



City of Oakdale Regular City Council Meeting Minutes

City Council Chambers
277 North Second Avenue
Oakdale, California

Monday, March 5, 2018

7:00 PM

City Council Chambers

1. CALL TO ORDER:

Mayor Paul called the meeting to order at 7:04 p.m.

2. COUNCIL MEMBERS PRESENT/ABSENT:

Present: Mayor Paul
Mayor Pro Tem Dunlop
Council Member Bairos
Council Member McCarty
Council Member Murdoch

Staff Present: City Manager Whitemyer
City Attorney Hallinan
Finance Director Avila
Public Works Superintendent Bridgewater
Public Services Director Gravel
Police Chief Heller
Management Analyst Mondragon
City Clerk Teixeira

3. PLEDGE OF ALLEGIANCE:

Mayor Paul led the pledge of allegiance.

4. INVOCATION:

Council Member Murdoch provided the Invocation.

5. REPORT OUT OF CLOSED SESSION:

Mayor Paul advised the City Council met in closed session at 6:30 p.m. to discuss –

CONFERENCE WITH LABOR NEGOTIATOR
Employee Negotiations—All Employee Groups
Personnel Agency Representative: City Manager Bryan Whitemyer
(Pursuant to Government Code Section 54957.6)

and reported the City Council had provided direction to staff.



**CITY OF OAKDALE
CITY COUNCIL
REGULAR MEETING MINUTES**

**Monday, March 5, 2018
Next City Council Resolution: 2018-022**

**City Council Chambers
Next Ordinance: 1259**

6. PRESENTATIONS/ACKNOWLEDGEMENTS:

- 6.1: Presentation of the Stanislaus Family Justice Center
Presented by: Carol Shipley, Executive Director

Executive Director Shipley provided an overview of the Stanislaus Family Justice Center and provided handouts of statistics for those services offered and provided by the Center, including a daycare, ladies' nights, and a Civil Legal attorney to sit in the clients' corner.

- 6.2: Presentation of the 2017 Legislative Update
Presented by: Josiah Young, Legislative Advocate, Churchwell White LLP

A PowerPoint Presentation of recent legislative updates made in 2017 and upcoming in 2018 was presented by Legislative Advocate Josiah Young of the City Attorney's office of Churchwell White, LLP.

7. ADDITIONS/DELETIONS:

Mayor Paul asked whether there were any additions or deletions to the City Council agenda. No additions or deletions were advised.

8. PUBLIC COMMENTS:

Mayor Paul asked whether there was anyone who wished to address a matter not listed on the City Council agenda.

Pam Dumas and Gina McCarty addressed the City Council and audience advising Saturday, April 21 Love Oakdale will be held and invited participation. Registration and a continental breakfast begins at 8:45 a.m. at the Oakdale Community Park; following registration all volunteers will depart to serve at their designated work areas.

Ms. McCarty also advised they have lawn signs available for those interested in placing them on their property to contact them and they are still looking for volunteers.

Coach Leo (last name indiscernible) introduced himself to the City Council advising the Boxing Development Center has opened up facilities within the gym located at 1275 East F Street and provided an overview of the fitness classes they offer.

Coach Israel advised they are excited to be hosting the Junior Boxing Olympics at Oakdale High School on April 21 and April 22.

9. APPOINTMENT TO BOARDS AND COMMISSIONS:

None scheduled.



**CITY OF OAKDALE
CITY COUNCIL
REGULAR MEETING MINUTES**

**Monday, March 5, 2018
Next City Council Resolution: 2018-022**

**City Council Chambers
Next Ordinance: 1259**

10. CONSENT AGENDA:

Mayor Paul asked whether there were any questions or requests to remove items from the Consent Agenda.

There were no questions, comments or requests to remove items from the Consent Agenda.

MOTION

To approve the City of Oakdale City Council Consent Agenda Items 10.1 through 10.6 for March 5, 2018, as follows:

- 10.1: Approve the Regular Joint City Council and Successor Agency for the Former Oakdale Community Redevelopment Agency Meeting Minutes of February 20, 2018.
- 10.2: By Motion, Receive and File the Warrant List for the period of February 15, 2018 to February 28, 2018.
- 10.3: By Motion, Waive all Readings of Ordinances and Resolutions, except by Title.
- 10.4: Adopt Resolution 2018-022, a Resolution of the City Council of the City of Oakdale Authorizing the Purchase of a Replacement Sewer Lift Station Pump from Coker Pump & Equipment Company in the amount of \$28,255.53 funded by the Sewer Capital Replacement Fund 621 (621-4151-444-41-05).
- 10.5: Adopt Resolution 2018-023, a Resolution of the City Council of the City of Oakdale Authorizing the Purchase of a Replacement Sewer CCTV Reel from Aries Industries, Inc. in the amount of \$31,025.40 funded by the Sewer Capital Replacement Fund 621 (621-4151-444-41-05).
- 10.6: Adopt Resolution 2018-024, a Resolution of the City Council of the City of Oakdale Expressing Support for the Reducing Crime and Keeping California Safe Act of 2018.

MOTION

Moved by Council Member McCarty seconded by Mayor Pro Tem Dunlop and PASSED AND ADOPTED this 5th day of March 2018, by the following vote:

AYES:	COUNCIL MEMBERS: Bairos, Dunlop, McCarty, Murdoch and Paul	(5)
NOES:	COUNCIL MEMBERS: None	(0)
ABSENT:	COUNCIL MEMBERS: None	(0)
ABSTAINED:	COUNCIL MEMBERS: None	(0)

Motion carried 5/0 by City Council roll call vote.



**CITY OF OAKDALE
CITY COUNCIL
REGULAR MEETING MINUTES**

Monday, March 5, 2018
Next City Council Resolution: 2018-022

City Council Chambers
Next Ordinance: 1259

11. PUBLIC HEARINGS:

None scheduled.

12. STAFF REPORTS:

- 12.1: Consider Accepting by Minute Order, the Fiscal Year 2016/2017 Audited Financial Statements.

Finance Director Avila introduced the City's auditor, Ahmed Badawi.

Mr. Badawi, representing Badawi & Associates, Certified Public Accountants provided handouts (Exhibit A incorporated herein as part of the Minutes) to the City Council and staff.

A PowerPoint Presentation was provided.

Mr. Badawi presented the scope and results of the 2016/2017 Financial Audit. Areas of emphasis included the risk of management override of controls; revenues and receivables and pension.

The City Council discussed with staff and Mr. Badawi the Audited Financial Statements.

In conclusion, Finance Director Avila recommended that the City Council accept by Minute Order, the Fiscal Year 2016/2017 Audited Financial Statements,

MOTION

To accept by Minute Order, the Fiscal Year 2016/2017 Audited Financial Statements.

Moved by Mayor Pro Tem Dunlop seconded by Council Member Bairos and PASSED this 5th day of March 2018, by the following vote:

AYES:	COUNCIL MEMBERS: Bairos, Dunlop, McCarty, Murdoch and Paul	(5)
NOES:	COUNCIL MEMBERS: None	(0)
ABSENT:	COUNCIL MEMBERS: None	(0)
ABSTAINED:	COUNCIL MEMBERS: None	(0)

Motion carried 5/0 by City Council roll call vote

- 12.2: Consider a Resolution of the City Council of the City of Oakdale Authorizing the City Manager to Execute and Approve a Capital Facility Fee Agreement with Thrive Masters, LLC (Developer) for the Assisted Living Senior Housing Project Located at 1450 West F Street. (Assessor Parcel Numbers 063-035-018 and 063-010-039).

Public Services Director Gravel presented staff's report recommending the City Council authorize the City Manager to execute and approve the Capital Facility Fee Agreement with Thrive Masters, LLC (Developer) for the Assisted Living Senior



**CITY OF OAKDALE
CITY COUNCIL
REGULAR MEETING MINUTES**

**Monday, March 5, 2018
Next City Council Resolution: 2018-022**

**City Council Chambers
Next Ordinance: 1259**

Housing project proposed to be located at 1450 West F Street. (Assessor Parcel Numbers 063-035-018 and 063-010-039).

Public Testimony
Pat Corrigan

MOTION

To adopt City Council Resolution 2018-025, Authorizing the City Manager to Execute and Approve a Capital Facility Fee Agreement with Thrive Masters, LLC (Developer) for the Assisted Living Senior Housing Project Located at 1450 West F Street. (Assessor Parcel Numbers 063-035-018 and 063-010-039).

Moved by Mayor Pro Tem Dunlop seconded by Council Member McCarty and PASSED AND ADOPTED this 5th day of March 2018, by the following vote:

AYES:	COUNCIL MEMBERS: Bairos, Dunlop, McCarty, Murdoch and Paul	(5)
NOES:	COUNCIL MEMBERS: None	(0)
ABSENT:	COUNCIL MEMBERS: None	(0)
ABSTAINED:	COUNCIL MEMBERS: None	(0)

Motion carried 5/0 by City Council roll call vote

- 12.3: Consider a Resolution of the City Council of the City of Oakdale Approving the Scope of Work and Authorizing the City Manager to Execute a Power Purchase Agreement with First Light Energy in the amount of \$51,461.00 from the Facility Maintenance Fund 540 for the Installation of Solar Panels at Royce Memorial Swimming Pool.

Management Analyst Mondragon presented the staff report recommending the City Council approve the Scope of Work and authorize the City Manager to execute a Power Purchase Agreement with First Light Energy in the amount of \$51,461.00 from the Facility Maintenance Fund 540 for the installation of solar panels at Royce Memorial Swimming Pool.

Justin Krum, CEO & President of First Light Energy responded to the question raised by the City Council related to equipment longevity advising the equipment is guaranteed for 25 years.

MOTION

To adopt City Council Resolution 2018-026, Approving the Scope of Work and Authorizing the City Manager to Execute a Power Purchase Agreement with First Light Energy in the amount of \$51,461.00 the Facility Maintenance Fund 540 for the Installation of Solar Panels at Royce Memorial Swimming Pool.

Moved by Council Member McCarty seconded by Mayor Pro Tem Dunlop and PASSED AND ADOPTED this 5th day of March 2018, by the following vote:



**CITY OF OAKDALE
CITY COUNCIL
REGULAR MEETING MINUTES**

**Monday, March 5, 2018
Next City Council Resolution: 2018-022**

**City Council Chambers
Next Ordinance: 1259**

AYES:	COUNCIL MEMBERS: Bairos, Dunlop, McCarty, Murdoch and Paul	(5)
NOES:	COUNCIL MEMBERS: None	(0)
ABSENT:	COUNCIL MEMBERS: None	(0)
ABSTAINED:	COUNCIL MEMBERS: None	(0)

Motion carried 5/0 by City Council roll call vote

- 12.4: Consider a Resolution of the City Council of the City of Oakdale Awarding a Lighting and Landscape Maintenance District Maintenance Agreement to Swift Land and Garden for Reinman Court Lighting and Landscaping Maintenance District in the amount of \$3,036.80 from Special Revenue Fund 288 and Authorizing the City Manager to Sign the Contractor Agreement.

Mayor Paul declared a conflict of interest due to her residence being located in the Reinman Court Lighting and Landscaping Maintenance District, turning the meeting over to Mayor Pro Tem Dunlop. Mayor Paul left the dais and meeting room.

Public Works Superintendent Bridgewater presented the staff report recommending the City Council award a Lighting and Landscape Maintenance District Maintenance Agreement to Swift Land and Garden for Reinman Court Lighting and Landscaping Maintenance District in the amount of \$3,036.80 from Special Revenue Fund 288 and Authorizing the City Manager to Sign the Contractor Agreement.

MOTION

To adopt City Council Resolution 2018-027, Awarding a Lighting and Landscape Maintenance District Maintenance Agreement to Swift Land and Garden for Reinman Court Lighting and Landscaping Maintenance District in the amount of \$3,036.80 from Special Revenue Fund 288 and Authorizing the City Manager to Sign the Contractor Agreement.

Moved by Council Member Bairos seconded by Council Member McCarty and PASSED AND ADOPTED this 5th day of March 2018, by the following vote:

AYES:	COUNCIL MEMBERS: Bairos, Dunlop, McCarty and Murdoch	(4)
NOES:	COUNCIL MEMBERS: None	(0)
ABSENT:	COUNCIL MEMBERS: None	(0)
ABSTAINED:	COUNCIL MEMBERS: Paul	(1)

Motion carried 4/1 by City Council roll call vote.

Mayor Paul reentered the meeting room and took her seat at the dais.

- 12.5: Consider a Resolution of the City Council of the City of Oakdale Awarding a Lighting and Landscape Maintenance District Maintenance Agreement to Swift Land and Garden for Sterling Hills Lighting and Landscaping Maintenance District in the Amount of \$9,342.00 from Special Revenue Fund 288 and Authorizing the City Manager to Sign the Contractor Agreement.



**CITY OF OAKDALE
CITY COUNCIL
REGULAR MEETING MINUTES**

**Monday, March 5, 2018
Next City Council Resolution: 2018-022**

**City Council Chambers
Next Ordinance: 1259**

Council Member McCarty declared a conflict of interest due to his residence being located in Sterling Hills Lighting and Landscaping Maintenance District and left the dais and meeting room.

Public Works Superintendent Bridgewater presented the staff report recommending the City Council award a Lighting and Landscape Maintenance District Maintenance Contract to Swift Land and Garden for Sterling Hills Landscaping and Lighting Maintenance District in the amount of \$9,342.00 from Special Revenue Fund 288 and authorize the City Manager to sign the Contractor Agreement.

MOTION

To adopt City Council Resolution 2018-028, Awarding a Lighting and Landscape Maintenance District Maintenance Agreement to Swift Land and Garden for Sterling Hills Lighting and Landscaping Maintenance District in the Amount of \$9,342.00 from Special Revenue Fund 288 and Authorizing the City Manager to Sign the Contractor Agreement.

Moved by Council Member Bairos seconded by Mayor Pro Tem Dunlop and PASSED AND ADOPTED this 5th day of March 2018, by the following vote:

AYES:	COUNCIL MEMBERS:	Bairos, Dunlop, Murdoch and Paul	(4)
NOES:	COUNCIL MEMBERS:	None	(0)
ABSENT:	COUNCIL MEMBERS:	None	(0)
ABSTAINED:	COUNCIL MEMBERS:	McCarty	(1)

Motion carried 4/1 by City Council roll call vote.

Council Member McCarty reentered the meeting room and took his seat at the dais.

- 12.6: Consider a Resolution of the City Council of the City of Oakdale Awarding a Lighting and Landscape Maintenance District Maintenance Agreement to Swift Land and Garden for Sunset Meadows Lighting and Landscaping Maintenance District in the Amount of \$6,228.48 from Special Revenue Fund 288 and Authorizing the City Manager to Sign the Contractor Agreement.

Public Works Superintendent Bridgewater presented the staff report recommending the City Council award a Lighting and Landscape Maintenance District Maintenance Agreement to Swift Land and Garden for Sunset Meadows Lighting and Landscaping Maintenance District in the amount of \$6,228.48 from Special Revenue Fund 288 and authorize the City Manager to sign the Contractor Agreement.

MOTION

To adopt City Council Resolution 2018-029, Awarding a Lighting and Landscape Maintenance District Maintenance Agreement to Swift Land and Garden for Sunset Meadows Lighting and Landscaping Maintenance District in the Amount of \$9,342.00



**CITY OF OAKDALE
CITY COUNCIL
REGULAR MEETING MINUTES**

**Monday, March 5, 2018
Next City Council Resolution: 2018-022**

**City Council Chambers
Next Ordinance: 1259**

from Special Revenue Fund 288 and Authorizing the City Manager to Sign the Contractor Agreement.

Moved by Council Member McCarty, seconded by Mayor Pro Tem Dunlop and PASSED AND ADOPTED this 5th day of March 2018, by the following vote:

AYES:	COUNCIL MEMBERS:	Bairos, Dunlop, McCarty, Murdoch and Paul	(5)
NOES:	COUNCIL MEMBERS:	None	(0)
ABSENT:	COUNCIL MEMBERS:	None	(0)
ABSTAINED:	COUNCIL MEMBERS:	None	(0)

Motion carried 5/0 by City Council roll call vote

- 12.7: Consider a Resolution of the City of Oakdale City Council Approving the Hire of Six Full-Time Employees in the Public Services Department, Parks Division for the Maintenance of the Lighting and Landscape Maintenance Districts of Bridle Ridge and the Vineyards to be funded from Bridle Ridge Fund 284 and the Vineyards Fund 286.

A PowerPoint Presentation was provided.

Public Works Superintendent Bridgewater presented the staff report recommending the City Council approve the hiring of six full-time employees in the Public Services Department, Parks Division for the maintenance of the Lighting and Landscape Maintenance Districts of Bridle Ridge and the Vineyards to be funded from Bridle Ridge Fund 284 and the Vineyards Fund 286.

Parks Lead Avila provided the City Council and audience with an overview of the landscaping schedule.

Public Works Superintendent Bridgewater and Parks Lead Avila responded to questions raised by the City Council.

Public Testimony

Charles Shetron

Citizen – Unnamed, no name provided.

Kathleen Rogers

Management Analyst Mondragon, response to a question raised advised hiring and onboarding of employees would be approximately a two-month process.

MOTION

To adopt City Council Resolution 2018-030, approving the hire of six full-time employees in the Public Services Department, Parks Division for the maintenance of the Lighting and Landscape Maintenance Districts of Bridle Ridge and the Vineyards to be funded from Bridle Ridge Fund 284 and the Vineyards Fund 286.



**CITY OF OAKDALE
CITY COUNCIL
REGULAR MEETING MINUTES**

**Monday, March 5, 2018
Next City Council Resolution: 2018-022**

**City Council Chambers
Next Ordinance: 1259**

Moved by Council Member Murdoch seconded by Mayor Pro Tem Dunlop and
PASSED AND ADOPTED this 5th day of March 2018, by the following vote:

AYES:	COUNCIL MEMBERS: Bairos, Dunlop, McCarty, Murdoch and Paul	(5)
NOES:	COUNCIL MEMBERS: None	(0)
ABSENT:	COUNCIL MEMBERS: None	(0)
ABSTAINED:	COUNCIL MEMBERS: None	(0)

Motion carried 5/0 by City Council roll call vote.

- 12.8: Consider a Resolution of the City of Oakdale City Council Declaring Intent to Annex Territory to the City of Oakdale Community Facilities District No. 2015-01 (Maintenance Services) and to Authorize the Levy of Special Taxes Therein Annexation No. 3 (River Pointe).

Finance Director Avila presented the staff report stating this is the first step in the process and staff is recommending the City Council adopt the draft resolution contained in the staff report Declaring Intent to Annex Territory to the City of Oakdale Community Facilities District No. 2015-01 (Maintenance Services) and to authorize the Levy of Special Taxes Therein Annexation No. 3 (River Pointe).

MOTION

To adopt City Council Resolution 2018-031, Declaring Intent to Annex Territory to the City of Oakdale Community Facilities District No. 2015-01 (Maintenance Services) and to Authorize the Levy of Special Taxes Therein Annexation No. 3 (River Pointe).

Moved by Mayor Pro Tem Dunlop seconded by Council Member McCarty and
PASSED AND ADOPTED this 5th day of March 2018, by the following vote:

AYES:	COUNCIL MEMBERS: Bairos, Dunlop, McCarty, Murdoch and Paul	(5)
NOES:	COUNCIL MEMBERS: None	(0)
ABSENT:	COUNCIL MEMBERS: None	(0)
ABSTAINED:	COUNCIL MEMBERS: None	(0)

Motion carried 5/0 by City Council roll call vote

- 12.9: Consider a Resolution of the City of Oakdale City Council Declaring Intent to Annex Territory to the City of Oakdale Community Facilities District No. 2007-1 (Public Safety Services) and to Authorize the Levy of Special Taxes Therein (Annexation No. 10 – River Pointe).

Finance Director Avila presented the staff report stating this is the first step in the process and staff is recommending the City Council adopt the draft resolution contained in the staff report Declaring Intent to Annex Territory to the City of Oakdale Community Facilities District No. 2007-1 (Public Safety Services) and to Authorize the Levy of Special Taxes Therein (Annexation No. 10 – River Pointe).



**CITY OF OAKDALE
CITY COUNCIL
REGULAR MEETING MINUTES**

**Monday, March 5, 2018
Next City Council Resolution: 2018-022**

**City Council Chambers
Next Ordinance: 1259**

MOTION

To adopt City Council Resolution 2018-032, Declaring Intent to Annex Territory to the City of Oakdale Community Facilities District No. 2007-1 (Public Safety Services) and to Authorize the Levy of Special Taxes Therein (Annexation No. 10 – River Pointe).

Moved by Council Member McCarty seconded by Mayor Pro Tem Dunlop and PASSED AND ADOPTED this 5th day of March 2018, by the following vote:

AYES:	COUNCIL MEMBERS: Bairos, Dunlop, McCarty, Murdoch and Paul	(5)
NOES:	COUNCIL MEMBERS: None	(0)
ABSENT:	COUNCIL MEMBERS: None	(0)
ABSTAINED:	COUNCIL MEMBERS: None	(0)

Motion carried 5/0 by City Council roll call vote

- 12.10: Consider a Resolution of the City of Oakdale City Council Authorizing the City Manager to Purchase a New Fire Engine for Station 28 (G Street Station) From Hi-Tech Emergency Vehicle Service, Inc. in the amount of \$602,565.00 From Fund 232 – Fire Equipment Replacement.

A PowerPoint Presentation was provided.

City Manager Whitemyer presented the staff report recommending the City Council authorize the City Manager to purchase a new fire engine for Station 28 from Hi-Tech Emergency Vehicle Service, Inc. in the amount of \$602,565.00 from Fund 232 – Fire Equipment Replacement.

The City Council discussed with staff the pros and cons of paying the full cost of the engine upfront with Council Member Murdoch advising his preference to withhold some of the payment should the city need leverage.

MOTION

To adopt City Council Resolution 2018-033, Authorizing the City Manager to Purchase a New Fire Engine for Station 28 (G Street Station) from Hi-Tech Emergency Vehicle Service, Inc. in the amount of \$602,565.00 from Fund 232 – Fire Equipment Replacement.

Moved by Mayor Pro Tem Dunlop seconded by Council Member McCarty and PASSED AND ADOPTED this 5th day of March 2018, by the following vote:

AYES:	COUNCIL MEMBERS: Bairos, Dunlop, McCarty and Paul	(4)
NOES:	COUNCIL MEMBERS: Murdoch	(1)
ABSENT:	COUNCIL MEMBERS: None	(0)
ABSTAINED:	COUNCIL MEMBERS: None	(0)



**CITY OF OAKDALE
CITY COUNCIL
REGULAR MEETING MINUTES**

Monday, March 5, 2018
Next City Council Resolution: 2018-022

City Council Chambers
Next Ordinance: 1259

Motion carried 4/1 by City Council roll call vote

- 12.11: Consider a Resolution of the City of Oakdale City Council Approving the Fiscal Year (FY) 2017-2018 Mid-Year Budget.

A PowerPoint presentation was provided.

City Manager Whitemyer presented the staff report recommending the City Council adopt the resolution approving the Fiscal Year (FY) 2017-2018 Mid-Year Budget as presented in the staff report.

MOTION

To adopt City Council Resolution 2018-034, Approving the Fiscal Year (FY) 2017-2018 Mid-Year Budget.

Moved by Mayor Pro Tem Dunlop Council Member McCarty seconded by and
PASSED AND ADOPTED this 5th day of March 2018, by the following vote:

AYES:	COUNCIL MEMBERS: Bairos, Dunlop, McCarty, Murdoch and Paul	(5)
NOES:	COUNCIL MEMBERS: None	(0)
ABSENT:	COUNCIL MEMBERS: None	(0)
ABSTAINED:	COUNCIL MEMBERS: None	(0)

Motion carried 5/0 by City Council roll call vote

13. CITY MANAGER'S REPORT:

- 13.1: Oakdale Wastewater Treatment Plant Open House (9700 Liberini Avenue) on Saturday, March 24, 2018 from 8:30 a.m. to 3:30 p.m. with Guided Tours at 9:00 a.m., 11:00 a.m. and 1:00 p.m.

City Manager Whitemyer advised in response to a request made previously by the City Council, the Wastewater Treatment Plant will be holding an Open House on Saturday, March 24, 2018 from 8:30 a.m. to 3:30 p.m. with guided tours at 9:00 a.m., 11:00 a.m. and 1:00 p.m.

14. CITY COUNCIL ITEMS:

Council Member McCarty reminded everyone that the SOS Fun Run is this Saturday (March 11) at 8:30 a.m.

Council Member McCarty thanked the two young ladies, students at Magnolia School for writing in to the Oakdale Leader asking the City to please fix the streets, specifically Magnolia Street, advising that their dream will be coming true as the City does intend to fix the street.



**CITY OF OAKDALE
CITY COUNCIL
REGULAR MEETING MINUTES**

Monday, March 5, 2018

Next City Council Resolution: 2018-022

City Council Chambers

Next Ordinance: 1259

Public Services Director Gravel advised currently staff is in the design phase of this project and have been working with the Magnolia School Principal. The project will include modifying the crosswalk and tear out and replacement of water and sewer lines. The first phase of the projected is estimated to begin the end of May.

Mayor Paul advised those in attendance and at home to look at the enclosure mailed with this month's utility bill for information on City sponsored events including recycling. Mayor Paul also in addition ASTRO will be hosting the St. Catty's Day Fundraiser at the Oakdale Golf & Country Club, Saturday, March 17 from 5:30 – 10:00 p.m.; tickets are available at ASTRO.

15. ADJOURNMENT:

There being no further business, Mayor Paul adjourned the meeting at 9:18 p.m.

ATTEST:

APPROVED:

/s/Kathy Teixeira

Kathy Teixeira, CMC
City Clerk

/s/Pat Paul

Pat Paul
Mayor

City of Oakdale

Presentation to The City Council

March 5, 2018

Presented by: Ahmed Badawi, CPA
Partner



Badawi & Associates

Audit of the

City of Oakdale

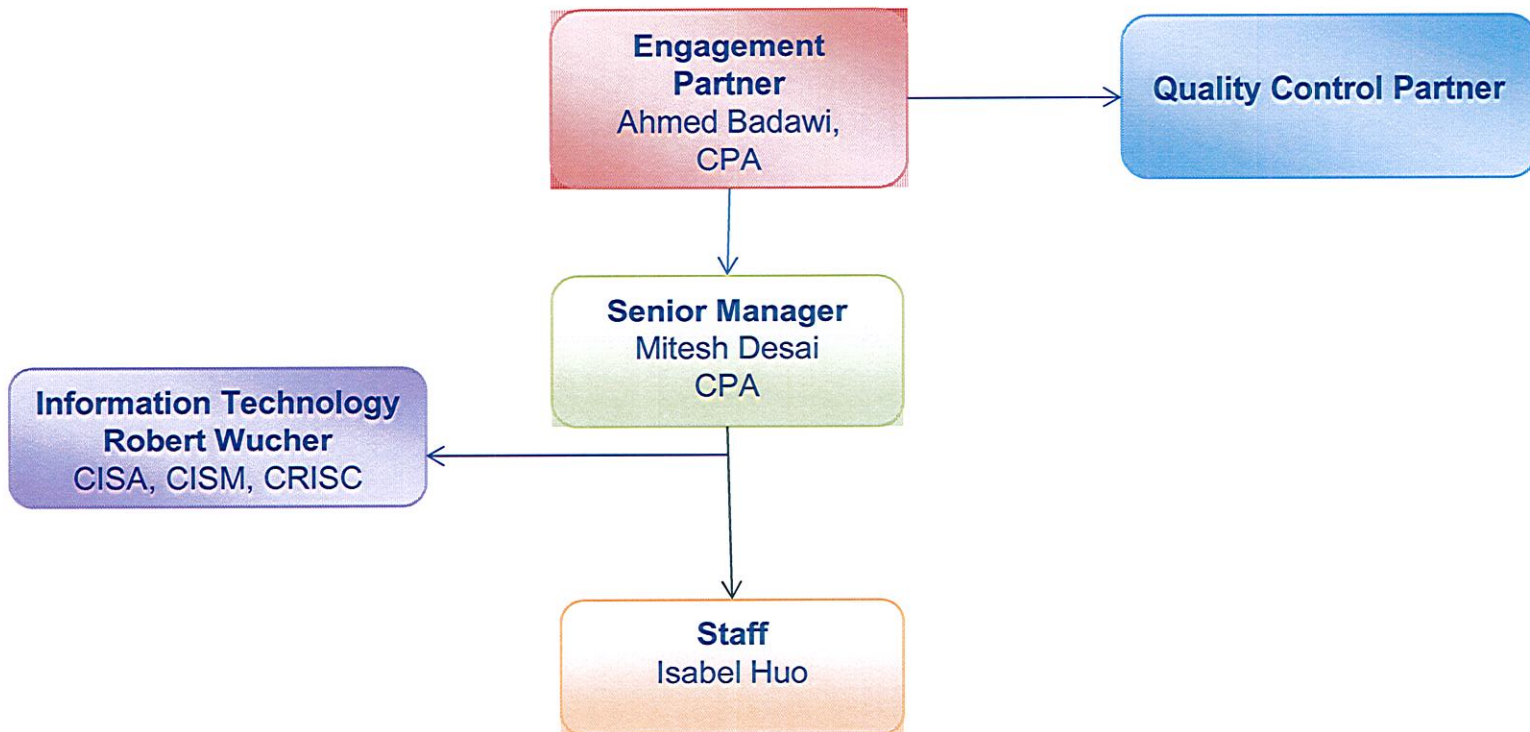
Agenda

- Engagement Team
- Deliverables and Scope of the Audit
- Areas of Primary Emphasis
- Auditors Report and Financial Statements
- Required Communications
- Conclusion & Discussion/Questions

Engagement Team



Engagement Team

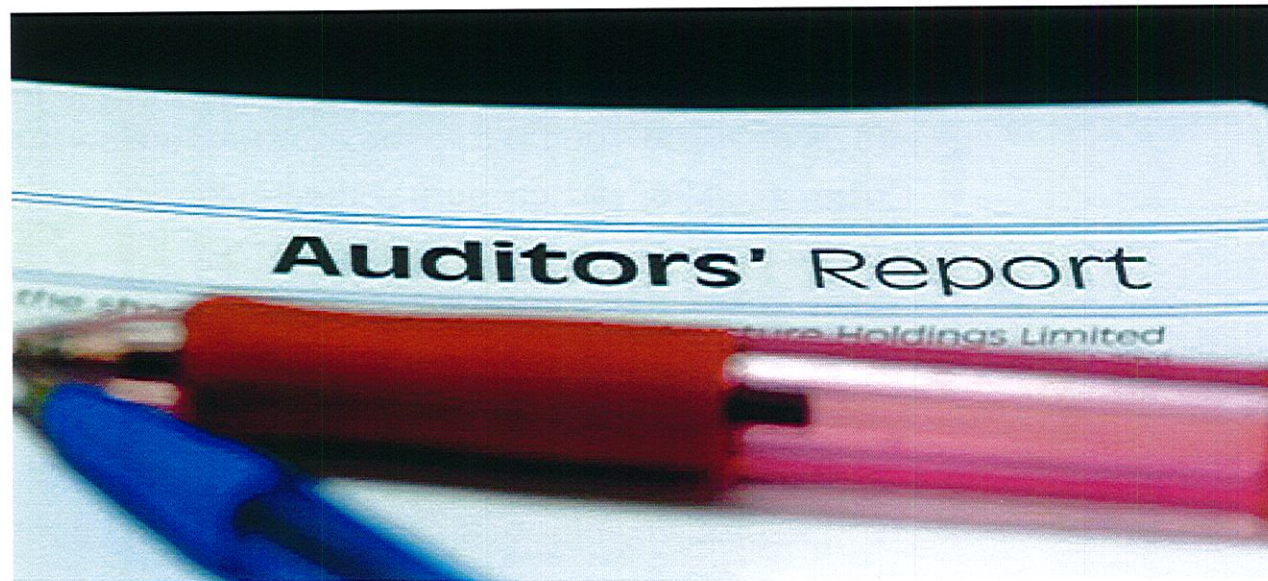


Deliverables and Scope of the Audit

- Report of Independent Auditors on City of Oakdale Basic Financial Statements (BFS).
- Report on Internal Control Over Financial Reporting and on Compliance and Other Matters.
- Report of Independent Auditors on AVA Program
- Report of Independent Auditors on TDA
- Report of Independent Auditors on Sewer Fund
- Agreed-Upon Procedures on Appropriation Limit Schedule.
- Communications With Those Charged With Governance
 - Letter used to summarize communication of various significant matters to those charged with governance.

Areas of Primary Audit Risk

- The risk of management override of controls is addressed by the following procedures:
 - Assignment of audit staff based on consideration of audit risk.
 - Procedures to incorporate an element of unpredictability in the audit from period to period.
 - Consideration of the selection and application of significant accounting principles.
 - Examination of journal entries.
 - Review of accounting estimates for bias.
 - Evaluation of business rationale for unusual transactions.
 - Evaluation of the appropriateness of fraud-related inquiries performed
- Revenues & Receivables (Tax, Grants, Notes, etc.): Improper revenue recognitions
 - Governmental Funds: Confirm/validate property taxes, sales taxes, franchise taxes & other significant revenues/receivables.
- Pension:
 - Reviewed management's journal entries for GASB 68
 - Reconciled amounts recorded to reports provided by CalPERS
 - Tested the census data used by CalPERS
 - Obtained reports from CalPERS auditors plan information



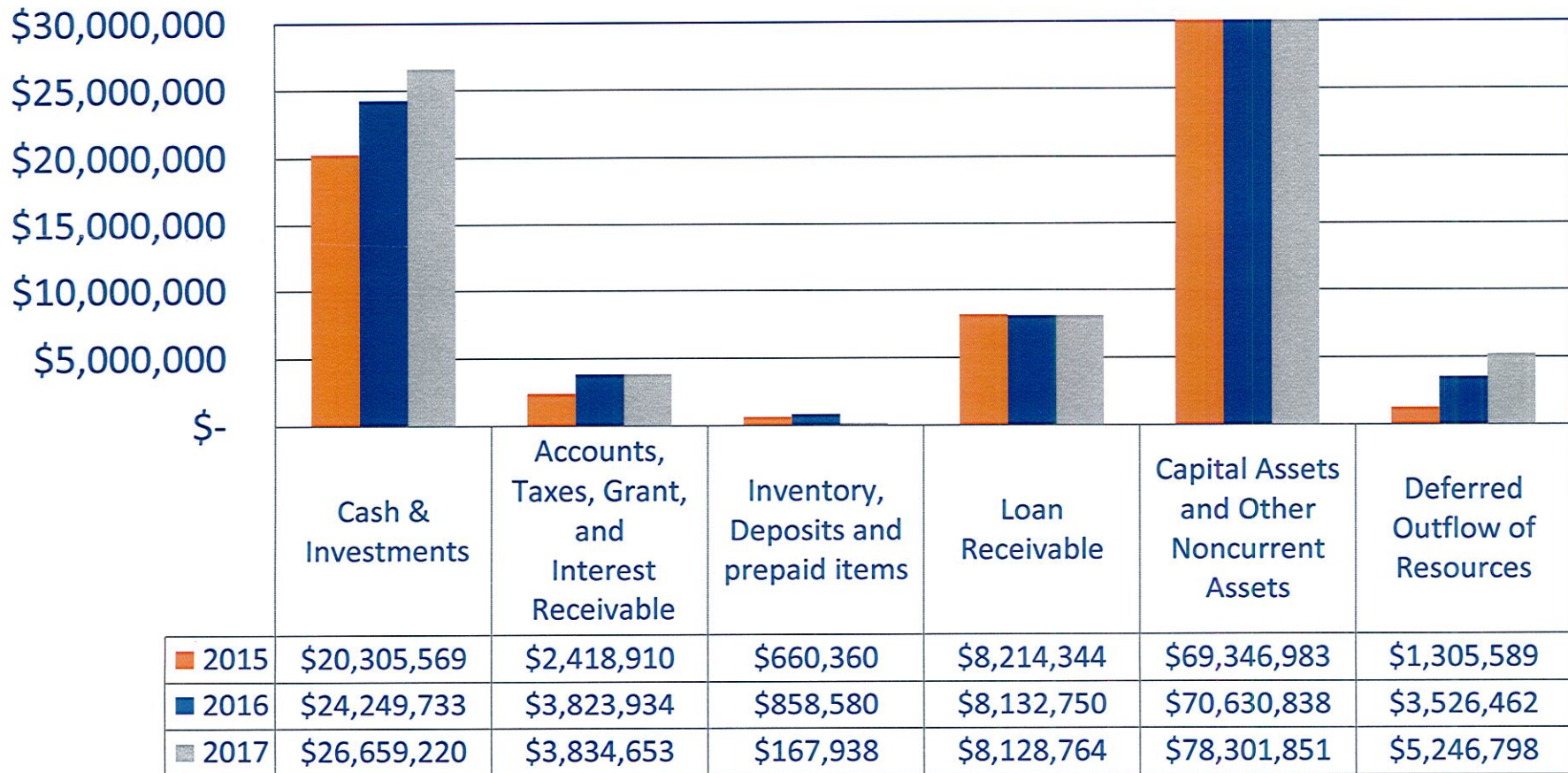
Auditors Report

- Unmodified opinion
- Audit performed in accordance with Generally Accepted Auditing Standards and *Government Auditing Standards*
- Financial statements are fairly presented in all material respects
- Significant accounting policies have been consistently applied
- Estimates are reasonable
- Disclosures are properly reflected in the financial statements



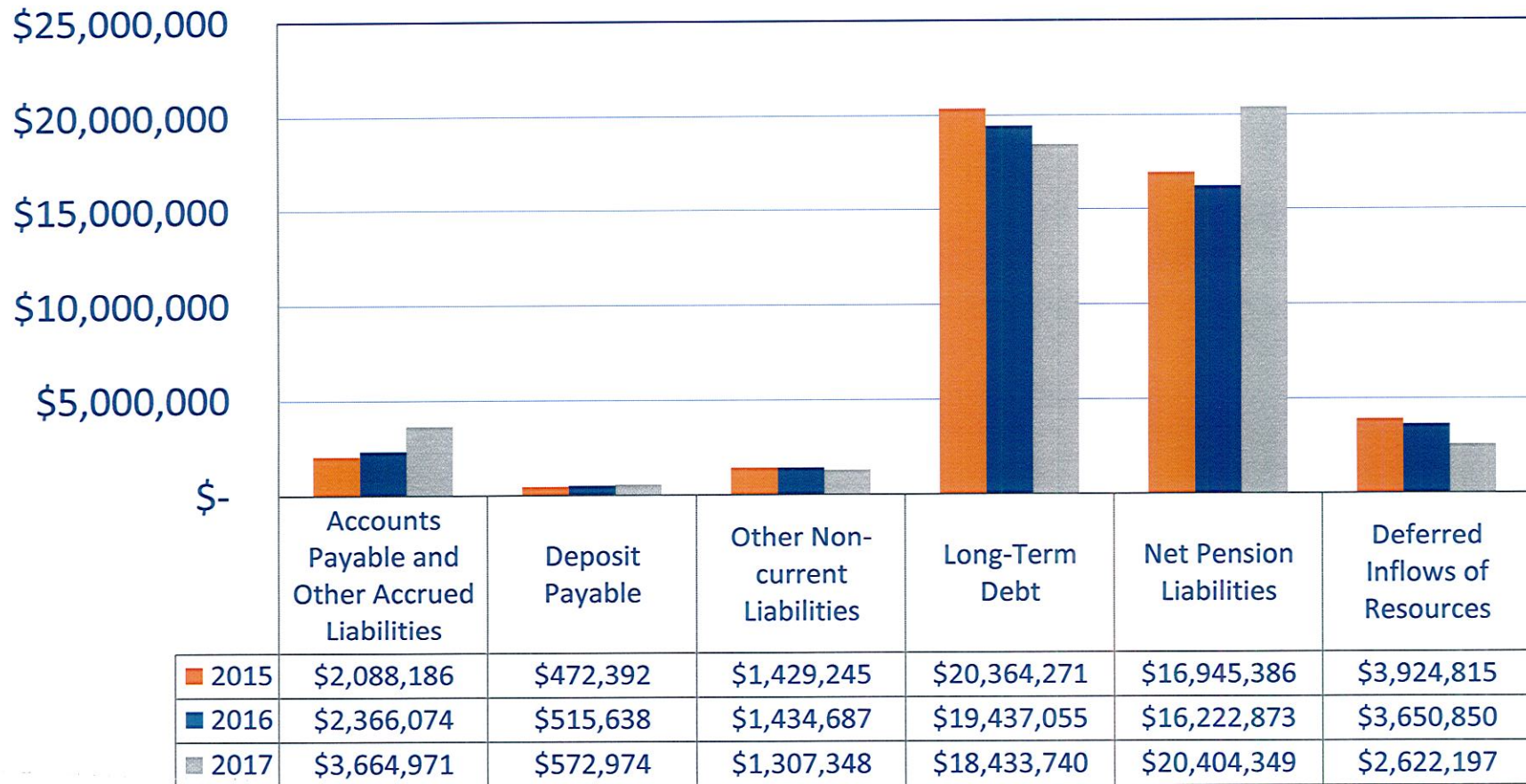
Government-Wide Financial Statements

Assets and Deferred Outflows of Resources



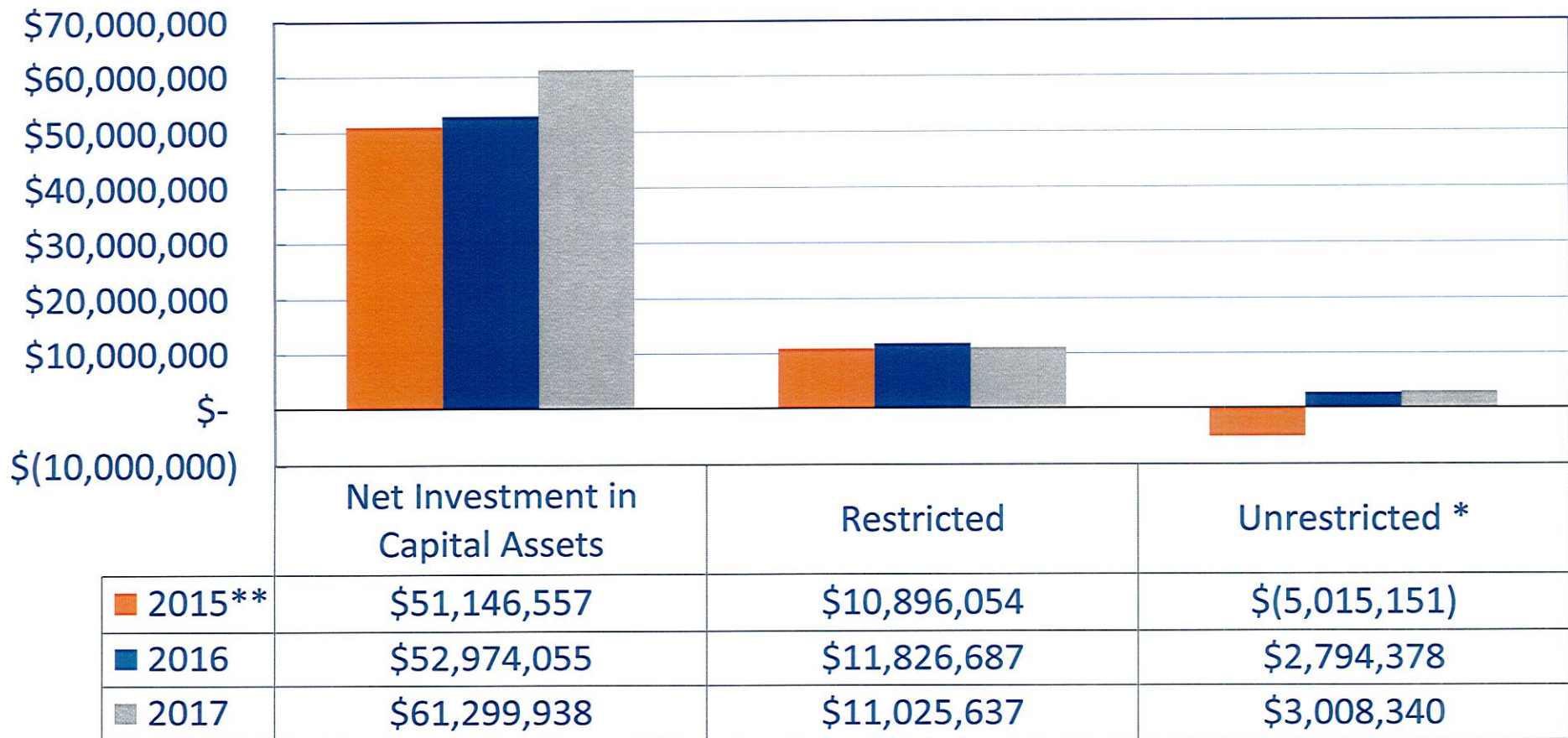
Government-Wide Financial Statements

Liabilities and Deferred Inflows of Resources



Government-Wide Financial Statements

Net Position

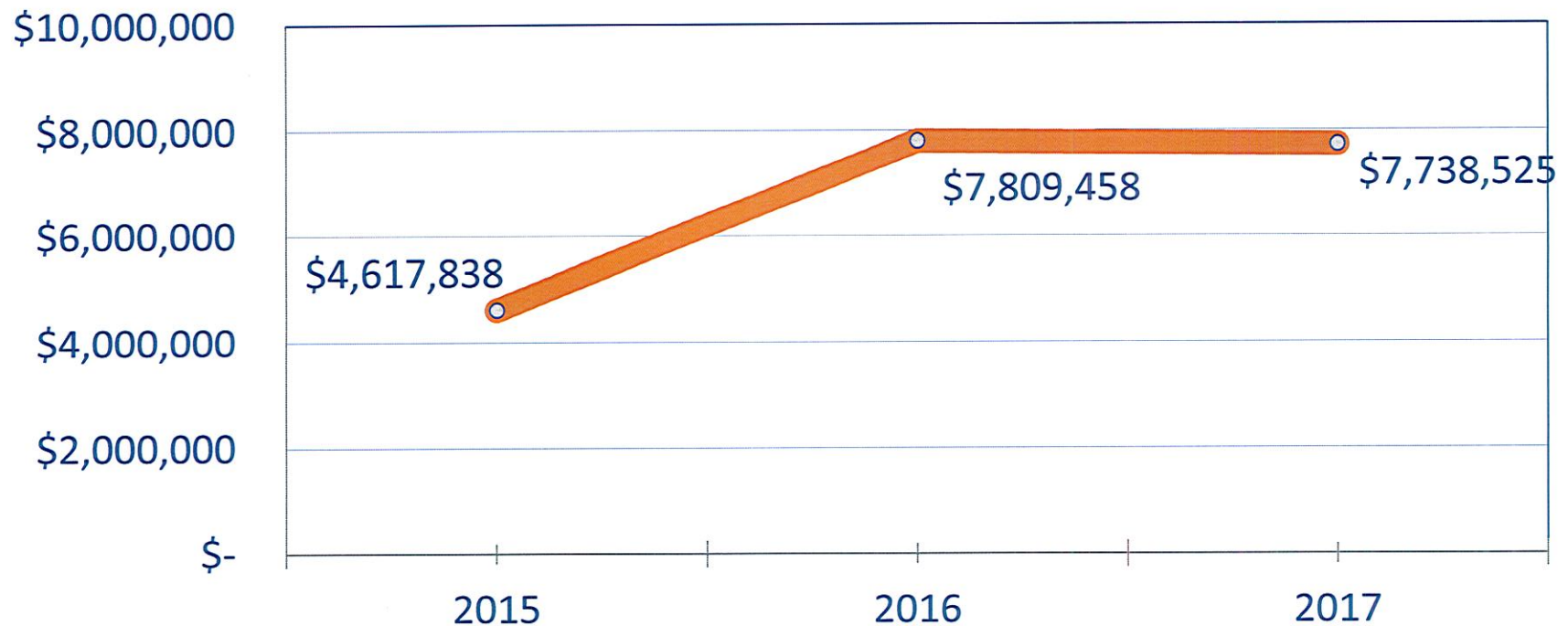


* Changes in 2015 are due to the implementation of GASB's new Pension Accounting Standards

** Prior period net position classifications were adjusted for comparability purposes

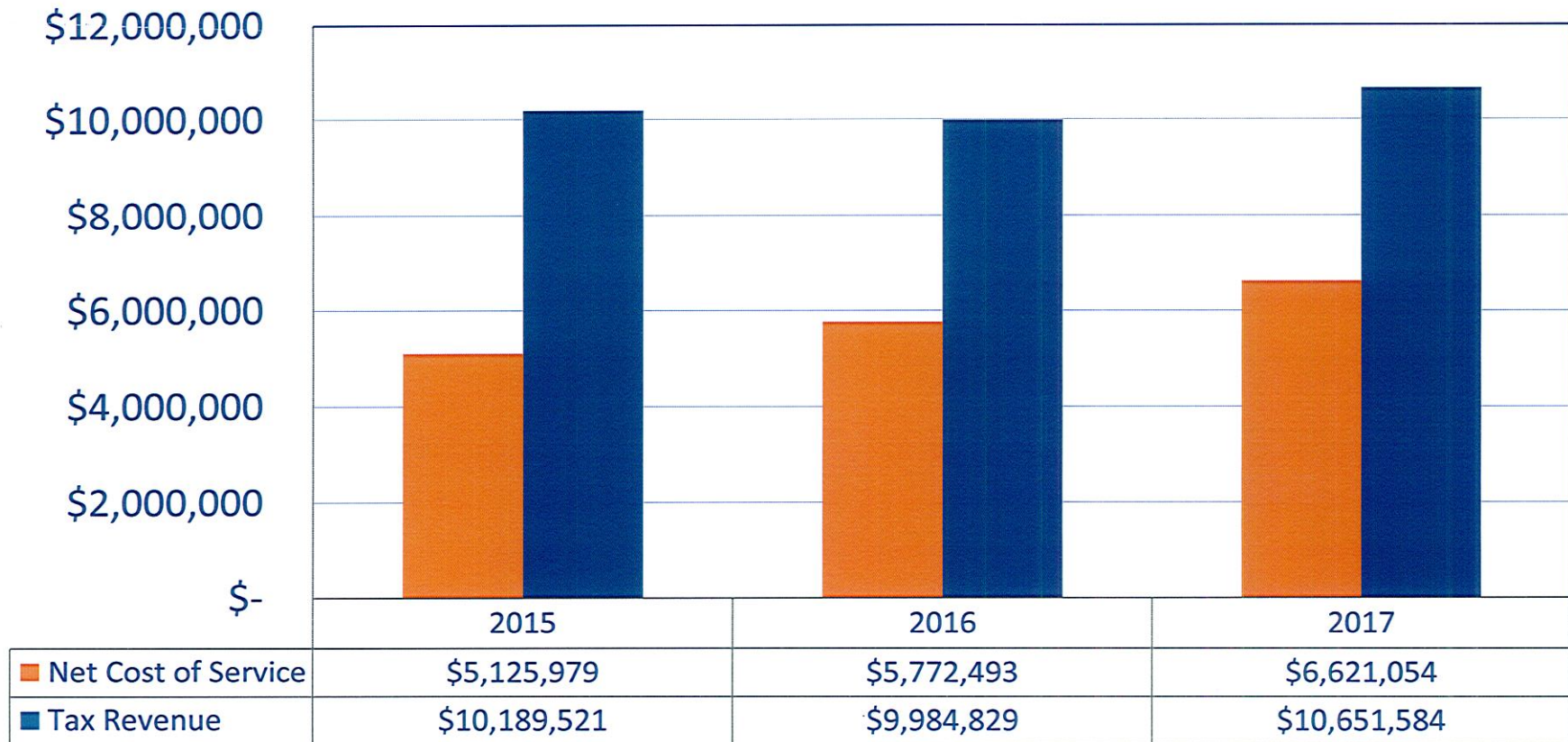
Government-Wide Financial Statements

Changes in Net Position



Government-Wide Financial Statements

Net Cost of Service to Tax Revenue (Governmental Activities)



General Fund

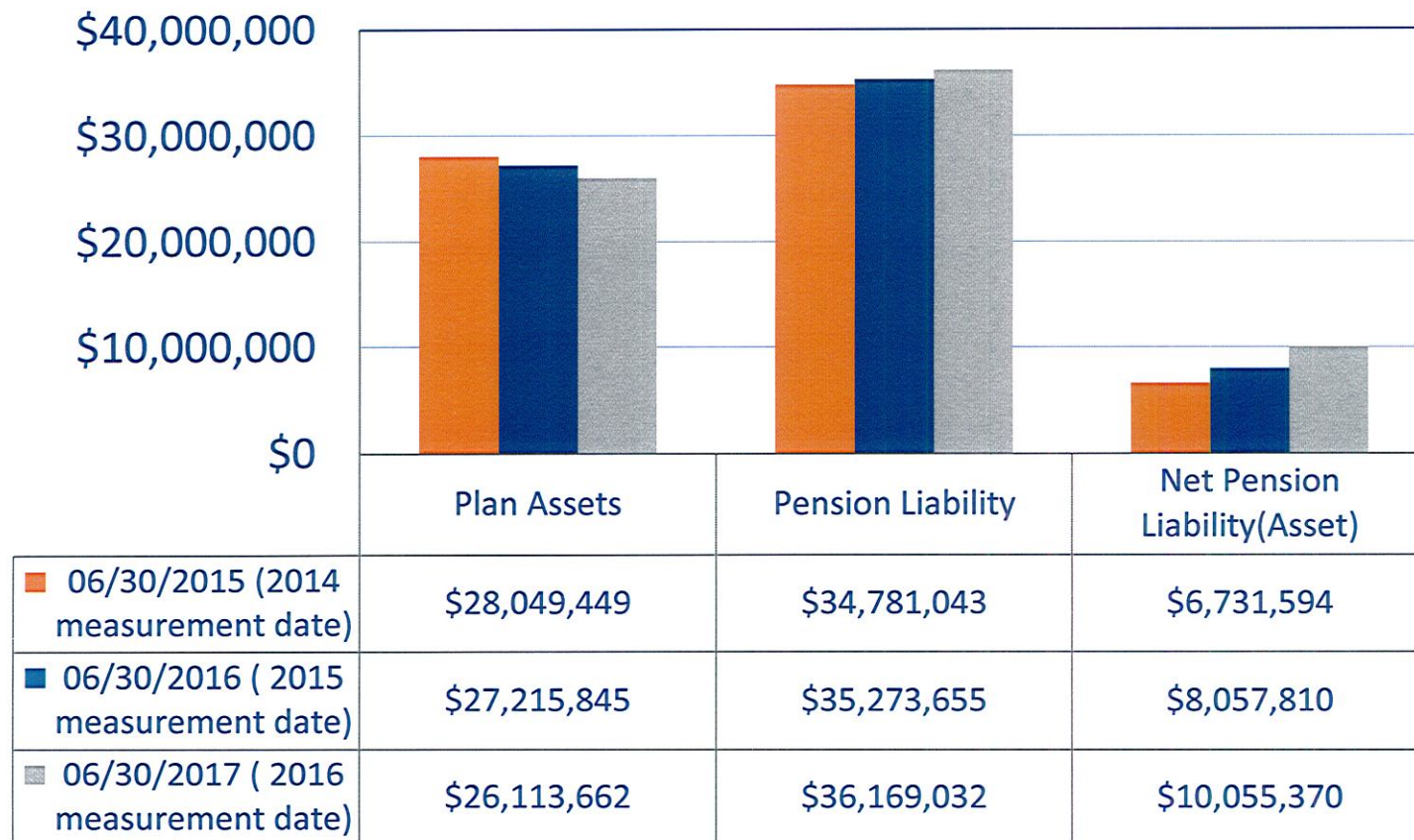
Expenditure Coverage

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Unrestricted Fund Balance	<u>\$ 3,946,156</u>	<u>\$ 3,840,354</u>	<u>\$ 4,889,007</u>
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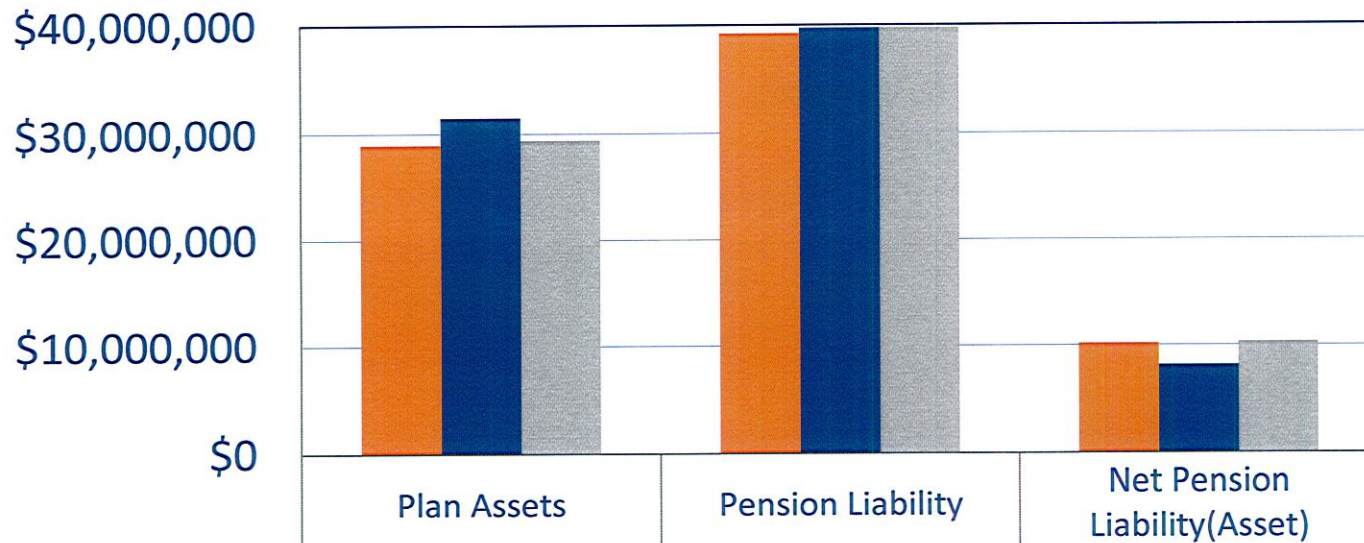
Pension Plan

City's Pension Plan Funded Status – Miscellaneous Risk Pool



Pension Plan

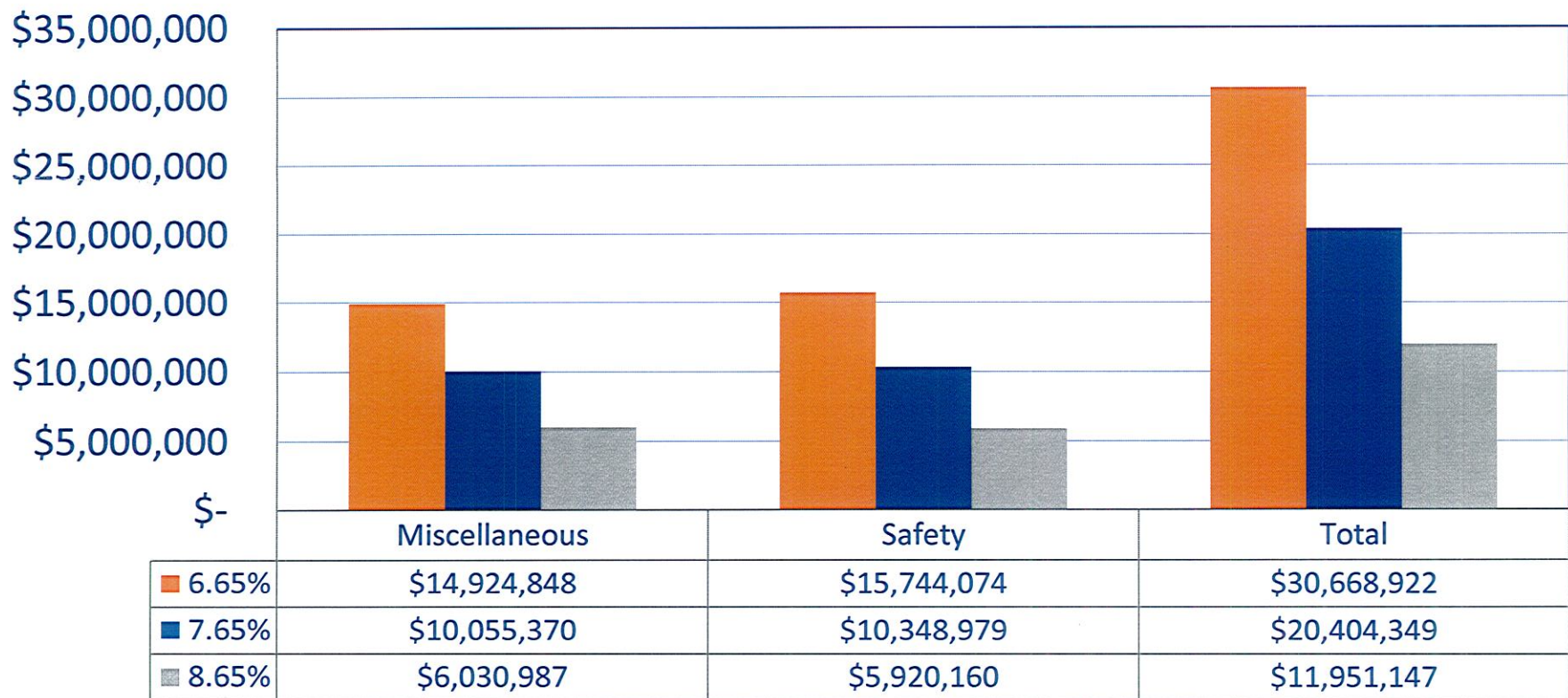
City's Pension Plan Funded Status – Safety Risk Pool

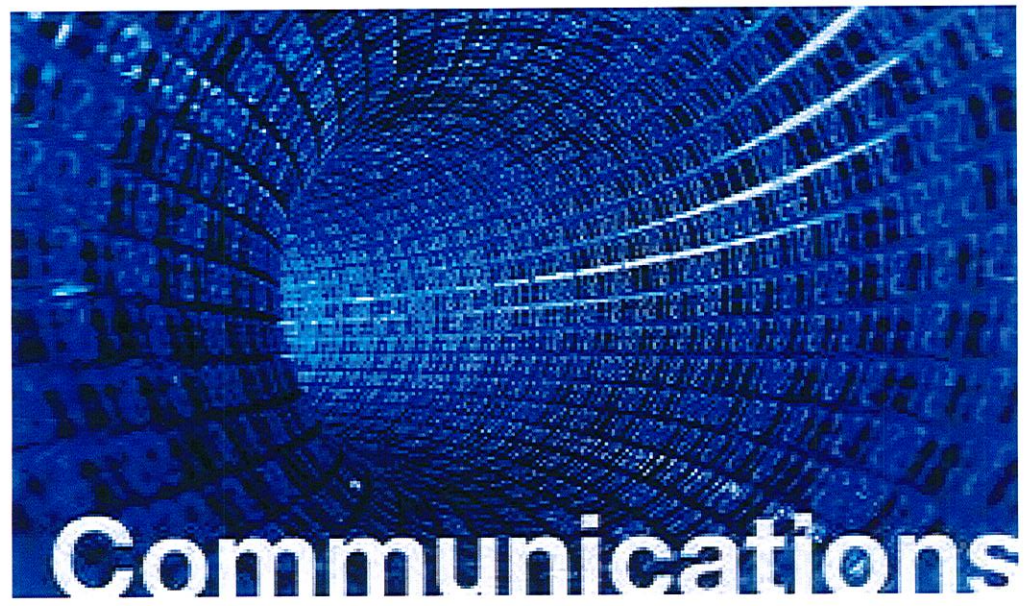


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Pension Plan

City's Pension Plan Sensitivity to Discount Rate (2016 Measurement Date)





Required Communications

● Our Responsibility Under U.S. GAAS

- Opinion on whether financial statements are fairly stated in accordance with U.S. GAAP
- Evaluate internal control over financial reporting including tone at the top
- Evaluate compliance with laws, contract and grants
- Ensure financial statements are clear and transparent
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Required Communications

- Management Judgment and Accounting Estimates



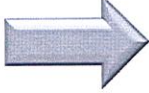
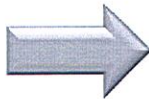
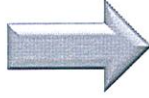
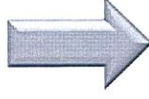
- Depreciation expense and related accumulated depreciation
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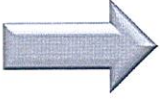
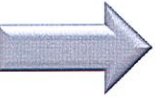
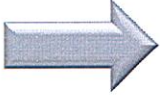
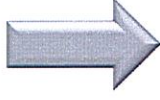
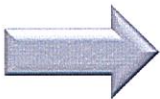


- Summary of Significant Accounting Policies
- Cash and Investments
- Capital Assets
- Employee Retirement Plan
- Successor Agency Trust for Assets for Former Redevelopment Agency

Required Communications

- | | | |
|--|--|--|
| • Difficulties Encountered in Performing the Audit |  | None |
| • Significant Audit Adjustments and Unadjusted Differences Considered by Management to be Immaterial |  | Management posted all proposed audit adjustments . |
| • Potential Effect on the Financial Statements of Any Significant Risks and Exposures |  | No significant risks or exposures were identified. Legal matters and potential liabilities are disclosed in the financial statements |
| • Disagreement with Management |  | None |
| • Deficiencies in Internal Control over Financial Reporting |  | Significant deficiencies:
- Segregation of duties (Journal entries and wire transfers) |

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New Accounting Standards

2018

- Statement 75 – Account and Reporting for Postemployment Benefits Plans Other Than Pensions
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2020

- Statement 84 – Fiduciary Activities

2021

- Statement 87 – Leases

Questions



Ahmed M. Badawi
abadawi@b-acpa.com

City of Oakdale

Presentation to The City Council

March 5, 2018

**Presented by: Ahmed Badawi, CPA
Partner**



Badawi & Associates

Audit of the

City of Oakdale

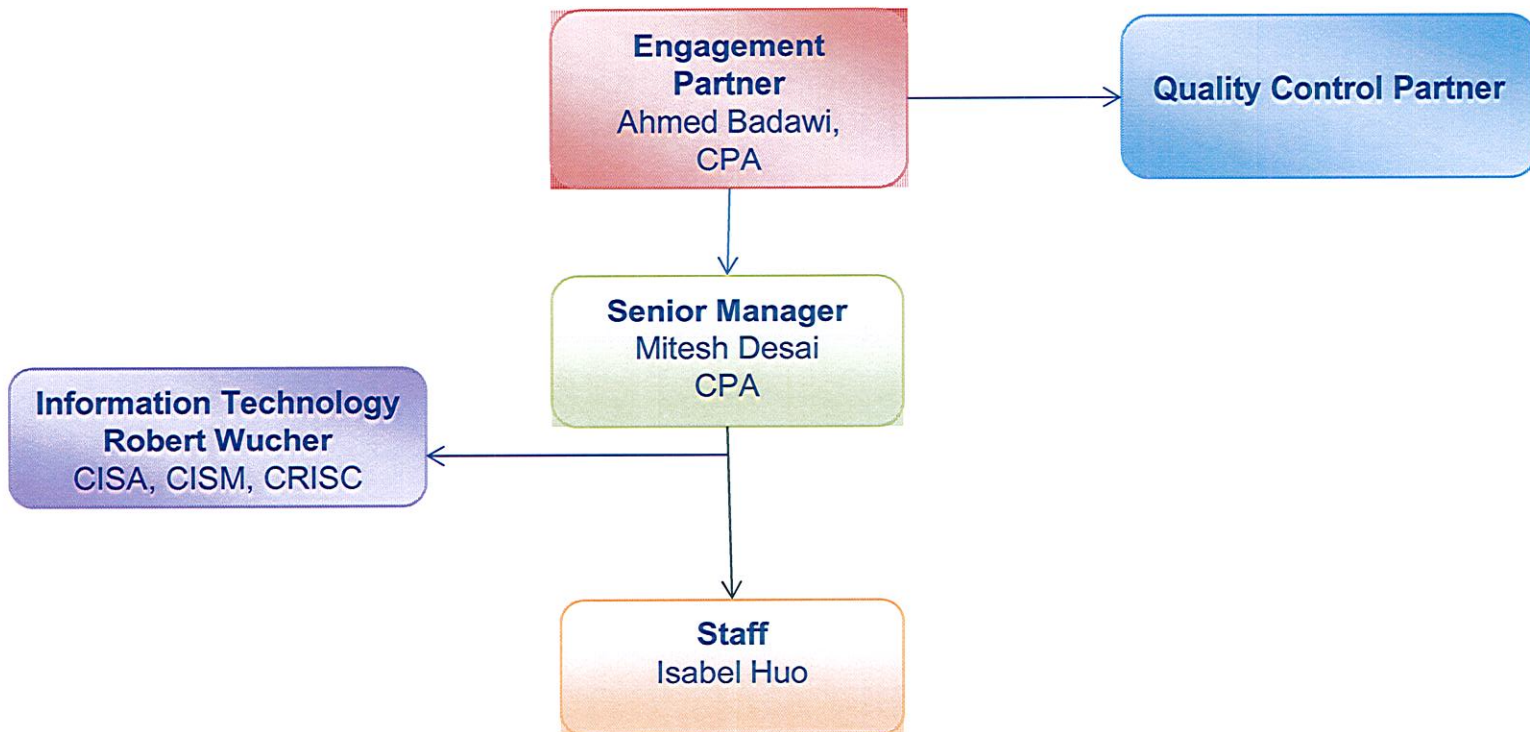
Agenda

- Engagement Team
- Deliverables and Scope of the Audit
- Areas of Primary Emphasis
- Auditors Report and Financial Statements
- Required Communications
- Conclusion & Discussion/Questions

Engagement Team



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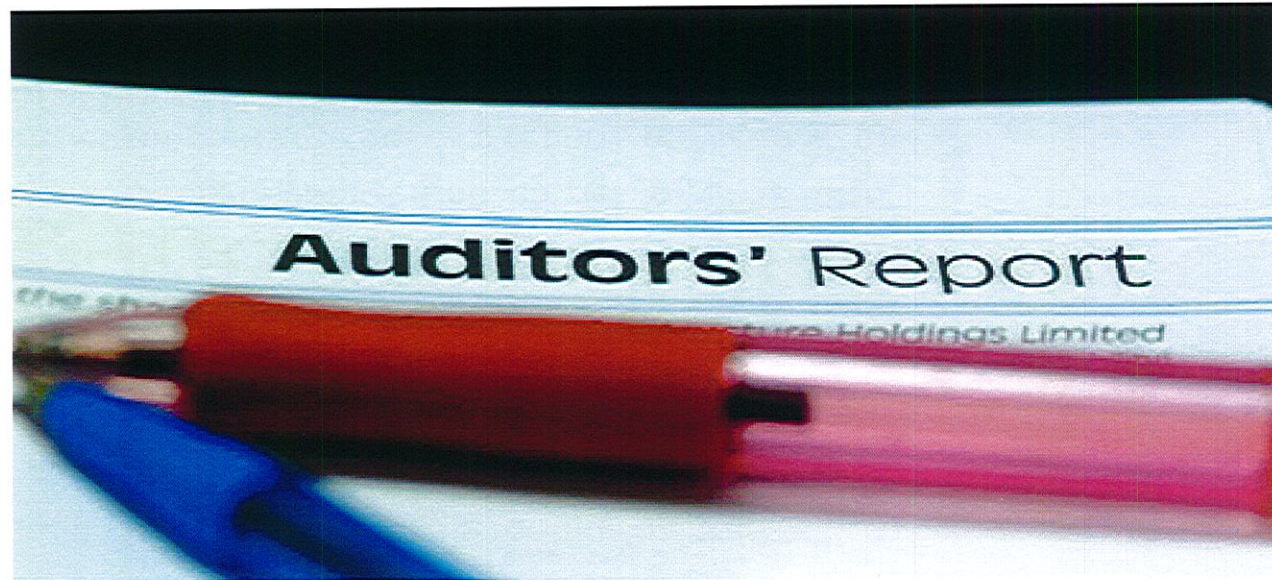


Deliverables and Scope of the Audit

- Report of Independent Auditors on City of Oakdale Basic Financial Statements (BFS).
- Report on Internal Control Over Financial Reporting and on Compliance and Other Matters.
- Report of Independent Auditors on AVA Program
- Report of Independent Auditors on TDA
- Report of Independent Auditors on Sewer Fund
- Agreed-Upon Procedures on Appropriation Limit Schedule.
- Communications With Those Charged With Governance
 - Letter used to summarize communication of various significant matters to those charged with governance.

Areas of Primary Audit Risk

- The risk of management override of controls is addressed by the following procedures:
 - Assignment of audit staff based on consideration of audit risk.
 - Procedures to incorporate an element of unpredictability in the audit from period to period.
 - Consideration of the selection and application of significant accounting principles.
 - Examination of journal entries.
 - Review of accounting estimates for bias.
 - Evaluation of business rationale for unusual transactions.
 - Evaluation of the appropriateness of fraud-related inquiries performed
- Revenues & Receivables (Tax, Grants, Notes, etc.): Improper revenue recognitions
 - Governmental Funds: Confirm/validate property taxes, sales taxes, franchise taxes & other significant revenues/receivables.
- Pension:
 - Reviewed management's journal entries for GASB 68
 - Reconciled amounts recorded to reports provided by CalPERS
 - Tested the census data used by CalPERS
 - Obtained reports from CalPERS auditors plan information



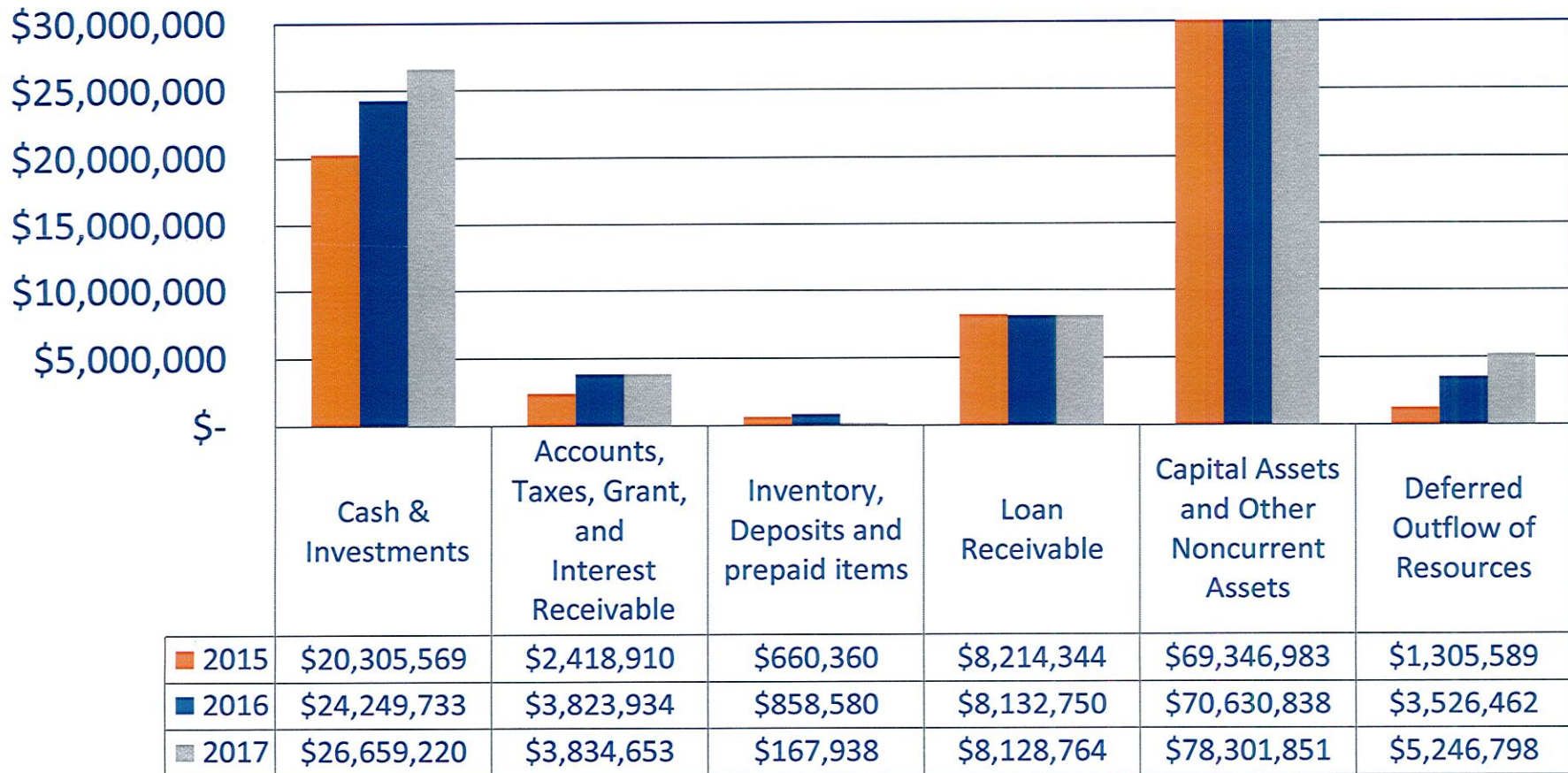
Auditors Report

- Unmodified opinion
- Audit performed in accordance with Generally Accepted Auditing Standards and *Government Auditing Standards*
- Financial statements are fairly presented in all material respects
- Significant accounting policies have been consistently applied
- Estimates are reasonable
- Disclosures are properly reflected in the financial statements



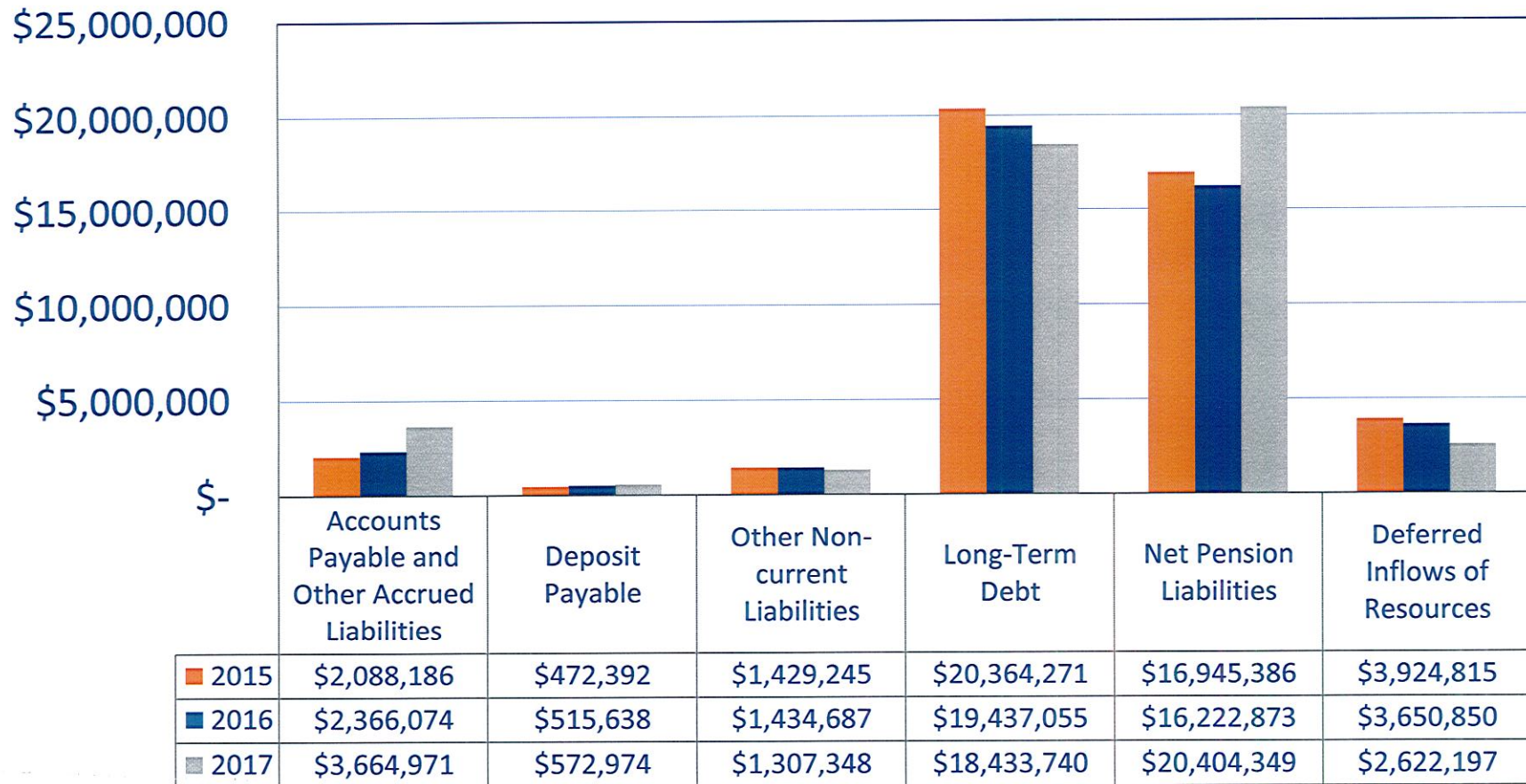
Government-Wide Financial Statements

Assets and Deferred Outflows of Resources



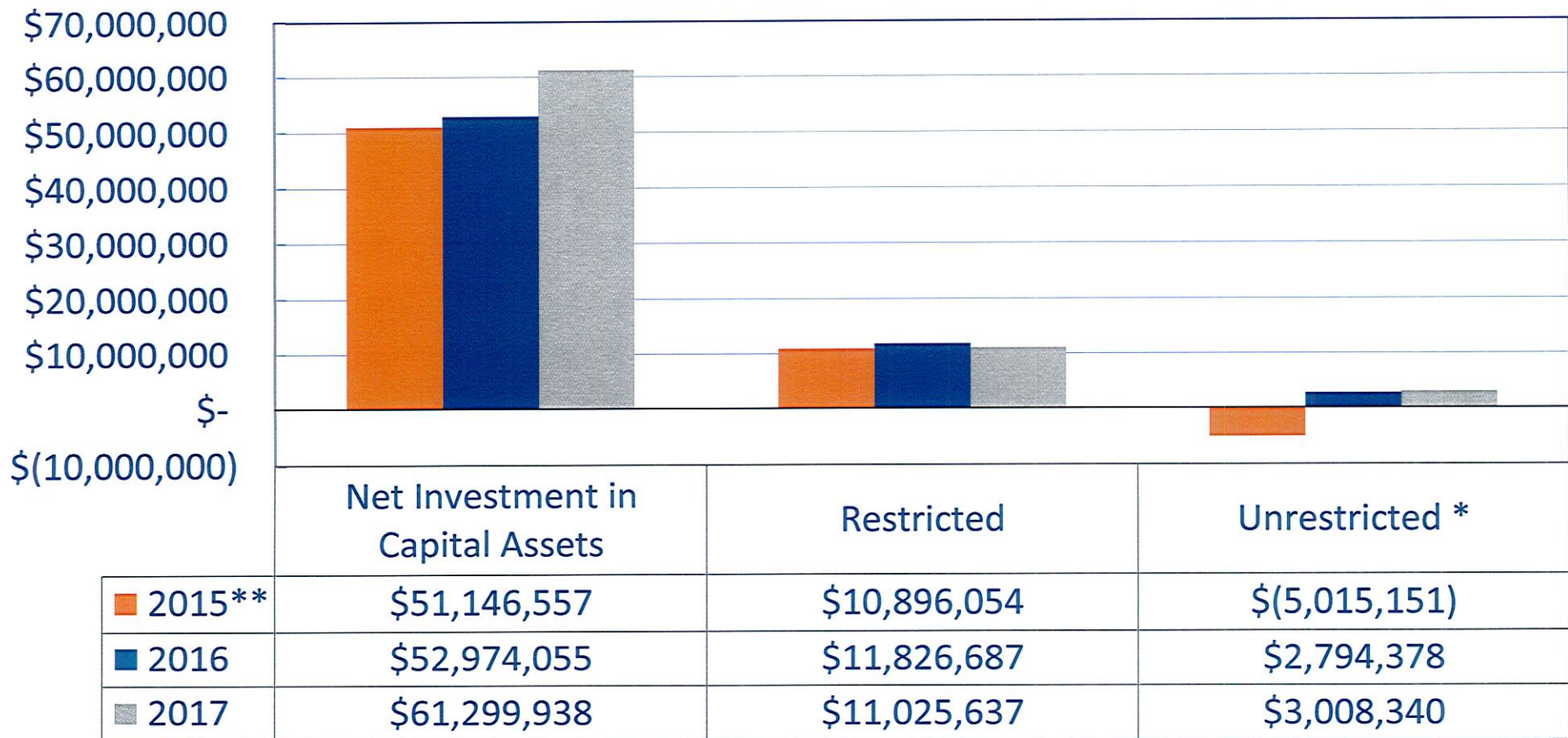
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Net Position

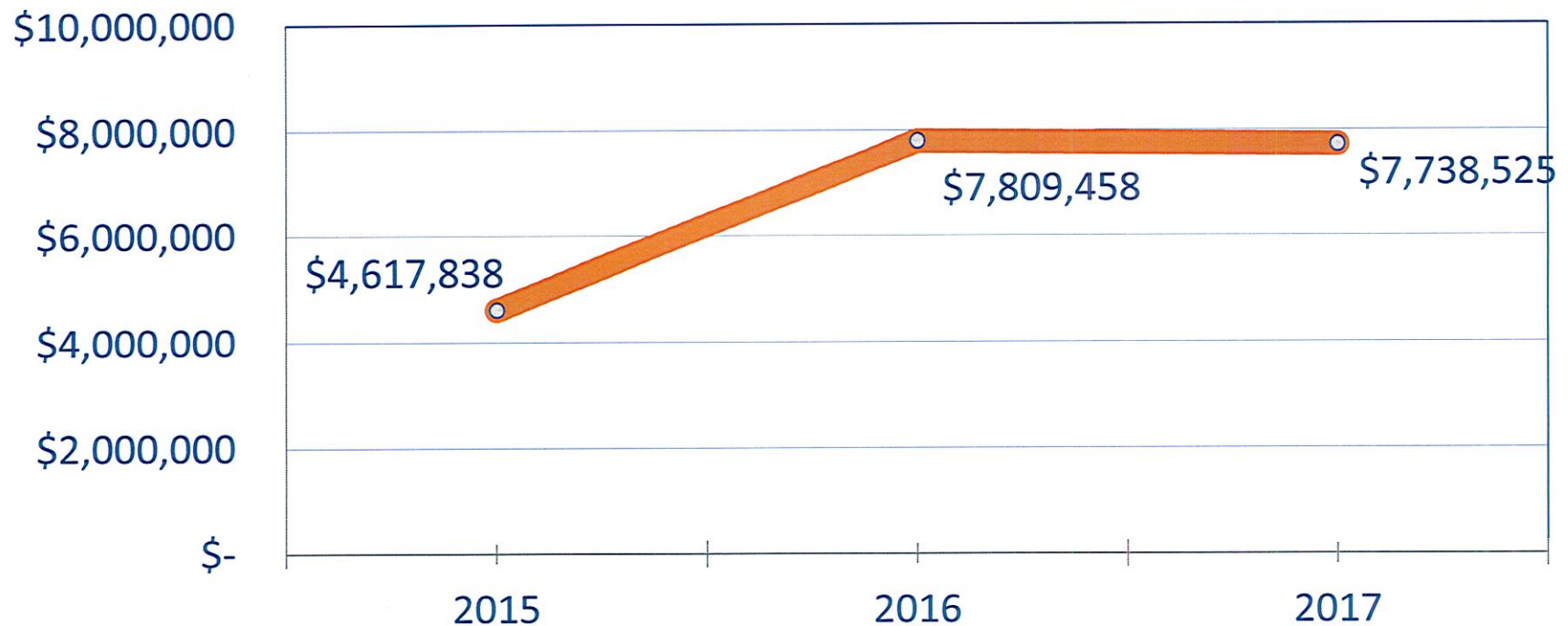


* Changes in 2015 are due to the implementation of GASB's new Pension Accounting Standards

** Prior period net position classifications were adjusted for comparability purposes

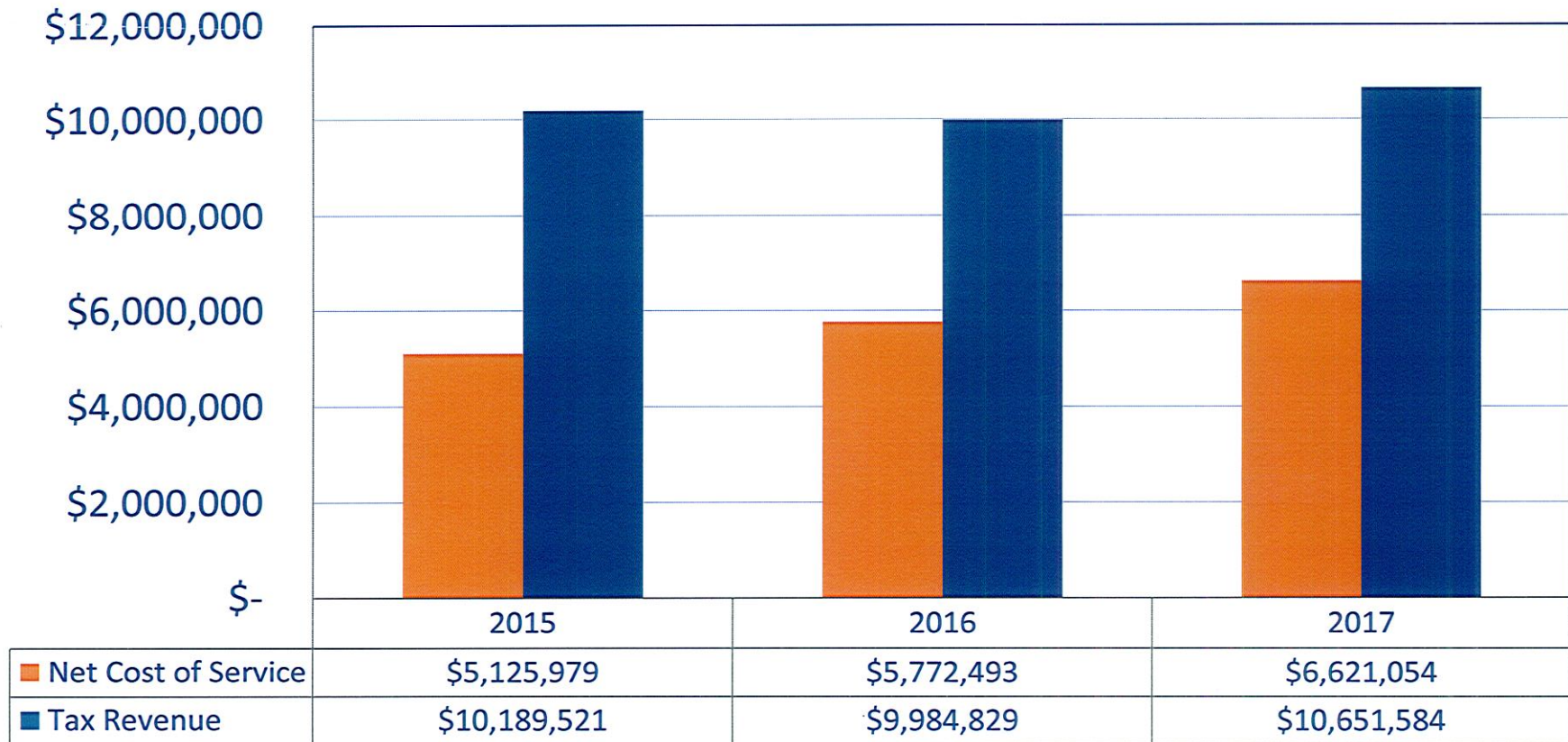
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Changes in Net Position



Government-Wide Financial Statements

Net Cost of Service to Tax Revenue (Governmental Activities)



General Fund

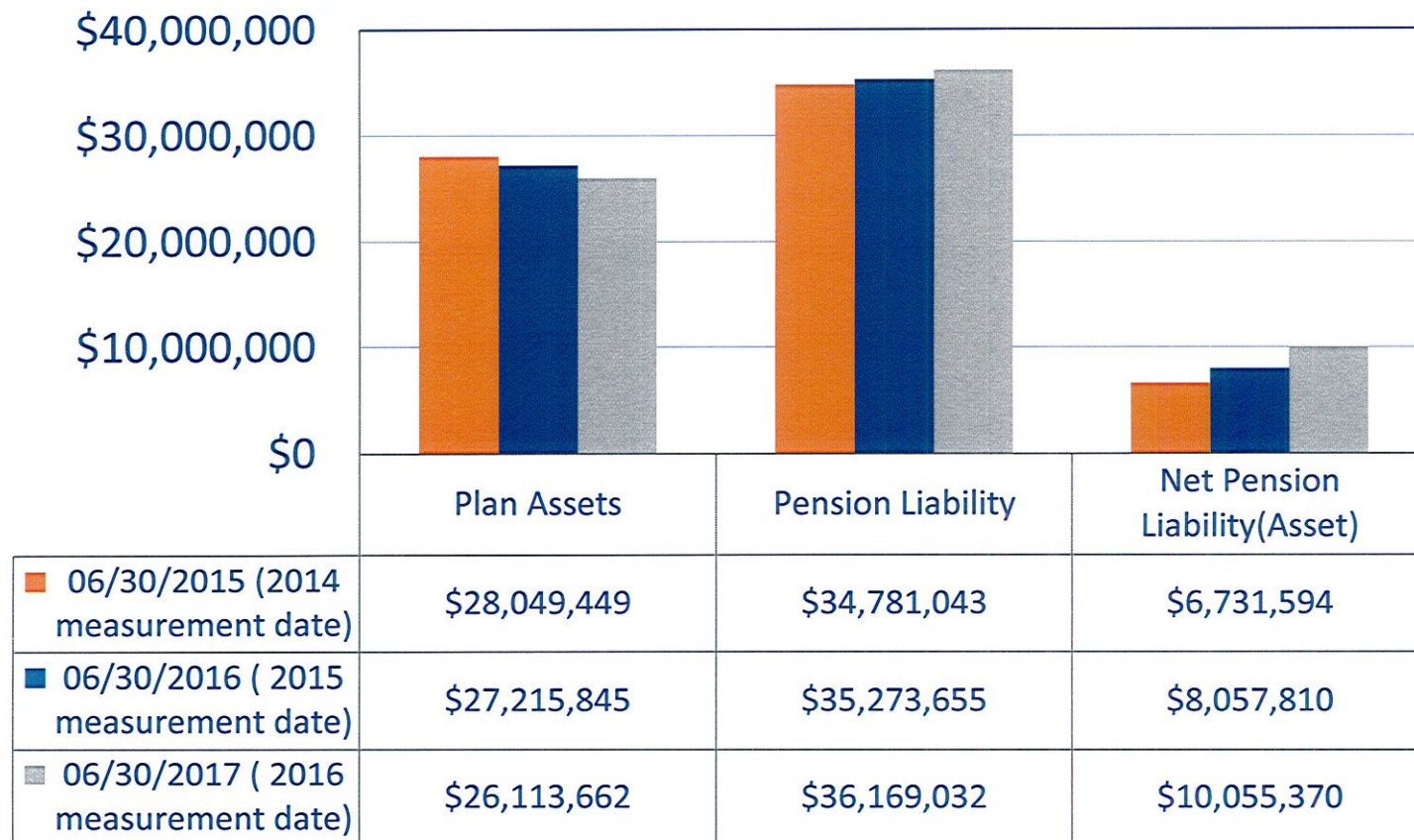
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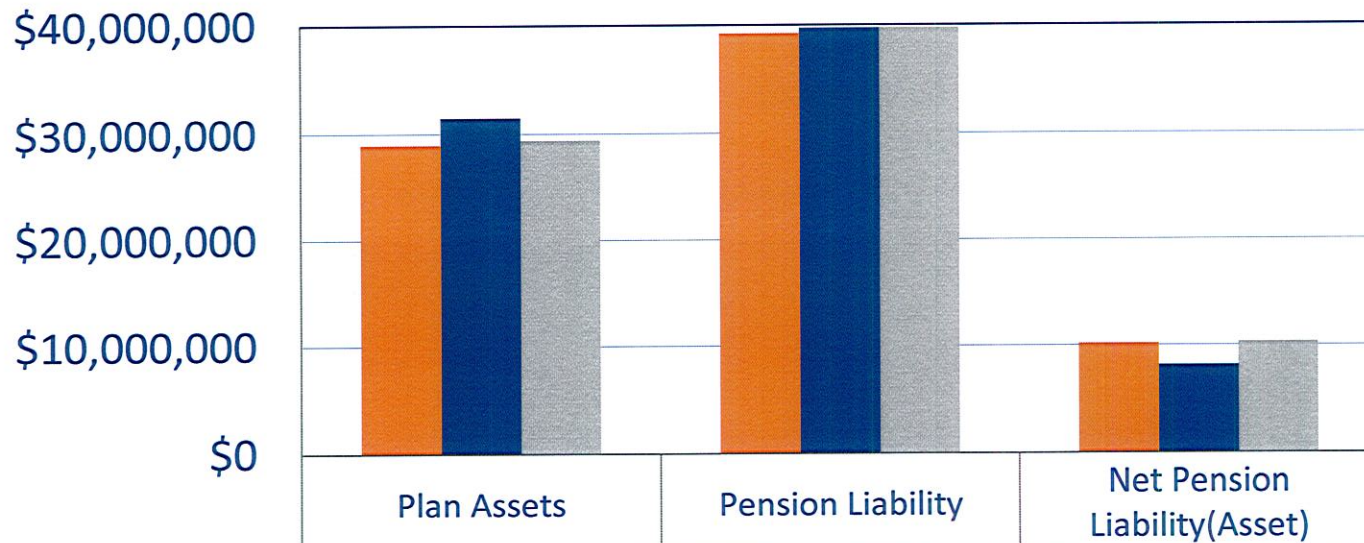
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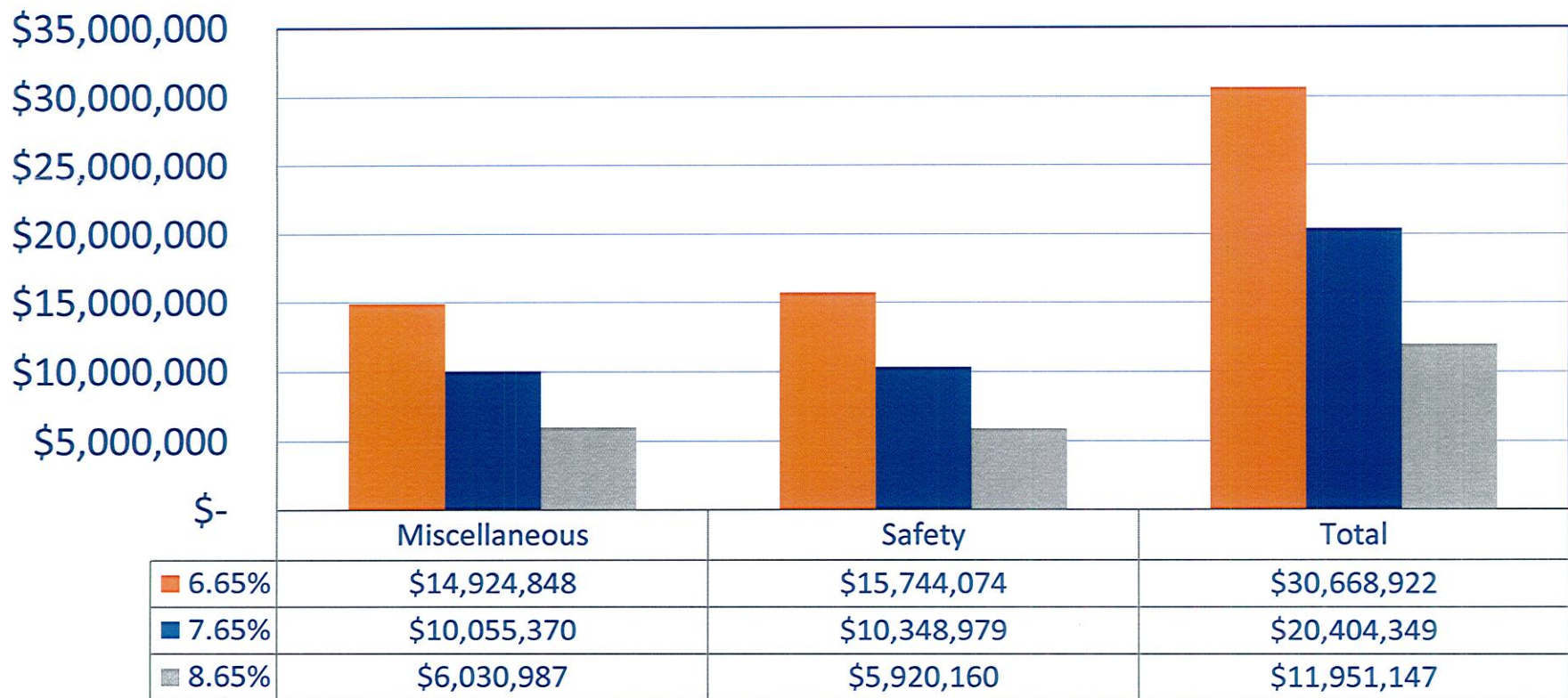
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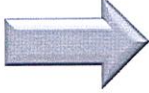
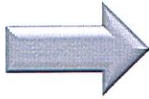
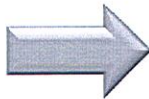
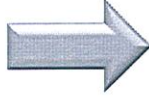
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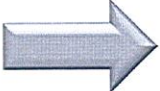
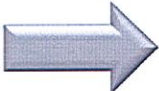





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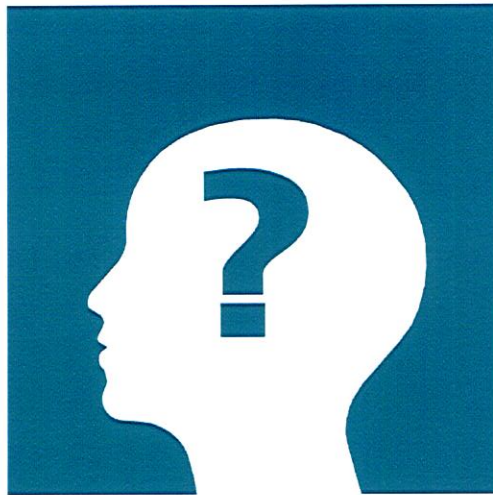
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