



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

City Council Chambers
277 North Second Avenue
Oakdale, California

Tuesday, February 21, 2017

7:00 PM

City Council Chambers

1. CALL TO ORDER:

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

2. CITY 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
Waste Water Treatment Plant Supervisor Bridgewater
Interim Police Lieutenant Carrillo
Interim Public Services Director Gravel
Police Chief Heller
City Clerk Teixeira

3. PLEDGE OF ALLEGIANCE:

Mayor Paul led the Pledge of Allegiance.

4. INVOCATION:

The invocation was provided by Father John Roberts, St. Matthias Anglican Church.

5. PRESENTATIONS/ACKNOWLEDGEMENTS:

No items scheduled.

6. ADDITIONS/DELETIONS:

No items were added or deleted.

7. PUBLIC COMMENT:

Jay Perez expressed his appreciation to the Oakdale Police Department for their response and additional patrol around the High School. He requested follow-up from the City and City Council as to the installation of speed bumps on H Street.

Interim Public Services Director Gravel advised Public Services staff is coordinating with the Police Department on a couple of strategies to reach a mutually agreeable plan to proceed prior to engaging the school district. In response to a question raised by Mr. Perez, Interim Public Services Director Gravel advised staff is also looking into a gate, similar to what has been done with the high school in Turlock as a solution.



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8. APPOINTMENT TO BOARDS AND COMMISSIONS:

None scheduled.

9. CITY COUNCIL CONSENT AGENDA:

Mayor Paul asked whether there were any questions on any matter listed on the Consent Agenda. No questions were asked.

MOTION

To approve the City of Oakdale City Council Consent Agenda for February 21, 2017 comprised of Items 9.1 through 9.8 as submitted.

- 9.1: Approve the Regular City Council Meeting Minutes of February 6, 2017.
- 9.2: Receive and File the Warrant List for the period of February 1, 2017 to February 13, 2017.
- 9.3: Waive Readings of Ordinances/Resolutions except by Title.
- 9.4: Second Reading of Ordinance and Adoption of Ordinance 1246 (Code Text Amendment 2016-1), an Ordinance of the City of Oakdale, California Adding Sub-Section 36-25.11 Off-Street Parking – Shared Parking between Occupancies/Uses to Section 36-25 Off-Street Parking and Loading Requirements of the Oakdale Municipal Code.
- 9.5: Adopt Resolution 2017-013, a Resolution of the City Council of the City of Oakdale Declaring Property Surplus and Authorizing Staff to Dispose of Surplus Property by Public Auction, Sale or other Method.
- 9.6: Adopt Resolution 2017-014, a Resolution of the City Council of the City of Oakdale Awarding a Contract to Applegate and Teeple's Drilling Company to Install a Storm Water Dry Well in the Public Alley West of Bryan Avenue Immediately South of Randy Plaza for \$14,500 funded from Fund 621 Sewer Capital Replacement (CP 1615 Dry Well Rehab).
- 9.7: By Minute Order Reject Claim for Damages Submitted by Victor Mello.
- 9.8: Adopt Resolution 2017-015, a Resolution of the City Council of the City of Oakdale Authorizing the City Manager to Appoint Individuals Serving as a Police Officer I to the Police Officer II Position once they have met the Minimum Requirements of the Police Officer II Position.

Moved by Mayor Pro Tem Dunlop seconded by Council Member Murdoch and PASSED AND ADOPTED this 21st day of February 2017, 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.



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10. PUBLIC HEARINGS:

- 10.1: Consider Introducing and Waiving the First Reading of Ordinance 1247, an Ordinance of the City of Oakdale, California Amending Oakdale Municipal Code Chapter 28: Sewers and Sewage Disposal, by Replacing Section 28-17 (Charges Established); Deleting Sections 28-28.1 through 28-28.3 and Replacing with New Sections 28-28.1 (Sewer Rates And Charges) and 28-28.2 (Sewer Connection Charges); and Amending Chapter 35: Water, by Replacing Section 35-35 (Charges Established). ***Notice of Public Hearing published in the Oakdale Leader February 1, 2017.***

City Attorney Hallinan presented the staff report recommending the City Council introduce and waive the first reading of the ordinance.

The City Council and staff discussed the proposed ordinance.

Mayor Paul opened the public hearing at 7:08 p.m. asking for public testimony.

There being no public testimony, Mayor Paul closed the public hearing at 7:09 p.m.

MOTION

To introduce and waive the first reading of Ordinance 1247, an Ordinance of the City of Oakdale, California Amending Oakdale Municipal Code Chapter 28: Sewers and Sewage Disposal, by Replacing Section 28-17 (Charges Established); Deleting Sections 28-28.1 through 28-28.3 and Replacing with New Sections 28-28.1 (Sewer Rates And Charges) and 28-28.2 (Sewer Connection Charges); and Amending Chapter 35: Water, by Replacing Section 35-35 (Charges Established).

Moved by Council Member McCarty seconded by Council Member Murdoch and PASSED this 21st day of February 2017, 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.

11. STAFF REPORTS:

- 11.1: Consider a Resolution of the City of Oakdale City Council approving the Fiscal Year (FY) 2016-2017 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) 2016-2017 Mid-Year Budget as presented in the staff report.



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Next City Council Resolution: 2017-013

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MOTION

To adopt City of Oakdale City Council Resolution 2017-016, a Resolution of the City of Oakdale City Council approving the Fiscal Year (FY) 2016-2017 Mid-Year Budget as presented.

Moved by Mayor Pro Tem Dunlop seconded by Council Member McCarty and PASSED AND ADOPTED this 21st day of February 2017, 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.

- 11.2: Consider Accepting by Minute Order the Fiscal Year 2015/2016 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 2015/2016 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 2015/2016 Audited Financial Statements.

MOTION

To accept by Minute Order, the Fiscal Year 2015/2016 Audited Financial Statements.

Moved by Pro Tem Dunlop seconded by Council Member McCarty and PASSED AND ADOPTED this 21st day of February 2017, 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.



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- 11.3: Consider a Resolution of the City of Oakdale City Council to Authorize Awarding a Contract to Rolfe Construction for the East C Street Waterline – Phase 2 Project in the amount of \$532,514.00 to be funded from 624 Water Capital Replacement (CP1604) Fund.

A PowerPoint Presentation showing the area affected by the project was presented.

Interim Public Services Director Gravel presented the staff report recommending that the City Council award the low bid for the East C Street Waterline – Phase 2 Project in the amount of \$532,514.00 to be funded from 624 Water Capital Replacement (CP1604) Fund to Rolfe Construction.

The City Council discussed with staff the bid process.

MOTION

To adopt City of Oakdale City Council Resolution 2017-017, a Resolution of the City of Oakdale City Council to Authorize Awarding a Contract to Rolfe Construction for the East C Street Waterline – Phase 2 Project in the amount of \$532,514.00 to be funded from 624 Water Capital Replacement (CP1604) Fund.

Moved by Council Member Murdoch seconded by Council Member McCarty and PASSED AND ADOPTED this 21st day of February 2017, 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.

- 11.4: Consider a Resolution of the City of Oakdale City Council to Authorize Awarding a Contract for the Waste Water Treatment Plant (WWTP) Northeast Drying Bed Rehabilitation Project to George Reed, Inc. in the amount of \$151,813.00 to be funded from Sewer Capital Replacement Fund 621 (CP1524).

A PowerPoint Presentation was provided.

Waste Water Treatment Plant Supervisor Bridgewater presented the staff report recommending the City Council authorize awarding a contract for the Waste Water Treatment Plant (WWTP) northeast Drying Bed Rehabilitation Project to low bidder, George Reed, Inc. in the amount of \$151,813.00 to be funded from Sewer Capital Replacement Fund 621 (CP1524) having a total project budget of \$176,000.00.

The City Council discussed the particulars of the project with staff.

MOTION

To adopt City of Oakdale City Council Resolution 2017-018, a Resolution of the City of Oakdale City Council Authorize Awarding a Contract for the Waste Water Treatment Plant (WWTP) Northeast Drying Bed Rehabilitation Project to George Reed, Inc. in the amount of \$151,813.00 to be funded from Sewer Capital Replacement Fund 621 (CP1524).



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Moved by Mayor Pro Tem Dunlop seconded Council Member Bairos and PASSED AND ADOPTED this 21st day of February 2017, 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.

- 11.5: Consider a Resolution of the City of Oakdale City Council Authorize the Purchase of two PR99XL Basketball Court and Overlaying Mini Soccer Stencil and Marker Paint for the Florabelle Brennan Park Basketball Court Rehabilitation in the amount of 7,882.99 to be funded from Fund 110 Capital Projects (CP1723).

A PowerPoint Presentation was provided.

Interim Public Services Director Gravel presented the staff report recommending the City Council authorize the purchase of two PR99XL Basketball Court and Overlaying Mini Soccer Stencil and Marker Paint for the Florabelle Brennan Park Basketball Court Rehabilitation in the amount of \$7,882.99 to be funded from Fund 110 Capital Projects (CP1723).

Council Member McCarty expressed concern for the location of a new basketball court at this park due to past safety concerns at the park.

Kathleen Westenberg stated there are other areas in town with basketball courts and asked if it is necessary to install a new court at this location.

Interim Public Services Director Gravel addressed the issues raised by Council Member McCarty and Mrs. Westenberg advising that the City is limited in terms of accessible basketball courts noting that schools are locked when closed and that the City is looking at a couple of additional locations for installing half-courts to encourage more outdoor activity.

City Manager Whitemyer advised one of the best ways to fight crime is to keep our youth busy. This court is one of two regulation sized courts that the City will have and it is hoped that it will encourage youth to get outside and play.

MOTION

To adopt City of Oakdale City Council Resolution 2017-019, a Resolution of the City of Oakdale City Council Authorize the Purchase of two PR99XL Basketball Court and Overlaying Mini Soccer Stencil and Marker Paint for the Florabelle Brennan Park Basketball Court Rehabilitation in the amount of \$7,882.99 to be funded from Fund 110 Capital Projects (CP1723).

Moved by Mayor Pro Tem Dunlop seconded Council Member Bairos and PASSED AND ADOPTED this 21st day of February 2017, by the following vote:

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

Motion carried 4/1/0 by City Council roll call vote.



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12. CITY MANAGER'S REPORT:

City Manager Whitemyer advised the City Council that the department reports for February 2017 have been provided in the City Council packet for review.

13. CITY COUNCIL ITEMS:

Mayor Pro Tem Dunlop discussed with City Manager Whitemyer and Interim Public Services Director Gravel the increase in chlorine noticed in the City's water system the past six months. City Manager Whitemyer and Interim Public Services Director Gravel explained some of the steps being taken including working with the State and installing injectors to make the chlorine less intrusive.

Council Member Bairos advised those in attendance that Oakdale's Mustang Cheer team took home first place in Las Vegas, taking home the national title. She congratulated those who participated including the parents and coaches who supported the team.

Council Member McCarty thanked Waste Water Treatment Supervisor Bridgewater for the tour of the Waste Water Treatment Plant and suggested an open house be scheduled.

14. ADJOURNMENT:

There being no further business, Mayor Paul adjourned the meeting at 8:18 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

February 21, 2017

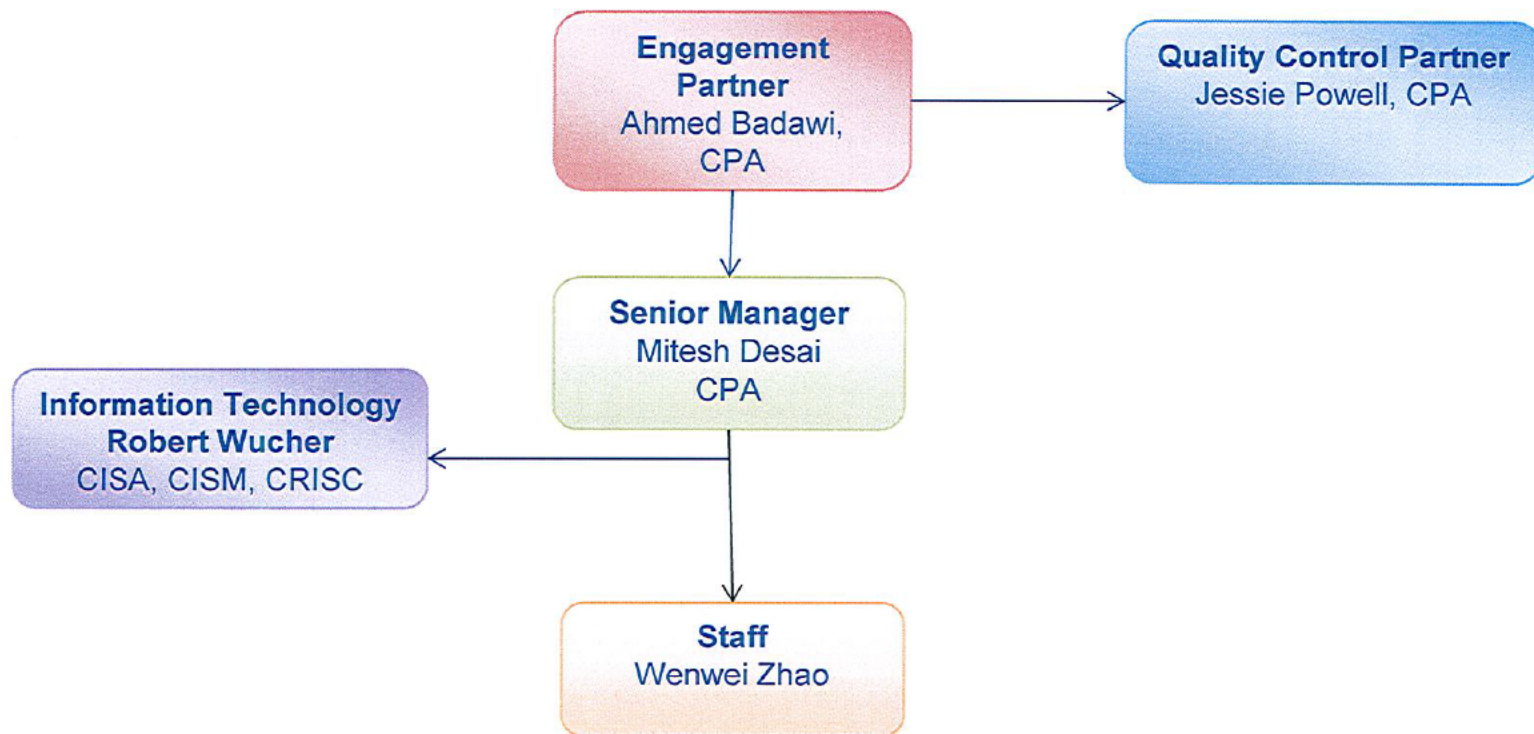
Presented by: **Ahmed Badawi, CPA**
Partner



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



Areas of Primary Audit Risk

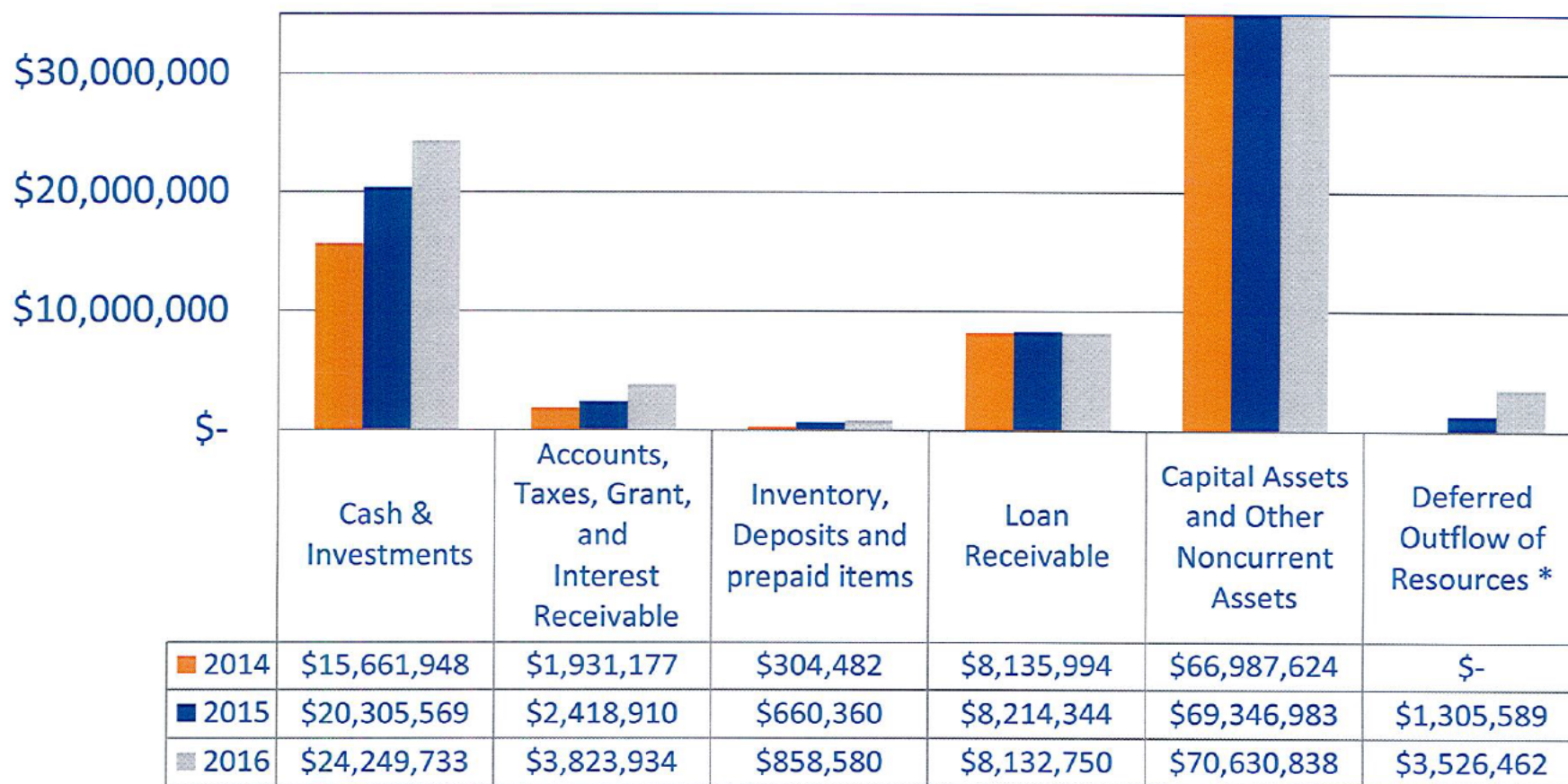
- The risk of management override of controls is addressed by the following procedures:
 - Assignment of audit staff based on consideration of audit risk.
 - Procedures to incorporate an element of unpredictability in the audit from period to period.
 - Consideration of the selection and application 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, Government *Auditing Standards* , and *the Uniform Guidance*
- 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

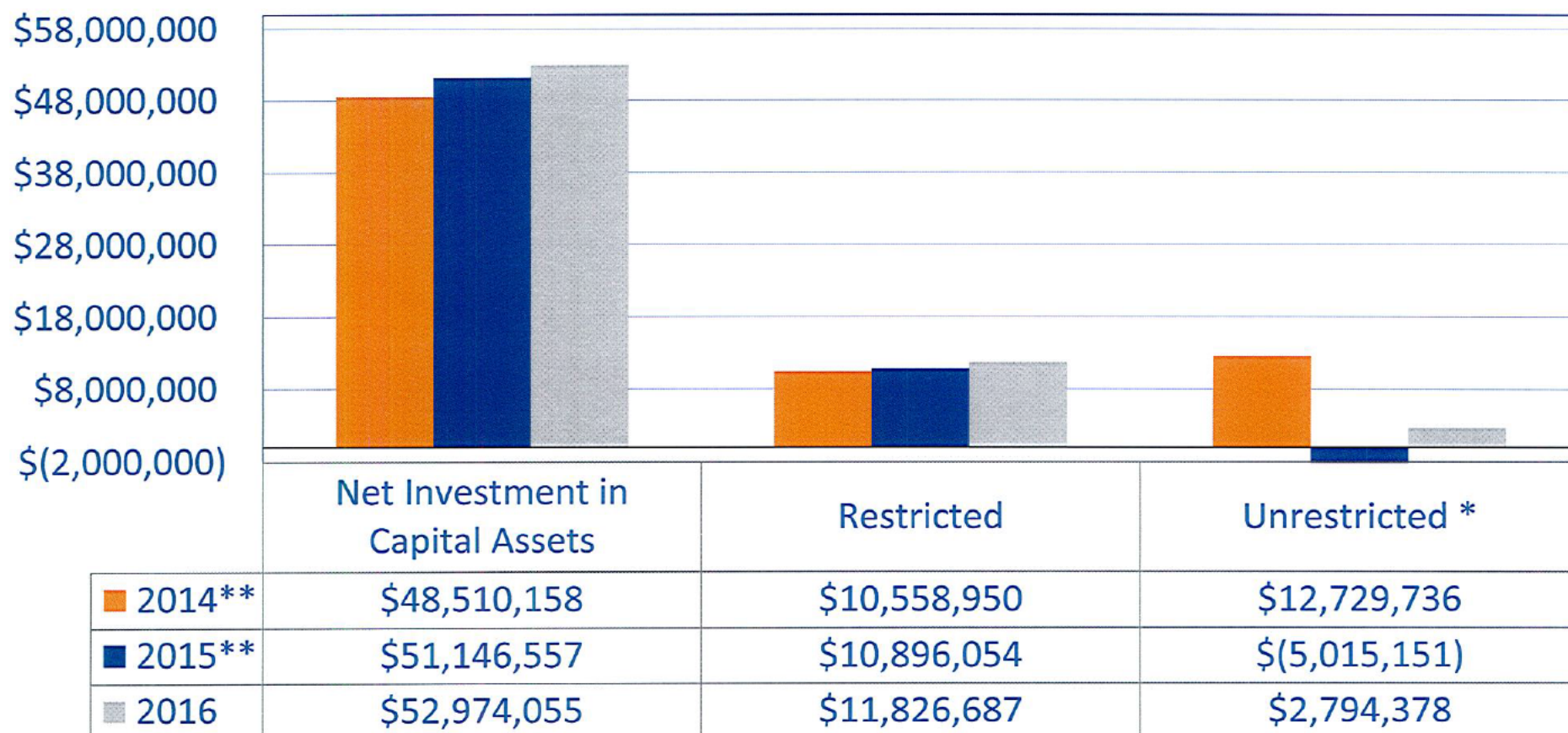
Assets and Deferred Outflows of Resources



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

Government-Wide Financial Statements

Net Position

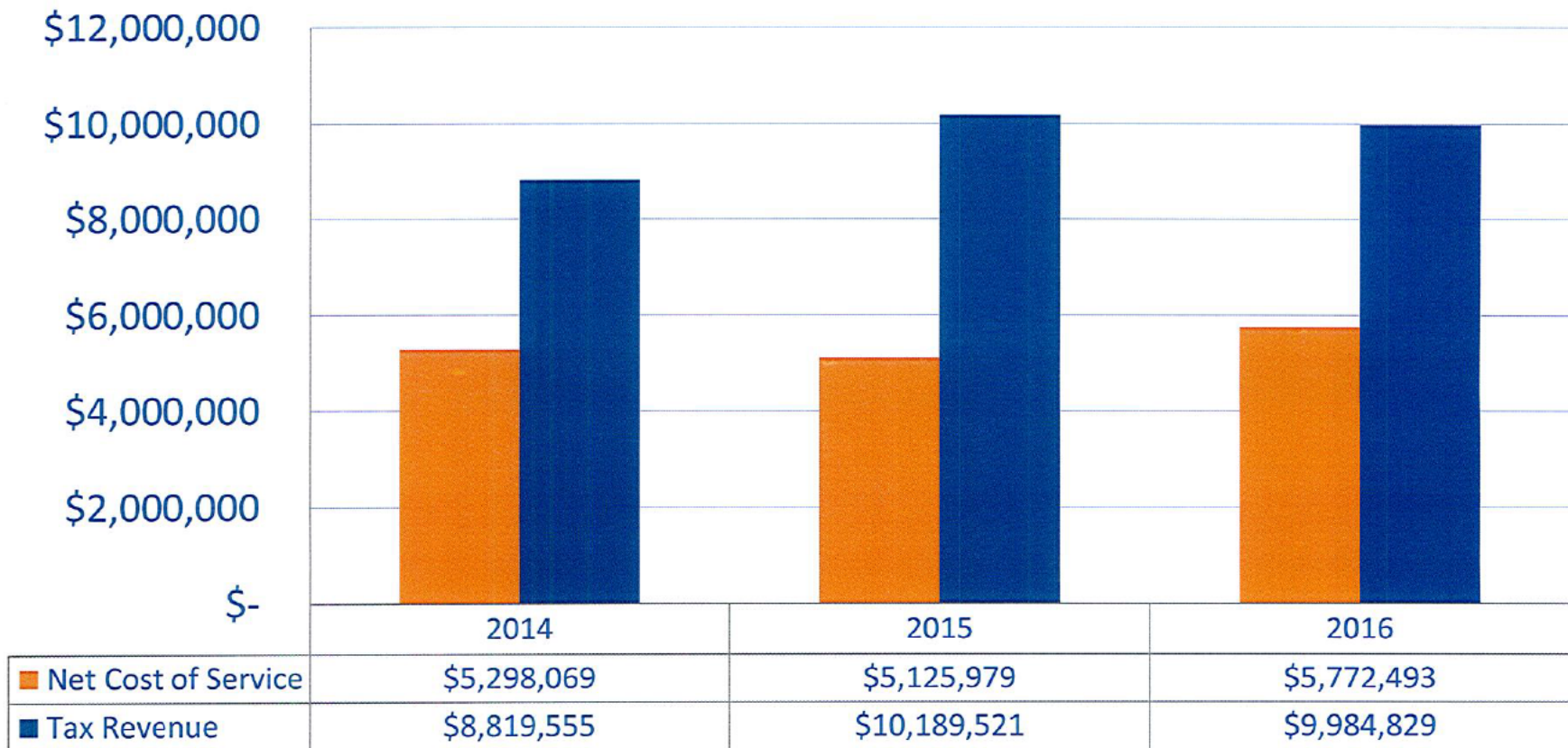


* Changes in 2015 are due to the implementation of GASB's new Pension Accounting Standards

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

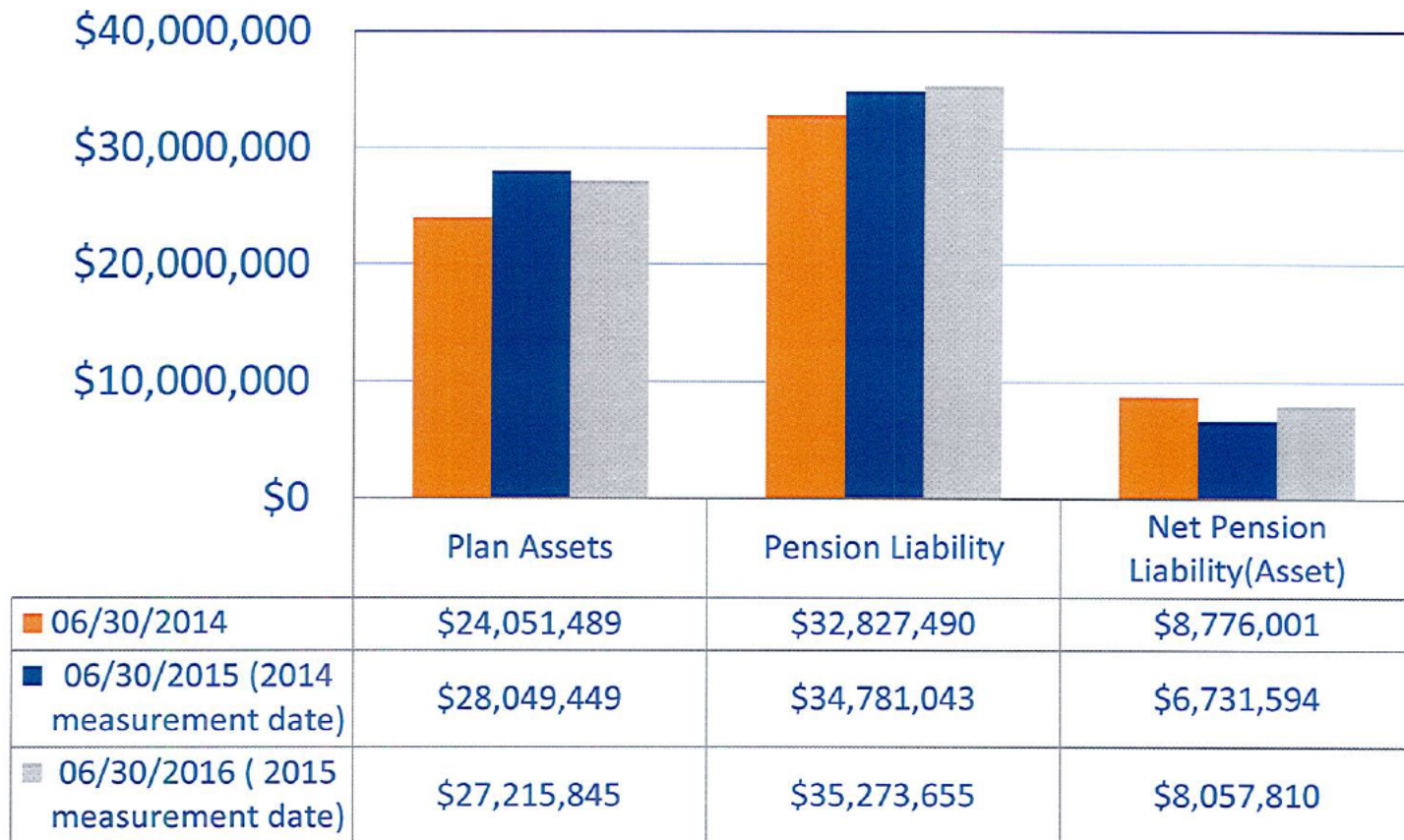
Government-Wide Financial Statements

Net Cost of Service to Tax Revenue (Governmental Activities)



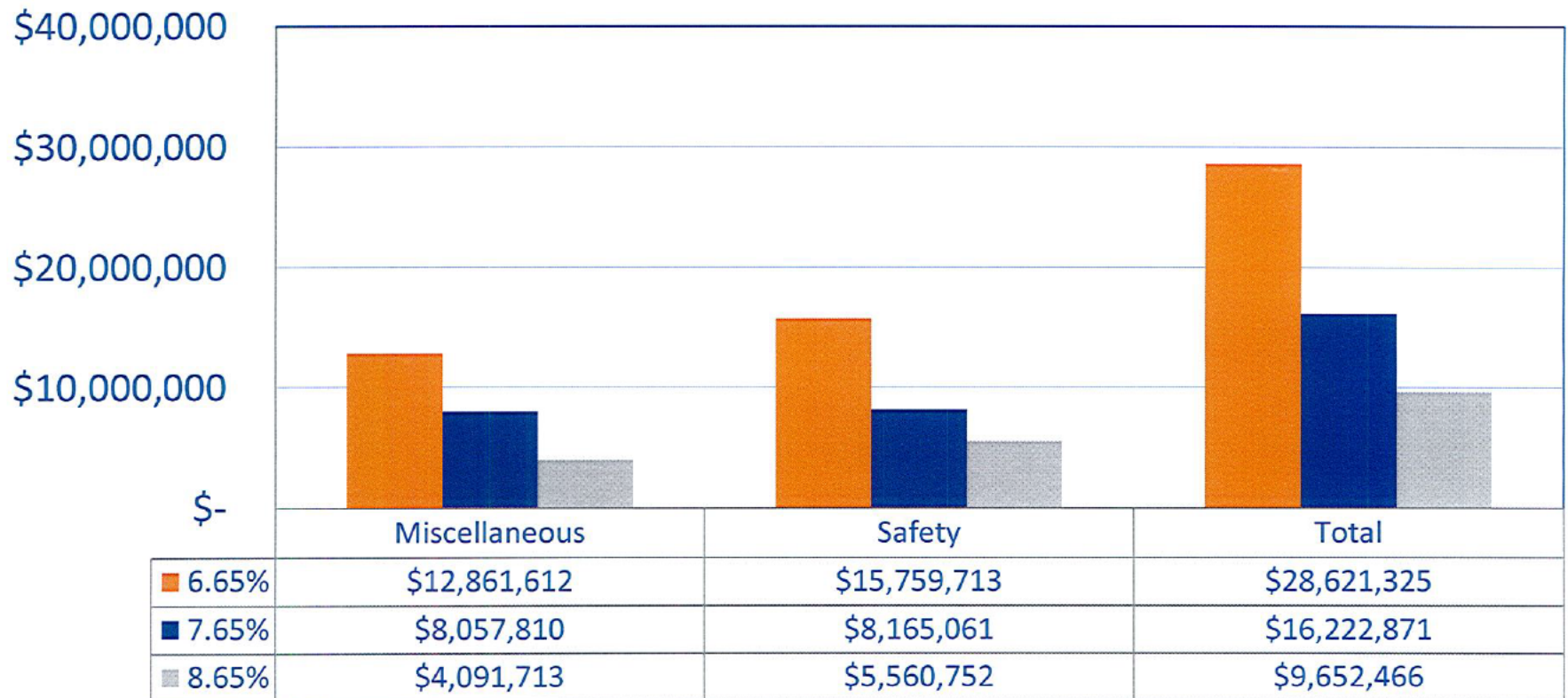
Pension Plan

City's Pension Plan Funded Status – Miscellaneous Risk Pool



Pension Plan

City's Pension Plan Sensitivity to Discount Rate (2015 Measurement Date)



Required Communications

- Our Responsibility Under U.S GAAS



- Expression of an opinion on whether financial statements are fairly stated in accordance with U.S GAAP
- Evaluate internal control over financial reporting
- Evaluate compliance with laws, contract and grants
- Evaluate the tone at the top
- Ensure financial statements are clear and transparent
- Communicate with the governing body

Required Communications

- Significant Accounting Policies and Unusual Transactions



The City adopted the following new pronouncements during the year:

- Statement 72 – Fair Value Measurement and Application.
- Statement 73 – Accounting and Financial Reporting for Pensions and Related Assets That Are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68
- Statement 76 – The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments
- Statement 79 – Certain External Investment Pools and Pool Participants
- Statement 82 – Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73

- Management Judgment and Accounting Estimates



Significant management estimates impacting the financial statements include the following:

- Depreciation
- Defined Benefit Plans
- Accrued Compensated Absences

Required Communications

- Deficiencies in Internal Control over Financial Reporting 
 - Restatement of previously issued financial statements
 - Segregation of Duties – Wire transfers, journal entries, and accounts payable
- Disagreement with Management 
 - We are pleased to report that there were no disagreements with management.