PUBLIC WORKS
250 EAST "L" STREET
BENICIA, CA 94510

NOTICE OF COMPLETION

NOTICE IS HEREBY GIVEN THAT:

1. The City of Benicia, 250 East "L" Street, Benicia, CA, 94510, is the owner of the property described as:

181 East "J" Street, JAMES LEMOS SWIM CENTER APN 88-142-030
2. The nature of the City's ownership of above listed property is **fee simple**.
3. A project to replace the boiler at James Lemos Swim Center was accepted as completed by the City Council of the City of Benicia at a regular meeting thereof on February 18, 2020.
4. The name of the contractor for such improvements was **Knorr Systems Inc. of Livermore, CA.**

CITY OF BENICIA

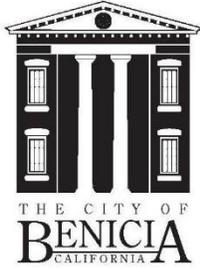
Dated: _____

By: _____
Lorie Tinfow,
City Manager

Attest: _____
Lisa Wolfe, City Clerk

The undersigned, being duly sworn, says: that she is the person signing the above document; that she has read the same and knows the contents thereof, and that the facts stated therein are true, under penalty of perjury.

Lisa Wolfe, City Clerk



**AGENDA ITEM
CITY COUNCIL MEETING DATE – FEBRUARY 18, 2020
CONSENT CALENDAR**

TO : City Manager

FROM : Public Works Director

SUBJECT : **APPROVAL OF TASK ORDER NO. 02 WITH CULLEN-SHERRY & ASSOCIATES, INC. FOR ENGINEERING SERVICES TO DESIGN THE WEST H AND WEST I STREET SHORELINE STABILIZATION**

EXECUTIVE SUMMARY:

The City owns and maintains a sewer main along the shoreline, south of West I Street, between the West H Street cul-de-sac on the east, and West 5th Street on the west. The sewer main was constructed along the bottom of a slope and close to the shoreline. Due to shoreline erosion, stabilization along this shoreline is needed.

The proposed resolution (Attachment 1) would approve Task Order No.02 (Attachment 2) of the Master Agreement for Professional Engineering Services with Cullen-Sherry & Associates, Inc. (Attachment 3) to design the shoreline stabilization at a not-to-exceed cost of \$54,770.

RECOMMENDATION:

Adopt a resolution approving Task Order No. 02 with Cullen-Sherry & Associates, Inc. for professional engineering services to design the West H and I Street Shoreline Stabilization Project in the amount of \$54,770 and authorizing the City Manager to execute the Task Order on behalf of the City of Benicia.

BUDGET INFORMATION:

The total cost for Task Order No. 02 (Project No. 830005) is \$54,770. Funds are available in account number 7208031-7008 (Wastewater System Replacement). This is a rate-payer funded CIP project.

BACKGROUND:

The City owns and maintains a sewer main along the shoreline, south of West I Street, between the West H Street cul-de-sac on the east, and West 5th Street on the west. The sewer main was constructed along the bottom of a slope and close to the shoreline. Due to shoreline erosion, the City is concerned about the sewer main being exposed and susceptible to failure.

The project will require surveying, design, coordination, and permitting for shoreline revetment

along an approximately 800-foot stretch of shoreline, extending northerly and westerly from the Windward Cove Condominiums to the existing dock on the shoreline property (Solano County Assessor’s Parcel Number 0089-032-030). The project will likely require permits from the City, U.S. Army Corps of Engineers, San Francisco Bay Conservation and Development Commission (BCDC), San Francisco Regional Water Quality Control Board and the California Department of Fish & Wildlife.

The City currently has a contract with Cullen-Sherry & Associates, Inc. for on-call engineering services. Staff recommends approving a Task Order with Cullen-Sherry for design services related to the shoreline stabilization between West H and West I Streets, Project No. 19-04.

Project No. 19-04 includes the following elements:

- Perform an aerial and ground survey of the work area.
- Prepare conceptual design plans for the improvements to the shoreline revetment, taking into account estimated sea level rise.
- Inform and coordinate with local property owners.
- Prepare permit application packages for local, state, and federal agencies.
- Create a final design and construction documents for bid.

NEXT STEPS:

If approved, the City will issue a formal bid for construction services after final design deliverables are complete. Construction is scheduled to begin in late Fall of 2020.

ALTERNATIVE ACTIONS:

City Council could choose to not approve this Task Order, which would delay or possibly prevent the preparation of a bid package in time to solicit construction bids in mid-2020.

General Plan	Goal 2.28: Improve and maintain public facilities and services.
Strategic Plan	Strategic Issue #1: Protecting Community Health and Safety.
	Strategic Issue #4: Preserving and Enhancing Infrastructure.
CEQA Analysis	Staff has determined that this project is Categorical Exempt from CEQA Section 15301, Class 1(c), the operation, repair, maintenance, permitting, leasing, licensing or minor alteration of existing facilities of both investor and publicly-owned utilities used to provide electric power, natural gas, sewerage, or other public utility services.

ATTACHMENTS:

1. Resolution – West H & West I Street Shoreline Stabilization
2. Task Order No. 02 – Cullen-Sherry & Associates, Inc.
3. Master Professional Agreement with Cullen-Sherry & Associates, Inc.

*For more information contact: Laura Pate, Project Manager - Utilities
 Phone: 707-746-4386
 E-mail: LPate@ci.benicia.ca.us*

RESOLUTION NO. 20-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA APPROVING TASK ORDER NO. 02 WITH CULLEN-SHERRY & ASSOCIATES, INC. FOR PROFESSIONAL ENGINEERING SERVICES TO DESIGN THE WEST H AND WEST I STREET SHORELINE STABILIZATION PROJECT AT A NOT-TO-EXCEED COST OF \$54,770 AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE TASK ORDER ON BEHALF OF THE CITY

WHEREAS, the City of Benicia's (City) sewer main between West H and West I Streets is susceptible to shoreline erosion and potential failure;

WHEREAS, Cullen-Sherry & Associates, Inc. is one of the City's on-call engineering firms;

WHEREAS, the master agreement states that Task Orders providing for more than \$50,000 compensation for one project or per fiscal year shall be presented to the City Council for consideration;

WHEREAS, staff desires to task Cullen-Sherry & Associates, Inc. to provide design engineering services in the amount of \$54,770 for the West H and West I Street Shoreline Stabilization Project; and

WHEREAS, staff recommends approval of Task Order No. 02 to the Master Professional Agreement with Cullen-Sherry & Associates, Inc. for design engineering services of the West H and West I Street Shoreline Stabilization Project No. 19-04.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Benicia does hereby approve Task Order No. 02 with Cullen-Sherry & Associates, Inc. for design of the West H and West I Streets Shoreline Stabilization Project at a not-to-exceed cost of \$54,770 (Munis Project No. 830005, Account No. 7208031-7008 Wastewater System Replacement) and authorizing the City Manager to execute the Task Order on behalf of the City.

On motion of Council Member _____, seconded by Council Member _____, the above Resolution was adopted by the City Council of the City of Benicia at a regular meeting of said Council held on the 18th day of February, 2020 by the following vote:

Ayes:

Noes:

Absent:

Elizabeth Patterson, Mayor

Attest:

Lisa Wolfe, City Clerk

Date

TASK ORDER NO. 02

CULLEN-SHERRY & ASSOCIATES, INC.

West 'H' & West 'I' Street Shoreline Project

1. Purpose:

The purpose of the TASK ORDER is to authorize and direct the ENGINEER to proceed with the work items specified in the SCOPE OF SERVICES of this TASK ORDER, in accordance with the provisions of that AGREEMENT (CONTRACT # 19-283) between the parties hereto dated November 01, 2019.

2. Scope of Work:

The work authorized by this TASK ORDER is outlined in the "Scope of Services" attached hereto as Exhibit "B".

3. Time of Performance:

The work authorized by this TASK ORDER shall begin within 14 days from receiving written notice to proceed. The estimated date of completion is April 13, 2020.

4. Compensation and Payment:

Compensation shall be on a cost reimbursement basis as provided in Article 3 of the Consultant Agreement dated November 01, 2019, between the parties hereto. The NOT TO EXCEED cost is **\$54,770** for work authorized by this TASK ORDER. Payment shall be in accordance with Article 3 of the aforementioned Agreement.

5. Effective Date:

This TASK ORDER shall become effective immediately upon its execution by both parties.

6. Items and Conditions:

All items and conditions contained in the AGREEMENT for engineering services dated November 01, 2019, between City Benicia and Cullen-Sherry & Associates, Inc. are incorporated herein by reference

Executed this _____ day of _____, 2020.

CITY OF BENICIA

APPROVED AS TO FORM

CITY ATTORNEY

CULLEN-SHERRY & ASSOCIATES, INC.



Rodney A. Sherry, P.E.
President

EXHIBIT 'A'

PURPOSE

The purpose of this project is to provide:

1. Research of record property lines and easement(s) along the project alignment.
2. Field Surveys for use as background for design of shoreline and access road improvements.
3. Research Sea Level Rise and make determination of likely future levels of sea level. The State of California Sea-Level Rise Guidance manual, 2018 Update will be utilized to develop the methodology for determining the likely effects of sea-level rise on the project.
4. Complete the Design, Improvement Plans and Specifications for shoreline revetment, incorporating analysis of design lifespan and effect of sea-level rise on the improvements.
5. Coordination with City of Benicia, Property Owners, State & Federal Agencies.
6. Process permits through State & Federal Agencies.

BACKGROUND

The City of Benicia owns and maintains a sewer main along the shoreline, south of West I Street, between West H Street cul-de-sac, on the east, and West 5th Street, on the west. The sewer main was constructed along the bottom of a slope and close to the shoreline. Due to recent shoreline erosion, the City is concerned about the sewer main being exposed to the bay. This could result in the undermining of the pipe and potential leakage of raw sewage into the waters of the bay. Future Sea-Level Rise must also be considered in the design of these improvements.

The project will require surveying, design, coordination and permitting for shoreline revetment along an approximately 800' stretch of shoreline extending northerly and westerly from the Windward Cove Condominiums to the existing dock on the shoreline property (Solano County Assessor's Parcel Number 0089-032-030). It is expected that the project will require permits from the City of Benicia, U.S. Army Corps of Engineers, San Francisco Bay Conservation and Development Commission (BCDC), Regional Water Quality Control Board and California Department of Fish & Wildlife.

WORK SCHEDULE

This schedule is based on the assumption that the Property Owners and agreeable to the project and work with CSA and the City of Benicia to resolve the legal access issues. The schedule is also based on the assumption that the State and Federal Regulators are able to work with CSA and the City to review, comment, and approve the project in a timely manner.

- February 19, 2020: Begin Topographic Survey Work (Office & Field)
- February 24, 2020: Begin drafting of topographic survey.
- March 02, 2020: Begin research on mean water levels, high tides, 100 year flood elevation, and anticipated effects of sea-level rise. Begin Civil Design of shoreline revetment and access road improvement.
- March 09, 2020: Begin drafting of improvement plans.
- March 20, 2020: Deliver 35% plans to City of Benicia for review and comment. Begin outreach to property owners to educate them on the project and answer questions and concerns. The cooperation of the property owner's is not within the control of CSA. CSA will work diligently to coordinate between the City of Benicia and the property owners to reach a reasonable agreement and move forward with the project.
- March 30, 2020: Deliver 65% plans and specifications to City of Benicia for review and comment. Submit Conceptual Plans to State and Federal Regulators for preliminary review and comment. Provide updated drawings and project information to property owners and address and final concerns with the project. This timeline may vary based on the property owners cooperation during the design and approval process.
- April 13, 2020: Submit project applications to State and Federal Regulators. It is very difficult to anticipate the response time of the regulators. The timing will depend on the agency workloads and other factors outside of CSA's control. CSA will work with the agencies to expedite the review and approval process as much as possible.
- April 27, 2020: Deliver 95% plans and specifications to City of Benicia for review and comment.
- May 11, 2020: Deliver 100% plans and specifications to City of Benicia.
- Note: A construction start date of mid-August 2020 is anticipated.

EXHIBIT 'B'

SCOPE OF SERVICES

Cullen-Sherry & Associates, Inc. will provide the following tasks under this Task Order:

1. AERIAL & GROUND SURVEY OF WORK AREA: \$5,630

- 1.1. Research record property lines & survey control.
- 1.2. Map record property and right-of-way lines for length of project.
- 1.3. Field Survey to establish horizontal and vertical control at the site.
- 1.4. Field Survey to set ground control points along the project limits.
- 1.5. Field measurements to determine depths of existing sewer main and manholes.
- 1.6. Aerial Survey of project area and adjacent properties using DJI Phantom 4 Pro quadcopter drone. The project will be flown using autonomous flight control with a double grid pattern and oblique camera angle to provide accurate surface modeling.
- 1.7. Reduce aerial data (images) using Pix4D Mapper Pro software.
- 1.8. Generate 3D point cloud and digitally rectified orthomosaic image using Pix4D software.
- 1.9. Generate electronic 3D surface model using AutoCAD Civil 3D software.
- 1.10. Deliverable: AutoCAD drawing with surface contours, spot elevations, utilities and orthomosaic image for use as background for shoreline design.

2. CONCEPTUAL DESIGN: \$5,640

- 2.1. Prepare conceptual design for shore line revetment (Footing, slope and rip rap).
- 2.2. Research water elevation data and future sea-level rise effects.
- 2.3. Draft conceptual design plans showing:
 - 2.3.1. Project Location
 - 2.3.2. Limits of work
 - 2.3.3. Design elevations of top of bank and access road
 - 2.3.4. Typical sections of shoreline work
 - 2.3.5. Preliminary quantities for work (areas and volumes)

3. COORDINATION WITH PROPERTY OWNERS: \$8,500

The project will cross seven (7) individual parcels, See attached Exhibit, on the route from the existing dock on the north and the Windward Cove (West H Street) on the south. The City of Benicia currently owns four of the seven parcels. The City of Benicia will need to obtain permission for the shoreline work, in the form of an easement or similar instrument, from the three private property owners.

- 3.1. Prepare conceptual documents, describing and depicting anticipated work, for presentation to property owners.

3.2. Outreach to private property owners to schedule meetings to discuss the project and needed easements.

3.3. Meetings with property owners. Assume 2 hours per meeting for three meetings

3.4. Coordination between property owners and City of Benicia Staff.

3.5. Prepare construction easements for work on private property.

4. PERMITTING: \$13,500

4.1. Research on permitting requirements for the various local, State and Federal Regulatory/Permitting Agencies.

4.2. Prepare preliminary/conceptual application packages for Permitting Agencies.

4.3. Coordination between Permitting Agencies and City of Benicia Staff

5. FINAL DESIGN & CONSTRUCTION DOCUMENTS: \$15,500

5.1. Review and incorporate permitting agencies comments and requirements into the design of the project.

5.2. Final design of shoreline revetment and access along project.

5.3. Drafting of final improvement plans.

5.4. Prepare Technical Specifications, Engineer's Estimate, and Bid Schedule.

5.5. Prepare report on lifespan and effects of sea-level rise on the current design and future maintenance of the improvements.

6. CONSTRUCTION SUPPORT: \$6,000

6.1. Provide on-call Civil Engineering support during the bid process by responding to technical questions and comments regarding the work to be bid.

6.2. Provide on-call construction staking for the construction of the new shoreline work (As-Needed).

6.3. Provide on-call construction engineering support by responding to RFIs and other technical issues during the construction process.

6.4. Prepare As-Built plans based on original design and field measurements and notes provided by project inspector / manager.

CONTRACT # 19-283

**AGREEMENT FOR MASTER PROFESSIONAL ENGINEERING SERVICES
ON-CALL PROFESSIONAL ENGINEERING DESIGN SERVICES**

THIS AGREEMENT ("Agreement") is made and entered into this 1st day of November, 2019 between the City of Benicia, a municipal corporation in Solano County, California, (hereinafter "CITY") and **Cullen-Sherry & Associates, Inc.**, a California corporation, with its primary office located at **1090 Adams Street, Suite A, Benicia, CA 94510** (hereinafter "CONSULTANT") (collectively, "the Parties").

THE PARTIES ENTER THIS AGREEMENT based upon the following facts, understandings and intentions:

WHEREAS, CITY's staff does not have the expertise or capacity to perform this work in-house. The CONSULTANT has the expertise necessary for this specialized project; and

WHEREAS, CITY desires to contract with CONSULTANT and CONSULTANT to contract with CITY for provision by CONSULTANT to CITY for professional services as further described herein, upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants and promises of the parties herein contained, the parties hereto agree as follows:

1. **SERVICES TO BE PROVIDED**

CONSULTANT shall provide services for specific projects as may be requested by CITY; such services shall be defined, scheduled and authorized in subsequent Task Orders. Services may include, but not be limited to:

1. **General Municipal Engineering:**

Tasks including, but not limited to, the following:

- Management of small to medium capital improvement projects including preparation of engineering studies, project planning, and coordination with other agencies and utilities.
- Preparation of environmental documents and implementation of mitigation measures in capital project design.
- Preparation of permit applications from appropriate agencies.
- Perform project design at the 35%, 65%, 95% and 100% levels including plans, specifications, and estimates, as required by the City.

- Preparation of Water Pollution Control Plans (WPCPs) and Storm Water Pollution Prevention Plans (SWPPPs).
- Assistance with administration of federally-funded projects including preparation of forms and documents and coordination with other agencies.
- Provide design support services during construction and prepare final record drawings based on as-built drawings provide by the City.

2. Development Review:

- Development and capital improvement plan checking for conformance with City of Benicia Engineering Standards and Specifications (City Standards), State of California Standards and industry standards as applicable.
- Manage and review a wide variety of land development, subdivisions and building permit applications.
- Review various planning entitlement applications such as Tentative Maps, Site Development Reviews and Conditional Use Permits.
- Develop development conditions of approval.
- Review parcel maps, final maps, tract improvement plans, grading plans, street improvement plans, plot plans and building permit plans for conformance with published City and State regulations and engineering standards of practice, including ADA and accessibility requirements.
- Review plans for conformance with the Regional Water Quality Control Board requirements.
- Preparation and/or review of agreements including long term encroachment agreements, stormwater operation and maintenance agreements, subdivision improvement agreements, and development agreements.
- Drafting/AutoCAD/GIS support to include revision of City Standard Plans, preparation of exhibits, GPS data collection, preparation of shapefiles, and GIS integration.

CONSULTANT shall be an independent contractor and shall have responsibilities for and control over the details and means of providing its services under this Agreement.

CONSULTANT agrees that its services shall be performed with due diligence and in accordance with generally accepted **engineering** practices.

CONSULTANT shall use its best efforts to perform and coordinate all activities in a timely manner so that the projects will be completed according to the established project schedules.

2. AUTHORIZED REPRESENTATIVES

Authorized representatives shall represent CITY and CONSULTANT in all matters pertaining to the services to be ordered by CITY or rendered by CONSULTANT under this Agreement except where approval for the CITY is specifically required by City Council. The CITY's authorized representative shall be **the City Engineer or designee**. Said **authorized representative** is authorized to execute Task Orders on behalf of CITY, including providing for CONSULTANT to be compensated not more than **\$49,999** for each project. Task Orders providing for more than **\$49,999** compensation for one project shall be presented to the City Council (or City Manager) for its consideration. CONSULTANT authorized representative shall be **Rod Sherry, P.E., President**.

3. COMPENSATION

CONSULTANT shall be compensated, not to exceed **\$49,999** per fiscal year for basic services rendered under Section 1, as more particularly described in authorized Task Orders and/or Rate Schedule attached as Exhibit A, in accordance with the terms and conditions included therein.

CONSULTANT may submit monthly statements for services rendered; all statements shall include adequate documentation demonstrating work performed during the billing period and shall conform to Federal Funding invoicing requirements, if applicable. It is intended that payments to CONSULTANT will be made by CITY within thirty (30) days of receipt of invoice. CONSULTANT's failure to secure CITY's written authorization for additional compensation or changes to the Scope of Work shall constitute a waiver of any and all right to adjustment in the price or time due, whether by way of compensation, restitution, quantum merit, or similar relief.

4. INDEMNIFICATION

(a) Consistent with Civil Code section 2782.8, CONSULTANT specifically agrees to indemnify, defend with counsel approved by CITY, and hold harmless CITY, its officers, officials, agents, employees, and volunteers from and against any and all actions, claims, demands, losses, expenses (including attorneys' fees, expert fees and all other costs and fees), damages, and liabilities resulting from injury or death of a person or injury to property, arising out of or in any way connected with CONSULTANT's negligence, recklessness or willful misconduct in the performance of this Agreement, excepting only such injury or death as may be caused by the sole active negligence or willful misconduct of CITY. The CONSULTANT shall pay all costs that may be incurred by CITY in enforcing this indemnity, including reasonable attorneys' fees. The defense and indemnification obligations of this Agreement are undertaken in addition to, and shall not in any way be limited by the insurance obligations contained in this Agreement.

(b) Should conflict of interest principles preclude a single lawyer from representing both CITY and CONSULTANT, or should CITY otherwise find CONSULTANT's legal counsel unacceptable, then CONSULTANT shall reimburse CITY its costs of defense, including without limitation reasonable attorney's fees, expert fees and all other costs and fees of litigation. CONSULTANT shall promptly pay any final judgment rendered against CITY (and its officers, officials, agents, employees and volunteers) with respect to claims determined by a trier of fact to have been the result of CONSULTANT's negligent, reckless or wrongful performance. It is expressly understood and agreed that the foregoing provisions are intended to be as broad and inclusive as is permitted by the law of the State of California and will survive termination of this Agreement.

(c) Further, CONSULTANT will indemnify CITY, and hold it harmless, from an assertion that as a result of providing services to CITY, CONSULTANT or any of its employees or persons performing work pursuant to this Agreement is entitled to benefits from, or is covered by, the Social Security retirement system or the California Public Employees Retirement Systems. Notwithstanding the foregoing, CONSULTANT's obligations for any payments to such claimant shall be limited to those payments which CITY may be required to pay.

5. STANDARD OF PERFORMANCE

CONSULTANT represents to CITY that the services shall be performed in an expeditious manner, and with the degree of skill and care that is required by current, good, and sound procedures and practices. CONSULTANT further agrees that the services shall be in conformance with generally accepted professional standards prevailing at the time the work is performed.

6. OWNERSHIP AND MAINTENANCE OF DOCUMENTS

All documents furnished by CONSULTANT pursuant to this Agreement are instruments of CONSULTANT's services in respect to this project. They are not intended nor represented to be suitable for reuse by others on extensions of this project or on any other project. Any reuse without specific written verification and adoption by CONSULTANT for the specific purposes intended will be at user's sole risk and without liability or legal exposure and expenses to CONSULTANT, including attorney's fees arising out of such unauthorized reuse.

CONSULTANT's records, documents, calculations, and all other instruments of service pertaining to actual project shall be given to CITY at the completion of the project. The CITY reserves the right to specify the file format that electronic document deliverables are presented to the CITY. Title to all plans, specifications, maps, estimates, reports, manuscripts, drawings, descriptions and other final work products compiled by CONSULTANT under the Agreement shall be vested in the CITY, none of which shall be used in any manner whatsoever, by any person, firm, corporation or agency without the expressed written consent of the CITY. Basic survey notes and sketches, charts, computations, and other data prepared or obtained under the Agreement shall be made available, upon request, to the CITY without restriction or limitations on their use. CONSULTANT may retain copies of the above-described information but agrees not to disclose or discuss any information gathered, discussed or generated in any way through this Agreement without the written permission of CITY during the term of this Agreement, unless required by law.

7. INSURANCE

CONSULTANT shall, at its own expense, procure and maintain in full force at all times during the term of this Agreement the following insurance:

(a) Required Coverage. CONSULTANT, at its sole cost and expense, shall obtain and maintain in full force and effect throughout the entire term of this Agreement the following described insurance coverage. This coverage shall insure not only CONSULTANT, but also, with the exception of workers' compensation and professional liability insurance, shall name as additional insureds CITY, its officers, agents, employees, and volunteers on each of them:

<u>Policy</u>	<u>Minimum Limits of Coverage</u>
Workers' Compensation	Statutory
(ii) Comprehensive Automobile Insurance Services Office, form #CA 0001 (Ed 1/87 covering auto liability code 1 (any auto)	Bodily Injury/Property Damage At least \$1,000,000 each accident
(iii) General Liability Insurance Services Office Commercial General Liability coverage on an occurrence basis (occurrence form CG 0001)	At least \$1,000,000 per occurrence. If Commercial General Liability Insurance or other form with a general aggregate limit shall apply separately to this Project/ location, the general aggregate limit shall be twice the required occurrence limit
(iv) Errors and Omissions/ Professional's Liability, errors and omissions liability insurance appropriate to the CONSULTANT's profession.	Generally at least \$1,000,000 per claim and annual aggregate

(b) Required Provisions. The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

(i) For any claims related to this Project, the Additional Insured coverage under CONSULTANT's insurance policy shall be primary and non-contributory as respects CITY, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by CITY, its officers, officials, employees, or volunteers shall be in excess of the CONSULTANT's insurance and shall not contribute with it and shall be at least as broad as CG 20 01 04 13;

(ii) Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to CITY, its officers, officials, employees, or volunteers;

(iii) The CONSULTANT's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability;

(iv) Each insurance policy required by this Section shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after giving CITY 30 days' prior written notice by certified mail, return receipt requested.

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

(vi) The limits of insurance required in the contract may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and noncontributory basis for the benefit of the City before the CITY's own insurance or self-insurance shall be called upon to protect it as a named insured.

(c) Acceptability of Insurers. CONSULTANT shall place insurance with insurers with a current A.M. Best's rating of no less than A: VII unless CONSULTANT requests and obtains CITY's express written consent to the contrary.

(d) Verification of Coverage. CONSULTANT must provide complete, certified copies of all required insurance policies, including original endorsements affecting the coverage required by these specifications. The endorsements are to be signed by a person authorized by CONSULTANT's insurer to bind coverage on its behalf. All endorsements are to be received and approved by CITY before work commences.

(e) Deductibles and Self-Insured Retentions. All self-insured retentions (SIR) must be disclosed to the CITY's Risk Management for approval and shall not reduce the limits of liability. At the option of CITY, either: the insurer shall reduce or eliminate such deductibles or self-insurance retention as respects the CITY, its officers, officials, agents, employees and volunteers; or CONSULTANT shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

Policies containing any self-insured (SIR) provision shall provide or be endorsed to provide that the SIR may be satisfied by either the named insured or the CITY. The CITY reserves the right to obtain a full certified copy of any insurance policy and endorsements. Failure to exercise this right shall not constitute a waiver of the right to exercise later.

(f) Covenant to Provide Workers' Compensation Insurance. CONSULTANT warrants that it is aware of the provisions of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code. CONSULTANT further agrees that it will comply with such provisions before commencing the performance of the work under this Agreement.

(g) Waiver of Subrogation. CONSULTANT and CONSULTANT's insurance company agree to waive all rights of subrogation against CITY, its elected or appointed officials, agents, and employees for losses paid under CONSULTANT's workers' compensation insurance policy which arise from the work performed by CONSULTANT for CITY.

8. SUSPENSION OF WORK

CITY may, at any time, by ten (10) days' written notice, suspend further performance by CONSULTANT. All suspensions shall extend the time schedule for performance in a mutually satisfactory manner, and CONSULTANT shall be paid for services performed and reimbursable expenses incurred prior to the suspension date. During the period of suspension, CONSULTANT shall not receive any payment for services, or expenses, except for reasonable administration expenses, incurred by CONSULTANT by reason of such suspension.

9. TERMINATION

CITY may terminate this Agreement for any reason upon ten (10) days' written notice to the other party. CITY may terminate the Agreement upon five (5) days' written notice if CONSULTANT breaches this Agreement. In the event of any termination, CONSULTANT shall promptly deliver to the CITY any and all finished and unfinished reports or other written, recorded, photographic, or visual materials, documents, data and other deliverables ("Work Materials") prepared for the CITY prior to the effective date of such termination, all of which shall become CITY's sole property. After receipt of the Work Materials, CITY will pay CONSULTANT for the services performed as of the effective date of the termination.

10. NONDISCRIMINATION.

(a) Consultant shall not discriminate in the conduct of the work under this Agreement against any employee, applicant for employment, or volunteer on the basis of race, religious creed, color, national origin, ancestry, physical or mental disability, marital status, pregnancy, sex, age, sexual orientation or other prohibited basis.

(b) Consistent with CITY's policy that harassment and discrimination are unacceptable employer/employee conduct, CONSULTANT agrees that harassment or discrimination directed toward a job applicant, a City employee, or a citizen by CONSULTANT or CONSULTANT's employee or subcontractor on the basis of race, religious creed, color, national origin, ancestry, physical or mental disability, marital status, pregnancy, sex, age, sexual orientation or other prohibited basis will not be tolerated. CONSULTANT agrees that any and all violation of this provision shall constitute a material breach of the Agreement.

11. CONFLICT OF INTEREST

(a) CONSULTANT covenants and represents that neither it, nor any officer or principal of its firm, has, or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of CITY or which would in any way hinder CONSULTANT's performance of services under this Agreement. CONSULTANT further covenants that in the performance of the Agreement, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor without the express written consent of the CITY. CONSULTANT agrees to at all times avoid conflicts of interest, or the appearance of any conflicts of interest, with the interests of the CITY in the performance of this Agreement.

(b) CONSULTANT is not a designated employee within the meaning of the Political Reform Act because CONSULTANT:

(i) Will conduct research and arrive at conclusions with respect to its rendition of information, advice, recommendation or counsel independent of the control and direction of the CITY or of any CITY official, other than normal contract monitoring; and

(ii) Possesses no authority with respect to any CITY decision beyond the rendition of information, advice, recommendation or counsel. (2Cal. Code Regs. § 18700(a) (2)).

12. INDEPENDENT CONTRACTOR

In assuming and performing the services, CONSULTANT is an independent contractor and shall not be eligible for any benefits, which the CITY may provide its employees, except as expressly provided for in the Agreement. All persons, if any, hired by CONSULTANT, shall be employees or subcontractors of CONSULTANT and shall not be construed as employees or agents of the CITY in any respect. CONSULTANT shall have responsibility for and control over the means of providing services under this Agreement.

13. COMPLIANCE WITH LAWS

CONSULTANT shall comply with all applicable federal, State of California, and local laws, rules, and regulations and shall obtain all applicable licenses and permits for the conduct of its business and the performance of the services.

14. CHOICE OF LAW

This Agreement shall be administered and interpreted under California law as if written by both parties. If any provision in this Agreement is held by any court to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force. **If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state court situated in the County of Solano, State of California or, if necessary, in a federal court situated in the City and County of Sacramento, California.**

15. ENFORCEABILITY; INTERPRETATION

In the event that any of the provisions or portions of application of any of the provisions of the Agreement are held to be illegal or invalid by a court of competent jurisdiction, CITY and CONSULTANT shall negotiate an equitable adjustment in the provisions of the Agreement with a view toward affecting the purpose of the Agreement. The illegality or invalidity of any of the provisions or portions of application of any of the provisions of the Agreement shall not affect the legality or enforceability of the remaining provisions or portions of application of any of the provisions of the Agreement. This Agreement shall be interpreted as though it was a product of a joint drafting effort and no provisions shall be interpreted against a party on the ground that said party was solely or primarily responsible for drafting the language to be interpreted.

16. INTEGRATION

The Agreement contains the entire Agreement and understanding between the parties as to the subject matter of this Agreement. It merges and supersedes all prior or contemporaneous agreements, commitments, representation, writings, and discussions between CONSULTANT and CITY, whether oral or written.

17. SUCCESSORS AND ASSIGNS; NO THIRD PARTY BENEFICIARIES; NO JOINT VENTURE

CITY and CONSULTANT respectively, bind themselves, their successors, assigns, and legal representatives to the terms and obligations of this Agreement. CONSULTANT shall not assign or transfer any interest in the Agreement without the CITY's prior written consent, which consent shall be in the CITY's sole discretion. Any attempted assignment or transfer in breach of this provision shall be void. This Agreement is not intended and shall not be construed to create any third party benefit the event. This Agreement is not intended and shall not be construed to create a joint venture or partnership between the parties. CONSULTANT, its officers, employees and agents shall not have any power to bind or commit the CITY to any decision.

18. FINANCIAL RECORDS

Records of CONSULTANT's direct labor costs, payroll costs, and reimbursable expenses pertaining to this project covered by this Agreement will be kept on a generally recognized accounting basis and made available to CITY if and when required.

19. NON-WAIVER

The waiver by either party of any breach of any term, covenant, or condition contained in the Agreement, or any default in their performance of any obligations under the Agreement shall not be deemed a waiver of any other breach or default of the same or any other term, covenant, condition, or obligation, nor shall any waiver of any incident of breach or default constitute a continuing waiver of same.

20. NOTICES

All notices required hereunder shall be in writing and mailed postage prepaid by Certified or Registered mail, return receipt requested, or by personal delivery to CITY's address as shown below, or such other places as CITY or CONSULTANT may, from time to time, respectively,

designate in a written notice given to the other. Notice shall be deemed received three (3) days after the date of mailing thereof or upon personal delivery.

To City: Nouae Vue, PE, Sr. Civil Engineer
 City of Benicia
 250 East L Street
 Benicia, CA 94510

To Consultant: Rod Sherry, PE, President
 Cullen-Sherry & Associates, Inc.
 1090 Adams Street, Suite A
 Benicia, CA 94510

21. TERM

The term of this Agreement shall be from the date executed above through **October 31, 2021**, with the option of two one-year extensions upon mutual agreement by both CITY and CONSULTANT. The City Manager is authorized to approve the extension.

22. NON-LIABILITY

No member of the CITY and no other officer, employee or agent of the CITY shall be personally liable to CONSULTANT or otherwise in the event of any default or breach of the CITY, or for any amount which may become due to CONSULTANT or any successor in interest, or for any obligations directly or indirectly incurred under the terms of this Agreement.

23. EXECUTION

Each individual or entity executing this Agreement on behalf of CONSULTANT represents and warrants that he or she or it is duly authorized to execute and deliver this Agreement on behalf of CONSULTANT and that such execution is binding upon CONSULTANT.

This Agreement may be executed in several counterparts, each of which shall constitute one and the same instrument and shall become binding upon the parties when at least one copy hereof shall have been signed by both parties hereto. In approving this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

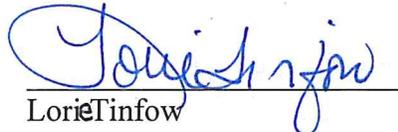
[SIGNATURES ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Agreement in three (3) copies as of the date and year first written above.

CONSULTANT

BY: 
Title: President

CITY OF BENICIA
A Municipal Corporation


Lori Infow
CITY MANAGER

RECOMMENDED BY:


William Tarbox
PUBLIC WORKS DIRECTOR

APPROVED AS TO FORM:


Benjamin E. Stock
CITY ATTORNEY

ATTACHMENT:
-EXHIBIT A: RATE SCHEDULE

EXHIBIT A

Cullen-Sherry & Associates, Inc.**Rate Schedule**

Effective July 1, 2019, the following hourly rates shall apply for services:

ENGINEERING & SURVEYING:

<u>Office</u>		<u>Field</u>	
<u>Personnel</u>	<u>Hourly Rates</u>	<u>Personnel</u>	<u>Hourly Rates</u>
Principal Engineer	\$225.00	Field Coordinator/ Supervisor	\$225.00
Licensed Land Surveyor (P.L.S.)	\$165.00	3 Man Survey Party	\$400.00
Associate Engineer / Surveyor (E.I.T. / L.S.I.T.)	\$135.00	2 Man Survey Party	\$330.00
CAD Technician	\$125.00	1 Man Survey Party	\$230.00
Administrative	\$75.00		

Overtime Work: Rates @ 1.5x

Weekend & Holiday work: Rates @ 2x

REIMBURSABLE EXPENSES:**Standard Prints:**

\$4.75 per sheet for up to 24"x 36". \$0.85 per square foot for oversized sheets.

Mylar Prints:

\$20 per sheet for up to 24"x36". \$3.50 per square foot for oversized sheets.

Photocopying:

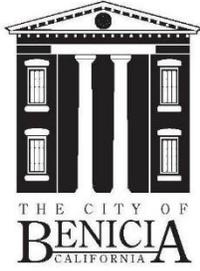
\$0.35 each up to 11" x 17"

Shipping/Overnight Mailing:

Cost Plus 15%

NOTES:

- The cost of survey stakes and other field supplies are included in the above rates. Monuments, iron stakes, brass pins, and other specialty appurtenances will be charged at cost plus 15%.
- All hourly rates increase 2.5% per annum effective January 1.
- Sub-Consultant fees shall be charged at cost plus 15%.
- Invoices will be processed and delivered monthly and are due and payable upon receipt. Interest at the rate of 1.5% per month will be charged on all accounts that are 30 days past due.
- Cullen-Sherry & Associates, Inc. reserves the right to suspend any work for non-payment 60 days after an account is past due.



**AGENDA ITEM
CITY COUNCIL MEETING FEBRUARY 18, 2020
CONSENT CALENDAR**

TO : City Manager

FROM : Public Works Director

SUBJECT : **ACCEPTANCE OF THE 2019 STREET RESURFACING PROJECT**

EXECUTIVE SUMMARY:

On July 2, 2019, City Council adopted Resolution No. 19-58, awarding the construction contract to Ghilotti Brothers, Inc. for the 2019 Street Resurfacing Project. The 2019 Street Resurfacing Project consisted of resurfacing nine streets and is ready to be accepted as complete. The total construction cost was \$1,649,811.62.

RECOMMENDATION:

Adopt the resolution (Attachment 1) accepting change orders (Attachment 3), accepting the 2019 Street Resurfacing Project as complete, authorizing the City Manager to sign the Notice of Completion (Attachment 2), and authorizing the City Clerk to file said notice with the Solano County Recorder.

BUDGET INFORMATION:

The total construction cost of the 2019 Street Resurfacing Project was \$1,649,811.62, which included construction, contingency, and construction management/engineering support services. Sufficient funds for this project were available in four accounts, which are listed in the table below.

Funding Sources	RMRA (3118050-7425)	Street Capital (4158010-7425)	Gas Tax (3108050-7008)	Measure C (4258050-7008)	TOTAL PROJECT BUDGET
Project Budget	\$450,000	\$165,000	\$282,876	\$787,124	\$1,685,000

The Project was completed for a total cost of \$1,649,811.62.

BACKGROUND:

The 2019 Street Resurfacing was part of the City’s ongoing efforts to increase the Pavement Condition Index (PCI) of our streets. The City has a Pavement Management Program (PMP) to

evaluate and cost effectively apply various procurement treatments to nearly 200 lane miles of City streets. The purpose of the 2019 Street Resurfacing project is to reconstruct streets with a PCI below 25.

On May 15, 2019, a total of three (3) responsive bids were received for the 2019 Street Resurfacing Project. The project was awarded to Ghilotti Brothers, Inc., San Rafael, CA.

The project consisted of resurfacing the following nine (9) streets: Noyes Court (between Industrial Way and Noyes cul-de-sac); Denfield Avenue (Military West to Benicia High Gates & Denfield cul-de-sac); West 2nd Street (between West N & Raymond Dr./Incline Place); Harbor Vista Court (between East 2nd Street & Harbor Vista cul-de-sac); West 5th Street (between Military West & West “J” Street); West 6th Street (between West “K” Street & Cove Way); East 3rd Street (between Hillcrest Ave. & East 3rd cul-de-sac); Shirley Drive (between Raymond Dr. & Shirley Dr. cul-de-sac); and West “I” Street (between West 5th Street & West 6th Street).

NEXT STEPS:

If the resolution is adopted, the City Manager will sign the Notice of Completion and the City Clerk will file the notice with the Solano County Recorder. The project manager will release the 5% retention 35 days after the Notice of Completion is filed with Solano County.

ALTERNATIVE ACTIONS:

None.

General Plan	Goal 2.20: Provide a balanced street system to serve automobiles, pedestrians, bicycles, and transit
	Goal 2.28: Improve and maintain public facilities and services

Strategic Plan	Strategic Issue 4: Preserving and Enhancing Infrastructure
	Strategy #1: Provide safe, functional, and complete streets

CEQA Analysis	This project is categorically exempt from the California Environmental Quality Act (CEQA) per Section 15301 (c), which exempts the operation, repair, maintenance of existing roadways, permitting, licensing, or minor alteration of existing facilities involving negligible or no expansion of use beyond that existing at the time of the lead agency’s determination.
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ATTACHMENTS:

1. Resolution – Acceptance of the 2019 Street Resurfacing Project
2. Notice of Completion – 2019 Street Resurfacing Project
3. Exhibit A - Summary of Contract Change Orders

*For more information contact: Rick Knight, Project Manager
 Phone: 707-746-4240
 E-mail: rknight@ci.benicia.ca.us*

RESOLUTION NO. 20-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA APPROVING CHANGE ORDERS AND ACCEPTING THE 2019 STREET RESURFACING PROJECT #2019-01 AS COMPLETE AND AUTHORIZING THE CITY MANAGER TO SIGN THE NOTICE OF COMPLETION, AND AUTHORIZING THE CITY CLERK TO FILE SAME WITH THE SOLANO COUNTY RECORDER'S OFFICE

WHEREAS, by Resolution No. 19-58, City Council awarded the construction contract for the 2019 Street Resurfacing Project #2019-01 to Ghilotti Bros., Inc. in the amount of \$1,685,000; and

WHEREAS, there were five (5) contract change orders in the amount of \$185,409.62; and

WHEREAS, Ghilotti Bros., Inc. has completed the work in accordance with the plans and specifications and to the satisfaction of the City Engineer for a final construction cost of \$1,649,811.62 for street resurfacing.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Benicia does hereby accept the 2019 Street Resurfacing Project #2019-01 as complete for a final construction cost of \$1,649,811.62 funded by Measure C, SB1, Gas Tax, and Solid Waste Franchise Fees.

BE IT FURTHER RESOLVED that the City Manager is hereby authorized to sign the Notice of Completion and the City Clerk is authorized to file said Notice with the Solano County Recorder.

On motion of Council Member _____, seconded by Council Member _____, the above Resolution was adopted by the City Council of the City of Benicia at a regular meeting of said Council held on the 18th day of February, 2020 by the following vote:

Ayes:

Noes:

Absent:

Elizabeth Patterson, Mayor

Attest:

Lisa Wolfe, City Clerk

Date

Recorded at the request of:
CITY OF BENICIA

After recording return to:
CITY OF BENICIA
ATTN: PUBLIC WORKS DIRECTOR
250 EAST L STREET
BENICIA, CA 94510

NOTICE OF COMPLETION

NOTICE IS HEREBY GIVEN THAT:

1. The City of Benicia, 250 East L Street, Benicia, CA, 94510, is the owner of the construction project described as:

2019 Street Resurfacing Project #2019-01, completed in the City of Benicia, County of Solano, State of California

Nature of title as stated owner: In Fee.

2. A Capital Improvements Project under Measure C, SB1, Gas Tax and Solid Waste Franchise fee funding known as the 2019 Street Resurfacing Project #2019-01, at various locations throughout the City of Benicia was completed in the amount of \$1,649,811.62 and accepted by the City Council of the City of Benicia on February 18, 2020.
3. The name of the contractor for the improvement is **Ghilotti Bros. Inc., San Rafael, CA.**

CITY OF BENICIA

Dated: _____

By: _____
Lorie Tinfow, City Manager

Attest:

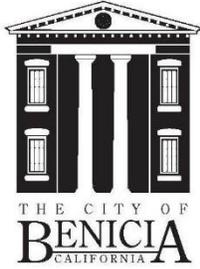
Lisa Wolfe, City Clerk

The undersigned, being duly sworn, says: that she is the person signing the above document; that she has read the same and knows the contents thereof, and that the facts stated therein are true, under penalty of perjury.

Lisa Wolfe, City Clerk

EXHIBIT A—SUMMARY OF CONTRACT CHANGE ORDERS

REFERENCE	DESCRIPTION	AMOUNT
LIST 1— CONTRACT CHANGE ORDERS APPROVED BY STAFF AND AFFIRMED BY THIS RESOLUTION		
CCO-1	Regrade ramp at Viewmont	\$679.48
CCO-2	Tree work for paving equipment	\$4,594.10
CCO-3	Dig out at multiple sites	\$45,094.78
CCO-4	Soil removal and disposal	\$8,276.31
CCO-5	Additional work to complete project in multiple locations include, sidewalks, curb & gutter, and paving	\$126,764.95
Contract Change Orders Approved by This Resolution		\$185,409.62



**AGENDA ITEM
CITY COUNCIL MEETING –FEBRUARY 18, 2020
CONSENT CALENDAR**

TO : City Manager

FROM : Director of Public Works

SUBJECT : **AWARD OF CONSTRUCTION CONTRACT WITH KEREX ENGINEERING, INC. FOR THE HSIP – EAST 5TH AND VECINO STREET PEDESTRIAN IMPROVEMENT PROJECT AND BUDGET ADJUSTMENT**

EXECUTIVE SUMMARY:

The Highway Safety Improvement Program (HSIP) – East 5th Street and Vecino Street Pedestrian Improvement Project consists of installing a concrete bulb-out with crosswalk pavement markings, two flashing beacons, streetlight improvement, extending the eastern sidewalk to the intersection of East 5th Street and I-780 and updating curb ramps to meet accessibility standards. A budget adjustment from Gas Tax Reserves is also necessary to fully fund this project.

RECOMMENDATION:

Adopt the resolution (Attachment 1) accepting the bids for the HSIP – East 5th Street and Vecino Street Pedestrian Improvement Project, awarding the construction contract (Attachment 2) to Kerex Engineering, Inc. of Pleasant Hill, CA, in the amount of \$563,475.00, authorizing the City Manager to sign the contract and any change orders on behalf of the City for an amount not-to-exceed \$619,822.50, which includes a 10% construction contingency, and approving a budget adjustment from Gas Tax Reserves to the project in the amount of \$131,779.95.

BUDGET INFORMATION:

The authorized budget for the East 5th Street and Vecino Street Pedestrian Improvement Project is \$656,822.50 (Munis Project No. 810007), which includes construction and local share. Sufficient funds for this project are available through a combination of Federal Grant funds and Gas Tax Reserve funds. A budget adjustment from Gas Tax Reserves to the project budget in the amount of \$131,779.95 will need to be approved to cover the 10% construction contingency and the Local Share of the project.

Proposed Construction Budget

Federal Grant (Acct. #4158010)	\$488,042.55
Local Match Funds (Acct. #3108050)	\$131,779.95
Total Proposed Construction Budget	\$619,822.50

Proposed Construction Expenditures

Construction Contract	\$563,475.00
Construction Contingency (10%)	\$ 56,347.50
Total Proposed Project Expenditures	\$619,822.50

BACKGROUND:

The project consists of removing and installing a concrete bulb-out and crosswalk with pavement markings, streetlight improvements and flashing beacons on East 5th Street and Vecino Street, and grading and extending the eastern sidewalk of East 5th Street to I-780, along with adding two new roadway lights and replacing curb ramps to meet current accessibility standards.

On June 20, 2019, a total of two responsive bids were received for the East 5th and Vecino Street Pedestrian Improvement Project. The results are summarized in the table below:

Bid Results:

RANK	BIDDER'S NAME	Total BID
*1	Kerex Engineering, Inc Pleasant Hill, CA	\$563,475.00
2	Pacific Infrastructure Construction, LLC Vacaville, CA	\$586,840.00

The bids are based on the quantities estimated by Bellecci & Associates, who was the design engineering firm that prepared the plans for the project. The final contract amount may be adjusted once final material quantities are determined upon completion of work.

In accordance with the contract specifications, the construction contract should be awarded to the bidder submitting the lowest responsive responsible total base bid, which is Kerex Engineering Inc.

Staff recommends that the construction contract be awarded to Kerex Engineering, Inc. in the amount of \$563,475 and including a 10% Construction Contingency of \$56,347.50, for a total construction amount not-to-exceed \$619,822.50.

NEXT STEPS:

If the resolution is adopted, staff will work with the successful bidder to execute a construction contract. The renovation is anticipated to begin in May and is scheduled to be completed in approximately 90 working days.

ALTERNATIVE ACTIONS:

Council could choose to not award this contract, which would prevent the completion of the East 5th Street and Vecino Street Pedestrian Improvement Project.

General Plan	Goal #1: Provide a balanced street system to serve automobiles, pedestrians, bicycles, and transit
	Goal #2: Improve and maintain public facilities and services

Strategic Plan	Strategic Issue #1: Provide safe, functional, and complete streets
	Strategy #4: Preserving and Enhancing infrastructure

CEQA Analysis	This project is Categorical Exempt per CEQA Section 15301 (c), which applies to repair and maintenance of existing roadways.
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ATTACHMENTS:

1. Resolution – HSIP - East 5th & Vecino St. Pedestrian Improvement Project
2. Construction Contract – Kerex Engineering, Inc.
3. Site Map – HSIP – East 5th & Vecino St. Pedestrian Improvement Project

For more information contact: William Tarbox, Public Works Director

Phone: 707-746-4240

E-mail: wtarbox@ci.benicia.ca.us

RESOLUTION NO. 20-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA AWARDED A CONSTRUCTION CONTRACT TO KEREX ENGINEERING, INC. OF PLEASANT HILL, CA FOR THE EAST 5TH AND VECINO STREET PEDESTRIAN IMPROVEMENT PROJECT IN THE AMOUNT OF \$563,475 AND APPROVING A 10% CONTINGENCY IN THE AMOUNT OF \$56,347.50 AND AUTHORIZING THE CITY MANAGER TO EXECUTE AGREEMENT AND ANY CHANGE ORDERS UP TO THE PROJECT BUDGET ON BEHALF OF THE CITY.

WHEREAS, on May 23, 2019, the Public Works Department made the construction plans and specification for the East 5th and Vecino Street Pedestrian Improvement Project available for public bidding, advertised for construction bids, and two sealed bids were properly received and opened on June 20, 2019; and

WHEREAS, Kerex Engineering, Inc., of Pleasant Hill submitted the lowest, and most responsive and responsible bid in the amount of \$563,475.00; and

WHEREAS, sufficient funds will be available in the project budget for the East 5th and Vecino Street Pedestrian Improvement Project after a budget adjustment from Gas Tax Reserves in the amount of \$131,779.95 to the project budget; and

WHEREAS, this project is Categorically Exempt per CEQA Section 15301, which applies to repair and maintenance of existing roadways.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Benicia does hereby award the contract to Kerex Engineering, Inc. for the East 5th and Vecino Street Pedestrian Improvement Project in the amount of \$563,475.00 and establishes a 10% contingency fund of \$56,347.50 for a total project construction cost not-to-exceed \$619,822.50 to be appropriated from a combination of funding from Federal Grant funds and Gas Tax Reserve funds for a total project budget not-to-exceed \$619,822.50.

BE IT FURTHER RESOLVED THAT the City Manager is hereby authorized to sign the construction contract and any contract change orders up to the project budget on behalf of the City.

On motion of Council Member _____, seconded by Council Member _____, the above Resolution was adopted by the City Council of the City of Benicia at a regular meeting of said Council held on the 18th day of February, 2020 by the following vote:

Ayes:

Noes:

Absent:

Elizabeth Patterson, Mayor

Attest:

Lisa Wolfe, City Clerk

Date

CONSTRUCTION CONTRACT

THIS CONTRACT ("Contract") is made and entered into this 3RD day of JANUARY, 2019 between the City of Benicia, a municipal corporation in Solano County, California, (hereinafter "CITY") and KEREX ENGINEERING INC [California corporation, partnership, sole proprietor...] with its primary office located at [street, city, state, zip] (hereinafter "CONTRACTOR") (collectively, "the Parties"). PO Box 23881, Pleasant Hill, CA 94523.

RECITALS

WHEREAS, CITY staff does not have the expertise or capacity to perform this work in-house; and;

WHEREAS, CITY has determined it necessary to contract out construction work for the project **17-07 EAST 5TH & VECINO STREET PEDESTRIAN IMPROVEMENTS PROJECT**; and

WHEREAS, CITY has received bid proposals, selected and awarded the Contract to CONTRACTOR to be performed in accordance with the Plans and Specifications adopted by the City Council as prepared by **staff**.

That for and in consideration of the promises and agreements hereinafter made and exchanged, the CITY and the CONTRACTOR agree as follows:

1. WORK TO BE PERFORMED

The CONTRACTOR will furnish all labor, materials, equipment, tools, transportation, services, appliances and appurtenances for **17-07 East 5th & Vecino Street Pedestrian Improvements Project**, (sometimes referred to as "the work") in accordance with the Plans and Specifications therefor, such other items or details that are specified in the General Provisions, any Special Provision, all provisions of the 2010 or 2015 edition of the State Standard Specifications, which said General Provisions, Special Provisions and State Standard Specifications are hereby specially referred to and by such reference made a part hereof, and in full accord with the provisions of the federal, state and local codes, including all addenda and approved change orders.

2. COMPENSATION

That the CITY will pay the CONTRACTOR progress payments and the final payment, withholding 5% retention from each payment until after the lien period is over, and less any penalties and charges and in accordance with the method set forth in the Special Provisions with warrants drawn on the appropriate fund or funds as required, according to the prices as bid and accepted, based upon the Plans and Addenda, as follows: **\$563,475.00**

(a) In accordance with California Public Contracts Code §22300, CONTRACTOR shall be permitted to substitute securities for any moneys to be withheld by the CITY to ensure performance under this Contract. At the request and expense of the CONTRACTOR, securities equivalent to the amount withheld shall be deposited with the CITY, or with a state or federally chartered bank as the escrow agent, who shall then pay such moneys to the CONTRACTOR. Upon satisfactory completion of this Contract and the passage of any requisite lien period without the filing of stop payment notices or suit, the securities shall be returned to the CONTRACTOR. Securities eligible for investment under this section shall include those listed in Section 16340 of the Government Code, bank or savings and loan certificates of deposit, interest bearing demand deposit accounts, standby letters of credit, or any other security mutually agreed to by the CONTRACTOR and the CITY. The CONTRACTOR shall be the beneficial owner of any securities substituted for moneys withheld and shall receive any interest thereon.

(b) The CITY shall pay the CONTRACTOR the final payment plus any withheld retentions after the requisite lien period has passed provided: (1) no stop payment notices have been filed; (2) the CONTRACTOR is not in default hereunder; and (3) the work has been satisfactorily completed.

3. TERMINATION

This Contract may be subject to termination as provided in State Standard Specifications Section 8-1.11, if the City determines it is in the best interests of the City to do so. Total compensation due the CONTRACTOR shall be determined as provided in that section.

4. COMPLIANCE WITH LAWS

CONTRACTOR shall comply with all state and federal laws. Any bidder or CONTRACTOR not properly licensed with the State of California shall be subject to all legal penalties imposed by law, including, but not limited to, any appropriate disciplinary action by the Contractors State License Board.

CONTRACTOR and subcontractors are required to obtain a City business license.

5. NONDISCRIMINATION

(a) CONTRACTOR shall not discriminate in the conduct of the work under this Contract against any employee, applicant for employment, or volunteer on the basis of race, religious creed, color, national origin, ancestry, physical or mental disability, marital status, pregnancy, sex, age, sexual orientation or other prohibited basis.

(b) Consistent with CITY's policy that harassment and discrimination are unacceptable employer/employee conduct, CONTRACTOR agrees that harassment or discrimination directed toward a job applicant, a CITY employee, or a citizen by CONTRACTOR or CONTRACTOR's employee or subcontractor on the basis of race, religious creed, color, national origin, ancestry, physical or mental disability, marital status, pregnancy, sex, age, sexual orientation or other prohibited basis will not be tolerated. CONTRACTOR agrees that any and all violation of this provision shall constitute a material breach of the Contract.

6. PERFORMANCE AND LABOR BONDS

CONTRACTOR shall, prior to the execution of the Contract, furnish two bonds in a form approved by the CITY, one in the amount of One Hundred Percent (100%) of the Contract price to guarantee the faithful performance of the work, and one in the amount of One Hundred Percent (100%) of the Contract price to guarantee payment of all claims for labor and materials furnished. This Contract shall not become effective until such bonds are supplied to and approved by the CITY.

7. ENTIRE CONTRACT

This Contract by reference includes the Notice Inviting Bids, Bidder's Proposal, Affidavits, Special Provisions and Standard Specifications, Technical Provisions, Plans and Specifications, Addenda if any, and Contract Bonds, all as the term "Contract" is defined in the Specifications. All documents forming the complete contract are intended to integrate so that any condition or work called for in one and not mentioned in another shall be executed as if mentioned in all documents and set forth in the drawings. The order of precedence in interpreting and resolving any discrepancies under this Contract are found in General Provision section 5-01.

8. NOTICES

All notices permitted or required hereunder shall be addressed as follows and shall be deemed delivered upon the posting of the notice first class, U.S. mail, postage prepaid:

To CITY: William Tarbox
Public Works Director
City of Benicia
250 East L Street
Benicia, CA 94510

To CONTRACTOR: KEREX ENGINEERING
PO Box 23831,
PLEASANT HILL,
CA 94523 .

9. TIME IS OF THE ESSENCE

Time is of the essence of each and every provision of this Contract.

10. GOVERNING LAW AND VENUE

This Contract shall be administered and interpreted under California law as if written by both parties. If any provision in this Contract is held by any court to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force. **If any action is brought to interpret or enforce any term of this Contract, the action shall be brought in a state court situated in the County of Solano, State of California or, if necessary, in a federal court situated in the City and County of Sacramento, California.**

IN WITNESS WHEREOF, the Parties have caused this Contract to be executed on the day and year first written above.

CONTRACTOR

CITY OF BENICIA
A Municipal Corporation

BY: 

Title: PRESIDENT

CITY MANAGER

RECOMMENDED BY:

(Attach Notary Acknowledgment)

William Tarbox
PUBLIC WORKS DIRECTOR

APPROVED AS TO FORM:

Ben Stock
CITY ATTORNEY

Attachments: Labor and Materials Bond
Faithful Performance Bond
Guarantee (to be signed upon project completion)
Declaration of Completion (to be signed upon project completion)

ACKNOWLEDGMENT

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

State of California
County of Contra Costa)

On January 3rd, 2020 before me, Jessica Foronda, Notary Public
(insert name and title of the officer)

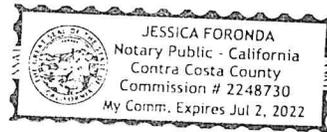
personally appeared Patrick Madden,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s)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

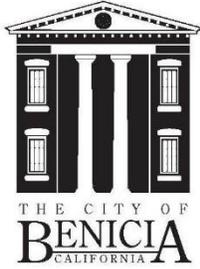
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature J. Foronda

(Seal)





AGENDA ITEM
CITY COUNCIL MEETING DATE – FEBRUARY 18, 2020
CONSENT CALENDAR

TO : City Manager

FROM : Parks and Community Services Director

SUBJECT : **BENICIA CAPITOL STATE HISTORIC PARK OPERATING AGREEMENT**

EXECUTIVE SUMMARY:

State Parks has requested a five-year extension to the Operating Agreement (Attachment 2) for maintenance of the restroom and a portion of the grounds at Benicia Capitol State Historic Park.

RECOMMENDATION:

Move to adopt the resolution (Attachment 1) approving the Operating Agreement for Benicia Capitol State Historic Park.

BUDGET INFORMATION:

Staff has estimated annual maintenance costs to be approximately \$6,000 for seasonal staff support and supplies, which is currently included the Parks & Community Services Department budget.

BACKGROUND:

California State Parks had placed Benicia Capitol State Historic Park (Capitol) on a State Parks Closure List in 2011. Services were subsequently reduced, with the State intending to close the Capitol indefinitely. City Council first approved a maintenance agreement at the Capitol on April 3, 2012, which ensured that the Capitol grounds are maintained in excellent shape and remain an asset for the First Street business community, neighbors, and park visitors. The agreement has also ensured that the Capitol restrooms, in the heart of First Street, have been well maintained and have remained open to the public every day, even when the park is not otherwise open. In 2014, the City entered into an AB 1478 Donor Agreement that further helped stabilize operations and extended the term of the Operations Agreement. The Operating Agreement has continued on a month to month basis.

Operations at the Capitol have been further sustained through the financial and in-kind donations of the Benicia State Parks Association. The multi-agency Solano State Parks Committee, which has met regularly since August 2012 and seeks to ensure that Benicia State Recreation Area and the Capitol remain open to the public and accessible to all, has also played a key role in ensuring sustainable operations and maintenance.

NEXT STEPS:

If the resolution is adopted, the Operating Agreement will be routed to the City Manager and City Attorney for signatures, then returned to State Parks for execution.

ALTERNATIVE ACTIONS:

City Council could choose not to adopt a resolution supporting the Operating Agreement, which might cause maintenance responsibilities for the highly visible Capitol SHP grounds to revert to State Parks.

General Plan	Goal 2.33: Assure long-term maintenance of the State Parks.
	Program 2.33.B: Work with the State to maintain and improve both parks and identify needed improvements.
	Program 2.33.D: Work with the State to assure that the Capital maintains maximum opening hours for public enjoyment and use.

Strategic Plan	Strategic Issue 2: Protecting and Enhancing the Environment
	Strategic Issue 5: Maintain and Enhance a High Quality of Life
	Strategy

CEQA Analysis	The Operating Agreement is Categorically Exempt per CEQA Section 15301(h).
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ATTACHMENTS:

1. Resolution – Benicia Capitol State Historic Park Operating Agreement
2. Operating Agreement – Benicia Capitol State Historic Park

*For more information contact: Mike Dotson, Parks & Community Services Director
Phone: 707-746-4285
E-mail: mdotson@ci.benicia.ca.us*

RESOLUTION NO. 20-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA APPROVING THE OPERATING AGREEMENT FOR BENICIA CAPITOL STATE HISTORIC PARK

WHEREAS, the Benicia Capitol State Historic Park was among 70 state parks that were included in the 2011 State Parks Closure List; and

WHEREAS, the City of Benicia has been engaged in discussions with California State Parks regarding the future of the Benicia Capitol State Historic Park since 2011; and

WHEREAS, City Council approved an Operations Agreement for maintenance of the restroom and a portion of the turf and landscape on April 3, 2012; and

WHEREAS, the City entered into an AB 1478 Donor Agreement with State Parks in 2014, which extended the term of the Operating Agreement and further stabilized operations at the Benicia Capitol State Historic Park (Capitol); and

WHEREAS, the City has been able to cost-effectively provide a high level of maintenance that has ensured that the Capitol grounds and restroom continue to be an asset for the First Street business community; and

WHEREAS, State Parks has requested a five-year extension to the Operating Agreement, which has been continued on a month-to-month basis to this point.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Benicia does hereby approve a five-year Operating Agreement for the restroom and a portion of the turf and landscape at the Benicia Capitol State Historic Park.

BE IT FURTHER RESOLVED that the City Manager is hereby authorized to sign the Operating Agreement.

On motion of Council Member _____, seconded by Council Member _____, the above Resolution was adopted by the City Council of the City of Benicia at a regular meeting of said Council held on the 18th day of February, 2020 by the following vote:

Ayes:

Noes:

Absent:

Elizabeth Patterson, Mayor

Attest:

Lisa Wolfe, City Clerk

Date

DPR #P19OA001
Operating Agreement

with

The City of Benicia

for

The Grounds and Restroom Facilities of the Benicia Capitol
State Historic Park

STATE OF CALIFORNIA – NATURAL RESOURCES AGENCY
DEPARTMENT OF PARKS AND RECREATION
PARTNERSHIPS OFFICE
1416 NINTH STREET, 14TH FLOOR
SACRAMENTO, CA 95814



OPERATING AGREEMENT
for
Benicia Capitol State Historic Park
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OPERATING AGREEMENT

with

The City of Benicia

for

The Grounds and Restroom Facilities of the City of Benicia Capitol State Historic Park

This OPERATING AGREEMENT "Agreement", by and between the STATE OF CALIFORNIA, acting through the Department of Parks and Recreation, hereinafter referred to as "**State**", and City of Benicia, hereinafter referred to as "**City**", collectively referred to as the "**Parties**".

WITNESSETH:

Whereas, pursuant to the provisions of § 5080.30, et seq., of the California Public Resources Code (PRC), State may enter into an operating agreement with any city, county, district, public agency, or combination thereof of the State of California for the care, maintenance, administration, and control of lands under the jurisdiction of State for the purpose of the state park system; and

Whereas, State has acquired for both park and recreational purposes certain real property known as the Benicia Capitol State Historic Park ("Park") located within Solano County; and

Whereas, State and City desire to enter into an Agreement to provide for the development, operation, control, and maintenance of the Park restrooms and a portion of the Park's turf and landscape at the Benicia Capitol State Historic Park by City; and

NOW, THEREFORE, in consideration of the mutual covenants hereinafter contained, the Parties hereto agree as follows:

1. **PREMISES**

State authorizes City to develop, operate, control, and maintain the grounds, which include turf, landscaped areas, and restroom facilities (excluding the Fischer-Hanlon Garden) as shown in "**Exhibit A**", which is attached hereto and incorporated herein, hereafter referred to as "Premises". City agrees to accept Premises, including

facilities covered by this Agreement, in their present condition "AS IS" with all faults and agrees to maintain the Premises in a safe and tenable condition; and at any termination of this Agreement, to promptly return the Premises to the State in the same or better condition, reasonable wear and tear excepted. State shall not be obligated to make any alterations, additions, or betterments to the Premises, except as otherwise provided for in this Agreement. This Agreement is not intended to and does not create any third-party rights and in no event shall be relied upon by any party other than City and State.

2. TERM

The term of this Agreement shall be for a period of five (5) years and shall commence on the first of the month following approval by the State's Department of General Services. The Agreement may be extended up to an additional five (5) years, subject to written mutual agreement by both Parties. Should City hold-over after the Agreement's expiration with the express or implied consent of the State, such holding-over shall be deemed a month-to-month tenancy at the prescribed rent as set forth in this Agreement, subject otherwise to all the terms and conditions of this Agreement.

3. USE OF PREMISES

A. City agrees to develop, operate, control, and maintain the Premises for public recreation with related concessions and/or other facilities accessible and subject to the use and enjoyment of the general public. Development and operation of the Premises shall be conducted in accordance with all applicable State general planning principles, State Parks and Recreation Commission policies, and all federal, state, and local government statutes, laws, and regulations. At a minimum, City agrees to operate and maintain the Premises as follows:

- 1) Turf areas on the east and west sides of the Capitol Building.
- 2) Landscaped areas on the east, west and north side of the Capitol building.
- 3) Interior and exterior of the restroom facility.

B. Upon permission of State, City may improve the Premises in accordance with the general plan and compliance requirements. Any improvements shall not adversely affect the use and enjoyment of the Premises by the public.

Upon permission of State, City may adopt rules and regulations for the use and enjoyment of the Premises by the public. Any such rules and/or regulations the City adopts shall conform to, and be consistent with, the rules and regulations adopted by State and those generally applicable to the California State Park System. The Premises shall not be used for any purpose other than those permitted by this Agreement.

C. City shall not use or permit the Premises to be used in whole or in part during the term of this Agreement for any purpose other than as herein set forth without the prior consent of the State.

D. Any time City is required to obtain approval, consent, or permission, it shall be in writing.

4. CONSIDERATION

In consideration of the services performed by City pursuant to this Agreement, State hereby authorizes the City's use of the Premises rent-free, on the condition that City exerts a good faith effort in its performance of the Agreement's terms and conditions. In the event that City fails to perform in good faith, the Premises shall revert back to the State, at State's option, and State shall have the right to pursue any other remedies available under this Agreement and/or otherwise available by law.

Any revenue to City derived from its control and operation of Premises for services, benefits, or accommodation to the general public or otherwise shall be used only for the operation and maintenance of lands and/or facilities located within the Park or for the development and renovation of improvements outlined in the following section. Any revenue portion exceeding the costs and expenses described in this paragraph shall be remitted to State in accordance with PRC § 5080.32 (b)(2).

5. CONSTRUCTION AND COMPLETION OF IMPROVEMENTS

A. At no cost or expense to the State, City may undertake new construction, reconstruction, and/or renovation subject to the following provisions:

- 1) In the event that City desires to undertake improvements that constitute renovations, reconstructions or new constructions to the Premises or any part of the Premises, including changes to structural design, landscape design, or interior or exterior fixtures, design, and/or furnishings, (collectively "Alteration(s)"), approval by State shall be obtained prior to the commencement of any Alterations.
- 2) Needed renovations, reconstructions or new constructions shall be identified by City and submitted annually to State. State shall review this submission and, City and State subsequently meet to identify and prepare a list of mutually agreed projects. State shall dictate the plan approval process. All modifications and additions shall be made in accordance with State's standards for construction and completion of improvements. Further, all Alterations shall be made in accordance with State's general planning principles and with all applicable state and federal laws, rules and regulations.

B. Once prior approvals have been received as described above and the work on any Alteration(s) has begun, City shall prosecute to completion with reasonable diligence all approved Alteration(s). All work shall be performed in a professional manner and will comply substantially with plans and specifications submitted to State as required herein and in compliance with all applicable governmental permits, laws, ordinances, and regulations. It shall be the responsibility of City, at its own cost and expense, to obtain all licenses, permits, security, and other approvals necessary for the construction of approved Alteration(s). City shall comply with public bidding requirements as set forth in the California Public Contract Code.

C. For all Alterations erected on the Premises by City, upon completion of construction, City shall (1) record a Notice of Completion, with a copy provided to the State; (2) provide State with a complete set of "as-built" plans for all improvements in a format reasonably acceptable to State; (3) submit evidence that all improvements are clear of any mechanic's liens or stop notices; (4) submit a verified accounting of the cost for Alterations, excluding equipment and trade fixtures that are the personal property of

City; and (5) submit a verified report demonstrating full compliance with the pertinent state and federal accessibility laws, including but not limited to, the Americans with Disabilities Act of 1990, Title II.

D. Title to all Alteration(s) existing or hereafter erected on Premises regardless of who constructs such improvements, shall immediately become State's property, and upon termination of this Agreement, all improvements shall become part of the realty and title to the Premises and shall vest in State, without compensation to City. City agrees never to assail, contest, or resist said title. The foregoing notwithstanding, State may elect, by notice to City, that City must remove any Alterations that are peculiar to City's use of the Premises and are not normally required or used by State and/or future occupants of the Premises. In this event, City shall bear the cost of restoring the Premises to their condition prior to the installment of the Alterations.

E. There are no eligible or potentially eligible historic properties located within the Premises.

6. **MAINTENANCE OBLIGATIONS OF CITY**

A. Restroom Facility:

- 1) On a daily basis City shall open, clean, and supply the restroom facility. Restroom cleaning shall consist of sanitizing the sinks, toilets, urinals, floors, and removing trash.
- 2) As needed, City shall purchase and restock the paper and soap products.

B. Grounds:

- 1) At least weekly City shall maintain the turf area on the east and west sides of the Capitol Building (approximately 2,500 square feet) that may include, but is not limited to: mowing; edging; removing vegetation from walkways; turf irrigation; and debris removal from the grounds and trash receptacles.

- 2) Once every six (6) months City shall prune the vegetation and remove weeds from the landscaped beds located on the east, west, and north sides of the Capitol Building. This excludes tree pruning.
- C. Irrigation System: City shall maintain the irrigation system (excluding the Fischer-Hanlon Garden) and repair the lawns as necessary.
- D. During the term of this Agreement, at City's cost and expense, City shall maintain and operate the Premises, including equipment, personal property, and Alteration(s) or improvements of any kind that may be erected, installed, or placed thereon, in a safe and sanitary condition free of garbage or obstructions of any kind. During the term of this Agreement, it shall be the City's responsibility to maintain the Premises to the satisfaction of State. All construction, operation, and maintenance shall be in accordance with all laws, codes, regulations, ordinances, and generally accepted industry standards pertaining to such work.
- E. Should City fail, neglect, or refuse to undertake and complete any required maintenance, State shall have the right to perform such maintenance or repairs for the City. State shall not be obligated to make any repairs to or maintain any improvement on the Premises. City hereby expressly waives the right to make repairs at the expense of the State and the benefit of California Civil Code sections 1941 and 1942 relating thereto. State has made no representations regarding the condition of the Premises, except as set forth in this Agreement.
- F. State reserves the right to enter the Premises for inspection and work related to Premises' care and maintenance during the Agreement's term, and shall give City reasonable written notice of its intention to perform any work prior to doing so.

7. CONCESSIONS

City shall not enter into concession agreements.

8. **TAXES**

City, by signing this Agreement, acknowledges that occupancy interest and rights to do business on State property may create a possessory interest as that term is defined in Revenue and Taxation Code § 107.6, which possessory interest may subject City and/or concessionaire to liability for the payment of property taxes levied on such possessory interest. City and/or any concessionaire engaged by City shall pay all lawful taxes, assessments, or charges that may be levied by the state, county, city, or any tax or assessment levying body at any time upon any interest in or created by this Agreement, or any possessory right that City and/or any concessionaire may have in or to the Premises covered hereby or the improvements thereon, by reason of City and/or any concessionaire's use or occupancy thereof or otherwise, as well as all taxes, assessments, and charges on goods, merchandise, fixtures, appliances, equipment, and property owned by City and/or any concessionaire in or about the Premises.

9. **RECORDS AND ACCOUNTS**

A. Recordkeeping: At all times during the term of this Agreement, City shall keep separate, true, and complete books, records, and accounts of all income and fees received and all expenditures made by City in relation to concessions, events, special services, and all other matters incident to the development, control, operation and maintenance of the Premises. The books, records, and accounts applying to the operation of the Premises and kept by City shall be open for audit or inspection by State at all reasonable times. All records shall be kept by City for a period of at least four (4) years. City shall be subject to State's audit requirements and remedies as set forth herein.

B. Annual Revenue and Expenditure Report: City shall report said income and expenditures to State annually pursuant to "**Exhibit B**" (Annual Revenue and Expenditure Report) or in a similar format acceptable to State. The City's report shall include the time period beginning July 1st and ending June 30th of each reporting year, and the report shall be filed with State no later than the September 30th following. Additionally, within forty-five (45) days of this Agreement's expiration or termination, City

shall submit to State a statement of income and expenditures for the period of operation not previously reported, prepared as set forth above.

10. **INSURANCE**

A. **Commercial General Liability Insurance:** At its sole expense, City agrees to maintain in force during the term of this Agreement comprehensive general liability insurance, insuring against claims for injuries to persons or property occurring in, upon, or about Premises. The insurance shall have limits of not less than ONE MILLION DOLLARS (\$1,000,000) for injuries to person or persons, with TWO MILLION DOLLARS (\$2,000,000) aggregate; and not less than ONE MILLION DOLLARS (\$1,000,000) for property damage.

B. State agrees that City, at City's option, may self-insure the coverage required by this section.

C. Each policy of liability insurance shall contain additional named insured endorsements in the name of the State of California, through its Department of Parks and Recreation, as to all insurable interests of the State, including but not limited to, the Premises and all contents as follows:

- 1) State of California, its officers, employees, and servants are included as additional insureds but only insofar as operations and facilities under this Agreement are concerned;
- 2) The insurer will not cancel or reduce the insureds' coverage without thirty (30) days prior written notice to State.

D. **Workers' Compensation and Employer's Liability Insurance:** City shall maintain statutory workers' compensation and employer's liability insurance for all its employees performing work on the property, including special coverage extensions where applicable. When work is performed on State-owned or -controlled property, the Workers' Compensation and Employer's Liability policy shall be endorsed with a waiver of subrogation endorsement in favor of the State (this endorsement shall also be provided).

E. No cancellation provision in any insurance policy shall diminish the responsibility of the City to furnish continuous insurance throughout the term of the

Agreement. Each policy shall be underwritten to the satisfaction of the State. A signed Certificate of Insurance with each endorsement required, including but not limited to State's additional insureds endorsement, shall be submitted to State at the time this Agreement is executed showing that the required insurance has been obtained. Further, at least thirty (30) days prior to the expiration of any such policy, City shall submit to State a signed and completed Certificate of Insurance, with all endorsements required by this section, showing, to the satisfaction of State, that such insurance coverage has been renewed or extended. Within fifteen (15) days of State's request, City shall furnish State with a signed and complete copy of the required policy and/or evidence of self-insurance.

F. City agrees to impose the foregoing insurance requirements on any and all concessionaires and shall require that State be named as an additional insured on all policies. Failure to provide any of the required insurance and/or endorsements shall constitute a material breach of this Agreement.

11. HOLD HARMLESS AGREEMENT

City shall indemnify, hold harmless, and defend State, its officers, agents, and employees against any and all claims, demands, damages, costs, expenses, or liability costs (including but not limited to attorney fees, expert fees, and cost of suit), arising directly out of the development, operation, or maintenance of the Premises by City, or in any way related to the performance of this Agreement by City, by reason of its acts or omissions relating to the Premises and/or its obligation pursuant to this Agreement and/or by reason of injury, death, property damage, or any claim arising from the alleged violations of any state or federal law, statute, or regulation, including but not limited to the Americans with Disabilities Act of 1990 Titles I, II and III (ADA), however caused or alleged to have been caused, provided, however, in no event shall City be obligated to defend or indemnify State with respect to the sole negligence or willful misconduct of State, its employees, or agents (excluding City herein, or any of its concessionaires).

In the event State is named as co-defendant in a legal action under the provisions of the Government Code § 810 et seq., and served with process of such

legal action, State shall immediately notify City of such fact and City shall represent State in such legal action as provided herein unless State undertakes to represent itself as co-defendant in such legal action, in which event State shall bear its own litigation costs, expenses, and attorney fees.

In the event judgment is entered against State and City because of the concurrent negligence of State and City, their officers, agents, or employees, an apportionment of the liability to pay such judgment shall be made by a court of competent jurisdiction. Neither party shall request a jury apportionment.

12. EMINENT DOMAIN PROCEEDINGS

If the Premises or any portion thereof is taken by proceedings in eminent domain, State shall receive the entire award for such taking.

13. PROHIBITIONS AGAINST ASSIGNING, SUBLETTING

This Agreement and/or any interest therein or thereunder shall not be assigned, delegated, mortgaged, hypothecated, or transferred by City without obtaining the prior consent of State.

14. NOTICES

Any notice and/or report required to be given or that may be given by either party to the other shall be deemed to have been fully given when made in writing and deposited in the United States Postal Service, postage prepaid, and addressed as follows:

State: Department of Parks and Recreation
Diablo Range District
Attn: District Superintendent
15751 Tesla Road
Livermore, CA 94550-9364
(925) 447-0426

City: City of Benicia

Attn: City Manager
250 East L Street
Benicia, CA 94510
LTinfow@ci.benicia.ca.us
(707) 746-4200

Copy to: Department of Parks and Recreation
Partnerships Office
P.O. Box 942896
Sacramento, California 94296-0001

15. DEFAULTS AND REMEDIES

Any failure by a party to this Agreement to observe or perform a provision of this Agreement, where such failure continues for thirty (30) days after written notice of such failure, shall constitute a default and breach of this Agreement. However, if the nature of the default is such that it cannot be reasonably remedied within the thirty (30) day period, the offending party shall not be deemed to be in default if an effective cure is commenced within the thirty (30) day period and thereafter diligently prosecuted to completion. Upon an event of default by State, City shall have the right to terminate this Agreement by providing written notice to State.

Upon an event of default by City, State shall have the right to terminate this Agreement and obtain immediate possession of the Premises at any time by written notice to City. In such event, State shall be entitled to all rights and remedies of law and/or in equity, including but not limited to, costs and expenses incurred by State in recovering possession of and/or restoring the Premises and compensation for all detriment proximately caused by City's failure to perform its obligations under this Agreement.

16. TERMINATION

Notwithstanding the provisions of Section 15- (Defaults and Remedies), either party may terminate this Agreement for any reason. The party who wishes to terminate

the Agreement shall give written notice of its intention no later than three hundred and sixty five (365) days before the scheduled termination date. Such notice shall be given in writing and shall be effective on the date given in the notice as the scheduled date for the termination of the Agreement.

17. SURRENDER OF THE PREMISES; HOLDING OVER

A. Surrender: On expiration or within thirty (30) days after earlier termination of this Agreement, City shall surrender the Premises to State with all fixtures, improvements, and Alteration(s) in good condition, except for fixtures, improvements, and Alteration(s) that City is obligated to remove. City shall remove all of its personal property and perform all restoration required by the terms of this Agreement within the above stated time unless otherwise agreed to in writing.

If City fails to surrender the Premises to State on the expiration, assignment, or within thirty (30) days after earlier termination of the term as required by this section, City shall hold State harmless for all damages resulting from City's failure to surrender the Premises.

B. Holding Over: After the expiration or earlier termination of the term, and if City remains in possession of the Premises with State's express consent, such possession by City shall be deemed to be a temporary tenancy terminable on thirty (30) days' written notice given at any time by either party. All provisions of this Agreement, except those pertaining to the term, shall apply to the temporary tenancy.

18. REAL PROPERTY ACQUISITION

It is understood and agreed to by the Parties that all applications for real property rights, appurtenant to the Premises, shall be made in the name of and on behalf of State, and shall be subject to the prior approval of State.

19. COMPLIANCE WITH LAWS, RULES, REGULATIONS, AND POLICIES

City and its officers, agents, and employees shall comply with all applicable laws, rules, regulations, and orders existing during the term of this Agreement, including obtaining and maintaining all necessary permits and licenses. City acknowledges and

warrants that it is, or will make itself, through its responsible managers, knowledgeable of all pertinent laws, rules, ordinances, regulations, or other requirements having the force of law affecting the operation of the Premises, including but not limited to laws affecting health and safety, hazardous materials, pest control activities, historical preservation, environmental compliance, and building standards.

20. NON-DISCRIMINATION

Pursuant to PRC § 5080.34, this Agreement and every contract on lands subject to this Agreement shall expressly prohibit discrimination against any person because of sex, sexual orientation, race, color, religious creed, marital status, ancestry, national origin, medical condition, age (40 and above), and disability (mental and physical) including HIV and AIDS.

City shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code § 12900 et seq.) and the applicable regulations promulgated thereunder (CA Code Regs, tit. 2, § 7285.0 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code § 12990 (a-f), are incorporated into this agreement by reference and made a part hereof as if set forth in full (2 CCR § 7285.0). City shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

City shall include the non-discrimination and compliance provisions of this clause in all contracts to perform work under and/or in connection with this Agreement.

In the event of violation of this section, State will have the right to terminate this Agreement, and any loss of revenue sustained by the State by reason thereof shall be borne and paid for by City.

21. DISABILITY ACCESS LAWS

With regard to all operations and activities that are the responsibility of City under this Agreement, and without limiting City's responsibility under this Agreement for compliance with all laws, City shall be solely responsible for complying with the requirements of the Americans with Disabilities Act of 1990 (ADA) (Public Law 101-336,

commencing at § 12101 of Title 42, United States Code, including Titles I, II, and III of that law), the Rehabilitation Act of 1973, and all related regulations, guidelines, and amendments to both laws.

With regard to facilities for which City is responsible for operation, maintenance, construction, restoration, or renovation under this Agreement, City also shall be responsible for compliance with Government Code § 4450, et seq. Access to Public Buildings by Physically Handicapped Persons, and Government Code § 7250, et seq., Facilities for Handicapped Persons, and any other applicable laws, regulations, guidelines and successor statutes. Such compliance shall be at State's sole cost and expense. Approval from State is required prior to implementation of any plans to comply with accessibility requirements.

22. NATIONAL LABOR RELATIONS BOARD CERTIFICATION

By signing this Agreement, City does hereby swear, under penalty of perjury, that no more than one (1) final, unappealable finding of contempt of court by a federal court has been issued against City within the two- (2-) year period immediately preceding the date of this Agreement because of City's failure to comply with a federal court order mandating the City comply with an order of the National Labor Relations Board.

23. ENVIRONMENTAL COMPLIANCE AND RESOURCE PROTECTION

The City shall comply with State's Cultural and Natural resource management policies and mandates in the conduct of all activities that may potentially affect cultural, natural, and/or scenic values and shall be responsible for maintaining current knowledge of these requirements as amended. These mandates include, but are not limited to: the California Environmental Quality Act (CEQA/PRC § 21000 et seq.); the Memorandum of Understanding between California State Parks and the Office of Historic Preservation Executive Orders W-26-92 and B-10-11, Departmental Notice 2004-02, PRC §§ 5024, 5024.5 and 5097 et seq.; the Native American Graves Protection and Repatriation Act (NAGPRA) (PL 101-601, 25 U.S.C. 3001 et seq., 104 stat. 3048); Secretary of the Interior's Standards for the Treatment of Historic Properties with Guidelines for Preserving, Rehabilitating, Restoring & Reconstructing Historic

Buildings; California Endangered Species Act; the Federal Endangered Species Act; the Clean Air Act; Clean Water Act; and the Porter Cologne Water Quality Act. When an undertaking has a federal nexus, the National Historic Preservation Act (NHPA) § 106 (36 CFR Part 800.1 to 800.16) and the National Environmental Policy Act (42 U.S.C. § 4321) will be required as well. The California State Parks Departmental Operation Manuals (DOM 300, 400, 2000) for natural and cultural resources shall also be complied with for projects that will affect resources.

All resource management projects proposed within the Premises will be undertaken with the oversight provided by the appropriate State staff, specifically Environmental Scientists, Historians, and Archaeologists.

Sensitive information will be safeguarded from general public distribution as required by state and federal law (Government Code §§ 65040.2(g)(3); 6254.10; 43 CFR 7, § 7.18(a)).

24. HAZARDOUS SUBSTANCES

A. On the Premises City shall not:

- 1) keep, store, or sell any goods, merchandise, or materials that are in any way explosive or hazardous;
- 2) carry on any offensive or dangerous trade, business, or occupation;
- 3) use or operate any machinery or apparatus that shall injure the Premises or adjacent buildings in any way; or
- 4) do anything other than is provided for in this Agreement.

B. Nothing in this section shall preclude City from bringing, keeping, or using on or about said Premises such materials, supplies, equipment, and machinery as is appropriate or customary in the care, maintenance, administration, and control of parklands. Gasoline, oils, and all other materials considered under law or otherwise to be hazardous to health and safety shall be stored, handled, and dispensed as required by present or future regulations and laws.

C. City shall comply with all federal, state, or local laws existing during the term of this Agreement pertaining to the use, storage, transportation, and disposal of any hazardous substance as that term is defined in such applicable law. In the event

the State or any of its affiliates, successors, principals, employees, or agents should incur any liability, cost, or expense, including attorney fees and costs, as a result of the City's illegal use, storage, transportation, or disposal of any hazardous substance, including any petroleum derivative, City shall protect, indemnify, defend, and hold harmless any of these individuals against such liability. Where City is found to be in breach of this provision due to the issuance of a government order directing City to cease and desist any illegal action in connection with a hazardous substance, or to remediate a contaminated condition directly caused by City or any person acting under City's direct control or authority, City shall be responsible for all costs and expenses of complying with such order including any and all expenses imposed on or incurred by the State in connection with or in response to such government order.

D. Notwithstanding the foregoing, in the event a government order is issued naming City, or City incurs any liability during or after the term of the Agreement in connection with contamination that preexisted the City's obligations and occupancy under this Agreement, or prior agreements or that were not directly caused by City, the State shall be solely responsible as between City and State for all expenses and efforts in connection therewith, and State shall reimburse City for all reasonable expenses actually incurred by City therewith.

E. All pest control activities, chemical and non-chemical, shall be approved by State prior to action by the City. City or the pest control business acting on behalf of City shall submit a DPR 191, Pest Control Recommendation, or equivalent to State for approval. State has fourteen (14) days to approve or deny the request. State review and approval shall be solely for compliance with State's policies and in no way shall relieve City or its contractors, employees, agents, or representatives from compliance with all laws and regulations concerning such activities, nor from carrying out the work in a workmanlike manner.

F. City or the pest control business acting on behalf of City shall submit a report of completed work for each pest management action to the State no later than seven (7) days after performance of the work. The report may be submitted on a DPR 191, Pest Control Recommendation, or equivalent.

25. SIGNS AND ADVERTISING

No signs, logos, names, placards, or advertising matter shall be inscribed, painted, or affixed upon Premises, or circulated or published without prior approval of the State. Approval will be granted only when said signs or advertising is consistent with the purposes of this Agreement.

26. INTELLECTUAL PROPERTY RIGHTS

A. Clarify Ownership of Pre-Existing Intellectual Property Rights: Other than as specifically identified and authorized in this Agreement, no names, logos, trademarks or copyrighted materials belonging to and/or associated with State shall be used, circulated, or published without the express consent of State. Further, no such use, even if permitted herein, or otherwise, shall be deemed to instill in City any rights of ownership on such names, logos, trademarks, copyrights or other materials, and any rights to such use shall not, under any circumstances, continue beyond the term of the Agreement. Any and all materials provided to City by the State to aid their performance under this Agreement shall be used by City for the exclusive benefit of the State and for the authorized purposes under this Agreement only. Such materials shall be treated as proprietary by City, for the benefit of the State. In the event that City wishes to use materials provided by the State for any other purpose, City must obtain a separate license from the State that specifically identifies the licensed material and rights granted in connection therewith.

Any trademarks and/or copyrights belonging to City prior to the commencement of the Agreement shall remain in City's sole ownership upon termination of the Agreement.

During the term of this Agreement, City shall use the name, City of Benicia. Any additional and/or different names may be used only upon written agreement of State.

B. Ownership of New Logos and Trademarks Developed During Agreement: Any names, logos, and/or trademarks developed during and/or pursuant to this Agreement that in any way associate with, identify or implicate an affiliation with State and/or are funded by State Parks shall be approved in writing by State, shall belong to State upon creation, subject to express written agreement otherwise, and shall continue

in State's exclusive ownership upon termination of the Agreement. Further, all goodwill and other rights in said marks shall inure to the benefit of the State as the mark owner.

C. Ownership of new Copyrights and Intellectual Property Rights, Developed by City for State Parks, Absent a Separate Written Agreement: All copyrighted materials developed and created by City for State during the term of this Agreement shall be deemed to be "works for hire" under the United States Copyright Act 17 USC § 101 et seq. and shall, unless otherwise agreed to in writing, belong to State upon creation, and continue in State's exclusive ownership upon termination of this Agreement.

City agrees to cooperate with State and to execute documents reasonably necessary to give the foregoing provision full force and effect.

D. City Rights in Separately Created Works: Any copyrighted materials and/or trademarks developed and created by City separate and apart from this Agreement shall belong to City and shall continue in City exclusive ownership upon termination of this Agreement. In the event that any trademarks and/or copyrights are created by City during the term of this Agreement and same are proposed for use in connection with City performance under the Agreement, City shall promptly notify State in writing of its intention to retain ownership in the specific trademarks and/or copyrights.

27. GRANT OF STATE'S TRADEMARK LICENSE

State hereby grants City, and City hereby accepts a non-exclusive, non-assignable license to use the State Park Logo (sometimes referred to as the "Trademark" or "Mark"), created and owned by State, in accordance with the terms and conditions of the License/Permission for Use of Trademarks which is attached hereto as "**Exhibit C**" and incorporated herein by reference. After signature by both City and State, this License shall authorize the use of the Trademark and associated goodwill in connection with this Agreement only.

A record of each authorized use by City of the Trademark shall be maintained by City and by State.

City and State will use the State Park name, Trademark, and brand consistent with the State Parks License/Permission for Use of Trademark-Exhibit A, which is

attached hereto as “**Exhibit C, Attachment 1**” and incorporated herein by reference, and the State Park Brand Standards Handbook available at <https://www.parks.ca.gov/pages/735/files/brandhandbookjanuary2007.pdf> .

The State Park name, Trademark and brand will not be used on City social media pages.

28. PARTICIPATION IN STATE PARK MARKETING PROGRAMS

City acknowledges that State has an established advertising and marketing program designed to promote additional revenue for the State and to deliver a consistent and positive image to the public. City agrees to cooperate in this program in the manner described below without compensation from the State for such cooperation:

- A. City agrees to honor all statewide graphic standards, licensing, and merchandising agreements entered into with corporate sponsors of the Department of Parks and Recreation.
- B. City agrees to place on the Premises any advertising that the State approves under this program. Any advertising approved by the State under this program will be placed at State’s expense.
- C. City agrees to rent or sell, along with all other items of merchandise that are part of the City’s normal and customary inventory, any item of merchandise that the State approves under this program, provided that City is authorized to sell or rent it under the terms of the Agreement, and the City receives reasonable compensation for its sale.

29. CHILD SUPPORT COMPLIANCE ACT

A. City recognizes the importance of child and family support relating to child and family support enforcement, including but not limited to, disclosure of information and compliance with earnings assignment orders as obligations and shall fully comply with all applicable state and federal laws provided in Chapter 8 (commencing with § 5200) of Part 5 of Division 9 of the Family Code.

B. To the best of its knowledge, City is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to

the New Hire Registry maintained by the California Employment Development Department.

30. DISPUTES

City shall continue with any and all responsibilities under this Agreement during any dispute.

31. LIMITATION

This Agreement is subject to all valid and existing contracts, leases, licenses, encumbrances, and claims of title that may affect Premises.

32. SECTION TITLES

The section titles in this Agreement are inserted only as a matter of convenience and reference and in no way define, limit, or describe the scope or intent of this Agreement or in any way affect this Agreement.

33. INSPECTION

State or its authorized representative shall have the right at all reasonable times to inspect the Premises to determine compliance with the provisions of this Agreement.

34. SUCCESSORS IN INTEREST

Unless otherwise provided in this Agreement, the terms, covenants, and conditions contained herein shall apply to and bind the heirs, successors, executors, administrators, and assigns of all the Parties hereto, all of who shall be jointly and severally liable hereunder.

35. PARTIAL INVALIDITY

If any term, covenant, condition, or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby.

36. DURATION OF PUBLIC FACILITIES

By entering into this Agreement, State makes no stipulation as to the type, size, location, or duration of public facilities to be maintained at Premises, or the continuation of State ownership thereof, nor does the State guarantee the accuracy of any financial or other factual representation that may be made regarding the Premises.

37. WAIVER OF RIGHTS, CLAIMS, AND AGREEMENT TERMS

Unless otherwise provided by this Agreement, no waiver by either party at any time of any of the terms, conditions, or covenants of this Agreement shall be deemed as a waiver at any time thereafter of the same or of any other term, condition, or covenant herein contained, nor of the strict and prompt performance thereof. No delay, failure, or omission of the State to re-enter the Premises or to exercise any right, power, or privilege, or option arising from any breach, nor any subsequent acceptance of rent then or thereafter accrued shall impair any such right, power, privilege, or option, or be construed as a waiver of such breach or relinquishment of any right or acquiescence therein. No notice to the City shall be required to restore or revive time as of the essence after the waiver by the State of any breach. No option, right, power, remedy, or privilege of the State shall be construed as being exhausted by the exercise thereof in one or more instances. The rights, powers, options, and remedies given to the State by this Agreement shall be deemed cumulative.

38. INTERPRETATION OF AGREEMENT

This Agreement is made under and is subject to the laws of the State of California in all respects as to interpretation, construction, operation, effect, and performance.

39. INDEPENDENT CONTRACTOR

In the performance of this Agreement, City and the agents and employees of City shall act in an independent capacity and not as officers or employees or agents of the State.

40. MODIFICATIONS AND APPROVAL OF AGREEMENT

This Agreement contains the entire Agreement between the Parties and neither it nor any part of it may be changed, altered, modified, limited, or extended orally or by any Agreement between the Parties unless such Agreement be expressed in writing, signed, and acknowledged by the State and City or their successors in interest.

Notwithstanding any of the provisions of this Agreement, the Parties may hereafter, by mutual consent expressed in writing, agree to modifications thereof, additions thereto, or terminations thereof, which are not forbidden by law. This Agreement, amendments, modifications, or termination thereof shall not be effective until approved by State's relevant control agencies.

41. MISCELLANEOUS

Unless otherwise stated, all reference to "days" in this Agreement shall mean calendar days.

IN WITNESS WHEREOF, the Parties have executed this Agreement and shall be effective once approved by State and control agencies as applicable.

CITY OF BENICIA

**STATE OF CALIFORNIA
DEPARTMENT OF PARKS AND RECREATION**

By: _____

By: _____

Title: _____

Title: _____

Date: _____

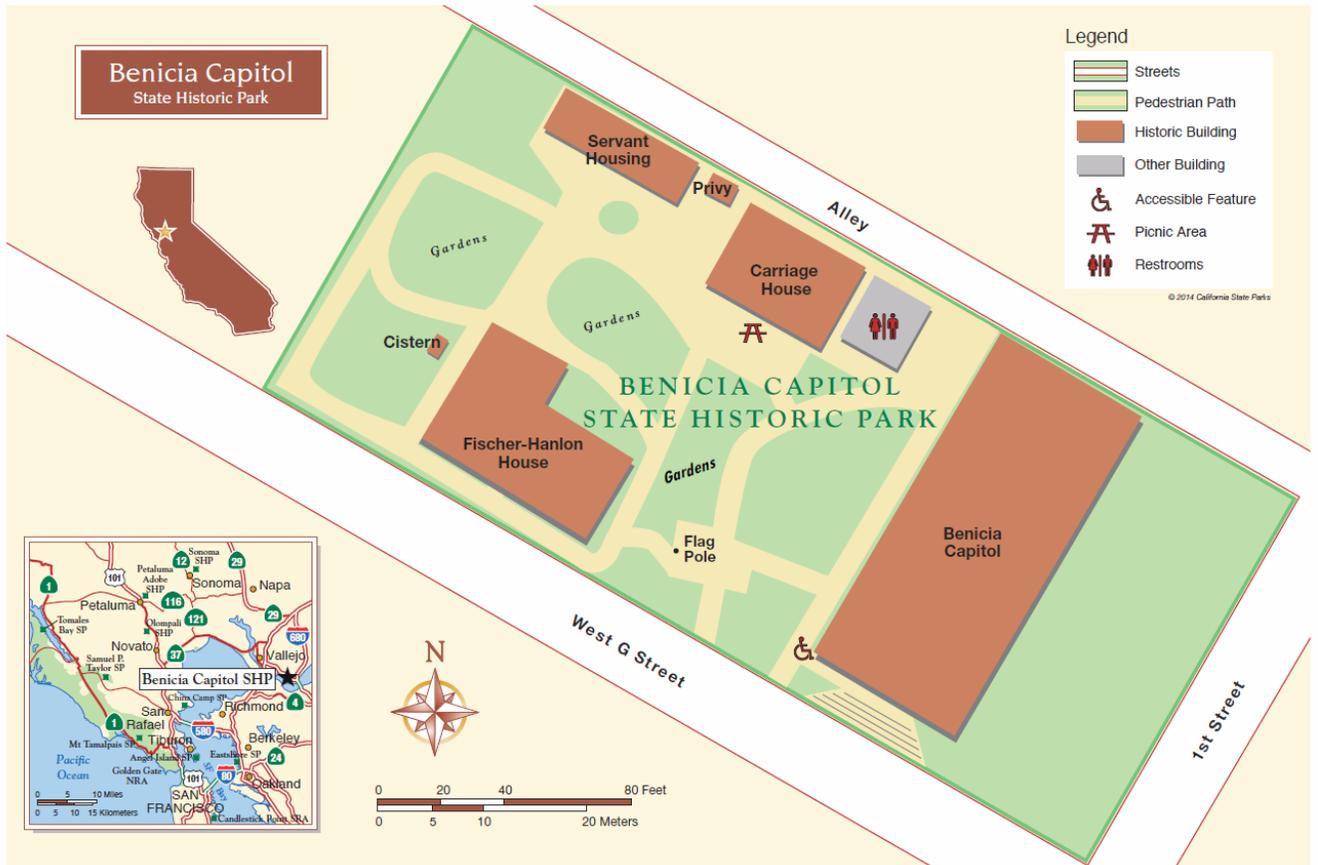
Date: _____

APPROVED:

DEPARTMENT OF GENERAL SERVICES:

EXHIBIT A - Premises

The Premises includes the restroom facilities, turf, and landscaped areas (fully excluding the Fischer-Hanlon Gardens, all trees, and all pathways).



TURF AREAS

East Side of Capitol Building

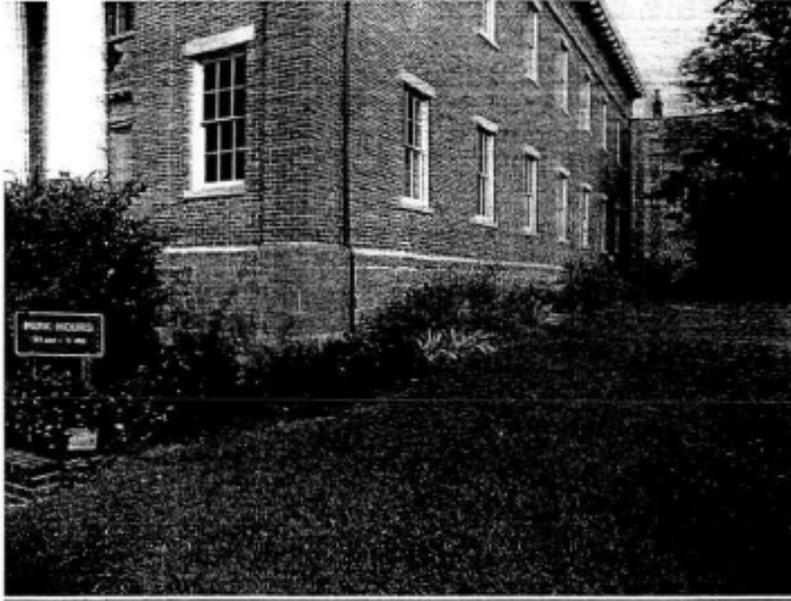


West Side of Capitol Building

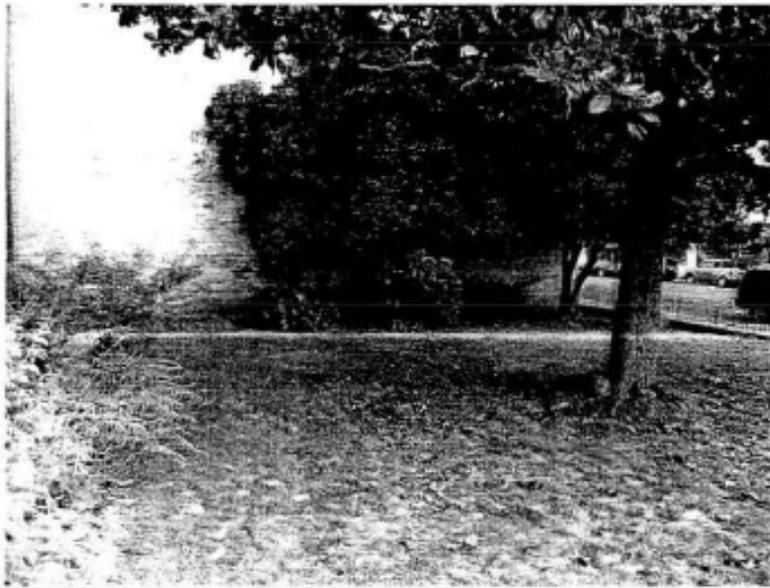


LANDSCAPED AREAS

East Side of Capitol Building



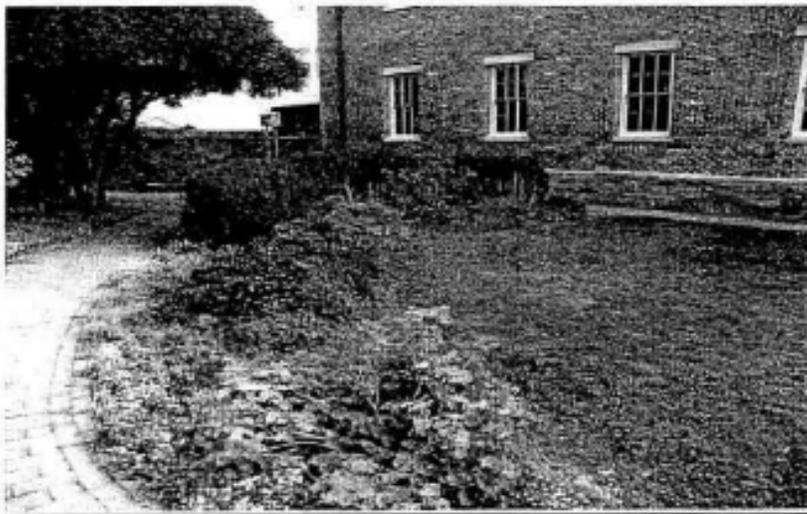
North East Corner of Capitol Building



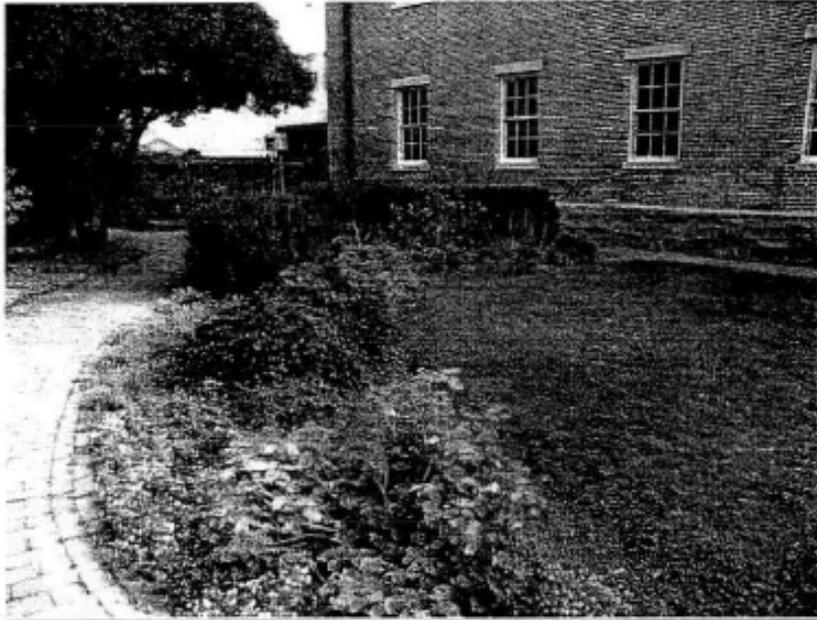
Southwest Corner of Capitol Building



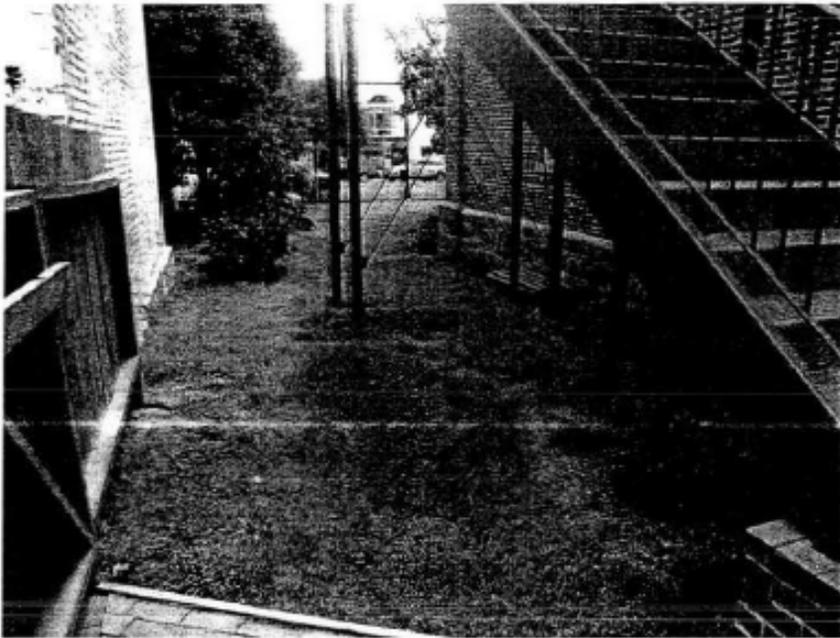
West Side of Capitol Building



North West Corner of Capitol Building



North Side of Capitol Building



Restroom

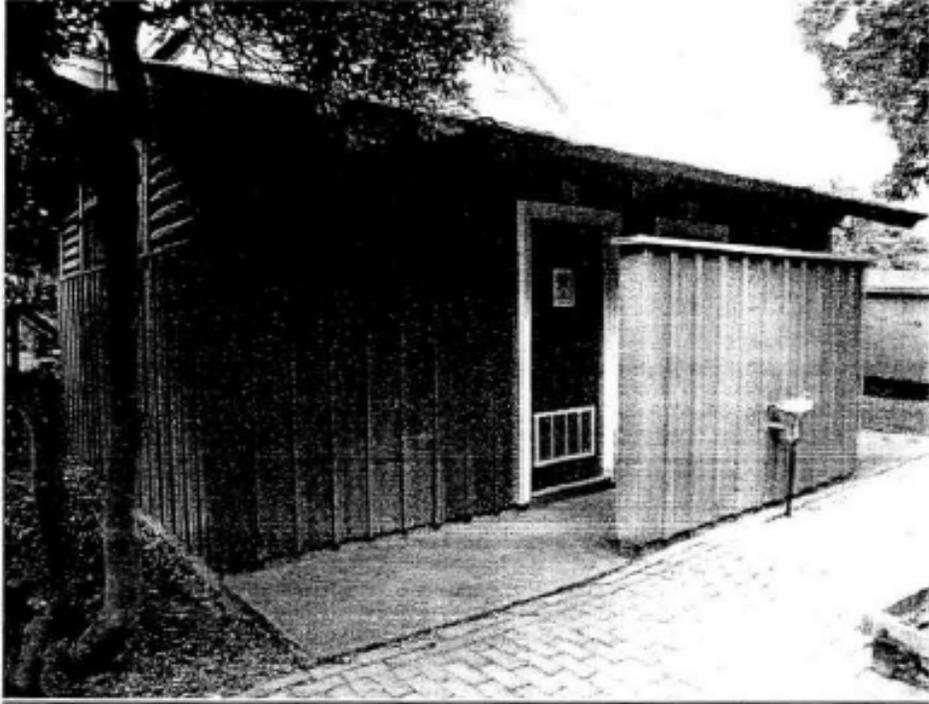


EXHIBIT B – Annual Revenue and Expenditure Report

Operating Agreements

Park Unit _____

Operating Agency _____

State’s Fiscal Year _____ to _____

Estimated Total Visitors _____

	Gross Revenue	Expenditures	Balance
Visitor Entrance or Use Fees			
Parking Fees			
Concession _____ Gross Sales \$ _____			
Concession _____ Gross Sales \$ _____			
Concession _____ Gross Sales \$ _____			
Special Events			
Miscellaneous Revenue			
Total Annual Revenue			
Salaries & Wages			
Maintenance & Housekeeping			
Utilities			
Capital Improvement Projects			
Miscellaneous Expenses			
Total Annual Expense			
Grand Total			

Preparer Name _____ Date _____

Phone Number _____

EXHIBIT C - License/Permission for Use of Trademarks

LICENSE/PERMISSION FOR USE OF TRADEMARKS

State of California - The Resources Agency
DEPARTMENT OF PARKS AND RECREATION

REQUESTER NAME City of Benicia hereafter called the "Licensee."	
Subject to the terms and conditions of this Agreement, the California Department of Parks and Recreation (the "Department") grants permission to use certain trademarks (the "Mark(s)"), created and owned by the Department, in accordance with the terms and conditions of this License, identified as follows: California State Parks logo USPTO Reg. No. 2437051 See Attachment 1" for additional provisions regarding use of the logo, including specifications, registration, and logo usage guidelines. The Department hereby grants to the Licensee the non-exclusive, non-transferable, non-sublicenseable right and license to use, reproduce, duplicate and distribute the Marks pursuant to the terms and conditions of this license for a term of five (5) year(s) from the date of execution by both parties but not to exceed the duration of the operating agreement between the Department and Licensee. This License is intended to run concurrently with the operating agreement and shall automatically terminate upon early termination of said agreement. Licensee shall own all right, title and interest in and to the new works created; provided, however, that the Department shall retain all right, title and interest in and to the Marks provided hereunder. This license shall authorize the use of the Marks and associated goodwill, in connection with the following only: Operating agreement #P190A001 Any additional use shall require written permission and/or the payment of fees. This permission is non-transferable and non-sublicenseable (except as described above). This is not an exclusive privilege to the user, and the Department reserves the right to make the Marks available to others. One copy of any published work or product using the Marks pursuant to this grant of license must be provided to the Department at no cost to the Department unless agreed otherwise in writing. Licensee shall not modify or alter the Marks in any way without prior written approval from the Department. All uses of the Trade Mark must be accompanied by the trademark symbol TM until such time that Licensee is notified by the Department that the federal registration symbol (®) should be used. All uses of the California State Parks logo must be accompanied by the trademark symbol ®. IN NO EVENT SHALL THE DEPARTMENT BE LIABLE FOR ANY DAMAGES ARISING FROM OR RELATED TO THIS AGREEMENT. THE DEPARTMENT EXPRESSLY DISCLAIMS ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THE WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT. PERMISSION TO USE THE MARKS IS GRANTED "AS IS." Licensee agrees to indemnify, protect, hold harmless, and defend the Department from and against any liability that might arise from any and all use of the Marks by Licensee, its licensees, successors or assigns. Licensee agrees to pay the Department, upon acceptance of this Agreement, all expenses as follows: No additional charge. <u>Goodwill and Quality Control</u> A. Licensee recognizes the great value and goodwill associated with the Marks and acknowledges that such goodwill belongs to the Department. Licensee further acknowledges that the Marks have acquired a secondary meaning among the public. Licensee agrees not to take any action that could be detrimental to the goodwill associated with the Marks or to the Department. B. The Department shall have the right to approve the quality of any reproduction of the Marks on any materials, as well as the associational use or co-joining of the Marks with any event, cause, or third party. The Department shall not unreasonably withhold such approval. C. Licensee agrees to inspect and approve its own sponsored uses of the Mark(s) to ensure quality and content of materials, consistent with the good will represented by the Mark(s). <u>Third Party Infringement</u> The Department, at its sole discretion, shall take whatever action it deems advisable in connection with any unauthorized use of the Marks by a third party. The Department shall bear the entire cost and expense associated with any such action, and any recovery or compensation that may be awarded or otherwise obtained as a result of any such action shall belong to the Department. The provisions above constitute page 1 of 2 of this agreement. Page 2 must be initialed by both parties for this agreement to be valid.	

AGREED AND ACCEPTED			
State of California Department of Parks and Recreation		LICENSEE City of Benicia	
BY ▶	DATE	BY ▶	DATE
PRINTED NAME OF PERSON SIGNING Lisa Ann L. Mangat		PRINTED NAME AND TITLE OF PERSON SIGNING	
TITLE Director	DISTRICT/SECTION California State Parks	ADDRESS 250 East L Street, Benicia, CA 94510	
PHONE NO. 916 651-1153	EMAIL	PHONE NO. (707) 746-4200	EMAIL

LICENSE/PERMISSION FOR USE OF TRADEMARKS

State of California - The Resources Agency
DEPARTMENT OF PARKS AND RECREATION

The provisions below constitute page 2 of 2 of this agreement. This page must be initialed by both parties for this agreement to be valid.

Ownership Rights

Licensee acknowledges the Department's exclusive right, titles and interest in and to the Marks. Licensee further covenants that it shall not at any time challenge or contest the validity, ownership, title and registration of the Department in and to the intellectual property or the validity of this License. Licensee's use of the Marks shall inure to the benefit of the Department. If Licensee acquires any trade rights, trademarks, equities, titles, or other rights in and to the Marks, by operation of law, usage, or otherwise, Licensee shall, upon the expiration of this License, assign and transfer the same to the Department without any consideration other than the consideration of the License. All rights not specifically transferred by this License are reserved to the Department.

Termination

A. The Department shall have the right to terminate the License without cause upon sixty (60) days notice, whereupon all rights granted herein shall revert immediately to the Department.
B. Upon early termination by the Department or by expiration of the License, the License shall terminate, Licensee's rights shall cease immediately and Licensee shall discontinue all use of the Marks and/or other licensed property at once. Licensee shall dispose of all goods, works and materials bearing or relating to the Marks in accordance with the Department's instructions.

No Partnership or Agency Created

Nothing herein shall be construed to constitute the parties hereto as partners or joint venturers, nor shall any similar relationship be deemed to exist between them. Further, nothing in this License shall make one party the agent of the other, and neither party has power or authority to bind the other.

Applicable Law

This License shall be construed in accordance with the laws of the State of California; Licensee consents to jurisdiction of the courts of Sacramento, California.

Integration

This License, the operating agreement, and Attachment 1, attached hereto constitute the entire agreement between the parties hereto and shall not be modified, amended, or changed in any way except by written agreement signed by both parties hereto. This License shall be binding upon and shall inure to the benefit of the parties, their successors, and assigns.

Notices

All notices and reports to be sent to the Department shall be in writing and shall be mailed or delivered to California Department of Parks and Recreation, Partnerships Office, PO Box 942896, Sacramento, CA 94296-0001. All notices to be sent to Licensee shall be mailed or delivered to the address specified on the first page of the License form. All notices and reports shall be deemed delivered immediately upon personal delivery, or, if mailed, three (3) days after being deposited in the United States mail system, postage prepaid, first class mail, and properly addressed. The Department and Licensee shall provide notice to the other of any change in address.

Modifications

This License may not be modified except by a written instrument, signed by both parties, making specific reference to this License by date, parties and subject matter.

Severability

The invalidity or unenforceability of any provision of this License, or the invalidity or unenforceability of any provision of this License as applied to a particular occurrence or circumstance, shall not affect the validity or enforceability of any of the other provisions of this License or any other applications of such provisions, as the case may be.

Attorneys Fees

If litigation becomes necessary to secure compliance with the terms and conditions of this License, to recover damages and/or to terminate the License, the prevailing party in any legal action shall be entitled to recover reasonable attorney fees and expenses incurred.

AGREED AND ACCEPTED

LICENSOR'S INITIALS ▷	DATE	LICENSEE'S INITIALS ▷	DATE
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Attachment 1 to Exhibit C – License/Permission for Use of Trademarks**California State Parks License/Permission for Use of Trademarks - Exhibit A****Logo Use by External Entities**

Use of the logo is restricted to Department publications and activities, unless the Department allows otherwise. Use of the logo by external entities must not be allowed unless any association created through use of the logo is consistent with promoting the goodwill of the Department and the Department's goals. Logo use by external entities must be documented with specific licensing language, signed by both parties, either as part of a contract or as a stand-alone licensing agreement. When the Department allows the logo to be used by an external entity on material not copyrighted to the Department, the following policies apply:

- A written license agreement must be executed by the Department and the third party entity, confirming the terms and conditions of use. This may be incorporated into an existing agreement (e.g., a cooperating association contract, concession contract, or donor agreement) or may be crafted as a separate license agreement. Separate license agreements must be approved by the Interpretation and Education Division.
- The logo may not be the most prominent design element (unless the license agreement states otherwise, such as when the logo is used on uniforms and merchandise).
- The logo may not be used in a manner that implies editorial content has been authored by or represents the views or opinions of the Department.
- The logo may not be used in any venue that displays adult content, promotes gambling, involves the sale of tobacco or alcohol, or otherwise violates applicable law.
- The logo may not be used in a manner that is determined by the Department in its sole discretion to be misleading, defamatory, infringing, libelous, disparaging, obscene, or otherwise objectionable.
- For each specific use of the logo (except in the cases of use by cooperating associations and concessionaires), advance approval must be obtained from the Chief of the Interpretation and Education Division.

1. Visual Display of the Logo

Unless otherwise authorized by the Chief of the Interpretation and Education Division, use the logo only as represented in these Guidelines.

Registration Symbol

- Because the logo is a trademark registered with the U.S. Patent and Trademark Office, the registration symbol ® must be used in connection with each use of the logo, unless it is infeasible from a design or fabrication standpoint (such as for patches or decals).

Logo Components

- Do not alter the logo components or use the components of the logo separately. For instance, the bear cannot be used alone or replaced with another element and/or the lettering cannot be used without the bear or replaced with different words.
- The font used for the text in the logo is Lithos. The text in the logo has been converted so that users do not need to have this font loaded on their computers in order to reproduce the logo.

Colors

- It is best to reproduce the logo using the Pantone (PMS) colors shown below. When reproducing these colors in four-color process inks (CMYK), or on screen (RGB), the screen tints listed below should be used. The following Pantone colors are used in the design of the logo: PMS 123-Yellow,

PMS 281-Blue, PMS 364-Green, PMS 490-Brown, PMS 4715 Brown (outline). The yellow background is a gradation of PMS 123. No other colors may be used in the four-color version of the logo.

PMS 123-Yellow	CMYK: C-0, M-21, Y-88, K-0	RGB: R-253, G-200, B-47
PMS 281-Blue	CMYK: C-100, M-85, Y-5, K-20	RGB: R-0, G-38, B-100
PMS 364-Green	CMYK: C-73, M-9, Y-94, K-39	RGB: R-66, G-119, B-48
PMS 490-Brown	CMYK: C-29, M-85, Y-54, K-72	RGB: R-91, G-43, B-47
PMS 4715-Brown	CMYK: C-13, M-47, Y-43, K-38	RGB: R-150, G-109, B-91

- Do not convert the four-color logo to grayscale. Instead use the black-and-white version of the logo.
- Do not copy the four-color logo on a black ink photocopier (except in the case of providing printouts of presentations that use the logo). Instead the black-and-white version of the logo should be used.
- The logo, in both four-color and black-and-white, may be used on colored paper and fabric.
- When printing in one or two colors, use the black-and-white version of the logo in a color being used for printing. When printing in two colors, the logo should be printed in the darker of the two colors.
- When embroidering the logo or screening it onto fabric, use the four-color version of the logo or reproduce the logo in any single color. Do not reproduce the logo in any two- or three-color combinations.

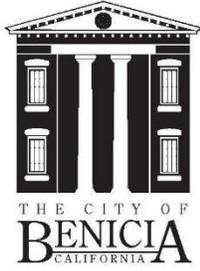
Appearance

- The logo must always appear clear and crisp. In order to meet this requirement, it should be printed at a minimum of 300 DPI.
- Do not tilt, skew, or distort the logo.
- In order to maintain clarity, do not use the logo at a size smaller than 5/8" in diameter.
- Reproduce the logo only from camera-ready proofs or electronic printing files. Do not redraw or trace the logo.
- Do not download and use the logo from the Department's web site. It is not suitable due to its low resolution.

Placement

- Do not crop, overprint, screen or superimpose the logo or print it behind art or copy.
- To make sure the logo stands out clearly, it must be placed within an area of unobstructed space. This also applies to the placement of the logo relative to the edge of a page or screen. There are two ways to determine the clear zone around the logo:
 1. The space must be the height of the letter "I" in the word "CALIFORNIA" in the logo.
 2. The space must be approximately 1/8 of the width of the logo. For example, if the logo is 2 inches across, then the clear zone would measure 1/4 of an inch.





AGENDA ITEM
CITY COUNCIL MEETING DATE – FEBRUARY 18, 2020
BUSINESS ITEMS

TO : City Manager

FROM : Public Works Director

SUBJECT : **TWO-YEAR STREET AND ROAD REPAIR FUNDING REQUEST**

EXECUTIVE SUMMARY:

The Citywide Street Projects planned for the next two years total \$9,196,772. Solid Waste Franchise fee revenue and gas tax funds (SB1) were appropriated during the budget adoption process; the balance remains to be appropriated. In addition, funding for the balance of the Park Road Improvement Project was pledged in 2017 and Council action is needed to appropriate adequate funding. Staff is recommending that the balance of needed funds totaling \$5,898,137 for all projects be appropriated from Measure C revenues. The proposed projects consist of the Park Road Improvement Project, a microsurfacing project and Lake Herman cape seal project in summer of 2020, and a resurfacing project in summer of 2021.

RECOMMENDATION:

Adopt the resolution (Attachment 1) approving funding for the two-year Citywide Street Resurfacing Projects and the Park Road Improvement Project from Measure C funds for FY 19/20 and FY 20/21 to include budget adjustments from Measure C Funds to the following:

- Streets Capital Improvement, account number 4258050-7425 in the amount of \$3,908,848.
- Park Road Improvement Project, account number 4258050-7425 in the amount of \$1,989,289.

BUDGET INFORMATION:

The total budget for the Park Road Improvement Project was estimated at \$5.2 million in 2017. Solano Transportation Authority (STA) provided \$2.4 million in grant funds and the City committed to providing the balance of \$2.8 million. In fiscal year 2017-18, the City Council appropriated \$976,000 from Measure C funds (Resolution No. 17-102) and pledged to appropriate the balance in the FY 19/21 budget, also from Measure C. Since the project was originally estimated, costs increased and staff recommends appropriating an additional \$500,000 which would bring the estimated project cost to \$5.7 million. Staff is recommending Council appropriate an additional \$1,989,289 from Measure C funds for the Park Road Improvement Project.

The City plans and appropriates funding for streets and roads projects in a two-year cycle. Staff is recommending projects that total \$4,807,483 from several funds (shown in the table below) to complete the Citywide Street Resurfacing Projects in the summers of 2020 and 2021. SB1 and Solid Waste Franchise funds were appropriated during the Fiscal Year 19/20 and FY20/21 budget adoption process. Measure C funding is recommended to cover the funding needed for the recommended annual roadway projects in an amount of \$3,908,848 (as shown in the table below).

Currently there is \$6,700,615 available in unallocated and unencumbered Measure C funding, which would leave a balance of \$802,478 for other purposes if Council approves the staff's recommendation.

In the table below is a breakdown of funding for FY 19/20 and FY 20/21 for each project as well as requested Measure C funding.

**Two-Year Street and Road Repair Funding and
Park Road Improvement Project Funding**

Project	Solid Waste Franchise Fee	RMRA (SB1) Funds	Measure C Funds	STA Grant *	Total
Microsurfacing Project 19/20	\$160,000	\$57,925	\$647,660	\$0	\$865,585
Resurfacing Project 20/21	\$160,000	\$520,710	\$2,224,538	\$0	\$2,905,248
Lake Herman Road	\$0	\$0	\$1,036,650	\$0	\$1,036,650
<i>Pavement Subtotal</i>	<i>\$320,000</i>	<i>\$578,635</i>	<i>\$3,908,848</i>	<i>\$0</i>	<i>\$4,807,483</i>
Park Road Project	\$0	\$0	\$1,989,289	\$2,400,000	\$4,389,289
Totals	\$320,000	\$578,635	\$5,898,137	\$2,400,000	\$9,196,772

* Does not include \$334,711 in credits due during construction

BACKGROUND:

Pavement Management Program -

The City has a Pavement Management Program (PMP) that evaluates and cost-effectively applies various pavement treatments to nearly 200 lane miles of City streets. More information about the PMP can be found on the Public Works Department webpage. The purpose of the Citywide Street Resurfacing Project, a Council-approved Capital Improvement Program project, is to deliver an annual pavement treatment project pursuant to the PMP.

Resurfacing is the removal of the top 2-4 inches of asphalt pavement prior to the placement of new asphalt. Slurry sealing/microsurfacing is the application of asphalt emulsion and aggregate (very small crushed rock) to help preserve and protect the underlying pavement structure and provide a new driving surface.

Over the past four years, the City programmed good/fair streets to be microsurfaced and poor

streets to be resurfaced using Gas Tax, SB1, Measure C, and Solid Waste Franchise Fees (Republic Services). Over 25% of City streets have a PCI less than 25.

Recommended Funding Is More Than Doubled -

Council discussed its recognition of the pavement condition city-wide and indicated its desire to increase funding so more streets can receive attention. In response, staff is recommending additional funding be appropriated for street and road projects compared to the last cycle. In the FY 19/21 two-year cycle, staff is recommending even more of Measure C funds be assigned to streets and roads.

Two-Year Cycle	Amount Spent
2017-19	\$2.3 million
2019-21	\$4.8 million

Please see Attachment 2 for the recommended projects for summer 2020 and Attachment 3 for those recommended for construction in summer 2021.

Park Road Improvement Project –

Established in 2012, Organization of Bay Area Governments (OBAG) utilizes federal funds to maintain Metropolitan Transportation Commission’s (MTC’s) commitments to regional transportation priorities while also advancing the Bay Area’s land-use and housing goals. The MTC is a congestion management agency (CMA). CMAs, cities, counties, and transit agencies use OBAG funds to invest in local streets and road maintenance, bicycle and pedestrian infrastructure improvements, Complete Streets, transportation planning, and transit facilities.

The Surface Transportation Program and Congestion Mitigation and Air Quality Improvement Program (STP/CMAQ) are administered regionally by the MTC and funding for local agencies in Solano County is programmed by the Solano Transportation Authority (STA).

Benicia submitted the Park Road Improvement Project, which consists of a new bicycle facility, drainage improvements, and resurfacing of Park Road for the OBAG 2 call for projects. After several presentations to various stakeholders and careful consideration by the STA Board, the Park Road Improvement Project was selected to receive funding contingent on the City Council adopting a resolution of support and entering into an agreement with STA (adopted by City Council June 27, 2017).

The \$2,400,000 grant, plus \$2,800,000 match, totaling \$5,200,000, was approved by Council, Resolution Number 17-102, which committed funds from Measure C to fund the Park Road Improvement Project. In FY 17/18, \$976,000 was budgeted and the remainder was to be budgeted in FY 19/20 and FY 20/21.

NEXT STEPS:

If the City Council adopts the resolution, staff will program the proposed projects as planned for summer 2020 and 2021.

ALTERNATIVE ACTIONS:

The City Council could choose to not approve the two pavement budgets and streets will not be microsurfaced or resurfaced, further decreasing the City’s overall pavement condition index; however, Council has already committed funding for the Park Road Improvement Project.

General Plan	Goal 2.20: Provide a balanced street system to service automobiles, pedestrians, bicycles, and transit
	Goal 2.28: Improve and maintain public facilities and services

Strategic Plan	Strategic Issue #4: Preserving and Enhancing Infrastructure
	Strategy #1: Provide safe, functional, and complete streets

CEQA Analysis	This project is Categorical Exempt per CEQA Section 15301 (c), which applies to repair and maintenance of existing roadways.
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ATTACHMENTS:

1. Resolution – Two-Year Street & Road Repair Funding Request
2. List of Microsurfacing Streets for FY 19-20
3. List of Resurfacing Streets for FY 20-21

*For more information contact: William Tarbox, Public Works Director
Phone: 707.746.4240 E-mail: WTarbox@ci.benicia.ca.us*

RESOLUTION NO. 20-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA APPROVING THE TWO-YEAR STREET AND ROAD REPAIR REQUEST FOR FY 19/20 AND FY 20/21

WHEREAS, the proposed road repair projects for the next two years consist of the Park Road Improvement Project, adopted by Resolution No. 17-102, a microsurfacing project in summer 2020, and a resurfacing project in summer 2021; and

WHEREAS, Council has already committed \$976,000 from Measure C funds, which need to be appropriated into the FY 19/20 and FY 20/21 budgets for the Park Road Improvement Project, and an additional \$500,000 needed to fund the local share due to cost escalation; and

WHEREAS, over the last four years, the City has programmed good/fair streets to be microsurfaced one fiscal year and poor streets to be resurfaced the next fiscal year for each budget cycle; and

WHEREAS, Senate Bill 1 (SB1) allocates a portion of revenues collected to local agencies and an estimated total of \$578,635 in Road Maintenance and Rehabilitation Account (RMRA) funding has been allocated to Benicia in FY 19/20 and FY 20/21; and

WHEREAS, the City also received approximately \$160,000 per year from Solid Waste Franchise Fees that are allocated to street repairs; and

WHEREAS, a budget appropriation and adjustment from Measure C funds is necessary to fully fund the Park Road Improvement Project (account number 4258050) in the amount of \$2,965,289 (\$976,000 of Measure C funding was committed previously by Council); and

WHEREAS, a budget appropriation and adjustment from Measure C funds is necessary to cover the shortfall for the citywide street resurfacing projects (account number 4258050) in the amount of \$647,660 for FY 19-20 and \$2,224,538 for FY 20-21; and

WHEREAS, total budget augmentation of \$5,898,137 from unobligated Measure C funds is needed to fully fund all road improvement projects for FY 19/20 and FY 20/21.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Benicia does hereby appropriate \$5,898,137 from Measure C for road improvement projects in FY 19/20 and FY 20/21; and

BE IT FURTHER RESOLVED THAT the City Council of the City of Benicia approves budget adjustments for the Park Road Improvement Project and the two-year Citywide Street Resurfacing Projects in the total project amount of \$9,196,772.

On motion of Council Member _____, seconded by Council Member _____, the above resolution was adopted by the City Council of the City of Benicia at a regular meeting of said Council held on the 18th day of February, 2020 by the following vote:

Ayes:

Noes:

Elizabeth Patterson, Mayor

Attest:

Lisa Wolfe, City Clerk

Date

Attachment 2

List of Microsurfacing Streets for FY 19-20

City of Benicia

Summer 2020

Street Name	Beg Location	End Location	TOTAL COST *	PCI
East H St. - 100	e/o E-2nd St.	w/o E-4th St.	\$57,521	80
East H St. - 100	w/o E-4th St.	w/o E-5th St.	\$19,887	77
East L St. - 100	e/o E-6 St.	w/o E-7 St.	\$19,887	77
Park Rd. - 1450	s/o Stone Rd.	s/o E-2nd St.	\$106,341	76
Hastings Dr. - 400	s/o Solano Dr.	n/o Zinna Ct.	\$47,692	75
East 3rd St. - 1100	n/o E-K St	s/o E-L St	\$10,496	74
Panorama Dr. - 001	n/o Southampton Rd.	n/o Larkin Dr.	\$91,089	61
Panorama Dr. - 001	e/o Chelsea Hills Dr.	200' e/o Tustin Ct.	\$44,815	74
Panorama Dr. - 001	n/o Tustin Ct.	s/o Rose Dr.	\$54,505	62
Panorama Dr. - 001	e/o Chesea Hills Dr.	e/o Larkin Dr.	\$42,536	69
East I St. - 100	350' e/o E-2nd St.	w/o E-3rd St.	\$5,985	73
Industrial Way - 101	e/o Bayshore Rd.	w/o Park Rd.	\$36,460	72
Military West - 100	w/o Drolette Way	e/o Southampton Rd.	\$221,432	72
Industrial Way - 101	w/o Park Rd.	600' w/o Teal Dr.	\$60,398	71
East 2nd St. - 1400	n/o E-D St.	n/o E-F St.	\$31,074	70
East I St. - 100	e/o E-5th St.	w/o E-6th St.	\$15,468	70
		Estimate Total Cost	\$865,585	

*Preliminary Cost Estimate assumptions: \$0.62/SF of microsurfacing (includes nonpavement cost), 10% Contingency & 35% for PE/CM

Summer 2020

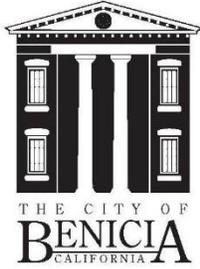
Street Name	Beg Location	End Location	Total Cost **	PCI
Lake Herman Rd. - 1	e/o E-2nd St.	e/o slide	\$132,040	52
Lake Herman Rd. - 1	e/o slide	w/o Reservoir Rd.	\$326,624	55
Lake Herman Rd. - 1	w/o Reservoir Rd.	City Limits	\$174,729	24
		AC Shoulder Cost	\$176,425	
		AB Shoulder Cost	\$226,832	
			\$1,036,650	

*Preliminary Cost Estimate assumptions: \$0.94/SF of rubber cape seal, 40% for digouts & non-pavement, 10% contingency, and 30% PE/CM

Attachment 3

List of Resurfacing Streets for FY 20-21 City of Benicia Summer 2021

Street Name	Beg Location	End Location	Total Cost *	PCI
East I St. - 100	e/o E-1st St.	w/o E-2nd St.	\$170,549	18
East I St. - 100	e/o E-3rd St.	w/o E-4th St.	\$130,156	15
East 4th St. - 1100	s/o E-J St.	n/o E-H St.	\$130,156	14
East J St. - 100	e/o E-2nd St.	w/o E-3rd St.	\$172,345	12
East 3rd St. - 1100	n/o Military East	n/o St. Augustine	\$200,657	16
East 4th St. - 1100	n/o Military East	s/o E-N St.	\$62,834	12
East O St. - 100	w/o E-3rd St.	225 w/o E-3rd St.	\$45,442	9
East N St. - 300	e/o E-3rd St.	w/o E-5th St.	\$228,895	7
Buena Tierra St. - 1881	n/o Vecino St.	s/o Viewmont St.	\$197,478	16
Viewmont St. - 300	e/o E-5th St.	w/o Casa Grande St.	\$333,244	11
Riconda Ct. - 1700	w/o E-5th St.	375' w/o E-5th St.	\$81,348	10
Del Centro - 1	n/o Hillcrest Ave.	s/o El Bonito Way	\$76,298	18
La Prenda St. - 1	s/o Vista Grande St.	e/o E-5th St.	\$145,865	15
La Cruz Ave. - 1	n/o Hillcrest Ave.	n/o Hillcrest Ave.	\$277,143	13
Linda Vista Ave. - 1	s/o Hillcrest Ave.	w/o E-5th St.	\$175,037	13
El Bonito Way - 1	n/o Hillcrest Ave.	n/o Hillcrest Ave.	\$323,146	11
East T St. - 300	e/o E-3rd St.	300' e/o E-3rd St.	\$51,614	10
Via Alta Ct. - 2100	s/o Hillcrest Ave.	475' s/o Hillcrest Ave.	\$103,040	8
		Estimate Total Cost	\$2,905,248	



**AGENDA ITEM
CITY COUNCIL MEETING DATE – FEBRUARY 18, 2020
COUNCIL MEMBER COMMITTEE REPORT**

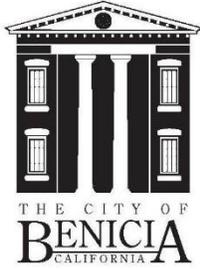
TO : Mayor Patterson
Council Member Strawbridge

FROM : Public Works Director

SUBJECT : **SOLANO COUNTY WATER AGENCY**

The following information is provided for your committee report at the February 18, 2020 Council meeting.

The agenda from the regular board meeting scheduled for February 13, 2020 is not available at this time. The next regular board meeting will be on March 12, 2020 at the SCWA office.



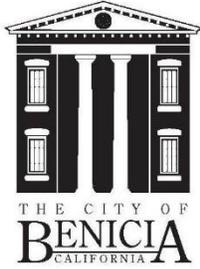
AGENDA ITEM
CITY COUNCIL MEETING DATE – FEBRUARY 18, 2020
COUNCIL MEMBER COMMITTEE REPORT

TO : Council Members Campbell and Strawbridge
FROM : City Manager
SUBJECT : **SOLANO EDC BOARD OF DIRECTORS**

The following information is provided for your committee report at the February 18, 2020 City Council meeting.

The last meeting was scheduled held on January 9, 2020, at Jelly Belly Visitor Center in Fairfield. The agenda was previously issued. The minutes are not yet available.

The next meeting is scheduled for Thursday, March 19, 2020, at 9:00 a.m. at a location to be announced. The agenda is not yet available.



AGENDA ITEM
CITY COUNCIL MEETING DATE – FEBRUARY 18, 2020
COUNCIL MEMBER COMMITTEE REPORT

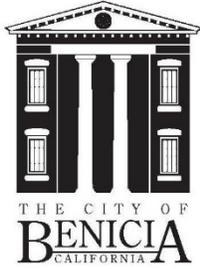
TO : Mayor Patterson
Council Member Largaespada

FROM : Public Works Director

SUBJECT : **SOLANO TRANSPORTATION AUTHORITY (STA)**

The following information is provided for your committee report at the February 18, 2020 Council meeting.

The agenda from the February 12, 2020, Board meeting is not available at this time. The next regular board meeting will be on March 11, 2020 at the City of Suisun Council Chambers.



AGENDA ITEM
CITY COUNCIL MEETING DATE – FEBRUARY 18, 2020
COUNCIL MEMBER COMMITTEE REPORT

TO : Council Member Young
Council Member Largaespada

FROM : Public Works Director

SUBJECT : **TRAFFIC, PEDESTRIAN, BICYCLE SAFETY COMMITTEE**

The following information is provided for your committee report at the February 18, 2020 Council meeting.

The TPBS Committee last met on January 16, 2020. The approved minutes from the October meeting have been attached along with the agenda from the January 16, 2020. The next regular meeting will be on Thursday, April 16, 2020, at the City of Benicia Commission Room.

ATTACHMENTS:

1. Approved Minutes – October 17, 2019
2. Agenda - January 16, 2020

**Minutes
CITY OF BENICIA
TRAFFIC, PEDESTRIAN, AND BICYCLE SAFETY (TPBS) COMMITTEE**

Thursday, October 17, 2019
7:00 p.m.

1. Call to Order.

Meeting called to order at 7:01 p.m. by Chair, Council Member Steve Young

1. Roll Call:

Present:

Chair, Council Member Steve Young, Vice Chair, Council Member Lionel Largaespada, Public Works Director William Tarbox, Police Lieutenant, Mark Menesini, Police Lieutenant, Edward Criado, Traffic Officer Eric Woodlief, Nouae Vue, Senior Civil Engineer, and Public Works Administrative Secretary, Lisa Kemmer

2. Pledge of Allegiance

3. Fundamental Rights Statement was read by Committee Chair, Council Member, Steve Young

2. Adoption of the Agenda

Upon a motion by Lionel Largaespada, seconded by William Tarbox, approved the agenda as presented.

3. Approval of July 18, 2019 Meeting Minutes

Upon a motion by William Tarbox, seconded by Lionel Largaespada, approved the minutes of July 18, 2019, as presented.

4. Public Comments:

None.

5. Verbal Staff Updates

A. Solano Transportation Authority – Active Transportation Plan (ATP)

Patrick, Consultant for Solano Transportation Authority, presented the Active Transportation Plan (ATP) slide presentation and discussed looking for input on objectives. Asked for members of the public to submit their rankings of areas of interest and those will be considered.

B. ATP Grant- Safe Routes to School at five schools in Benicia

Nouae Vue, Senior Civil Engineer, updated the Committee and members of the public on the grant status. The project is set to rebid in January 2020.

Action: Add the following areas for list: Military, Droulette, and West 7th and Lori Drive.

C. HSIP Grant application for Military West & West 7th Street Intersection

Nouae Vue, Senior Civil Engineer, updated the Committee and members of the public on the grant status. Advertised project and the bids came in higher than the budget allows. Worked with Caltrans to approve additional funding of \$93,000 and has been approved. Contract awarded by City Council on July 2, 2019.

D. HSIP Grant application for East 5th & Vecino Street Intersection

Nouae Vue, Senior Civil Engineer, updated the Committee and members of the public on the grant status. The bid opening on June 20, 2019 resulted in bids much higher than the budgeted grant amount. Staff is now working with Caltrans to secure additional funding to bridge that gap.

E. Reservoir Road Closure

Nouae Vue, Senior Civil Engineer, updated the Committee and members of the public on current status. Public Works has requested Fehr & Peers Consulting to provide a proposal to complete a road closure analysis for Reservoir Road. We have since received their proposal and are now executing a task order to perform the necessary analysis. The scope of work in the analysis will show us how closing of Reservoir Road will impact traffic on East 2nd Street as well as traffic impacts to Lake Herman Road. The work performed will help us to better determine whether this is truly a viable option for our City.

F. West J @ West 3rd & West 4th Streets

Nouae Vue, Senior Civil Engineer, reported to the Committee and members of the public that stop signs have been requested by residents in the area and Fehr & Peers Consulting has been hired to complete a traffic study and stop sign warrant. Will report findings when report has been completed.

G. Rose Drive, Hastings Drive, and Panorama Drive Speed Survey

Nouae Vue, Senior Civil Engineer, reported to the Committee and members of the public that Wildan Engineering has been hired to complete the speed survey and we have just received a draft for review.

H. Evacuation Annex and Information

Edward Criado, Police Lieutenant, presented the Committee and members of the public with sign selections. The Emergency Operations Plan (EOP) was updated by staff with the Evacuation Annex adopted by City Council on April 16, 2019. The Evacuation Route Signage Committee was then formed, and the Committee has asked for approval of signage by the TPBS Committee in order to proceed.

Action: Proceed with signage as presented.

I. Benicia High School – Intersection Scramble

Nouae Vue, Senior Civil Engineer, reported to the Committee and members of the public that Engineering will have our On-Call Consultant complete the study and have also requested funding from STA to help assist financially with this project.

J. Mc Callister Land bridge Traffic Calming Striping

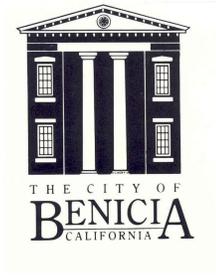
Nouae Vue, Senior Civil Engineer, reported to the Committee and members of the public that striping work has been completed for traffic calming measures and the immediate response was observed with the slowing of vehicle traffic in the area of concern.

6. ACTION ITEMS

None.

7. ADJOURNMENT

The meeting was adjourned at 8:42 p.m.



**BENICIA TRAFFIC, PEDESTRIAN AND BICYCLE SAFETY COMMITTEE
AGENDA**

**City Hall - Commission Room
January 16, 2020
7:00 PM**

1. Call To Order

1. Roll Call
2. Pledge of Allegiance
3. Fundamental Rights Statement

2. Adoption Of Agenda

3. Approval Of Minutes

3.A Approve Minutes from October 17, 2019 meeting

[TPBS Committee Minutes - Draft 10-17-19 Mtg.](#)

4. Public Comments

5. Verbal Staff Updates

5.A ATP Grant - Safe Routes to School Update

5.B HSIP Grant - Military West and West 7th Street Improvements Project

5.C HSIP Grant- East 5th and Vecino Street Improvements Project

5.D Reservoir Road Closure Update

5.E West J @ West 3rd & West 4th Streets Stop Sign Warrant Update

5.F Benicia High School Intersection Scramble Update

6. Action Items

None.

7. Adjournment

Next TPBS Committee Meeting: April 16, 2020

8. Committee Members

Steve Young (Council Member/ Committee Chair)

Lionel Largaespada (Council Member/ Committee Vice-Chair)

William Tarbox (Public Works Director)

Nouae Vue (Senior Civil Engineer, Public Works Dept.)

Mark Menesini (Lieutenant, Police Dept.)

Public Participation

The Benicia City Council and its Boards and Commissions welcome public participation.

Pursuant to the Brown Act, each public agency must provide the public with an opportunity to speak on any matter within the subject matter jurisdiction of the agency and which is not on the agency's agenda for that meeting. The City Council allows speakers to speak on non-agendized matters under public comment, and on agendized items at the time the agenda item is addressed at the meeting. Comments are limited to no more than five minutes per speaker. By law, no action may be taken on any item raised during the public comment period although informational answers to questions may be given and matters may be referred to staff for placement on a future agenda of the City Council.

Should you have material you wish to enter into the record, please submit it to the City Manager.

Disabled Access or Special Needs

In compliance with the Americans with Disabilities Act (ADA) and to accommodate any special needs, if you need special assistance to participate in this meeting, please contact Alan Shear, the ADA Coordinator, at (707) 746-4200. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to the meeting.

Meeting Procedures

All items listed on this agenda are for Council discussion and/or action. In accordance with the Brown Act, each item is listed and includes, where appropriate, further description of the item and/or a recommended action. The posting of a recommended action does not limit, or necessarily indicate, what action may be taken by the City Council.

Pursuant to Government Code Section 65009, if you challenge a decision of the City Council in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City Council at, or prior to, the public hearing. You may also be limited by the ninety (90) day statute of limitations in which to challenge in court certain administrative decisions and orders (Code of Civil Procedure 1094.6) to file and serve a petition for administrative writ of mandate challenging any final City decisions regarding planning or zoning.

The decision of the City Council is final as of the date of its decision unless judicial review is initiated pursuant to California Code of Civil Procedures Section 1094.5. Any such petition for judicial review is subject to the provisions of California Code of Civil Procedure Section 1094.6.

Public Records

The agenda packet for this meeting is available at the City Manager's Office and the Benicia Public Library during regular working hours. To the extent feasible, the packet is also available on the City's web page at www.ci.benicia.ca.us under the heading "Agendas and Minutes." Public records related to an open session agenda item that are distributed after the agenda packet is prepared are available before the meeting at the

City Manager's Office located at 250 East L Street, Benicia, or at the meeting held in the Council Chambers. If you wish to submit written information on an agenda item, please submit to the City Clerk as soon as possible so that it may be distributed to the City Council. A complete proceeding of each meeting is also recorded and available through the City Clerk's Office.

Contact Your Council Members

If you would like to contact the Mayor or a Council Member, please call the number listed below to leave a voicemail message.

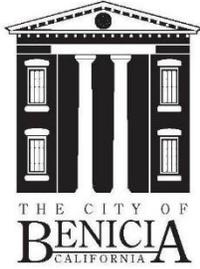
Mayor Patterson: 746-4213

Vice Mayor Strawbridge: 746-4213

Council Member Campbell: 746-4213

Council Member Young: 746-4213

Council Member Largaespada: 746-4213



AGENDA ITEM
CITY COUNCIL MEETING DATE – FEBRUARY 18, 2020
COUNCIL MEMBER COMMITTEE REPORT

TO : Councilmember Largaespada

FROM : Community Development Director

SUBJECT : **TRI-CITY AND COUNTY COOPERATIVE
PLANNING GROUP “SOLANO OPEN SPACE”**

The following information is provided for your committee report at the February 18, 2020, Council meeting.

The minutes from the most recent meeting on April 22, 2019 are not yet available. The next meeting has not been scheduled yet.

For a list of additional upcoming Solano County outdoor events please visit:
<http://solanoopenspace.org/AandE.asp>.