



CITY OF NEWARK CITY COUNCIL

City Administration Building, City Council Chambers

37101 Newark Boulevard, Newark, CA 94560 | (510) 578-4266 | E-mail: city.clerk@newark.org



AGENDA

Thursday, January 26, 2023
7:00 P.M.

**HYBRID IN-PERSON/VIRTUAL MEETING
REFER TO THE END OF THE AGENDA TO REVIEW
OPTIONS FOR PARTICIPATING IN THE MEETING
REMOTELY OR IN-PERSON.**

**IF YOU ATTEND THE MEETING IN PERSON A FACE COVERING
IS RECOMMENDED BUT NOT REQUIRED.**

A. ROLL CALL

B. PRESENTATIONS

1. Proclaiming January 14 - 29, 2023 as Sun Salutation Awareness Period

C. PUBLIC COMMENT

The public is invited to address the City Council on any item not listed on the agenda. Public Comments are generally limited to 5 minutes per speaker. Please note that State law prohibits the Council from acting on non-agenda items.

D. CONSENT CALENDAR

Consent Calendar items are considered to be routine and may be approved by one motion. There will be no separate discussion on these items unless there is a request by a Council Member, a staff member, or a member of the public to remove an item for separate discussion and action.

1. Approval of Audited Demands
2. Approval of January 12, 2023, minutes
3. Acceptance of the Annual Comprehensive Financial Report (ACFR) for the period ended June 30, 2022

E. PUBLIC HEARINGS

F. OTHER BUSINESS

1. Adopt resolutions initiation of proceedings for the formation of Area Improvement District No. 35 for Lindsay Tract, providing preliminary approval of the Engineer's Report, declaring intention to order formation of the assessment district and to levy and collect assessments, establishing Property Owner Assistance Program for City-Sponsored Assessment Districts, and setting a public hearing date of March 23, 2023
2. Adopt a resolution terminating the local emergency due to COVID-19 effective February 28, 2023

G. CITY COUNCIL MATTERS

City Council Members report on attendance at intergovernmental agency meetings, conferences, and seminars since the last meeting. City Council Members may also announce upcoming events and coordinate attendance; report on local events attended since the last meeting; and make brief comments on issues of concern.

H. CLOSED SESSION

I. ADJOURNMENT

HYBRID IN-PERSON/VIRTUAL MEETING NOTICE

This meeting is being conducted utilizing teleconferencing and electronic means consistent with Assembly Bill 361 (2021). Members of the public may attend the meeting in person, virtually via Zoom, or watch it via YouTube. If you attend the meeting in person, a face covering is recommended but not required.

Mayor Hannon, Vice Mayor Collazo, and Council Members Jorgens, Bucci, and Freitas may be attending this meeting via teleconference. Teleconference locations are not open to the public. In the event that any members of the City Council elect to attend this meeting via teleconference, all votes conducted during the teleconferencing session will be conducted by roll call vote.

How to view the meeting remotely:

Livestream online at YouTube: <https://www.youtube.com/channel/UC383NGSxaPwZP1IkJbo2T8A>

Copy/paste the YouTube URL into your browser if the link does not automatically open.

How to participate in the meeting remotely, via Zoom Webinar:

From a PC, Mac, iPad, iPhone or Android device: Zoom Meeting <https://us06web.zoom.us/j/89641994740>

From a telephone dial 1- 669-900-9128, Webinar ID Number 896 4199 4740

Provide live, remote public comments, when the Mayor calls for comments. Use the raise your hand feature in Zoom to be called upon by the City Clerk.

For frequently asked Zoom questions, please go to [Agendas and Minutes](#) and select the Frequently Asked Questions link.

No question shall be asked of a council member, city staff, or an audience member except through the Mayor. No person shall use vulgar, profane, loud or boisterous language that interrupts a meeting. Any person who refuses to carry out instructions given by the Mayor for the purpose of maintaining order may be guilty of an infraction and

may result in removal from the meeting.

Council Meeting Access/Materials:

The agenda packet is available for review at [Agendas and Minutes](#). The packet is typically posted to the City website the Friday before the meeting, but no later than 72 hours before the meeting.

Pursuant to Government Code 54957.5, supplemental materials distributed less than 72 hours before this meeting, to a majority of the City Council, will be made available for public inspection at this meeting and will be posted, if time allows, at [Agendas and Minutes](#). Materials prepared by City staff and distributed during the meeting are available for public inspection at the meeting or after the meeting if prepared by some other person. Documents related to closed session items or are exempt from disclosure will not be made available for public inspection. For those persons who require special accommodations, please contact the City Clerk at least two days prior to the meeting at [City Clerk](#) or 510-578-4266.



STAFF REPORT

Item B. 1.

DATE 01/26/2023
TO Honorable Mayor and City Council Members
FROM Sheila Harrington, City Clerk
SUBJECT Proclaiming January 14 - 29, 2023 as Sun Salutation Awareness Period

Hindu Swayamsevak Sangh (HSS) is a 501(c)(3) voluntary, non-profit, cultural organization that organizes service activities and community outreach projects to promote discipline, self-confidence, teamwork, and the spirit of selflessness. HSS will be holding its' 16th annual "Health for Humanity Yogathon" or "Surya Namaskar Yajna" (SNY) event. This event will begin on January 14, 2023, and end on January 29, 2023, and is considered a Sun Salutation Awareness period to create public awareness about yoga and its health advantages.

Mayor Hannon will present a proclamation for the Sun Salutation Awareness Period to a member of the HSS.

Attachments

Proclamation

PROCLAMATION NO. 1884

*SURYA NAMASKAR (SUN SALUTATION) AWARENESS PERIOD
JANUARY 14-29, 2023*

WHEREAS, Hindu Swayamsevak Sangh (HSS) is a voluntary, non-profit, social and cultural organization, celebrating its annual "Health for Humanity Yogathon" or "Surya Namaskar Yajna" to create awareness about yoga and its advantages for the public; and

WHEREAS, Yoga is an ancient process of keeping the human mind and body in good health; and

WHEREAS, spiritual training is considered a part of physical training from ancient times; and

WHEREAS, the Surya Namaskar, also known as Sun Salutation, is a special sequence of Yoga postures that provides the key health benefits of Yoga in a very succinct package;

NOW, THEREFORE, I, Michael K. Hannon, Mayor of the City of Newark, on behalf of the Newark City Council, do hereby proclaim January 14-29, 2023, as

SURYA NAMASKAR (SUN SALUTATION) AWARENESS PERIOD

in Newark and encourage all residents to maintain a healthy lifestyle and include Sun Salutations daily during this time as a part of physical activity and/or spiritual training.

IN WITNESS THEREOF, I have hereunto set forth my hand and caused the Official Seal of the City of Newark, State of California, to be affixed this Eleventh Day of January, Two Thousand Twenty-three.

*MICHAEL K. HANNON
Mayor*



STAFF REPORT

Item D. 1.

DATE 01/26/2023
TO Honorable Mayor and City Council Members
FROM Krysten Lee, Finance Director
SUBJECT Approval of Audited Demands

Attachments

Approval of Audited Demands

LIVE Newark CA LIVE

Payment Batch Register

Bank Account: AP - ZBA ACCOUNTS PAYABLE
Batch Date: 12/22/2022

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Bank Account: AP - ZBA ACCOUNTS PAYABLE						
Check	12/22/2022	7335	Accounts Payable	ACCESS		100.00
	Invoice		Date	Description		Amount
Check	9841947		11/30/2022	SHREDDING SVCS NOVEMBER 2022		100.00
	12/22/2022	7336	Accounts Payable	ADITYA T BABU		640.00
	Invoice		Date	Description		Amount
Check	112922		11/29/2022	11/3-12/1/22 CLUB VIP VOLLEYBALL		640.00
Check	12/22/2022	7337	Accounts Payable	AIR EXCHANGE, INC.		2,101.09
	Invoice		Date	Description		Amount
Check	91608519		12/06/2022	PLYMOVENT SERVICE AT FIRE STATION 27		150.00
	91608520		12/06/2022	PLYMOVENT SERVICE AT FIRE STATION 28		1,951.09
Check	12/22/2022	7338	Accounts Payable	AIRGAS USA, LLC		83.80
	Invoice		Date	Description		Amount
Check	9993406530		11/30/2022	CYL ACETYLENE RENTAL 11/30/22		83.80
Check	12/22/2022	7339	Accounts Payable	TREASURER OF ALAMEDA COUNTY		2,266.50
	Invoice		Date	Description		Amount
Check	NOVEMBER 22		12/02/2022	CRIME LAB FEES NOVEMBER22		2,266.50
	12/22/2022	7340	Accounts Payable	BAY AREA AIR QUALITY MGMT DIST.		840.00
	Invoice		Date	Description		Amount
Check	T146404		11/02/2022	PD GENERATOR FEES		840.00
Check	12/22/2022	7341	Accounts Payable	BAY AREA TEMPORARY SANITATION, INC.		635.00
	Invoice		Date	Description		Amount
Check	96381		12/22/2022	7/23-8/4/22 PORTABLE RESTROOMS & CLEANING SERVICES		635.00
	12/22/2022	7342	Accounts Payable	BURTON'S FIRE INC		1,414.80
	Invoice		Date	Description		Amount
Check	W 80848		12/08/2022	FIRE TRUCK-OPACITY TESTING ON 267/208/241/242/243/264/268/266		1,414.80
	12/22/2022	7343	Accounts Payable	CMRTA		150.00
	Invoice		Date	Description		Amount
Check	2496		12/01/2022	MEMBERSHIP RENEWAL - LEE. CROSS, THOMAS CY23		150.00
Check	12/22/2022	7344	Accounts Payable	CARBONIC SERVICE		431.80

Invoice	Date	Description	Amount
2000003982	12/06/2022	POOL CHEMICAL-CO2	431.80
Check 12/22/2022	7345 Accounts Payable	SUPERION, LLC	25,604.36
Invoice	Date	Description	Amount
350718	04/05/2022	TRAKIT ANNUAL MAINTENANCE 06/01/22-05/31/23	25,604.36
Check 12/22/2022	7346 Accounts Payable	CHILDCARE CAREERS, LLC	287.60
Invoice	Date	Description	Amount
562950	12/21/2022	10/10/22 CHILDCARE SUBSTITUTE	287.60
Check 12/22/2022	7347 Accounts Payable	DAILY JOURNAL CORPORATION	96.25
Invoice	Date	Description	Amount
B3653465	12/20/2022	PH NOTICE 22-23 - CUP FOR LIVE ENTERTAINMENT AT 39143 CEDAR BLVD	96.25
Check 12/22/2022	7348 Accounts Payable	DELL MARKETING L.P.	69,660.75
Invoice	Date	Description	Amount
10631838129	11/24/2022	NEW COMPUTERS & EQUIPMENT	48,867.24
1063594590	12/05/2022	ADOBE LICENSING	20,793.51
Check 12/22/2022	7349 Accounts Payable	DEPARTMENT OF INDUSTRIAL RELATIONS	14,972.98
Invoice	Date	Description	Amount
OSIP 70163	12/01/2022	DEPARTMENT OF INDUSTRIAL FY2021/2022 RELATIONS ANNUAL ASSESSMENT	14,972.98
Check 12/22/2022	7350 Accounts Payable	FEDEX	37.38
Invoice	Date	Description	Amount
7-971-89643	12/09/2022	PACKAGE DELIVERY	37.38
Check 12/22/2022	7351 Accounts Payable	FREMONT FORD	283.46
Invoice	Date	Description	Amount
210018	12/07/2022	FLEET SUPPLIES-DAMAGE TO 1101	283.46
Check 12/22/2022	7352 Accounts Payable	GHD INC.	773.00
Invoice	Date	Description	Amount
380-0024129	12/13/2022	TASK ORDER NO. 3 - ENGINEERING & TRANSP. PLANNING THRU 11/26/22	773.00
Check 12/22/2022	7353 Accounts Payable	GRAINGER	609.18
Invoice	Date	Description	Amount
9519609466	11/12/2022	BLDG SUPPLIES - BALLAST KIT	342.22
9517702461	11/17/2022	BLDG SUPPLIES - METERING CARTRIDGE	209.02
9523788041	11/23/2022	BLDG SUPPLIES - MAGNETS	57.94
Check 12/22/2022	7354 Accounts Payable	GROUP MEDIA INC	2,500.00
Invoice	Date	Description	Amount
34089	09/27/2022	INSERTION ORD# 28927-51754-BUSINESS FACILITIES - CALED 1/2 PAGE	2,500.00
Check 12/22/2022	7355 Accounts Payable	GYM DOCTORS	225.00
Invoice	Date	Description	Amount
00137456	12/06/2022	12/5/22 MONTHLY PREVENTATIVE SILLIMAN FITNESS CENTER MAINTENANCE	225.00
Check 12/22/2022	7356 Accounts Payable	HILLYARD	1,289.33
Invoice	Date	Description	Amount

Check	604960956	12/06/2022	SILLMAN JANITORIAL SUPPLIES	1,289.33
	12/22/2022	7357 Accounts Payable	INTERNATIONAL CODE COUNCIL, INC.	477.50
Invoice		Date	Description	Amount
Check	1001598532	11/29/2022	ICC - TRAINING AND EDUCATION	477.50
	12/22/2022	7358 Accounts Payable	INTERNATIONAL CODE COUNCIL INC	520.41
Invoice		Date	Description	Amount
Check	101424255	11/29/2022	ICC - TRAINING AND EDUCATION	520.41
	12/22/2022	7359 Accounts Payable	KBA DOCUMENT SOLUTIONS, LLC	6,109.28
Invoice		Date	Description	Amount
Check	9240367	11/10/2022	COPIER LEASE YEAR 1 OF 5 - LEASE NOV '22	2,922.69
	9290476	12/10/2022	COPIER LEASE YEAR 1 OF 5 - LEASE DEC '22	3,186.59
Check	12/22/2022	7360 Accounts Payable	KBA DOCUMENT SOLUTIONS, LLC	1,569.96
Invoice		Date	Description	Amount
Check	55Y1328499	12/06/2022	COPIER LEASE YEAR 1 OF 5-TONER	1,569.96
	12/22/2022	7361 Accounts Payable	KIDS FANBASE	1,427.40
Invoice		Date	Description	Amount
Check	102822	12/28/2022	5/22-7/24/22 KIDSFANBASE SOCCER CLASSES	1,427.40
	12/22/2022	7362 Accounts Payable	LANGUAGE LINE SERVICES	247.45
Invoice		Date	Description	Amount
Check	10686372	11/30/2022	INTERPRETATION SVCS NOVEMBER 2022	247.45
	12/22/2022	7363 Accounts Payable	LEXISNEXIS RISK DATA MANAGEMENT INC.	424.20
Invoice		Date	Description	Amount
Check	1415640-20221130	11/30/2022	BACKGROUND CHECKS NOVEMBER 2022	424.20
	12/22/2022	7364 Accounts Payable	LEXISNEXIS RISK SOLUTIONS FL INC	50.00
Invoice		Date	Description	Amount
Check	1845802-20221130	11/30/2022	INVESTIGATIVE INFORMATION RESEARCH - NOV 22	50.00
	12/22/2022	7365 Accounts Payable	LINCOLN AQUATICS	389.88
Invoice		Date	Description	Amount
Check	D8800926	11/12/2022	POOL SUPPLIES	389.88
	12/22/2022	7366 Accounts Payable	LYNN PEAVEY COMPANY	302.59
Invoice		Date	Description	Amount
Check	395983	12/09/2022	EVIDENCE SUPPLIES	302.59
	12/22/2022	7367 Accounts Payable	MANUEL FERNANDEZ CONSTRUCTION	3,584.24
Invoice		Date	Description	Amount
Check	2020167	11/28/2022	REPAIR SERVICES: SILLMAN AND THORNTON FIRE	3,584.24
	12/22/2022	7368 Accounts Payable	MEYERS NAVE, A PROFESSIONAL CORPORATION	9,367.10
Invoice		Date	Description	Amount
	199022	10/20/2022	LEGAL SVCS FOR THE MOWRY VILLAGE PROJECT - THRU 9/30/22	4,387.70
	199955	11/08/2022	LEGAL SVCS FOR THE MOWRY VILLAGE PROJECT - THRU 10/31/22	3,592.50

Check	200820	12/07/2022	LEGAL SVCS FOR THE MOWRY VILLAGE PROJECT - THRU 11/30/22	1,386.90
Check	12/22/2022	7369 Accounts Payable	MIKE YORKS INVESTIGATIONS	2,700.00
Invoice		Date	Description	Amount
Check	2022-21	12/01/2022	BACKGROUND INVESTIGATIONS 10/20-12/02/22	2,700.00
Check	12/22/2022	7370 Accounts Payable	MNS ENGINEERS INC	22,282.50
Invoice		Date	Description	Amount
Check	81935	12/19/2022	ON-CALL PUBLIC WORKS CONSTRUCTION INSPECTION SERVICES (11/22)	22,282.50
Check	12/22/2022	7371 Accounts Payable	MFCP INC	180.99
Invoice		Date	Description	Amount
Check	8549779	12/05/2022	FLEET SUPPLIES	91.08
Check	8554013	12/08/2022	FLEET SUPPLIES	89.91
Check	12/22/2022	7372 Accounts Payable	MUNI SERVICES/AVENU HOLDINGS, LLC	1,870.00
Invoice		Date	Description	Amount
Check	INV06-015544	12/05/2022	ACFR - PRINCIPAL EMPLOYERS AND DIRECT & OVERLAPPING DEBT REPORT	1,870.00
Check	12/22/2022	7373 Accounts Payable	PHAN'S SMOG STATION	180.00
Invoice		Date	Description	Amount
Check	045251	12/13/2022	SMOG VEH 24	40.00
Check	045272	12/14/2022	SMOG VEH 13	40.00
Check	045016	12/08/2022	SMOG VEH 187	60.00
Check	045270	12/14/2022	SMOG VEH 188	40.00
Check	12/22/2022	7374 Accounts Payable	PLACER LABS, INC.	8,400.00
Invoice		Date	Description	Amount
Check	11-6503	07/06/2022	SUBCNTR. LOCATION BASED SVCS & ANALITICS FOR 7/1/22 TO 6/30/23	8,400.00
Check	12/22/2022	7375 Accounts Payable	PERF	200.00
Invoice		Date	Description	Amount
Check	PERF 2023	12/05/2022	PERF MEMBERSHIP FOR CHIEF ANDERSON 2023	200.00
Check	12/22/2022	7376 Accounts Payable	CAL COAST TELECOM	840.00
Invoice		Date	Description	Amount
Check	S2210461	10/31/2022	10/27/2022 - SEC Technician Labor 2 - OT/EMER Security Hardware	840.00
Check	12/22/2022	7377 Accounts Payable	REDFLEX TRAFFIC SYSTEMS, INC.	17,400.00
Invoice		Date	Description	Amount
Check	INV0044772	11/30/2022	REDLIGHT CAMERA MONITORING NOVEMBER 2022	17,400.00
Check	12/22/2022	7378 Accounts Payable	RINCON CONSULTANTS, INC	721.25
Invoice		Date	Description	Amount
Check	44327	12/14/2022	HYATT HOUSE CE - PERIOD 11/1/22 - 12/13/22	721.25
Check	12/22/2022	7379 Accounts Payable	ROBERT HALF	19,867.20
Invoice		Date	Description	Amount
Check	60483096	08/04/2022	TEMPORARY STAFF - GARY 07/22/22	252.00
Check	60546524	08/16/2022	TEMPORARY STAFF - KHADAR 8/12/22	4,400.00
Check	60936824	10/24/2022	TEMPORARY STAFF-GARY 10/21/2022	2,772.00
Check	61029784	11/08/2022	TEMPORARY STAFF- GARY 11/4/22	2,494.80

61048855	11/10/2022	TEMPORARY STAFF- KHADAR 11/4/2022	3,520.00
61071918	11/15/2022	TEMPORARY STAFF-GARY 11/11/2022	2,633.40
61083180	11/16/2022	TEMPORARY STAFF- KHADAR 11/11/2022	3,795.00
Check 12/22/2022	7380 Accounts Payable	RUTAN & TUCKER, LLP	2,205.00
Invoice	Date	Description	Amount
947623	12/13/2022	AREA 4 CEQA	2,205.00
Check 12/22/2022	7381 Accounts Payable	SCHINDLER ELEVATOR CORPORATION	190.90
Invoice	Date	Description	Amount
9100772700	11/30/2022	FIRE STATION 1	190.90
Check 12/22/2022	7382 Accounts Payable	YORK RISK SERVICE GROUP, INC. A SEDGWICK COMPANY	3,392.33
Invoice	Date	Description	Amount
400000115707	12/02/2022	WORKERS' COMPENSATION CLAIMS 12/01/22-12/31/22	3,392.33
Check 12/22/2022	7383 Accounts Payable	STAPLES	292.76
Invoice	Date	Description	Amount
8068429802	11/30/2022	OFFICE SUPPLIES	292.76
Check 12/22/2022	7384 Accounts Payable	ANNE STEDLER	203.47
Invoice	Date	Description	Amount
120922-121122EXP	12/19/2022	EXP REIMB FOR FOOD ITEMS & UTENSILS FOR FIN. RESILIENCY WORKSHOP	203.47
Check 12/22/2022	7385 Accounts Payable	TEMPERATURE TECHNOLOGY INC.	410.00
Invoice	Date	Description	Amount
12209	12/07/2022	HVAC REPAIR - SENIOR CENTER	410.00
Check 12/22/2022	7386 Accounts Payable	TMT ENTERPRISES INC	9,133.66
Invoice	Date	Description	Amount
14853	11/30/2022	COMPOST, SOIL, ROCK	9,133.66
Check 12/22/2022	7387 Accounts Payable	TYLER BUSINESS FORMS	241.32
Invoice	Date	Description	Amount
78459	12/08/2022	1099 SUPPLIES	241.32
Check 12/22/2022	7388 Accounts Payable	UNITED STATES POSTMASTER	3,650.00
Invoice	Date	Description	Amount
122022	12/20/2022	POSTAGE FOR GRANT POSTCARD MAILING	3,650.00
Check 12/22/2022	7389 Accounts Payable	URBAN PLANNING PARTNERS, INC.	442.50
Invoice	Date	Description	Amount
21009-220630	07/27/2022	PROFESSIONAL SVCS FOR TASK ORDER #1-CDBG-SVCS THRU 6/30/22	442.50
Check 12/22/2022	7390 Accounts Payable	WASHINGTON HOSPITAL	100.00
Invoice	Date	Description	Amount
1122-NPD	12/02/2022	LAB TESTS NOVEMBER 2022	100.00
Check 12/22/2022	7391 Accounts Payable	WEST COAST ARBORISTS INC	4,260.75
Invoice	Date	Description	Amount
193857	11/30/2022	STREET TREE MAINTENANCE 11/16/22-11/30/22	2,808.75

Check	193858	11/30/2022	PARK TREE MAINT 11/16/22-11/30/22	1,452.00
	12/22/2022	7392 Accounts Payable	WEX BANK	809.63
	Invoice	Date	Description	Amount
EFT	85610541	12/06/2022	CHEVRON CC 12/06/22	809.63
	12/22/2022	444 Accounts Payable	CLIENTFIRST TECHNOLOGY CONSULTING 122037760 / 001064667052	5,093.75
	Invoice	Date	Description	Amount
	14384	11/30/2022	IT SUPPORT 11/1-11/30/22	5,093.75
AP ZBAACCOUNTS PAYABLE Totals:				\$254,540.30
Transactions: 59				
Checks:	58			\$249,446.55
EFTs:	1			\$5,093.75

LIVE Newark CA LIVE

Payment Batch Register

Bank Account: AP - ZBA ACCOUNTS PAYABLE

Batch Date: 01/05/2023

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Bank Account: AP - ZBA ACCOUNTS PAYABLE						
Check	01/05/2023	7393	Accounts Payable	4LEAF INC		27,648.00
Invoice						
	J1118A54-2	12/22/2022	BI FIELD INSPECTION AND RELATED PROFESSIONAL SERVICES 11/22			11,528.00
	J1118A53-2	10/31/2022	BI FIELD INSPECTION AND RELATED PROFESSIONAL SERVICES 10/22			16,120.00
Check	01/05/2023	7394	Accounts Payable	ABACUS PRODUCTS INC		863.88
Invoice						
	B70383	01/03/2023	CITY LETTERHEAD/ENVELOPES - WINDOW			863.88
Check	01/05/2023	7395	Accounts Payable	ABBE & ASSOCIATES LLC		12,087.00
Invoice						
	N-15	12/21/2022	RECYCLING/ORGANICS CONSULTANT (THROUGH 11/30/22)			12,087.00
Check	01/05/2023	7396	Accounts Payable	ALAMEDA COUNTY FIRE DEPARTMENT		977,020.42
Invoice						
	2022-23-162	12/22/2022	CONTRACT FIRE SERVICES - 12/22			977,020.42
Check	01/05/2023	7397	Accounts Payable	GUSTAVO ARROYO		1,881.00
Invoice						
	1208-121222 EXP	12/28/2022	CHEMICAL AGENT INSTRUCTOR - JUAN HERRERA			1,881.00
Check	01/05/2023	7398	Accounts Payable	BAY CENTRAL PRINTING		64.27
Invoice						
	194082	12/15/2022	BUSINESS CARDS FOR COUNCIL MEMBER JORGENS			64.27
Check	01/05/2023	7399	Accounts Payable	BEAR ELECTRICAL SOLUTIONS, INC.		15,879.21
Invoice						
	17499	11/28/2022	STREET LIGHT MAINTENANCE (NOVEMBER 2022)			15,879.21
Check	01/05/2023	7400	Accounts Payable	BURTON'S FIRE INC		134.88
Invoice						
	S 58112	12/13/2022	FIRE TRUCK SUPPLIES-VALVE			134.88
Check	01/05/2023	7401	Accounts Payable	CAL-WEST LIGHTING & SIGNAL MAINTENANCE		3,777.25
Invoice						
	221106	11/30/2022	TRAFFIC LIGHT MAINTENANCE 11/22			3,777.25
Check	01/05/2023	7402	Accounts Payable	BEACON VETERINARY SPECIALISTS		450.00

	Invoice	Date	Description	Amount
	134388	11/28/2022	VET SVCS 11/25/22	150.00
	133312	10/31/2022	VET SVCS 10/28/22	150.00
	133153	10/26/2022	VET SVCS 10/24/22	150.00
Check	01/05/2023	7403 Accounts Payable	APRO LLC	75.00
	Invoice	Date	Description	Amount
	110122-113022	11/30/2022	PATROL VEHICLE CLEANING NOV 2022	75.00
Check	01/05/2023	7404 Accounts Payable	CINDY K. HULL & ASSOCIATES - FORENSIC CONSULTING	980.00
	Invoice	Date	Description	Amount
	135	11/30/2022	LATENT PRINT ANALYSIS NOVEMBER 2022	980.00
Check	01/05/2023	7405 Accounts Payable	CITY OF FREMONT	13,861.00
	Invoice	Date	Description	Amount
	326381	12/06/2022	SHELTER OPERATING EXPS DECEMBER 2022	13,861.00
Check	01/05/2023	7406 Accounts Payable	ASTREA FORENSICS	6,600.00
	Invoice	Date	Description	Amount
	AST-1241	12/09/2022	PHASE 2 PROJECT - TESTING	6,600.00
Check	01/05/2023	7407 Accounts Payable	ALAMEDA COUNTY INFORMATION TECHNOLOGY DEPARTMENT	3,407.50
	Invoice	Date	Description	Amount
	112-2211036	12/10/2022	AWS ACCESS FEE NOVEMBER 2022	3,407.50
Check	01/05/2023	7408 Accounts Payable	LAURA DASILVA	1,101.04
	Invoice	Date	Description	Amount
	1205-120622 EXP	12/28/2022	IAPE PROPERTY ROOM MANAGEMENT - BURBANK	1,101.04
Check	01/05/2023	7409 Accounts Payable	DELL MARKETING L.P.	40,533.60
	Invoice	Date	Description	Amount
	10625708553	10/29/2022	REPLACEMENT LAPTOPS DELL LATITUDE 7430 XCTO	40,533.60
Check	01/05/2023	7410 Accounts Payable	FEHR & PEERS	2,255.00
	Invoice	Date	Description	Amount
	160127	11/10/2022	ON-CALL ENGINEERING & TRANSPORTATION PLANNING 10/01-10/28/22	2,255.00
Check	01/05/2023	7411 Accounts Payable	FIRST BAPTIST CHURCH	80.00
	Invoice	Date	Description	Amount
	DECEMBER 2022	12/16/2022	CHURCH - FIRST BAPTIST CHURCH CONT.*	80.00
Check	01/05/2023	7412 Accounts Payable	GHD INC.	65,236.75
	Invoice	Date	Description	Amount
	380-0021218	10/25/2022	TASK ORDER #2 - STEVENSON/ENCYCLOPEDIA CIRCLE (THROUGH 10/24/22)	479.75
	380-0023271	11/26/2022	TASK ORDER #2 - STEVENSON/ENCYCLOPEDIA CIRCLE (THROUGH 11/26/22)	3,648.00
	380-0022441	11/08/2022	TASK ORDER NO. 3 - TRAFFIC ENGR. & TRANS. PLN (THROUGH 10/26/22)	61,109.00
Check	01/05/2023	7413 Accounts Payable	GRANGER	891.85
	Invoice	Date	Description	Amount
	952848030	11/30/2022	BLDG SUPPLIES	36.34

Check	9531082072	12/01/2022	SILLIMAN SUPPLIES	574.86
	9530078386	12/01/2022	PD SUPPLIES	219.09
	9530726729	12/01/2022	PD SUPPLIES	61.76
Check	01/05/2023	7414 Accounts Payable	GREEN HALO SYSTEMS INC	12,248.00
	Invoice	Date	Description	Amount
	2453	01/03/2023	CITY TRACKER TEMPLATE AND MONTHLY HOSTING 10/01/20-09/30/21	6,416.00
	3320	01/03/2023	MONTHLY HOSTING 10/01/21-09/30/22	2,916.00
	3897	10/05/2022	MONTHLY HOSTING 10/01/22-09/30/23	2,916.00
Check	01/05/2023	7415 Accounts Payable	JUAN HERRERA	1,902.57
	Invoice	Date	Description	Amount
Check	1208-121222 EXP	12/28/2022	CHEMICAL AGENT INSTRUCTOR - JUAN HERRERA	1,902.57
Check	01/05/2023	7416 Accounts Payable	YAMA HOMAYOUN	952.36
	Invoice	Date	Description	Amount
	1212-121322 EXP	12/21/2022	MONTEREY TECHNICAL TRAINING 12/12-12/13/22	537.70
	1205-120722 EXP	12/28/2022	SLI SESSION 2-RANCHO MURIETA	414.86
Check	01/05/2023	7417 Accounts Payable	JACK JAMES TOW SERVICE, INC.	1,016.50
	Invoice	Date	Description	Amount
	252878	11/18/2022	TOWING SVCS	1,016.50
Check	01/05/2023	7418 Accounts Payable	MEYERS NAVE, A PROFESSIONAL CORPORATION	2,747.00
	Invoice	Date	Description	Amount
	199966	11/08/2022	LEGAL SERVICES (THROUGH 10/31/22)	1,062.00
	199033	10/20/2022	LEGAL SERVICES (THROUGH 09/30/22)	795.00
	198255	09/16/2022	LEGAL SERVICES	890.00
Check	01/05/2023	7419 Accounts Payable	MIKE YORKS INVESTIGATIONS	2,700.00
	Invoice	Date	Description	Amount
Check	2022-25	12/12/2022	BACKGROUND INVESTIGATIONS 11/8-12/12/22	2,700.00
Check	01/05/2023	7420 Accounts Payable	MICHAEL TAYLOR	1,247.59
	Invoice	Date	Description	Amount
	1104-110622 EXP	12/30/2022	EXPENSE REIMBURSEMENT- C.O.P.S CONFERENCE	1,247.59
Check	01/05/2023	7421 Accounts Payable	ANDREW MUSANTRY	475.45
	Invoice	Date	Description	Amount
	1212-121322 EXP	12/21/2022	MONTEREY TECHNICAL TRAINING 12/12-12/13/22	475.45
Check	01/05/2023	7422 Accounts Payable	NATIONAL DATA & SURVEYING SERVICES,	1,045.00
	Invoice	Date	Description	Amount
	22-080333	12/06/2022	TRAFFIC SURVEY - APA #23-92	1,045.00
Check	01/05/2023	7423 Accounts Payable	PACIFIC GAS & ELECTRIC	29,366.13
	Invoice	Date	Description	Amount
	2305-120222	12/02/2022	ANNUAL ELECTRICITY FOR STREET/TRAFFIC LIGHTS 10/26-11/27/22	132.83
	0870-120722	12/07/2022	ANNUAL ELECTRICITY FOR STREET/TRAFFIC LIGHTS 10/29-11/30/22	82.37
	1859-120622	12/06/2022	ANNUAL ELECTRICITY FOR STREET/TRAFFIC LIGHTS 10/28-11/29/22	2,773.42
	3926-120622	12/06/2022	ANNUAL ELECTRICITY FOR STREET/TRAFFIC LIGHTS 10/28-11/29/22	119.97

	0552-120522	12/05/2022	ANNUAL ELECTRICITY FOR STREET/TRAFFIC LIGHTS 10/27-11/28/22	84.44
	9045-120122	12/01/2022	ANNUAL ELECTRICITY FOR STREET/TRAFFIC LIGHTS 10/26-11/23/22	215.05
	7786-122022	12/20/2022	ANNUAL ELECTRICITY FOR STREET/TRAFFIC LIGHTS 11/16-12/14/22	25,958.05
Check	01/05/2023	7424 Accounts Payable	ARIEL SAN PEDRO	422.62
Invoice	1119-112122 EXP	12/28/2022	SOLO RESPONSE TO ACTIVE SHOOTER-FAIRFIELD	Amount
Check	01/05/2023	7425 Accounts Payable	T-MOBILE USA, INC	422.62
Invoice	9506607522	08/29/2022	AREA DUMPS-DETECTIVES 07/22/2022	175.00
	9518625372	12/16/2022	AREA DUMPS-DETECTIVES 11/19/2022	Amount
Check	01/05/2023	7426 Accounts Payable	TEMPERATURE TECHNOLOGY INC.	50.00
Invoice	12137	12/13/2022	PD HVAC SERVICE	125.00
	12218	12/12/2022	SILLIMAN HVAC SERVICE	6,820.70
	12217	12/12/2022	CITY HALL HVAC SERVICE	Amount
Check	01/05/2023	7427 Accounts Payable	THE TACTICAL ADVANTAGE POLICE SUPPLY	3,523.88
Invoice	6868	11/03/2022	BULETTPROOF VESTS CERVANTES; APPROVAL #2023-12	3,066.82
	6833	07/31/2022	BULETTPROOF VESTS; APPROVAL #2023-12	230.00
	6912	09/11/2022	BULETTPROOF VESTS TAYLOR; APPROVAL #2023-12	5,700.88
Check	01/05/2023	7428 Accounts Payable	TMT ENTERPRISES INC	Amount
Invoice	14929	12/07/2022	COMPOST	1,875.00
Check	01/05/2023	7429 Accounts Payable	TURBO DATA SYSTEMS, INC	1,875.00
Invoice	38986	11/30/2022	E-CITATION HARDWARE AND TRAFFIC PROCESSING SERVICES	3,098.00
	38318	08/31/2022	E-CITATION HARDWARE AND TRAFFIC PROCESSING SERVICES	Amount
	38079	07/31/2022	E-CITATION HARDWARE AND TRAFFIC PROCESSING SERVICES	700.00
	37216	03/31/2022	E-CITATION HARDWARE AND TRAFFIC PROCESSING SERVICES	722.00
Check	01/05/2023	7430 Accounts Payable	U.S. BANK CORPORATE PAYMENT SYSTEMS	830.00
Invoice	122222STMT	12/22/2022	CC PAYMENT 12/22/22	846.00
Check	01/05/2023	7431 Accounts Payable	UTILITY TELECOM GROUP, LLC	28,643.85
Invoice	DEC '22	12/16/2022	TELEPHONE & NETWORK PROVIDER - DEC '22	19,749.69
Check	01/05/2023	7432 Accounts Payable	VERIZON WIRELESS	Amount
Invoice	9923230659	12/18/2022	IPHONE SVC 11/19-12/18/22	19,749.69
Check	01/05/2023	7433 Accounts Payable	MATTHEW WARREN	3,755.66
Invoice		Date	Description	3,755.66
				Amount
				3,755.66
				214.38
				Amount

12/22/22 EXP	12/28/2022	CAHN REGIONAL QUARTERLY TRAINING 12/12/22	214.38
AP ZBA ACCOUNTS PAYABLE Totals:		Transactions: 41	\$1,298,984.03

Checks:	41
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\$1,298,984.03



STAFF REPORT

Item D. 2.

DATE 01/26/2023
TO Honorable Mayor and City Council Members
FROM Sheila Harrington, City Clerk
SUBJECT Approval of January 12, 2023, minutes

Attachments

Minutes



CITY OF NEWARK

CITY COUNCIL

City Administration Building, City Council Chambers

37101 Newark Boulevard, Newark, CA 94560 | (510) 578-4266 | E-mail: city.clerk@newark.org

Draft Minutes

Thursday, January 12, 2023
7:00 P.M.

A. ROLL CALL

Mayor Hannon called the meeting to order at 7:00 p.m. Vice Mayor Collazo, Council Members Freitas, Bucci, and Jorgens were noted present.

B. PRESENTATIONS

1. Introduction of employees

Mayor Hannon introduced Diana Cangco, Principal Civil Engineer, Narayan Krishnan, Information Technology Analyst, Peter Fong, Information Technology Analyst, Sheena Raj, Information Technology Analyst, and Kurt Mena, Information Technology Technician II.

2. Presentation from the Alameda County Mosquito Abatement District

District Manager Ryan Clausnitzer provided an update on the District's activities. Board Trustee Eric Hentschke was also present. Presentation on file with City Clerk.

C. PUBLIC COMMENT

Mike Marzano thanked Public Works Maintenance Division staff for the quick response to a damaged tree during the recent storm.

D. CONSENT CALENDAR

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

1. Approval of Audited Demands

2. Approval of December 8 and December 15, 2022 meeting minutes
3. Adopt a Resolution Finding That There is a Proclaimed State of Emergency; Finding That Meeting in Person Would Present Imminent Risks to the Health or Safety of Attendees as a Result of the State of Emergency; and Authorizing Continued Remote Teleconferenced Meetings of the Legislative Bodies of the City of Newark for the 30 Day Period Beginning January 12 Pursuant to AB 361 Resolution No. 11456
4. Adopt a resolution approving the first amendment to the Contractual Services Agreement with Orion Security Resolution No. 11457 Contract No. 22041
5. Resolution approving and authorizing the City Manager to execute the First Amendment to the Contractual Services Agreement with 4Leaf Inc. to provide temporary professional code enforcement services Resolution No. 11458 Contract No. 22059

E. PUBLIC HEARINGS

F. OTHER BUSINESS

1. Economic Development Update Informational Report

Economic Development Manager Stedler and Michael Cohen, Spectrum Small Business Services gave the presentation. Presentation on file with City Clerk.

No one from the public requested to speak.

Ms. Stedler noted that Lisa Cazzeli Torres, Morgan Pedersen, and Naz Jalalidin were present and thanked them for their help.

Council Member Bucci stated his concern on the rent moratorium expiring and the impact to renters. He requested that City staff monitor the State's actions.

This item was informational only.

G. CITY COUNCIL MATTERS

Council Member Bucci thanked Eric Hentschke for his work on the Alameda County Mosquito Abatement District. He also thanked the Public Works Maintenance Division and Police Department for their work during the storms.

Council Member Jorgens thanked the Public Works Maintenance Division for their work during the storms

Council Member Freitas thanked the Public Works Maintenance Division for keeping the streets safe during the storms. He requested that a letter be sent to the owner of the vacant Kentucky Fried Chicken building on Thornton Avenue requesting that they maintain the property. He noted that the Church of Christ building has a new sign indicating that it will be a private school. In response to his question about Thornton Avenue, Public Works Director Fajeau stated that staff applied for federal funds to repave Thornton Avenue from Interstate 880 to Olive Street.

Mayor Hannon stated that he presented a Dr. Martin Luther King, Jr. Day proclamation for the Afro-American Cultural and Historical Society's annual Dr. King commemoration program.

Vice Mayor Collazo thanked City Manager Benoun for his timely updates during the storms. She wished everyone health, wisdom, patience, happiness, and prosperity in the new year. Shop Newark.

H. CLOSED SESSION

I. ADJOURNMENT

Mayor Hannon adjourned the meeting at 8:29 P.M.



STAFF REPORT

Item D. 3.

DATE 01/26/2023
TO Honorable Mayor and City Council Members
FROM Krysten Lee, Finance Director
SUBJECT Acceptance of the Annual Comprehensive Financial Report (ACFR) for the period ended June 30, 2022

SUMMARY AND RECOMMENDATION

Staff recommends that the City Council, by motion, accept the Annual Comprehensive Financial Report (ACFR) for the period ended June 30, 2022.

BACKGROUND

As part of the year-end closing process, staff presents the audited ACFR for the fiscal year ended June 30, 2022. This report's financial statements provide information on the City's year-end financial condition and operational results for FY 2022. Lance, Soll & Lunghard, LLP (LSL) audited the report and issued an unmodified audit opinion.

The City's financial statements were prepared according to the requirements of the Government Accounting Standards Board (GASB). There are two government-wide financial statements that provide a broad view of the City's financial position and activities in a manner similar to private sector business reporting. The Statement of Net Position provides information regarding the City's financial position, including all assets and liabilities, and the Statement of Activities provides information regarding the City's revenues and expenses. In the Transmittal Letter and Management Discussion and Analysis, there is a narrative overview and analysis of the City's financial activities and performance during the fiscal year.

Following the close of each fiscal year, the City's external auditors conduct an audit of the City's financial records. The objective and general purpose of external financial reporting is accountability and transparency. The goal of the financial statement audit is to provide users with a reasonable assurance from an independent source that the information presented in the statements is reliable. The audit for the fiscal year ended June 30, 2022, and was recently completed by LSL auditors. LSL was approved by the Council as the City's independent auditor on May 23, 2019, and this is their fourth year of engagement.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Newark for its ACFR for the fiscal year ended June 30, 2021. To be

awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized, comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement is the highest form of recognition in the field of government accounting.

A Certificate of Achievement is valid for a period of one year only. Staff believes that the current ACFR for the fiscal year ended June 30, 2022, continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirement, and was submitted to GFOA to determine its eligibility for another certificate.

DISCUSSION/ANALYSIS

Financial Highlights for FY 2022

Government-wide:

- At June 30, 2022, the assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by \$229.6 million (net position). This is an increase of \$32.2 million from the prior fiscal year, resulting from an increase in cash, decrease in long-term liabilities, and increase in deferred inflow of resources from current year activities.
- Government-wide revenues include program revenues of \$27.7 million and general revenues of \$65.8 million, an increase of \$1.6 million total revenues from the prior fiscal year. Overall program revenues were \$4.2 million lower than the previous year, as lower impact fees revenue more than offset increases in operating and capital grants and contributions. General revenues were \$6.0 million higher due to increases in all revenue categories including property tax, sales tax, transient occupancy tax, utility users tax, and franchise fees.
- Government-wide expenses totaled \$61.3 million, a decrease of \$8.5 million from the prior year's total of \$69.6 million. This decrease reflects a lower pension contribution compared to the prior year and lower operating expenses as City departments continued to spend prudently.

Governmental Funds:

- At the close of FY 2022, the City's governmental funds reported combined fund balances of \$148.8 million, an increase of \$13.4 million in comparison with the prior fiscal year. This is due to total revenues of \$91.4 million exceeding total expenditures of \$77.9 million.
- Governmental Fund revenues were \$91.4 million in FY 2022 and was relatively flat compared to FY 2021. The combined increase in property tax, sales tax, intergovernmental revenue and current services charges offset decreases in impact fees revenue.
- Governmental Fund expenditures were \$77.9 million in FY 2022, a decrease of \$36.9

million compared to FY 2021, as last fiscal year included large amounts of capital construction costs for the new Civic Center.

A final version of the FY 2022 ACFR will be available on the City's website.

FISCAL IMPACT

There is no fiscal impact.

REVIEW AND APPROVAL

Prepared by - Michelle Villanueva, Senior Accountant
Reviewed by - Gloria del Rosario, Accounting Manager
Reviewed by - Krysten Lee, Finance Director
Reviewed by - Kristopher J. Kokotaylo, City Attorney
Approved by - David J. Benoun, City Manager

Attachments

ACFR FY 2022

City of Newark

Newark, California

Annual Comprehensive Financial Report

For the year ended June 30, 2022

Prepared by:
Finance Department
Krysten Lee
Finance Director

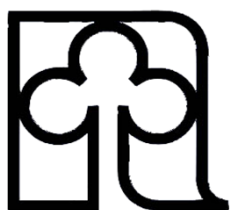




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December 16, 2022

Honorable Mayor, Members of the City Council, and the Citizens of the City of Newark, California:

I am pleased to present the City's Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022. Various financing covenants and rules associated with restricted funding sources require the City of Newark, California (City) to publish a complete set of audited financial statements presented in conformance with generally accepted accounting principles (GAAP). This report was prepared by the City's Finance Department to fulfill that requirement.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls the City has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than an absolute, assurance that the City's financial statements are free of any material misstatements.

The independent certified public accounting firm, Lance, Soll and Lunghard Certified Public Accountants (LSL CPAs) has rendered its unmodified opinion on the City's financial statements for the year ended June 30, 2022. The independent auditor's report is presented at the front of the financial section of this ACFR.

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

Profile of the City of Newark, California

The City of Newark, incorporated in 1955, is located on the eastern shores of San Francisco Bay at the end of the Dumbarton Bridge and in the northern part of Silicon Valley, fifteen miles north of San Jose, California. The City's geographic location in the San Francisco Bay Area (Bay Area) is a significant factor affecting its economic position. The City represents a diverse and skilled workforce and is in close proximity to universities and some of California's largest and fastest growing companies. As of January 1, 2022, the City's population was estimated by the California Department of Finance at 47,229, approximately 2.9% of the total Alameda County population. The City occupies an area of approximately fourteen square miles.

The City is a general law city and operates under the Council-Manager form of government. Under this form of government, policy-making and legislative authority are vested in a five-member elected City Council consisting of the Mayor and four Council members. The Mayor and City Council are responsible for passing ordinances, adopting, and amending the operating and capital budgets, appointing various committee

members, and hiring both the City's manager and attorney. The City Manager is responsible for carrying out the policies and ordinances established by the City Council, for overseeing the day-to-day operations of the City, and for appointing the various department heads.

The City provides a full range of municipal services to its citizens. These include police protection; construction and maintenance of streets, parks, storm drains, and other infrastructure; recreational activities and cultural events; planning, zoning, and other community development activities; and administrative services including information systems, human resources, and finance. Fire protection services are contracted from the Alameda County Fire Department.

The City's financial report includes all funds and activities of the City of Newark as the primary government and its component unit, the Newark Public Financing Authority. The Newark Public Financing Authority is a blended component unit because the governing board consists of all five members of the City Council.

A biennial operating budget and capital improvement plan are adopted by City Council resolution prior to July 1 of even number years. This serves as the foundation for Newark's financial planning and control. The City Council must approve all budget amendments and transfers between funds by resolution during the fiscal year. The City Manager is authorized to transfer unencumbered appropriations within a department within the same fund and is also authorized to assign funds from the unassigned fund balance per Statement No. 54 of the Governmental Accounting Standards Board (GASB 54).

Local Economy

The City's financial condition at the close of fiscal year 2022 was much stronger, nearing two years after the pandemic first hit. Property tax revenue, representing the general fund's largest revenue source, increased slightly. The City's total property assessment roll was \$11.9 billion for fiscal year 2022, marking a 5.56% increase over the prior period. Sales tax revenue, which is the second largest source of revenue and includes the Measure GG ½ cents sales tax, also increased from pre-pandemic levels, along with other revenue categories such as transient occupancy tax, utility users tax, and franchise fees.

The City was allocated a total of \$11.8 million of State and Local Fiscal Recovery Funds, provided by the American Rescue Plan Act (ARPA) which was passed by the Federal government on March 11, 2021. The first tranche receipt of the Federal funding was \$5.9 million and was received in July 2021. The second tranche was received in July 2022 for the upcoming fiscal year. The Newark City Council held a work session on October 7, 2021 to discuss options to spend the City of Newark's \$11.8 million allocation. The Council provided feedback to City staff and a proposed City of Newark ARPA Recovery Plan was developed. As approved by the City Council on October 28, 2021, this much needed funding allowed the City to hire positions which were frozen at the onset of the pandemic and also funded operating budgets across City departments which were cut in response to the pandemic and resulting decreased revenues.

While 41% of the ARPA funding went to restore positions and one year of department operating budgets, the majority of funding has been earmarked for the Newark community. \$1.5 million of the ARPA funding was paid out during fiscal year 2021 as small business grants to 82 business who qualified for the needs-based funding. \$1.5 million has been designated for affordable housing and another \$1.3 million has been allocated to the Newark Family Resource Center and Bilingual Preschool/Promotores Training and Teen Program. Another \$1.2 million is currently designated to improve broadband for the business and residential community. The balance will go to fund recreation program scholarships, non-profit agency grants, and other community projects.

Over the last two years, the City has observed prudent spending of operating budgets and only recently with improvements in the economy has started to hire new positions to provide for continued services to the public. The City will continue to be prudent with its financial resources by closely monitoring impacted revenue as a result of the pandemic and maintaining sufficient reserves to help mitigate the City's budget should another recession scenario occur.

Long-Term Financial Planning and Relevant Financial Policies

The City established the General Fund Emergency Reserve, currently at \$11.4 million, to be a set-aside for catastrophic events. The current Fund Balance Policy sets a 15% goal for this reserve based on the final operating expenditures and currently is at 17.9%. This amount is reflected as unassigned fund balance in the General Fund, but it is prudent fiscal policy to recognize that these funds are not intended for normal unanticipated expenditures.

The Fiscal Uncertainty Reserve was developed as a budget-balancing reserve, to mitigate a possible economic slowdown, recession, or other revenue losses. The current Fund Balance Policy sets a goal for this reserve at 10% of the final operating expenditures and is currently at \$10.7 million, which is 16.8% of the fiscal year 2022 general fund operating expenditures.

"Reserves" are the portion of a local government's fund balance that are available to respond to the unexpected. Reserves provide a government with options to respond to emergencies and flexibility to buffer against shocks and other forms of risk and are integral to financial stability.

The General Fund Emergency Reserve and Fiscal Uncertainty Reserve are both higher than the goals specified in the current Fund Balance Policy as it is anticipated both reserves will be reassessed using the Government Finance Officers Association (GFOA) risk-based analysis framework to update the Fund Balance Policy during fiscal year 2023.

The Capital Project Reserve was established by the City to fund capital improvement projects. During fiscal year 2022, budgeted transfers of \$21.5 million, mainly from Measure GG funds (\$10.2 million), Public Safety Facilities Impact Fees (\$4.8 million), and Community Service Facilities Impact Fees (\$5.7 million) offset the negative fund balance in the Capital Project Fund at the end of fiscal year 2021, which were largely due to capital outlays for the new Civic Center project. Additional funding from the current year transfers will also fund remaining project expenditures.

The Pension and Other Post-Employment Benefits (OPEB) Reserve had an initial deposit of \$5.0 million when it was adopted in fiscal year 2017. Subsequent transfers were made to this reserve after the initial deposit, and during fiscal year 2022, the second additional discretionary payment was paid to CalPERS in the amount of \$5.0 million. This is in addition to the \$10.0 million payment made to CalPERS in fiscal year 2021. Following the pension and OPEB reserve policy, additional funding to this reserve will be made from salary savings and unallocated fund balance. At the close of fiscal year 2022, the pension and OPEB reserve had a balance of \$7.7 million which will be used to offset future pension and OPEB required contributions.

Major Initiatives

The City of Newark is currently working on several exciting planning projects:

NewPark Place Specific Plan

The vision of this project is to transform the greater NewPark Mall area into a premier, vibrant, urban place which includes modern residential areas, generous retail and dining opportunities, community venues, inviting pedestrian oriented streets and public spaces, and enhanced sidewalks, bicycle lanes, and transit facilities. In 2021, the City and Brookfield Properties, the owner of NewPark Mall, began implementing the NewPark Place Specific Plan which includes these two projects:

- Phase A Residential project – a residential/retail mixed-use project with a total of 319 dwelling units, approximately 3,700 square feet of ground floor retail, and approximately 12,900 square feet of amenities. The structure would be six stories with five residential levels situated over ground floor retail and amenities. Brookfield will provide 29 units of affordable housing, available to households at very low, low, and moderate-income levels.
- Costco - the proposed Costco retail warehouse and 32-pump retail fuel facility will be located at the southern portion of NewPark Mall on the site previously occupied by JC Penny and Burlington Coat Factory.

Bayside Newark Specific Plan

The Bayside Newark Specific Plan project area includes 233 acres of land that has contained various industrial, manufacturing, chemical processing and salt production facilities since the early twentieth century. The City envisions a transit-oriented community built next to a future Dumbarton Commuter Rail station, which will provide a broad range of new housing, retail and business opportunities in western Newark. Residential neighborhoods will be created that take advantage of transit investments to facilitate alternative commutes, dramatically increase pedestrian mobility, and to take full advantage of its location and surrounding open space resources. Since 2014, the city has approved six development phases, resulting in nearly 1,750 new residential units that have been completed or are under construction.

In 2022, the City Council approved the latest residential phase known as FMC Willow. The FMC Willow project would redevelop a 22.1-acre site near Willow Street and Enterprise Drive into a 370-unit multi-family community including 279 townhouse units, a 1.6-acre mixed-use area with 3,600 square feet of retail, a club room, fitness center, and 90 affordable units, a 5-acre community park (Grand Park), and approximately 1.8 acres set aside for the future transit station.

Old Town Newark Specific Plan

The Old Town Newark Specific Plan aims to bring together over 30 years of planning and analysis to implement long-standing goals for revitalization, including new public spaces, improvements to Thornton Avenue, and opportunities for new multifamily and residential mixed-use development. At the same time, this plan provides steps to maintain the existing housing stock and avoid displacement of existing residents and businesses.

Sanctuary and Sanctuary West

This is an approximately 950-acre site located in southwest Newark and planned uses for this area include a recreational amenity, approximately 400 housing units, and elementary school, open space wetland mitigation areas, as well as retention of existing light industrial, institution, and City Fire State, park, and community center uses.

In addition to the above planning projects, the City is working on the following projects:

- **Housing Element Update** – The Housing Element is part of Newark’s General Plan and identifies policies and actions to meet the housing needs of the City’s current and future residents at all income levels. The City’s Housing Element update is expected to be completed by Spring 2023, complying with State law that every City and County adopt a Housing Element every eight years. The Housing Element update will contain components and analysis required by State law, as well as a comprehensive community engagement program.
- **Cedar Community Apartments Homekey Project**– Homekey is a statewide program to provide housing for low-income households and those who are experiencing homelessness. In January 2022, the City Council authorized staff to apply for a Homekey Round 2 program grant in an amount not to exceed \$39 million and assigned \$1.5 million from the City’s ARPA Recovery Fund and \$4.5 million from the Housing Impact Fee Fund for the conversion of an extended stay hotel into affordable housing. In July 2022, the City received notification of a Homekey grant award in the amount of \$38.2 million, the sixth largest award in the state among 108 total Homekey awards and the tenth largest project in terms of total affordable units created. This project award will fund the conversion of 125 hotel suites into permanent supportive and affordable housing apartment units into a community known as Cedar Community Apartments.

Awards and Acknowledgements

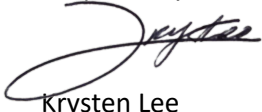
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Newark for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized, comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement is the highest form of recognition in the field of government accounting.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirement, and we are submitting it to GFOA to determine its eligibility for another certificate.

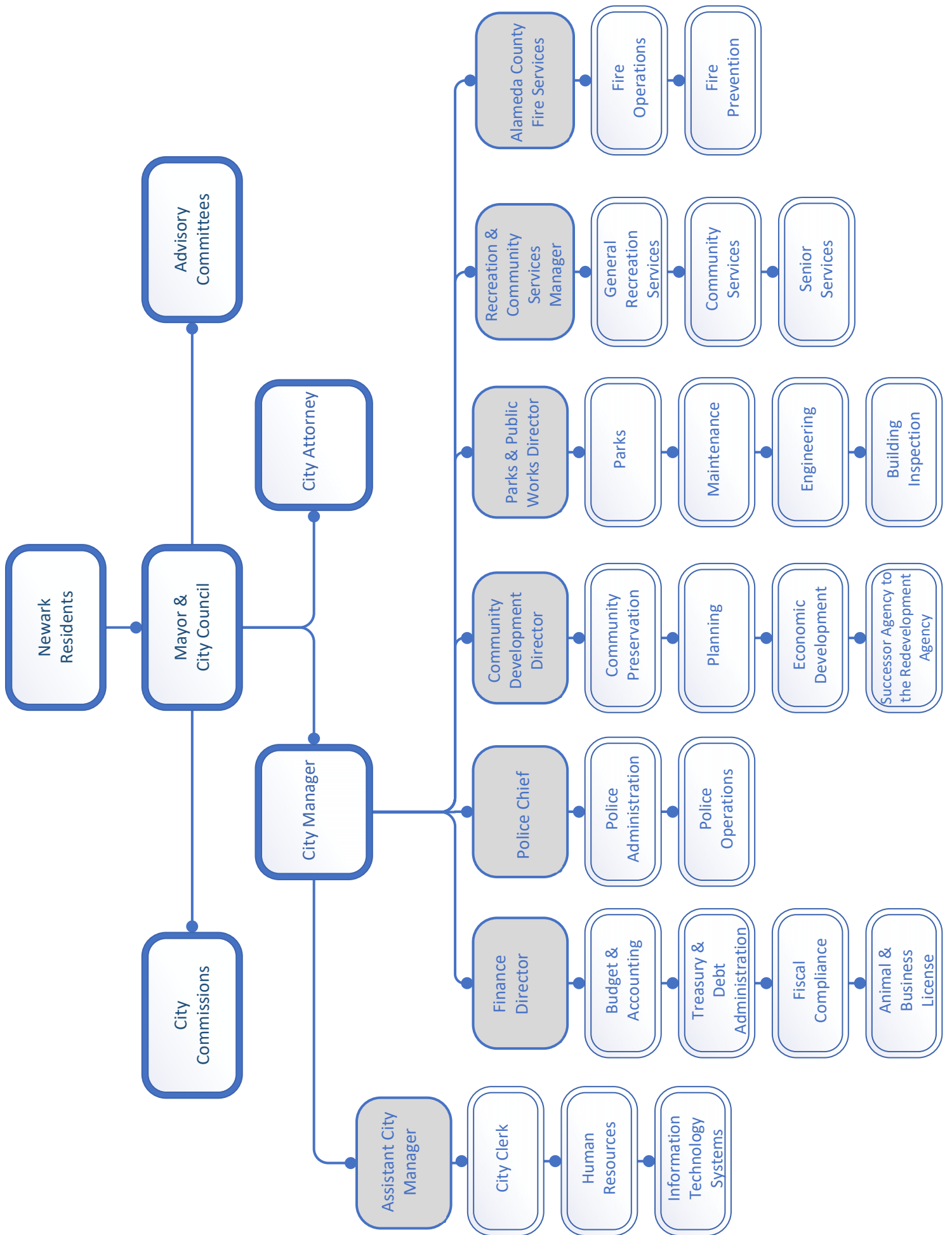
The preparation of the ACFR would not be possible without the dedicated efforts of the entire Finance Department staff. I would like to express special acknowledgment to our auditors LSL CPAs, for their cooperation and assistance.

Finally, sincere appreciation is expressed to the City Manager, the Mayor, and members of the City Council for their unfailing support for maintaining the highest standards of professionalism in review and management of the City's finances.

Respectfully submitted,



Krysten Lee
Finance Director



Newark Mayor & City Council

June 30, 2022



Alan L. Nagy
Mayor



Michael K. Hannon
Vice Mayor



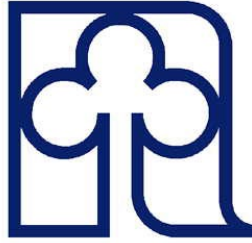
Luis L. Freitas
Council Member



Maria "Sucy" Collazo
Council Member



Mike Bucci
Council Member



CITY STAFF

June 30, 2022

CITY MANAGER

David Benoun

ASSISTANT CITY MANAGER

Lenka Hovorka

CITY ATTORNEY

Kristopher Kokotaylo

EXECUTIVE TEAM

FINANCE DIRECTOR

Krysten Lee

POLICE CHIEF

Gina Anderson

PUBLIC WORK DIRECTOR

Soren Fajeau

COMMUNITY DEVELOPMENT DIRECTOR

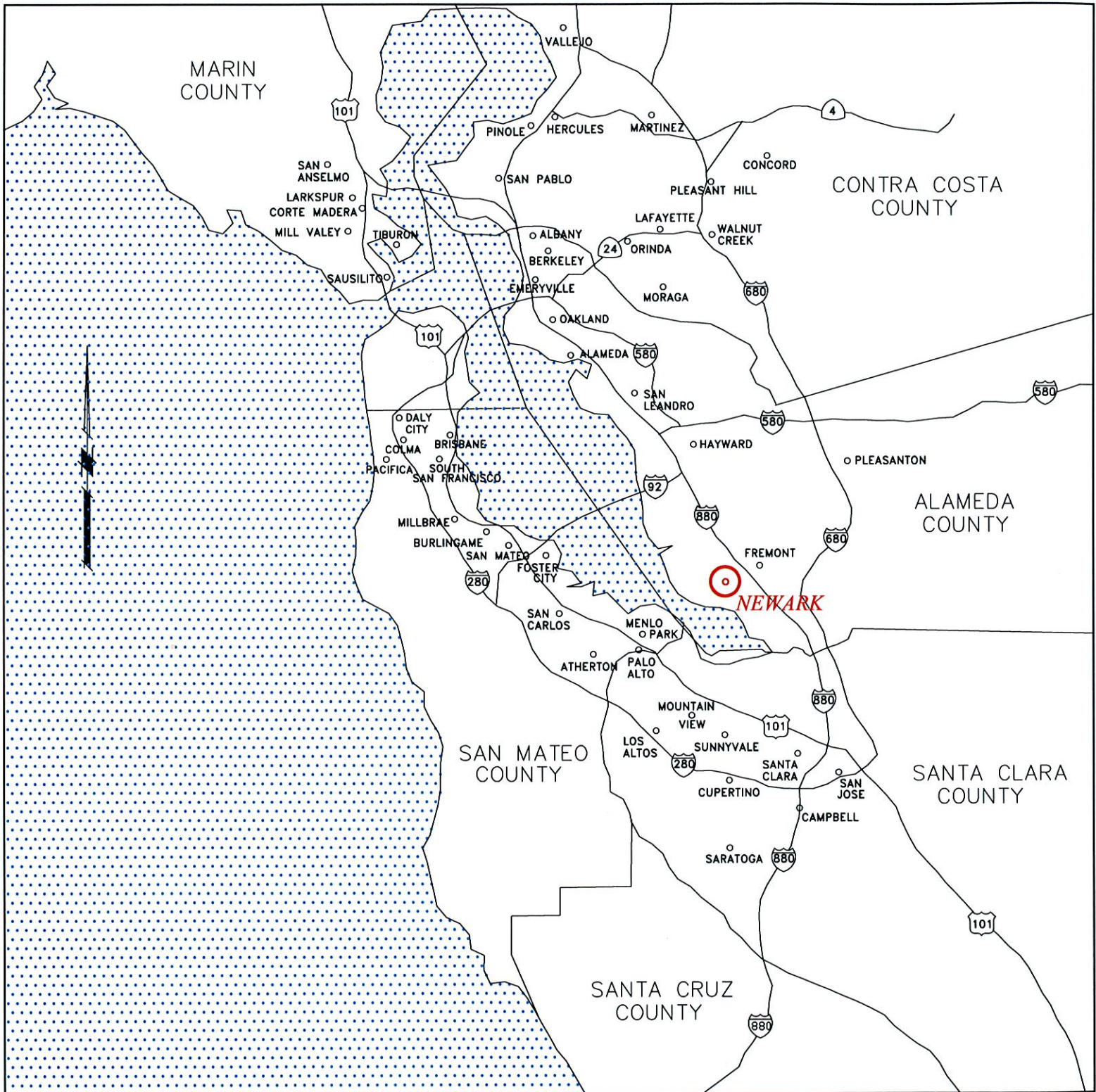
Steven Turner

HUMAN RESOURCE DIRECTOR

Jennifer Solito

FIRE CHIEF (ALAMEDA CO. FIRE DEPARTMENT)

William McDonald





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Newark
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO



INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Newark, California

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Newark, California, (the City) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Newark, California, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the date of the financial statements.



To the Honorable Mayor and Members of the City Council
City of Newark, California

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with the GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Responsibilities

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, and required pension and other post-employment benefits schedules, as listed on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.



To the Honorable Mayor and Members of the City Council
City of Newark, California

Supplementary 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 combining and individual fund financial statements and schedules (supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

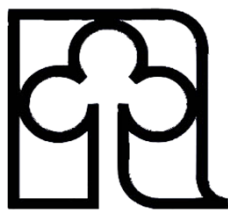
In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Lance, Soll & Lughard, LLP".

Sacramento, California
December 16, 2022





As management of the City of Newark (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2022. Summary reports showing comparisons of current financial information with that of the previous year are included to enhance the clarity and usefulness of the reports. To gain a broad perspective of the City and its financial activities, we encourage the reader to consider the information presented here, in conjunction with the information that we have provided in the letter of transmittal presented at the beginning of this report.

FINANCIAL HIGHLIGHTS

Government-wide:

- At June 30, 2022, the assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by \$229.6 million (net position). This is an increase of \$32.2 million from the prior fiscal year. Of this amount, \$88.3 million are restricted, and (\$16.2) million represents unrestricted net position.
- Government-wide revenues include program revenues of \$27.7 million and general revenues of \$65.8 million, an increase of \$1.6 million total revenues from the prior fiscal year.
- Government-wide expenses totaled \$61.3 million, a decrease of \$8.5 million from the prior year's total of \$69.6 million.

Governmental Funds:

- At the close of fiscal year 2022, the City's governmental funds reported combined fund balances of \$148.8 million, an increase of \$13.4 million in comparison with the prior fiscal year.
- Governmental Fund revenues were \$91.4 million in fiscal year 2022 and was relatively flat compared to fiscal year 2021.
- Governmental Fund expenditures were \$77.9 million in fiscal year 2022, a decrease of \$36.9 million compared to fiscal year 2021.
- Approximately 29.6% of the fund balance (\$43.9 million) is unassigned and available for spending at the government's discretion, although \$11.4 million is designated as emergency and \$10.7 million as fiscal uncertainty reserves. The remainder of the fund balance is either non-spendable, restricted, committed, or assigned to indicate that it is 1) non-spendable form or legally required to be maintained intact (\$0.1 million), 2) restricted for specific purposes (\$81.9 million), 3) committed for specific purposes (\$7.7 million), or 4) assigned for specific purposes (\$15.2 million).

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements, which consists of three components: 1) Government-wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to Basic Financial Statements. Required Supplementary Information is included in addition to the basic financial statements.



The Government-wide Financial Statements provide readers with a broad overview of the City's financial position and activities, using accounting methods similar to those in private-sector businesses. The Government-wide Financial Statements include the Statement of Net Position and the Statement of Activities.

- *The Statement of Net Position* - presents information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the residual amount reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.
- *The Statement of Activities* - provides information on how the City's net position changed during the most recent fiscal year. All revenues earned and expenses incurred during the fiscal year are reported in this statement, regardless of the timing of related cash flows.

The Government-wide Financial Statements only present governmental activities because the City does not have business-type activities. The governmental activities of the City include general government, public safety, streets and parks, community development, and recreation. Property and local taxes, investment earnings, charges for services, operating and capital grants, and contributions finance these activities.

Fund Financial Statements

Funds are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Fund Financial Statements are used to report essentially the same functions as governmental activities in the Government-wide Financial Statements. However, unlike the Government-wide Financial Statements, Governmental Fund Financial Statements focus on near-term inflows and outflows of spendable resources, as well as the available balances of spendable resources at the end of the fiscal year. This information may be useful in assessing the City's near-term financial requirements.

In order to better understand the City's long-term and near-term financial requirements, it is useful to compare the information presented for governmental funds with the information provided for governmental activities in the Government-wide Financial Statements. Both the governmental funds' balance sheet and statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The City reports 31 governmental funds. The 11 major governmental funds are the General Fund, American Rescue Plan Act Fund, Public Safety Impact Fees Fund, Community Service Impact Fees Fund, Traffic Impact Fees Fund, Housing Impact Fees Fund, Development Maintenance Impact Fees Fund, Park Impact Fees Fund, Measure B ACTIA 1986 Fund, Capital Projects Fund, and Public Financing Authority, which are presented separately in the Governmental Fund Financial Statements. Information on the other governmental funds is combined into a single aggregated presentation as non-major governmental funds. Individual fund data for each non-major governmental fund is provided in the form of combining statements as supplementary information elsewhere in the report.

Proprietary funds of the City consist of the internal service funds. The internal service funds are used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for



its Equipment Replacement, Equipment Operations, Office Support, Building Maintenance, Public Liability Self-Insurance, and Workers' Compensation functions. Because these services predominantly benefit governmental activities, they have been included within governmental activities in the Government-wide Financial Statements.

The City's six internal service funds are combined into a single aggregated presentation in the Proprietary Fund Financial Statements. Individual fund data for the internal service funds is provided in the form of combining statements as supplementary information elsewhere in the report.

Fiduciary funds are used to account for resources held for the benefit of parties external to the City. These funds are not included in the Government-wide Financial Statements because the resources of the fiduciary funds are not available to support the City's programs. The City's Fiduciary Fund Financial Statements provide financial information about the activities of the Special Assessment Districts, for which the City acts solely as a custodian. These funds are reflected as Custodial Funds in the Statements of Changes in Fiduciary Net Position.

Notes to Basic Financial Statements

The Notes to Basic Financial Statements provide additional information that is essential to a full understanding of the data presented in the Government-wide and Fund Financial Statements.

Supplementary Information

The Required Supplementary Information includes budgetary comparison schedules for the General Fund, American Rescue Plan Act Fund, Public Safety Impact Fees Fund, Community Service Impact Fees Fund, Park Impact Fees Fund, Housing Impact Fees Fund, Measure B ACTIA 1986 Fund, and the funding progress of the City's pension and OPEB plans.

Combined and individual fund statements and schedules provide information for non-major governmental and internal service funds and are presented immediately following the Required Supplementary Information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The table on the following page shows the condensed comparative Statement of Net Position for the fiscal years ended June 30, 2022 and 2021.



Comparative Statements of Net Position
June 30, 2022 and 2021
(Amounts in Millions)

	Governmental Activities	
	2022	2021
Assets:		
Cash and investments	\$158.7	\$142.7
Capital assets, net	229.1	227.3
Other assets	16.0	15.3
Total assets	403.8	385.3
Deferred outflow of resources	27.0	28.7
Liabilities:		
Long-term liabilities	144.6	193.4
Other liabilities	18.6	15.9
Total liabilities	163.2	209.3
Deferred inflow of resources	38.0	7.3
Net Position:		
Net investment in capital assets	157.5	154.4
Restricted	88.3	74.4
Unrestricted	(16.2)	(31.4)
Total net position	\$229.6	\$197.4

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows by \$229.6 million (net position), which was an increase of \$32.2 million from the prior fiscal year. The increase in cash, decrease in long-term liabilities and increase in the deferred inflow of resources contributed to the net increase in net position year over year.

The most significant portion of the City's net position, \$157.5 million, reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and vehicles), less any related outstanding debt used in acquiring those assets (net investment in capital assets). The City uses these capital assets to provide a variety of services to its residents; consequently, they are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources required to repay the outstanding debt must be provided from other sources since the capital assets cannot be used to liquidate the debt.

Another portion of the City's net position, \$88.3 million, are resources subject to external restrictions and may only be used for the purpose intended by the entities that provided these funds to the City. The remaining balance of the City's net position of (\$16.2) million represents the unrestricted net position, which, if this was a positive amount, may be used to finance daily operations without constraints established by debt covenants or other legal requirements.



The following table shows the condensed comparative Statements of Activities and Changes in Net Position for the fiscal years ended June 30, 2022 and 2021.

Comparative Statements of Activities and Changes in Net Position
June 30, 2022 and 2021
(Amounts in Millions)

	Governmental Activities	
	2022	2021
Revenues:		
Program revenues:		
Charges for services	\$ 17.1	\$ 26.2
Operating grants and contributions	4.2	1.9
Capital grants and contributions	6.4	3.8
Total program revenue	<u>27.7</u>	<u>31.9</u>
General revenues:		
Taxes:		
Property tax	25.8	24.4
Sales tax	23.7	20.5
Transient occupancy tax	4.2	2.9
Utility users tax	3.7	3.4
Other local taxes	2.8	2.5
Franchise fees	4.7	4.2
Use of money and property	-	0.9
Miscellaneous	0.9	1.0
Total general revenues	<u>65.8</u>	<u>59.8</u>
Total revenues	93.5	91.7
Expenses:		
General government	10.1	6.8
Public safety:		
Fire	12.9	11.6
Police	17.9	27.2
Public works	10.4	13.3
Community development	2.8	2.6
Recreation	5.0	5.9
Interest on long-term debt	2.2	2.2
Total net position	\$ 61.3	\$ 69.6
Increase (decrease) in net position	32.2	22.1
Loss on disposal of asset	-	(1.0)
Net position - beginning, as restated	197.4	176.3
Net position - ending	<u>\$ 229.6</u>	<u>\$ 197.4</u>



The City's expenses totaled \$61.3 million in fiscal year 2022. These expenses were offset by program revenues of \$27.7 million and general revenues of \$65.8 million, resulting in a \$32.2 million increase in the ending net position which was \$229.6 million for fiscal year 2022.

Program Revenues – Program Revenues include fees and other specific charges designed to cover all or part of the costs of programs provided to the residents. Charges for services revenue was \$9.1 million lower compared to the prior fiscal year and was largely due to the \$8.8 million decrease in collective impact fees reflecting lower development activity from the prior fiscal year. Operating grants and contributions were \$2.3 million higher and includes the first tranche receipt of State and Local Fiscal Recovery Funds from the American Recovery Plan Act (ARPA). Capital grants and contributions also increased \$2.6 million, namely to account for increased funding from Alameda County Transportation Commission (ACTC) Measure B.

General Revenues – The City's general revenues were \$6.0 million more compared to the prior fiscal year. Property tax revenues, representing the largest portion of general revenues were \$1.4 million, or 5.8% higher, reflecting the continued increase of assessed value of secured property in the City. Sales tax revenue was \$3.2 million, or 15.6% higher, million higher compared to the prior fiscal year, reflecting improving trends in consumer spending coming out of the pandemic. Likewise, travel occupancy tax at \$4.2 million was \$1.3 million higher compared to the prior fiscal year. The largest decrease in general fund revenues was in interest earnings, which dropped \$0.9 million due mainly to negative fair market value adjustments.

Expenses – Expenses decreased by \$8.3 million, mainly as the prior year included a \$10.0 million additional discretionary payment to CalPERS while the current year included a \$5.0 million payment. Putting aside these payments to CalPERS, expenses were \$3.5 million lower in the fiscal year as city departments continue to spend prudently coming out of the pandemic.

FUND FINANCIAL ANALYSIS

Governmental Funds

The City's governmental funds provide information on short-term inflows, outflows, and balances of spendable resources. This information is useful in evaluating the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year.

On June 30, 2022, the City's governmental funds reported combined fund balances of \$148.8 million, an increase of \$13.4 million in comparison with the prior fiscal year. Approximately 29.5% of the fund balance amount (\$43.9 million) is unassigned and available for spending at the government's discretion. The remainder of the fund balance is either non-spendable, restricted, committed, or assigned to indicate that it is 1) non-spendable form or legally required to be maintained intact (\$0.1 million), 2) restricted for specific purposes (\$81.9 million), 3) committed for specific purposes (\$7.6 million), or 4) assigned for specific purposes (\$15.2 million). Further details of the fund balances can be found in Note 10 in the disclosures.

Governmental revenues in fiscal year 2022 were \$91.4 million, similar to the prior fiscal year. The combined increase in property tax (\$1.4 million), sales tax (\$5.1 million), intergovernmental revenue (\$2.5 million), and current service charges (\$0.8 million) largely offset the decrease in licenses, permits which was down due to lower collective impact fees resulting from lower development activity during fiscal year 2022.



Governmental expenditures in fiscal year 2022 were \$77.9 million, a decrease of \$36.9 million from the prior fiscal year. Most of this decrease was due to the drop in the Capital Project fund expenditures as last year included major capital outlays for construction of the new Civic Center. This project was largely completed during fiscal year 2021.

General Fund

The General Fund is the primary operating fund of the City. At June 30, 2022, the spendable assigned and unassigned fund balance of the General Fund was \$52.3 million, while total fund balance was \$60.2 million. The City Council has maintained operating reserves to provide the City a cushion for unexpected events, such as legal liability or costs associated with an unexpected disaster. The assigned fund balance also includes balances assigned for use in equipment replacement and the fire side fund.

The fund balance of the City's General Fund decreased by \$1.3 million from fiscal year 2021. Overall revenues of \$71.7 million were offset by \$63.8 million of expenditures and net transfers out of \$9.2 million. The General Fund also includes a restatement of the beginning fund balance for \$0.8 million which was due from the correction of reported balances between the State Senate Bill Funds and the General Fund from the ERP conversion.

American Rescue Plan Act (ARPA) Fund

The American Rescue Plan Act Fund is new for fiscal year 2022 and reports Federal funds received in response to the COVID-19 pandemic. While the first tranche of \$5.9 million was received in July 2021, only \$2.8 million is reported as current year income to match the current year use of funds for expenditures and transfers (primarily to the General Fund). The remaining balance of \$3.0 million is recognized as unearned revenue on the balance sheet and will be spent during fiscal year 2023.

Public Safety Impact Fees Fund

The Public Safety Impact Fees Fund accounts for fees which provide for funding for additional or improved police and fire services whose need is generated by new development within the City. Revenues of \$0.6 million were added to the fund balance during fiscal year 2022, with no expenditures incurred, but \$4.8 million was transferred to the Capital Projects Fund to support the New Civic Center Project expenditures.

Community Service Impact Fees Fund

The Community Service Impact Fees Fund accounts for fees which provide for funding for additional or improved governmental, social, and cultural facilities and are generated by new development within the City. Revenues of \$0.5 million were added to the fund balance during fiscal year 2022, with no expenditures incurred, but \$5.7 million was transferred to the Capital Projects Fund to support the New Civic Center Project expenditures.

Traffic Impact Fees Fund

The Traffic Impact Fees Fund accounts for fees which provide for funding of additional traffic signals or improved traffic operations. Revenues of \$1.0 million were added to the fund balance during fiscal year 2022 as no expenditures were incurred.



Housing Impact Fee Fund

The Housing Impact Fees Fund is comprised of fees adopted by the City Council over several years, and accounts for fees collected into the City's affordable housing fund that are restricted for and to be used solely to increase and preserve the supply of housing affordable to households of very low, low, and moderate incomes. The Housing Impact Fee Fund reported \$6.4 million of revenue, with nominal expenditures. This revenue is considerably less than the prior fiscal year due to the decrease in development activity during fiscal year 2022.

Development Maintenance Impact Fee Fund

The Development Maintenance Impact Fee Fund accounts for fees received from developers and grants to maintain city-owned parks. Revenues over expenditures were \$0.2 million in fiscal year 2022.

Park Impact Fee Fund

The Park Impact Fee Fund accounts for fees to be used in updating and implementing the Newark General Plan and zoning ordinance, which is needed by all new development within the City. Revenues were \$1.8 million in fiscal year 2022, with no expenditures incurred.

Measure B – 1986 ACTIA Special Revenue Fund

The Measure B – 1986 ACTIA Special Revenue Fund accounts for funds previously received by the Alameda County Transportation Authority as part of a 1986 sales tax measure passed by the voters of Alameda County to finance various transportation improvements. However, the measure expired in 2002, and the City no longer receives sales tax revenues related to the measure. The expenditures in this fund during fiscal year 2022 were from street construction projects.

Capital Projects Fund

The Capital Projects Fund received \$21.6 million of transfers, largely to fund capital outlay expenditures related to construction of the New Civic Center from the prior fiscal year and to fund remaining project costs.

Public Financing Authority Debt Service Fund

The City issued \$63.0 million of 2019 Certificates of Participation (COPs) to help finance the construction of the new civic center in fiscal year 2020. Cumulative project expenditures over the three fiscal years total \$78.4 million.

Proprietary Funds

The City's proprietary funds consist of the Internal Service Funds with a combined total net position of \$10.5 million at the end of fiscal year 2022. Total operating expenses of \$6.7 million and non-operating interest expense of \$0.1 million matched operating revenues of \$6.8 million.



GENERAL FUND BUDGETARY HIGHLIGHTS

The budgetary comparison schedule for the General Fund is presented in the Required Supplementary Information.

Fiscal year 2022 was the second year of the City's biennial budget, which was adopted on June 25, 2020. The General Fund revenue budget for fiscal year 2022 was amended during the year, increasing it by \$11.6 million as the economy improved and negative effects of the pandemic waned. Actual revenues were \$3.4 million over the final amended budget and \$15.0 million over the original budget. This increase was primarily due to higher property tax assessed valuations, higher than anticipated sales tax revenue, and higher licenses, permits, and fees when the budget was last amended. Actual expenditures, excluding transfers out, for the fiscal year were \$10.7 million under the final amended budget and \$4.0 million over the original budget.

CAPITAL ASSETS

The City's capital assets include those assets that are used in the performance of the City's services. At June 30, 2022, the City's capital assets used in governmental activities amounted to \$229.0 million, net of depreciation.

Capital assets for governmental activities are presented below to illustrate changes from prior fiscal year (amounts in millions):

	Governmental Activities	
	2022	2021
Land	\$4.4	\$4.4
Park land	30.1	30.1
Landscaping	8.8	8.7
Street trees	0.7	0.7
Construction in progress	3.0	2.7
Building and improvements	128.6	125.5
Infrastructure:		
Streets	81.6	79.0
Sidewalks, curbs, gutters, and walls	18.3	17.4
Street lights	3.2	3.2
Traffic signals	3.9	3.9
Equipment	15.5	15.1
Less: accumulated depreciation	(69.1)	(63.5)
Total capital assets	\$229.0	\$227.2

Additional information on capital assets can be found in Note 4 to the Basic Financial Statements.



LONG-TERM OBLIGATIONS

On June 30, 2022, the City had long-term debt outstanding of \$71.7 million compared to \$73.0 million in the prior year.

The City's long-term debt obligations at June 30, 2022 and 2021 were as follows (amounts in millions):

	Governmental Activities	
	2022	2021
Certificates of participation	\$70.6	\$71.6
Financed purchase obligations	1.1	1.4
Total long-term debt	\$71.7	\$73.0

Not included in the above total outstanding debt amount is the Area Improvement District Special Assessment Bonds issued to finance public improvements within specific districts in the City. At June 30, 2022, a total of \$1.9 million in Area Improvement District debt was outstanding. This debt is secured by special assessments levied on the real property within the district issuing the debt. Although the City acts as the district's agent in the collection and remittance of assessments, the City is not obligated in any manner for repayment of these bonds.

Additional information on long-term obligations is provided in Note 5 to the Basic Financial Statements.

ECONOMIC FACTORS AND CURRENT BIENNIAL BUDGET

The City's adopted biennial budget for 2020-2022 recognized that:

- Prior to the COVID-19 pandemic, the economy will continue to be steady, but the imprint of the recession continues to play a role in future planning, making it prudent to continue using conservative projections and retain emergency reserves.
- Capital project expenditures will continue to focus on preserving City assets, meeting regulatory requirements, and safety issues. In addition, allocation of resources will be given to projects that improve service levels to the community, take advantage of outside funding matches, and implement community priorities.

Additional information about the City's economy and financial planning and policies is provided in the accompanying letter of transmittal in the Introductory Section of this report.

REQUEST FOR INFORMATION

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances. Questions concerning any information provided in this report or requests for additional information should be addressed to the City of Newark, Finance Department, 37101 Newark Boulevard, Newark, California 94560-3796.

BASIC FINANCIAL STATEMENTS

City of Newark
Statement of Net Position
June 30, 2022

	Primary Governmental Activities
ASSETS	
Current assets:	
Pooled cash and investments	\$ 158,734,575
Receivables:	
Accounts	141,923
Taxes	5,751,514
Special assessments	87,080
Intergovernmental	3,116,240
Interest	128,162
Other, net	530,751
Supplies and other assets	237,368
Restricted assets:	
Cash with fiscal agent	5,968,191
Total current assets	174,695,804
Noncurrent assets:	
Capital assets, not being depreciated	47,026,525
Capital assets, net of depreciation	182,043,970
Total noncurrent assets	229,070,495
Total assets	403,766,299
DEFERRED OUTFLOW OF RESOURCES	
Pension related amounts	26,213,658
OPEB related amounts	659,587
Deferred charge on refunding	119,167
Total deferred outflow of resources	26,992,412
LIABILITIES	
Current liabilities:	
Accounts payable	5,406,763
Accrued liabilities	1,435,469
Unearned revenues	3,992,028
Deposits payable	1,989,862
Compensated absences - due within one year	2,162,152
Claims payable - due within one year	521,007
Financed purchased obligations - due within one year	290,145
Bonds payable - due within one year	2,345,000
Total current liabilities	18,142,426
Noncurrent liabilities:	
Compensated absences - due in more than one year	21,840
Claims payable - due in more than one year	2,344,901
Financed purchased obligations - due in more than one year	797,866
Long-term debt - due in more than one year	68,253,550
Net pension liability	70,643,192
Net OPEB liability	2,985,922
Total noncurrent liabilities	145,047,271
Total liabilities	163,189,697
DEFERRED INFLOW OF RESOURCES	
Pension related amounts	35,833,175
OPEB related amounts	2,123,592
Total deferred inflow of resources	37,956,767
NET POSITION	
Net investment in capital assets	157,503,101
Restricted for:	
Capital projects	34,804,425
Debt service	3,290,650
Grant-funded projects	2,987,052
Other Projects	47,218,531
Total restricted	88,300,658
Unrestricted (deficit)	(16,191,512)
Total net position	\$ 229,612,247

City of Newark
Statement of Activities
For the year ended June 30, 2022

Functions / Programs	Expenses	Program Revenues			Total	Net (Expense)
		Charges for	Operating	Capital		Revenue
		Services	Grants and	Grants and		and Changes
			Contributions	Contributions		in Net Position
						Governmental
						Activities
Primary Government:						
Governmental activities:						
General government	\$ 10,182,227	\$ 83,709	\$ 99,044	\$ -	\$ 182,753	\$ (9,999,474)
Public safety:						
Fire	12,850,599	154,899	-	-	154,899	(12,695,700)
Police	17,928,108	1,402,598	272,685	-	1,675,283	(16,252,825)
Public works	10,400,939	6,629,527	438,448	6,062,396	13,130,371	2,729,432
Community development	2,794,907	7,610,392	3,366,969	-	10,977,361	8,182,454
Recreation	4,964,791	1,188,542	43,871	386,511	1,618,924	(3,345,867)
Interest on long-term debt (unallocated)	2,183,441	-	-	-	-	(2,183,441)
Total governmental activities	<u>\$ 61,305,012</u>	<u>\$ 17,069,667</u>	<u>\$ 4,221,017</u>	<u>\$ 6,448,907</u>	<u>\$ 27,739,591</u>	<u>(33,565,421)</u>

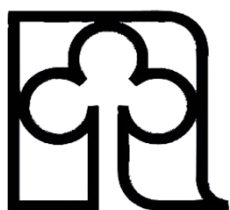
General Revenues:

Taxes:	
Property tax	25,833,659
Sales tax	23,679,731
Transient occupancy tax	4,152,881
Utility users tax	3,743,689
Other local taxes	2,751,442
Total taxes	<u>60,161,402</u>
Franchise fees	4,732,051
Intergovernmental—motor vehicle in-lieu, unrestricted	56,444
Use of money and property (investment loss)	(5,832)
Miscellaneous	<u>866,142</u>
Total general revenues	<u>65,810,207</u>
Change in net position	<u>32,244,786</u>
Net position - beginning of year, as restated	<u>197,367,461</u>
Net position - end of year	<u>\$ 229,612,247</u>

City of Newark
Balance Sheet
Governmental Funds
June 30, 2022

		Special Revenue Funds			
	General Fund	American Rescue Plan Act (ARPA)	Public Safety Impact Fees	Community Service Impact Fees	Traffic Impact Fees
ASSETS					
Pooled cash and investments	\$ 54,962,211	\$ 3,045,295	\$ 634,587	\$ 496,511	\$ 11,804,611
Receivables:					
Accounts	59,561	-	-	-	-
Taxes	5,751,514	-	-	-	-
Special assessments	-	-	-	-	-
Intergovernmental	42,824	-	-	-	-
Interest	124,398	-	-	-	-
Other	413,314	-	-	-	-
Due from other funds	4,429,661	-	-	-	-
Inventories	145,120	-	-	-	-
Restricted assets:					
Cash and investments with fiscal agents	-	-	-	-	-
Total assets	<u>\$ 65,928,603</u>	<u>\$ 3,045,295</u>	<u>\$ 634,587</u>	<u>\$ 496,511</u>	<u>\$ 11,804,611</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	\$ 2,904,744	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	1,077,682	-	-	-	-
Deposit payable	1,611,387	-	-	-	-
Unearned revenues	181,431	3,045,295	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	<u>5,775,244</u>	<u>3,045,295</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit):					
Non-spendable	145,120	-	-	-	-
Restricted	-	-	634,587	496,511	11,804,611
Committed	7,672,442	-	-	-	-
Assigned	6,200,000	-	-	-	-
Unassigned (deficit)	46,135,797	-	-	-	-
Total fund balances (deficit)	<u>60,153,359</u>	<u>-</u>	<u>634,587</u>	<u>496,511</u>	<u>11,804,611</u>
Total liabilities, deferred inflows of resources, and fund balances (deficit)	<u>\$ 65,928,603</u>	<u>\$ 3,045,295</u>	<u>\$ 634,587</u>	<u>\$ 496,511</u>	<u>\$ 11,804,611</u>

Special Revenue Funds				Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Housing Impact Fees	Development Maintenance Fees	Park Impact Fees	Measure B ACTIA 1986	Capital Projects Fund	Public Financing Authority		
\$ 42,160,905	\$ 4,299,810	\$ 5,445,118	\$ -	\$ 7,304,837	\$ 62,253	\$ 17,446,019	\$ 147,662,157
-	-	-	-	66,611	-	15,751	141,923
-	-	-	-	-	-	-	5,751,514
-	-	-	-	-	-	87,080	87,080
-	160,000	-	1,720,592	-	-	1,192,824	3,116,240
-	-	-	-	-	3,764	-	128,162
-	-	-	-	56,678	-	17,148	487,140
-	-	-	-	-	-	-	4,429,661
-	-	-	-	-	-	-	145,120
-	-	-	-	-	5,968,191	-	5,968,191
<u>\$ 42,160,905</u>	<u>\$ 4,459,810</u>	<u>\$ 5,445,118</u>	<u>\$ 1,720,592</u>	<u>\$ 7,428,126</u>	<u>\$ 6,034,208</u>	<u>\$ 18,758,822</u>	<u>\$ 167,917,188</u>
\$ 1,272,396	\$ 5,637	\$ -	\$ 167,963	\$ -	\$ -	\$ 822,428	\$ 5,173,168
-	-	-	-	-	-	444	1,078,126
-	-	-	-	316,144	-	62,331	1,989,862
-	-	-	-	-	-	765,302	3,992,028
-	-	-	1,966,406	-	2,410,520	52,735	4,429,661
<u>1,272,396</u>	<u>5,637</u>	<u>-</u>	<u>2,134,369</u>	<u>316,144</u>	<u>2,410,520</u>	<u>1,703,240</u>	<u>16,662,845</u>
-	160,000	-	1,720,592	-	-	586,696	2,467,288
-	160,000	-	1,720,592	-	-	586,696	2,467,288
-	-	-	-	-	-	-	145,120
40,888,509	4,294,173	5,445,118	-	-	3,623,688	14,663,296	81,850,493
-	-	-	-	-	-	-	7,672,442
-	-	-	-	7,111,982	-	1,934,550	15,246,532
-	-	-	(2,134,369)	-	-	(128,960)	43,872,468
<u>40,888,509</u>	<u>4,294,173</u>	<u>5,445,118</u>	<u>(2,134,369)</u>	<u>7,111,982</u>	<u>3,623,688</u>	<u>16,468,886</u>	<u>148,787,055</u>
<u>\$ 42,160,905</u>	<u>\$ 4,459,810</u>	<u>\$ 5,445,118</u>	<u>\$ 1,720,592</u>	<u>\$ 7,428,126</u>	<u>\$ 6,034,208</u>	<u>\$ 18,758,822</u>	<u>\$ 167,917,188</u>



City of Newark

Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position June 30, 2022

Total Fund Balances - Total Governmental Funds	\$ 148,787,055
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Amounts reported for governmental activities in the Statement of Net Position were different because:

Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet.	225,522,030
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Long-term debt and compensated absences that have not been included in the governmental fund activity:

Bonds payable	(61,750,000)	
Unamortized bond premium/discounts	(8,848,550)	
Unamortized loss on defeasance	119,167	
Compensated absences	(2,183,992)	(72,663,375)

Net pension liability not included in governmental fund activity	(70,643,192)
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Net OPEB liability not included in governmental fund activity	(2,985,922)
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Deferred outflows related to pension items are not included in the governmental activity	26,213,658
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Deferred inflows related to pension items are not included in the governmental activity	(35,833,175)
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Deferred outflows related to OPEB items are not included in the governmental activity	659,587
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Deferred inflows related to OPEB items are not included in the governmental activity	(2,123,592)
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Deferred inflows related to unavailable revenue are not included in the governmental activity	2,467,288
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Accrued interest payable for the current portion of interest due on bonds has not been reported in governmental funds	(333,038)
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Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individuals. The assets and liabilities of the internal service funds must be added to the statement of net position

- Cash and investments available for operations	11,072,418	
- Other receivables	43,611	
- Supplies and other assets	92,248	
- Capital assets	3,548,465	
- Accounts payable and accrued liabilities	(257,900)	
- Finance purchase obligation	(1,088,011)	
- Claims payable	(2,865,908)	10,544,923

Net Position of Governmental Activities	\$ 229,612,247
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City of Newark

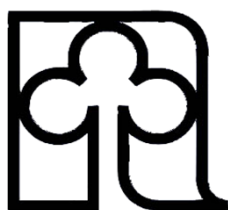
Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the year ended June 30, 2022

	General Fund	Special Revenue Funds			
		American Rescue Plan Act (ARPA)	Public Safety Impact Fees	Community Service Impact Fees	Traffic Impact Fees
REVENUES:					
General property taxes	\$ 25,833,659	\$ -	\$ -	\$ -	\$ -
Other local taxes	34,327,743	-	-	-	-
Special assessments	-	-	-	-	-
Licenses, permits and fees	9,393,730	-	630,622	492,351	946,061
Other governmental agencies	447,414	2,833,448	-	-	-
Current service charges	1,227,413	-	-	-	-
Fines and forfeitures	605,085	-	-	-	-
Use of money and property (investment loss)	(335,719)	-	3,965	4,160	26,309
Other revenue	184,879	-	-	-	-
Total revenues	71,684,204	2,833,448	634,587	496,511	972,370
EXPENDITURES:					
Current:					
General government	11,678,190	-	-	-	-
Public safety:					
Fire	12,846,532	-	-	-	-
Police	23,549,708	-	-	-	-
Community development	1,715,202	1,531,812	-	-	-
Recreation	5,218,855	-	-	-	-
Public Works	8,774,572	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal repayment	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	63,783,059	1,531,812	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	7,901,145	1,301,636	634,587	496,511	972,370
OTHER FINANCING SOURCES (USES):					
Transfers in	1,249,399	-	-	-	-
Transfers out	(10,454,000)	(1,301,636)	(4,831,845)	(5,700,428)	-
Total other financing sources (uses)	(9,204,601)	(1,301,636)	(4,831,845)	(5,700,428)	-
Net change in fund balances	(1,303,456)	-	(4,197,258)	(5,203,917)	972,370
FUND BALANCES (Deficit):					
Beginning of year, as restated	61,456,815	-	4,831,845	5,700,428	10,832,241
End of year	\$ 60,153,359	\$ -	\$ 634,587	\$ 496,511	\$ 11,804,611

Special Revenue Funds				Capital Projects Fund	Debt Service Fund	Other	Total
Housing Impact Fees	Development Maintenance Impact Fees	Park Impact Fees	Measure B ACTIA 1986	Capital Projects Fund	Public Financing Authority	Governmental Funds	Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,833,659
-	-	-	-	-	-	-	34,327,743
-	-	-	-	-	-	639,168	639,168
6,278,542	552,932	1,799,853	-	-	-	160,785	20,254,876
-	-	-	-	-	-	4,978,218	8,259,080
-	-	-	-	-	-	-	1,227,413
-	-	-	-	-	-	-	605,085
93,076	9,414	11,880	-	-	147,337	33,746	(5,832)
-	-	694	-	41,401	-	-	226,974
6,371,618	562,346	1,812,427	-	41,401	147,337	5,811,917	91,368,166
-	-	-	-	-	-	-	11,678,190
-	-	-	-	-	-	7,802	12,854,334
-	-	-	-	-	-	246,144	23,795,852
18,882	356,156	-	-	-	-	149,835	3,771,887
-	-	-	-	-	-	202,241	5,421,096
-	-	-	-	234,546	-	1,138,345	10,147,463
-	37,593	-	214,247	3,336,349	-	3,647,327	7,235,516
-	-	-	-	-	545,000	-	545,000
-	-	-	-	-	2,489,870	-	2,489,870
18,882	393,749	-	214,247	3,570,895	3,034,870	5,391,694	77,939,208
6,352,736	168,597	1,812,427	(214,247)	(3,529,494)	(2,887,533)	420,223	13,428,958
-	-	-	-	21,630,769	-	-	22,880,168
-	-	-	-	-	-	(592,259)	(22,880,168)
-	-	-	-	21,630,769	-	(592,259)	-
6,352,736	168,597	1,812,427	(214,247)	18,101,275	(2,887,533)	(172,036)	13,428,958
34,535,773	4,125,576	3,632,691	(1,920,122)	(10,989,293)	6,511,221	16,640,922	135,358,097
\$ 40,888,509	\$ 4,294,173	\$ 5,445,118	\$ (2,134,369)	\$ 7,111,982	\$ 3,623,688	\$ 16,468,886	\$ 148,787,055



City of Newark

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-Wide Statement of Activities and Changes in Net Position For the year ended June 30, 2022

Net Change in Fund Balances - Total Governmental Funds	\$ 13,428,958
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Amounts reported for governmental activities in the Statement of Activities and Changes in Net Position were different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay	7,408,779	
Depreciation	(5,263,248)	
Loss on asset deletion	<u>(46,531)</u>	2,099,000

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal repayments	545,000	
Amortization of deferred charges	(29,183)	
Amortization of bond premium	<u>441,039</u>	956,856

Unavailable revenue accrual which is not recognized in the governmental fund activity.	2,003,896
--	-----------

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.	(2,857)
--	---------

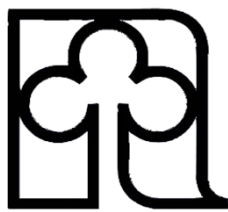
Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	223,001
---	---------

Pension expenses recognized in accordance with GASB68 not recognized in the governmental fund activity.	13,052,501
---	------------

OPEB expenses recognized in accordance with GASB75 not recognized in the governmental fund activity.	550,975
--	---------

Internal service funds were used by management to charge the costs of certain activities to individual funds. The net revenue of the internal service funds was reported with governmental activities.	<u>(67,544)</u>
--	-----------------

Change in Net Position of Governmental Activities	<u>\$ 32,244,786</u>
--	-----------------------------



City of Newark
Statement of Net Position
Proprietary Funds
June 30, 2022

	Governmental Activities - Internal Service Funds
ASSETS	
Current assets:	
Cash and investments	\$ 11,072,418
Other receivables	43,611
Supplies and other assets	92,248
Total current assets	11,208,277
Noncurrent assets:	
Capital assets, net of accumulated depreciation	3,548,465
Total assets	14,756,742
LIABILITIES	
Current liabilities:	
Accounts payable	233,595
Accrued liabilities	24,305
Financed purchased obligations - due within one year	290,145
Claims payable - due within one year	521,007
Total current liabilities	1,069,052
Noncurrent liabilities:	
Financed purchased obligations - due in more than one year	797,866
Claims payable - due in more than one year	2,344,901
Total liabilities	4,211,819
NET POSITION	
Net investment in capital assets	2,460,454
Unrestricted	8,084,469
Total net position	\$ 10,544,923

City of Newark

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For the year ended June 30, 2022

	Governmental Activities - Internal Service Funds
OPERATING REVENUES:	
Charges to departments	\$ 6,655,500
Other revenue	96,620
Total operating revenues	6,752,120
OPERATING EXPENSES:	
Personnel services	1,197,515
Materials and supplies	639,625
Contractual services	1,961,879
Utilities	850,621
Insurance claims and premiums	1,541,493
Depreciation	525,961
Total operating expenses	6,717,094
OPERATING INCOME (LOSS)	35,026
NONOPERATING REVENUES (EXPENSES):	
Interest expense	(102,570)
Total nonoperating revenues (expenses)	(102,570)
Change in net position	(67,544)
NET POSITION:	
Beginning of year	10,612,467
End of year	<u><u>\$ 10,544,923</u></u>

City of Newark
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2022

	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from other funds	\$ 6,752,120
Payments to suppliers/other fund	(3,107,968)
Payments to employees	(1,197,515)
Claims paid	(1,541,493)
Net cash provided by operating activities	905,144
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Payments on financed purchased obligations	(246,451)
Acquisition of capital assets	(287,072)
Interest paid and fiscal charges	(102,570)
Net cash provided by capital and related financing activities	(636,093)
Net increase in cash and cash equivalents	269,051
CASH AND CASH EQUIVALENTS:	
Beginning of year	10,803,367
End of year	<u><u>\$ 11,072,418</u></u>
RECONCILIATION OF OPERATING INCOME TO NET	
CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income	\$ 35,026
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	525,961
Changes in current assets and liabilities:	
Other assets	(34,467)
Accounts payable and accrued liabilities	378,624
Total adjustments	870,118
Net cash provided by operating activities	<u><u>\$ 905,144</u></u>

City of Newark
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2022

	Custodial Funds
ASSETS:	
Pooled cash and investments	\$ 4,561,252
Restricted cash	2,580
Total additions	<u>4,563,832</u>
LIABILITIES:	
Assessment debt payable	\$ 1,857,559
Total liabilities	<u>1,857,559</u>
NET POSITION	
Restricted for:	
Individuals and other	<u>2,706,273</u>
Total net position	<u><u>\$ 2,706,273</u></u>

City of Newark

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the year ended June 30, 2022

	Custodial Funds
ADDITIONS:	
Interest income and fair market adjustments	\$ 2,266
Total additions	<u>2,266</u>
DEDUCTIONS:	
Administrative expense	\$ 2,486
Individuals (property tax owners)	949,469
Total deductions	<u>951,955</u>
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	(949,689)
Net Position - beginning, as restated	<u>3,655,962</u>
Net Position - ending	<u><u>\$ 2,706,273</u></u>



1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Newark (City) have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Reporting Entity

The financial statements of the City of Newark include the financial activities of the City as well as the financial activities of its component unit, the Newark Public Financing Authority (Authority), which is the entity for which the City is financially accountable. The Authority does not issue a separate financial statement. The City Council serves as the governing board to the Authority and is controlled entirely by the City, which also performs all their administrative and accounting functions. Its financial activities have been aggregated and merged (termed "blended") with those of the City in the accompanying financial statements. The Authority provides financing assistance to the City and has been included in these financial statements in the COPS Interest and Redemption Debt Service Fund.

B. Basis of Accounting, Measurement Focus, and Financial Statement Presentation

Government-Wide Financial Statements

The City's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of governmental activities for the City. Fiduciary activities of the City are not included in these statements.

These Government-Wide Financial Statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position.

Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made as prescribed by GASB Statement No. 34 regarding interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities and Changes in Net Position, internal service fund transactions have been eliminated.



The following interfund activities have been eliminated: Due to/from other funds, advances to/from other funds, transfers in/out, and interfund charges.

The City applies all applicable GASB pronouncements (including all NCGA Statements and Interpretations currently in effect).

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances as presented in these statements to the net position presented in the Government-Wide Financial Statements. The City has presented all major funds that met the applicable criteria.

The City reports the following major governmental funds:

The General Fund – is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The major revenue sources for this fund are property taxes, sales taxes, utility users tax, franchise fees, licenses, permits and fines, and other charges for services. Expenditures are made for public safety and other services not required to be accounted for in another fund.

American Rescue Plan Act Fund – accounts for State and Local Fiscal Recovery Funds, as part of the American Rescue Plan, to support the response and recovery from the COVID-19 public health emergency.

Public Safety Impact Fees Fund – accounts for fees which provide funding for the additional or improved police and fire services whose need is generated by new development within the City.

Community Service Impact Fees Fund – accounts for fees which provide funding for additional or improved governmental, social, and cultural facilities whose need is generated by new development within the City.

Traffic Impact Fees Fund – accounts for fees which provide funding for additional or improved traffic signal, operational, and infrastructure improvements whose need is generated by new development within the City.

The Housing Impact Fees Fund – accounts for fees collected into the City's affordable housing fund that are restricted for and to be used solely to increase and preserve the supply of housing affordable to households of very low, low, and moderate incomes.

Development Maintenance Fees Fund – accounts for fees which provide funding to update and implement the Newark General Plan and zoning ordinance, which is needed by all new development within the City.

Park Impact Fees Fund – accounts for fees which provide funding for park land and new improvements.



Measure B (1986 ACTIA) – This fund was previously reported under the Measure B (ACTC) Fund but was reclassified as its own fund during fiscal year 2020. This fund previously accounted for amounts received by ACTA (Alameda County Transportation Authority) as part of a 1986 sales tax measure passed by the voters of Alameda County to finance various transportation improvements. However, the measure expired in 2002 and the City no longer receives sales tax revenues related to the measure. This fund now accounts for Measure B grant funding.

The Capital Projects Fund – This fund accounts for financial resources used in major capital acquisition and construction activities and in the renovation, replacement, and maintenance of the City's major capital assets.

The Public Financing Authority – accounts for funds reserved for the debt financing of the City's New Civic Center. This fund will accumulate monies earmarked for principal and interest payments.

All governmental funds are accounted for on a spending, or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recorded when received in cash, except revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property tax, sales tax, intergovernmental revenues, and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Unearned revenues arise when potential revenues do not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the government has a legal claim to the resources, the unearned revenue is removed from the Balance Sheet and recognized as revenue.

The Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach of GASB Statement No. 34.

Proprietary Fund Financial Statements

Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.



Internal service fund balances and activities have been combined with governmental activities in the Government-Wide Financial Statements, and are comprised of the following funds:

The Internal Service Funds – account for equipment replacement and operations, office support, building maintenance, and public liability and worker’s compensation self-insurance; all of which are provided to other departments on a cost-reimbursement basis.

Operating revenues in the proprietary fund are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements consist of a Statement of Changes in Net Position and Statement of Fiduciary Net Position. The fiduciary funds are accounted for using the accrual basis of accounting and includes the City’s custodial funds. Custodial funds account for assets held by the City as an agent for individuals, private organizations and other governments. The City’s custodial funds account for the assets held by the City as an agent for the Area Improvement District. The financial activities of this fund are excluded from the Government-Wide Financial Statement but are presented in separate Fiduciary Fund Financial Statements.

C. Cash, Cash Equivalents and Investments

The City pools its available cash for investment purposes. The City’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturity of three months or less from date of acquisition. Cash and cash equivalents are combined with investments and displayed as Cash and Investments.

In accordance with GASB Statement No. 40, Deposit and Investment Disclosures (Amendment of GASB No. 3), certain disclosure requirements for Deposits and Investment Risks were made in the following areas:

- Interest Rate Risk
- Credit Risk
 - Overall
 - Custodial Credit Risk
 - Concentrations of Credit Risk

In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end and other disclosures.

In accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. Market value is used as fair value for those securities for which market quotations are readily available.



The City participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF) which has invested a portion of the pooled funds in Structured Notes and Asset-Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to change in interest rates.

The City also participates in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the Trust). The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act (California Government Code Sections 6500 et seq., or the "Act") for the purpose of exercising the common power of CAMP participants to invest certain proceeds of debt issues and surplus funds. CAMP investments are limited to investments permitted by subdivisions (a) to (n), inclusive, of Section 53601 of the California Government Code.

D. Restricted Cash and Investments

Certain restricted cash and investments are held by fiscal agents for the redemption of bonded debt and for acquisition and construction of capital projects.

E. Receivables

During the course of normal operations, the City carries various receivable balances for taxes, interest, grants and special assessments.

F. Property Taxes

Alameda County assesses properties and bills, collects and distributes property taxes, including special assessments, to the City. The County remits amounts collected and handles all delinquencies. Secured and unsecured property taxes are levied on January 1 of the preceding fiscal year. Secured property tax is due in two installments, on November 1 and March 1, and becomes a lien on those dates. It becomes delinquent on December 10 and April 10, respectively. Unsecured property tax is due on July 1 and becomes delinquent on August 31. The term "unsecured" refers to taxes on personal property; not real estate, land or buildings.

These taxes are secured by liens on the property being taxed. The City does not participate in the "Teeter Plan" offered by the County, thereby retaining the right to any interest and penalties collected on the delinquent taxes.

Property tax revenues are recognized by the City in the fiscal year they are assessed, provided they are collected within sixty days after the end of the fiscal year.



G. Interfund Transactions

Interfund transactions are reflected as loans, services provided reimbursements or transfers. Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). Advances between funds, reported in the fund financial statements are not available for appropriation and are non-spendable financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental and proprietary funds are netted as part of the reconciliation to the Government-Wide Financial Statements presentation.

H. Capital Assets

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. The City defines capital assets as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year.

Depreciation is provided using the straight-line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year’s pro rata share of the cost of capital assets. The City has assigned the useful lives listed below to capital assets:

Buildings	60 years
Improvements other than buildings	20 -30 years
Infrastructure:	
Streets and bridges	40-50 years
Sidewalks, curbs, gutters, and walls	35-45 years
Streetlights	25-30 years
Traffic signals	20 years
Equipment	5-30 years

Major outlays for capital assets and improvements are capitalized as projects are constructed.

The Governmental Accounting Standards Board (GASB) Statement No. 34 requires the inclusion of infrastructure capital assets in local government’s basic financial statements. In accordance with GASB No. 34, the City has included the value of all infrastructure assets into its Basic Financial Statements. The City defines infrastructure as the basic physical assets that allow the City to function, which consists of the street system.



I. Compensated Absences

Compensated absences include unused accrued vacation, general leave, and compensatory time. The City's liability for compensated absences is recorded at the Entity-wide level in the Statement of Net Position for Governmental Activities. Compensated absences are liquidated by the fund that has recorded the liability. The long-term portion of governmental activities compensated absences is liquidated primarily by the General Fund.

J. Long-Term Debt

Government-Wide Financial Statements – Long-term debt and other long-term obligations are reported as liabilities in the appropriate activities.

Bond premiums and discounts, as well as amounts paid related to prepaid bond insurance, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Other issuance costs are expensed in the current period.

Financed purchase obligations reflect lease payments where ownership of the asset being financed reverts to the City at the end of the lease.

Deferred charges arising from losses on defeasance of bonds are deferred and amortized over the shorter of the life of the refunded debt, or the life of the new debt, using straight-line amortization.

Fund Financial Statements – The governmental fund financial statements do not present long-term debt but are shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.

Bond premiums and discounts are recognized during the current period as other financing sources or uses. Bond proceeds are reported as other financing sources. Issuance costs are recognized during the current period as expenditures.

K. Deferred Outflows/Inflows of Resources

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

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

L. Net Position / Fund Balances

Government-Wide Financial Statements

In the government-wide financial statements, Net Position is the excess of all the City's assets over all its liabilities, regardless of fund. Net Position is divided into three captions under GASB Statement 34. These



captions apply only to Net Position, which is determined only at the government-wide level and are described below.

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

Restricted Net Position – Describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include developer fees and grant funds received for use on capital projects, debt service requirements, funds received for recycling programs and future waste disposal costs; and fees for use on emergency medical services.

Unrestricted Net Position – Describes the portion of Net Position which is not restricted to use.

Fund Financial Statements

GASB 54 established Fund Balance classifications based largely upon the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The Fund Financial Statements consist of Non-spendable, Restricted, Committed, Assigned and Unassigned amounts as described below:

Non-spendable Fund Balance – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories, prepaid amounts, and long-term notes receivable.

Restricted Fund Balance – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. The restriction may effectively be changed or lifted only with the consent of resource providers.

Committed Fund Balance – includes amounts that can only be used for the specific purposes determined by a formal action of the City’s highest level of decision-making authority, the City Council. Commitments may be changed or lifted only by the City Council taking the same formal action that imposed the constraint originally.

Assigned Fund Balance – includes amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by City Council or an official to which the City Council has delegated the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance – is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose, and the General Fund is the only fund that reports a positive unassigned fund balance amount.



The City established the following policies relating to its fund balance classifications:

Committed Fund Balances

- Highest Level of Decision-Making Authority – The City Council is the highest level of decision-making authority in terms of established fund balance classifications and creating Committed Fund Balances.
- Formal Action Required – Ordinances are the highest-level action taken by City Council that constitutes the most binding constraint to establish, modify, or rescind a fund balance commitment.
- Timing – the City takes formal action to commit any resources as soon as possible upon determining its desire to take such action, but no later than June 30 of the fiscal year in which it applies in order for the action to be valid for the presentation of the annual report.

Assigned Fund Balances

- Approved Authority – the City Council has delegated the authority to the City Manager to assign fund balance amounts to specific purposes when such policies are enacted by the government body.
- Specific Policies – the City Council may establish policies as needed to delegate authority to an appropriate official to assign resources to specific purposes in terms of creating, modifying or rescinding Assigned Fund Balances. Such policies are approved by the government body by Resolution.

Expenditure of Funds – Order of Expenditure

- Restricted and Unrestricted Funds – when an expenditure is incurred for purposes for which both Restricted and Unrestricted Fund Balances are available, the City considers that Restricted Funds are spent first until such funds are exhausted, at which time Committed, Assigned or Unassigned Funds are used.
- Committed, Assigned or Unassigned Funds – when an expenditure is incurred where there are no Restricted Funds available, and for which Committed and/or Assigned Fund Balances are available, the City exhausts Committed Funds first until such funds are exhausted and then exhausts Assigned Funds until such funds are exhausted.

Classification of Fund Balances

- The City at least on an annual basis, and by virtue of the adoption of its annual budget, establishes a listing of all Fund Balances and their classifications.

M. New Pronouncements

For the year ended June 30, 2022, the City reviewed the requirements of Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. The statement increases the usefulness of governments' financial statements by required recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. After careful review of the requirements, it was determined that the City's various leases were exempt from this statement due to the combination of short-term and financing lease-to-own contract terms of the City's leases.



2. CASH AND INVESTMENTS

The City maintains cash and investment pools for all funds. Certain cash and investment are restricted under the provisions of the City's debt agreements. These restricted funds are not pooled and are held by trustees.

The following is a summary of cash and investments at June 30, 2022:

	Government-Wide Statement of Net Position	Fiduciary Funds Statement of Net Position	Total
	Governmental Activities		
Cash and investments	\$158,734,575	\$4,561,252	\$163,295,827
Restricted cash and investments	5,968,191	2,580	5,970,771
Total	\$164,702,766	\$4,563,832	\$169,266,598

At June 30, 2022, the City's pooled cash and investments, including restricted funds consisted of the following:

City Treasury:	
Deposits:	
Cash on hand	\$6,217
Deposits with banks	61,512,685
Total deposits	61,518,902
Investments:	
California Local Agency Investment Fund	65,588,931
California Asset Management Program	36,187,994
Total investments	101,776,925
Total City Treasury	163,295,827
Cash and Investments with Fiscal Agents:	
Money market funds	5,970,771
Total Restricted Cash and Investments	5,970,771
Total Cash and Investments	\$169,266,598

The carrying amount of the City's cash deposit was \$61,512,685 at June 30, 2022. Bank balances and petty cash before reconciling items were \$60,532,353 the total amount of which was insured and/or collateralized with securities held by pledging financial institutions in the City's name discussed below.

The California Government Code requires banks and savings and loan institutions to secure City's cash deposits by pledging securities as collateral. The Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of the creditor. Thus, collateral for cash deposits is considered to be held in the City's name.



The market value of pledged securities must equal at least 110 percent of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150 percent of the City's total cash deposits. The City may and has waived collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation.

The City pooled cash and investment of all funds, excluding restricted funds required to be held by fiscal agents under the terms of the City's debt agreements. Investment income earned on pooled cash investment is allocated on a quarterly basis to the various funds based on the quarter-end cash and investment balances. Interest earnings on restricted cash and investments are credited directly to the related fund.

B. Investments

Under the provisions of the City's investment policy, and in accordance with California Government Code, the following investments are authorized:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Minimum Credit Quality Requirements
California Local Agency Investment Fund	None	None	None
California Asset Management Program	None	None	None
Securities of the U.S. Government	5 years	None	None
Commercial Paper	270 days	None	A-1
Banker Acceptances	180 days	40%	None
Collateralized Certificates of Deposit	5 years	50%	None
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	50%	None
Reverse Repurchase Agreements	92 days	50%	None

Under the provisions of bond indentures, the following are authorized investment types for investments held by fiscal agents:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality Requirements
U.S. Treasury Obligations	None	None
Federal Housing Administration Bonds	None	None
U.S. Agency Securities	None	None
Senior Debt Obligations	None	Aaa, AAA
FDIC Insured Deposits	None	None
Unsecured Certificates of Deposit, Time Deposits, and Bankers Acceptances	360 days	A-1, P-1
Commercial Paper	270 days	A-1, P-1
Money Market funds	None	AAAm, AAAm-G
State Obligations	None	A, A3
Pre-funded Municipal Obligations	None	Aaa, AAA
Investment Agreements	None	AA, Aa
Repurchase Agreements	None	A
California Asset Management Program	None	None
California Local Agency Investment Fund	None	None
Investment approved by Municipal Bond Buyer	None	None



C. Risk Disclosures

Interest Risk – Interest rate risk is the fluctuation in fair value of investment due to changes in interest rates. The City’s exposure to losses caused by rising interest rates is minimized by limiting the average maturity of the City’s investments to not exceed five years. The City had the following investment maturities at June 30, 2022:

Investment Type	Totals	Remaining Maturity (in Months)
		12 Months or Less
LAIF	\$65,588,931	\$65,588,931
CAMP	36,187,994	36,187,994
Money market funds	5,970,771	5,970,771
	<u>\$107,747,696</u>	<u>\$107,747,696</u>

Credit Risk – Credit risk is the risk of loss of value of a security or investment due to downgrade of its rating due to a change in the ability of the issuer to fulfill its debt obligation. With the exception of U.S. Treasury securities and authorized pools, no more than 50 percent of the City’s total investment portfolio will be invested in a single security type or with a single financial institution to reduce the City’s exposure to credit risks. The City’s investment in California Agency Investment Funds is not rated.

Custodial Credit Risk – The custodial credit risk for an investment is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. None of the City’s investments were subject to custodial credit risk.

D. Local Agency Investment Fund

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The balance is available for withdrawal on demand. The City’s investments with LAIF at June 30, 2022, include a portion of the pooled funds invested in Structured Notes and Asset-Backed Securities. These investments include the following:

Structured Notes are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2022, the City had \$65,588,931 invested in LAIF, which had invested 1.88% percent of the pool investment funds in Structured Notes and Asset-Backed Securities. The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The fair value of LAIF was calculated by applying a factor of .9871414 to the total investments held by LAIF.



E. California Asset Management Program

The City participates in the California Asset Management Program (CAMP). CAMP was established in 1989 and has been providing professional investment services to California public agencies. The CAMP Pool is a permitted investment for all local agencies under California Government Code Section 53601 (p). The Pool is managed to earn a high rate of return while preserving principal, providing liquidity, and seeking a stable net asset value of \$1.00. Similar to any type of investments, there are several factors such as interest risk, market risk, and etc. that could affect the Pool's performance.

F. Investment Valuation

Investments (except for money market accounts, time deposits, external investment pools, and commercial paper) are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value:

Level 1 inputs are quoted prices in active markets for identical assets;

Level 2 inputs are significant other observable inputs;

Level 3 inputs are significant unobservable inputs.

The City's investment in the State of California Local Agency Investment Fund (LAIF), the California Asset Management Program (CAMP) and money market funds are not subject to levelling disclosure.

3. INTERFUND TRANSACTIONS

A. Transfers In/Out

Transfers in/out for the year ended as of June 30, 2022, were as follows and are described on the following page:

	Transfers In		
	General Fund	Capital Project Fund	TOTAL
Transfers Out			
General Fund	\$ -	\$ 10,454,000	\$ 10,454,000
ARPA	1,249,399	52,237	1,301,636
Public Safety Facilities Impact Fees	-	4,831,845	4,831,845
Community Service Facility Fees	-	5,700,428	5,700,428
Other Governmental Funds	-	592,259	592,259
	<u>\$ 1,249,399</u>	<u>\$ 21,630,769</u>	<u>\$ 22,880,168</u>



- Transfers from the General Fund to the Capital Projects Fund were to support ongoing project expenditures, namely the New Civic Center Project.
- Transfers from the American Rescue Plan Act (ARPA) Fund were to fund certain positions and fund certain operating budgets which were eliminated or reduced during the pandemic.
- Transfers from the Public Safety Facilities and Community Service Facilities Impact Fees funds to the Capital Project Fund were to provide for funding for the New Civic Center Project.
- Transfers from the Measure D Fund to the Capital Project Fund were to provide for funding for the New Civic Center Project.
- Transfers from the PEG Fees Fund to the Capital Project Fund were to provide for funding for the New Civic Center Project.

B. Due to/from other funds

Due to other funds	Due from other funds
	General Fund
Measure B - 1986 ACTIA	\$1,966,406
Public Financing Authority	2,410,520
Other Governmental Funds	52,735
Total	\$4,429,661

The amounts due to the General Fund from other funds represent reclassified temporary negative cash balances pending grant reimbursements or other receivables. Current interfund balances arise in the normal course of operations and are expected to be repaid shortly after the end of the fiscal year.

City of Newark
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2022



4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022 was as follows:

	Balance June 30, 2021	Additions	Deletions	Transfers	Balance June 30, 2022
Governmental activities					
Nondepreciable assets:					
Land	\$ 4,384,073	\$ -	\$ -	\$ -	\$ 4,384,073
Park land	30,107,749	-	-	-	30,107,749
Landscaping	8,684,784	122,610	-	-	8,807,394
Street trees	739,733	-	-	-	739,733
Construction in progress	2,702,652	618,507		(333,583)	2,987,576
Total nondepreciable assets	46,618,991	741,117	-	(333,583)	47,026,525
Depreciable assets					
Building and land improvements	125,497,578	3,092,337	-	36,679	128,626,594
Infrastructure:					
Streets	79,017,310	2,386,161	-	135,000	81,538,471
Sidewalks, curbs, gutters, and walls	17,377,456	771,888	-	161,904	18,311,248
Street lights	3,249,607	-	-	-	3,249,607
Traffic signals	3,936,783	-	-	-	3,936,783
Equipment	15,098,437	759,213	(348,438)	-	15,509,212
Total depreciable assets	244,177,171	7,009,598	(348,438)	333,583	251,171,914
Building and land improvements	16,478,956	2,401,313	-	-	18,880,269
Infrastructure:					
Streets	25,550,764	2,043,572	-	-	27,594,336
Sidewalks, curbs, gutters, and walls	5,964,871	441,138	-	-	6,406,009
Street lights	1,810,897	130,161	-	-	1,941,058
Traffic signals	3,732,070	54,021	-	-	3,786,091
Equipment	9,987,302	719,004	(186,125)	-	10,520,181
	63,524,860	5,789,209	(186,125)	-	69,127,944
Net depreciable assets	180,652,311	1,220,389	(162,313)	333,583	182,043,970
TOTAL ASSETS	\$ 227,271,302	\$ 1,961,506	\$ (162,313)	\$ -	\$ 229,070,495

Depreciation expense was charged to various governmental functions as follows:

General Government	\$1,324,959
Public Safety	234,490
Public Works	2,758,491
Community Development	38,135
Recreation and Community Services	907,164
Internal Service Funds	<u>525,961</u>
Total Depreciation	\$5,789,209

Accumulated Depreciation on Deleted Assets (\$232,656)



5. LONG-TERM DEBT

The City's long-term debt is comprised of the following at June 30, 2022:

	Balance			Balance	Amounts Due
Governmental Activities:	June 30, 2021	Adjustments	Retirements	June 30, 2022	Within One Year
Direct Borrowings:					
Certificates of Participation 2019	\$ 62,295,000	\$ -	\$ (545,000)	\$ 61,750,000	\$ 2,345,000
\$63,345,000; 3-5% due 2042					
2019 COPs Premium	9,289,589	-	(441,039)	8,848,550	-
Financed purchased obligations:					
Equipment lease, due 2024	401,079	(33,952)	(116,965)	250,162	122,295
Equipment lease, due 2024	241,155	-	(77,790)	163,366	80,357
Equipment lease, due 2029	759,264	(33,084)	(51,696)	674,484	87,493
Total	<u>\$ 72,986,087</u>	<u>\$ (67,036)</u>	<u>\$ (1,232,490)</u>	<u>\$ 71,686,561</u>	<u>\$ 2,635,145</u>

2019 Certificates of Participation

On September 5, 2019, the City issued \$63,345,000 of 2019 Certificates of Participation (COPs) to finance a portion of the construction costs of the new civic center facility, refund the City's Certificates of Participation (2002 Silliman Community Activity Center/Old Town Fire Station Project), and prepay a 2012 lease agreement. The 2002 COP refunding resulted in a deferred charge of \$204,284, which is the difference between the \$8,211,996 requisition price of the old debt and the \$8,007,712 net carrying amount of the old debt. The refinancing of the 2002 COP and prepayment of the 2012 lease agreement resulted in a net present value savings to the City of \$1,160,849.

The outstanding balance from this direct borrowing contains a provision that states in the event of default, there shall be no right under any circumstance to accelerate lease payments or otherwise declare the borrowing to be immediately due and payable. However, the borrower at its option may terminate the agreement and re-lease all or any portion of the property.

Financed Purchased Obligations

On September 28, 2018, the City entered into a non-cancelable lease agreement in the amount of \$585,766 with Motorola Solutions, Inc. to acquire a radio communications system that would provide regional interoperability. Annual lease payments are due on October 1 until 2023. Ownership of the radio system reverts to the City at the end of the lease.

On January 23, 2020, the City entered into a non-cancelable lease agreement in the amount of \$320,727 with PNC Equipment Finance, LLC to acquire a street sweeper. Annual lease payments are due on August 23 until 2023. Ownership of the street sweeper reverts to the City at the end of the lease.

On January 23, 2020, the City entered into a non-cancelable lease agreement in the amount of \$843,565 with PNC Equipment Finance, LLC to acquire a fire pumper. Annual lease payments are due on December 23 until 2028. Ownership of the fire pumper reverts to the City at the end of the lease.



Debt Service Requirements

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

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2023	2,635,145	2,508,572
2024	2,766,168	2,374,473
2025	2,678,182	2,245,594
2026	2,816,164	2,113,363
2027	2,954,241	1,974,285
2028-2032	15,178,111	7,685,492
2033-2037	15,500,000	4,488,000
2038-2042	18,310,000	1,680,300
Total	\$62,838,011	\$25,070,079

Area Improvement District Bonds with No City Commitment

Area Improvement Districts (AID) Bonds were issued to finance public improvements within the District. Neither the City's General Fund nor the full faith and credit of the City is pledged for the repayment of these bonds. The AID bonds will be repaid solely by special assessments levied on the properties within that District. The bonds are secured by the special taxes on those properties.

In May 2013, the AID 26 outstanding bonds of \$8,262,257 were advance refunded to benefit property owners with lower debt service payments. The escrow funds were used to pay off the original 1998 bonds on September 2, 2013.

All the AID bonds transactions are accounted for in a separate Custodial fund established by the City for that purpose. As of June 30, 2022, the remaining balance outstanding on these bonds was \$1,857,559.

6. COMPENSATED ABSENCES

The City's compensated absences include accrued vacation, general leave and compensatory time. The value of unpaid leave is recorded as a liability of the City on the entity-wide statement of net position.

Changes in compensated absences for the fiscal year ended June 30, 2022 were as follows:

	Balance	Additions	Deletions	Balance	Due Within One Year	Due in More than One Year
	June 30, 2021			June 30, 2022		
Governmental Activities	\$ 2,406,993	\$ 1,822,692	\$ (2,045,693)	\$ 2,183,992	\$ 2,162,152	\$ 21,840



7. DEFINED BENEFIT PENSION PLANS

A. Summary of Pension Plan Balances

Pension related balances presented on the Statement of Net Position as of Measurement Date June 30, 2021 by individual plan are described in the following table. In previous years of the governmental funds, the General Fund was used to liquidate pension liabilities:

	Deferred Employer Contributions	Deferred Outflows - Pension	Net Pension Liability	Deferred Inflows - Pension	Pension Expense
CALPERS Miscellaneous					
Agent-Multiple Employer Plan	\$ 9,282,706	\$ 263,765	\$ 33,763,767	\$ 9,625,184	\$ 1,563,797
CALPERS Safety					
Cost-Sharing Plan	5,493,067	11,174,120	36,879,425	26,207,991	160,708
	<u>\$ 14,775,773</u>	<u>\$ 11,437,885</u>	<u>\$ 70,643,192</u>	<u>\$ 35,833,175</u>	<u>\$ 1,724,505</u>

B. CalPERS Plan

General Information about the Pension Plan

Plan Description – All qualified permanent and probationary employees are eligible to participate in the City's Miscellaneous Plan, agent multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plan are established by State statute and Local Government resolution. All safety qualified permanent and probationary employees are eligible to participate in the City's Safety Plan, a cost-sharing multiple-employer defined benefit pension plan, administered by CalPERS, which acts as a common investment and administrative agent for its participating member employers.

Benefit provisions under the Plan are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits (age 52 for Miscellaneous PEPPRA members). All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

City of Newark
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2022



The Plan's provisions and benefits in effect as of the June 30, 2021 measurement date are summarized as follows:

	<u>Miscellaneous Classic</u>	<u>Miscellaneous PEPR</u>
Hire Date	Prior to January 1, 2013	On or after January 1, 2013
Benefit vesting schedule	5 years of service	5 years of service
Benefit payment	Monthly for life	Monthly for life
Retirement age ¹	50	52
Monthly benefits, as a % of annual salary	2.5% at age 55	2.0% at age 62
Required employee contribution rates	8.000%	6.750%
Required employer contribution rates	11.134%	11.134%
Required UAL payment	\$3,519,520	\$0

	<u>Safety Classic</u>	<u>Safety PEPR</u>
Hire Date	Prior to January 1, 2013	On or after January 1, 2013
Benefit vesting schedule	5 years of service	5 years of service
Benefit payment	Monthly for life	Monthly for life
Retirement age ¹	50	52
Monthly benefits, as a % of annual salary	3.0% at age 50	2.7% at age 57
Required employee contribution rates	9.000%	13.000%
Required employer contribution rates	23.674%	13.044%
Required UAL payment	\$4,252,683	\$9,214

¹ Members with five or more years of PERS service are eligible to retire at age 50 with statutorily reduced benefits (age 52 for Miscellaneous PEPR members).

During fiscal year 2021-22, the City also paid \$5 million to CalPERS as an additional discretionary payment to paydown the pension liability for the Miscellaneous Plan.

Employees Covered – As of the measurement date, the following employees were covered by the benefit terms for each Plan:

Inactive employees or beneficiaries currently receiving benefits	222
Inactive employees entitled to but not yet receiving benefits	215
Active employees	<u>116</u>
Total	<u>553</u>



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

Net Pension Liability - The City’s net pension liability for the Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2021, using an annual actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown on the following page.

Actuarial Assumptions – The total pension liabilities in the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary increases	Varies by Entry Age and Service
Mortality ¹	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.5% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

¹ The mortality table used was developed based on CalPERS’ specific data. The table includes 15 years of mortality improvements using society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

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

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds’ asset classes, expected compound (geometric) 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 rounded 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 equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as followed:

Asset Class ¹	Assumed Asset Allocation	Real Return Years 1-10 ²	Real Return Years 11+ ³
Global Equity	50.00%	4.80%	6.00%
Global Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	-	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	100.00%		

(1) In the System's ACFR, 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.

(2) An expected inflation of 2.0% used for this period.

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

Changes in the Net Pension Liability

The changes in the Net Pension Liability for the Miscellaneous Plan follow:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2020 (MD)	\$ 127,329,013	\$ 80,269,596	\$ 47,059,417
Service cost	1,901,824	-	1,901,824
Interest on the total pension liability	8,849,497	-	8,849,497
Differences between actual and expected experience	(891,445)	-	(891,445)
Contribution - employer	-	3,874,896	(3,874,896)
Contribution - employee	-	1,203,390	(1,203,390)
Net investment income	-	18,157,424	(18,157,424)
Benefit payments, including refunds of employee contributions	(7,238,583)	(7,238,583)	-
Administrative expenses	-	(80,184)	80,184
Net changes	2,621,293	15,916,943	(13,295,650)
Balance at June 30, 2021 (MD)	<u>\$ 129,950,306</u>	<u>\$ 96,186,539</u>	<u>\$ 33,763,767</u>



As of June 30, 2021, the City reported a net pension liability of \$36,879,425 for its proportionate share of the net pension liability of the safety plan.

The City's proportionate share of the net pension liability of the safety risk pool for the safety plan as of measurement dates June 30, 2020 and 2021 were as follows:

Proportion - June 30, 2020	1.0322%
Proportion - June 30, 2021	1.0508%
Change - Increase (Decrease)	0.0186%

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

	Miscellaneous Plan	Safety Plan
1% Decrease	6.15%	
Net Pension Liability	\$49,705,667	\$64,917,546
Current Discount Rate	7.15%	
Net Pension Liability	\$33,763,767	\$36,879,425
1% Increase	8.15%	
Net Pension Liability	\$20,507,875	\$13,849,572

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, 2022, the City recognized pension expense of \$1,563,797 and \$160,708, for the Miscellaneous and Safety plans, respectively. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to the pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Miscellaneous Plan		
Pension contributions subsequent to measurement date	\$ 9,282,706	\$ -
Differences between actual and expected experience	263,765	486,243
Net differences between projected and actual earnings on pension plan investments	-	9,138,941
Total	<u>\$ 9,546,471</u>	<u>\$ 9,625,184</u>



Safety Plan	Deferred Outflows	Deferred Inflows
	of Resources	of Resources
Pension contributions subsequent to measurement date	\$ 5,493,067	\$ -
Differences between actual and expected experience	6,300,818	-
Net differences between projected and actual earnings on pension plan investments	-	21,950,348
Differences in proportions	-	3,389,950
Differences between actual and proportionate share of contributions	4,873,302	867,693
Total	<u>\$ 16,667,187</u>	<u>\$ 26,207,991</u>
TOTAL ALL PLANS	<u>\$ 26,213,658</u>	<u>\$ 35,833,175</u>

\$9,282,706 and \$5,493,067 for the Miscellaneous and Safety plans, respectively, reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension plan will be recognized as pension expense as follows:

Fiscal Year Ending June 30,	Deferred Outflow/(Inflows) of Resources		
	Miscellaneous Plan	Safety Plan	Total
2023	\$ (2,476,718)	\$ (2,843,055)	\$ (5,319,773)
2024	(2,203,861)	(2,659,439)	(4,863,300)
2025	(2,180,394)	(3,490,946)	(5,671,340)
2026	(2,500,446)	(6,040,431)	(8,540,877)
TOTAL	<u>\$ (9,361,419)</u>	<u>\$ (15,033,871)</u>	<u>\$ (24,395,290)</u>

8. OTHER POST EMPLOYMENT BENEFITS

A. Plan Description

The City participates in the CalPERS healthcare programs Public Employees Medical and Hospital Care Act (PEMHCA), an agent multiple-employer defined benefit plan, providing retirees the statutory minimum contribution using the 5 percent "unequal method." The City currently pays for the cost of the retiree PEHMCA funded CERBT and are paying the annual required contribution of the employer (ARC).

B. Employees Covered

As of the June 30, 2021 actuarial valuation, the following current and former employees were covered by the benefit terms under the Retiree Health Plan:



Inactive employees or beneficiaries currently receiving benefits	84
Inactive employees entitled to but not yet receiving benefits	113
Active Employees	<u>169</u>
Total	<u>366</u>

C. Contributions

The City is not required by law or contractual agreement to provide funding for retiree health costs other than the pay-as-you-go amount necessary to provide current benefits to retirees. However, during fiscal year 2017, the City joined the California Employers' Retiree Benefit Trust Program to prefund OPEB obligations of the City. The prefunding plan is a trust fund that is intended to perform an essential governmental function within the meaning of Section 115 of the Internal Revenue Code as an agent multiple-employer defined benefit plan. For the measurement period 2020-2021 the City contributed \$606,337, including \$218,018 in implicit rate subsidy, \$235,674 deposit to CERBT, and \$152,645 contribution in the form of a direct benefit payment (not reimbursed by trust). The General Fund has been the source of funding to pay down the OPEB liability.

D. Net OPEB Liability/ Actuarial methods and assumptions:

The City's net OPEB liability was measured as of June 30, 2021 and the total OPEB Liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2021 using the following actuarial methods and assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.00%
Inflation	2.50%
Contribution Policy	Contributes full ADC
Projected Salary Increases	3.00%
Assumed Wage Inflation	3.00%
Investment Rate of Return	6.95%
Mortality	MacLeod Watts Scale 2020
Post Retirement Benefit	
Increase	MacLeod Watts Scale 2020
Healthcare Cost Trend Rate	4.00% to 5.80%

E. Discount Rate

The discount rate used to measure the total OPEB liability was 6.00%. The projection of cash flows was used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determine contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries.



Therefore, the long term expected rate of return on OPEB plan investments was applied to all periods of projected benefits payments to determine the total OPEB liability.

F. Changes in the net OPEB Liability

The changes in the net OPEB liability for the OPEB plan are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2020 (MD)	\$ 6,526,094	\$ 2,771,116	\$ 3,754,978
Service cost	278,172	-	278,172
Interest on the total OPEB liability	398,066	-	398,066
Expected Investment Income		191,171	
Contribution - employer	-	339,677	(339,677)
Investment Experience	-	570,778	(570,778)
Benefit payments, including refunds of employee contributions	(339,677)	(339,677)	-
Changes of assumptions	(355,369)	-	-
Difference between expected and actual experience	10,652	-	-
Administrative expenses	-	(1,049)	1,049
Net changes	(8,156)	760,900	(769,056)
Balance at June 30, 2021 (MD)	<u>\$ 6,517,938</u>	<u>\$ 3,532,016</u>	<u>\$ 2,985,922</u>

G. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for the measurement period ended June 30, 2021:

	1% Decrease 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
Net OPEB Liability	\$ 3,835,524	\$ 2,985,922	\$ 2,283,083



H. Sensitivity of the Net OPEB Liability to Changes in Health Care Cost Trend Rates

The following presents the net OPEB liability of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for the measurement period ended June 30, 2021:

	Current Trend -1.00%	Current Trend 5.40%	Current Trend +1%
Net OPEB Liability	\$ 2,193,613	\$ 2,985,922	\$ 3,969,559

I. Recognition of Deferred Outflow and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on OPEB plan investments	5 years
All other amounts	Expected average remaining service lifetime (EARS) of all members

J. OPEB Expense and Deferred Outflows/ (Inflows) of Resources Related to OPEB

For the fiscal year ended June 30, 2022, the City recognized OPEB expense of \$55,362. For the fiscal year ended June 30, 2021, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 606,337	\$ -
Differences between actual and expected experience	9,300	943,222
Changes in assumptions	43,950	762,906
Net differences between projected and actual earnings on investments	-	417,464
Total	<u>\$ 659,587</u>	<u>\$ 2,123,592</u>



The \$606,337 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2021 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Fiscal Year	Recognized Net Deferred Outflows (Inflows) of Resources
Ending June 30,	
2023	(\$419,665)
2024	(415,006)
2025	(413,816)
2026	(443,863)
2027	(295,751)
Thereafter	(82,241)

9. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The City has established various self- insurance programs and participated in pooled approach to manage excessive risks and provide liability coverage.

The City participates in Pooled Liability Assurance Network Joint Powers Agency (PLAN JPA). PLAN JPA provides liability insurance coverage, claims and risk management to its participating members. PLAN JPA provides \$25,000,000 of general liability coverage per occurrence and is responsible for paying claims in excess of the City's \$100,000 deductible. For the year ended June 30, 2022, the City paid PLAN JPA \$1,192,473 in premiums. PLAN JPA has not determine the value of the City's interest in its net position. Financial statements may be obtained from PLAN JPA, 1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833.

The City participates in the Local Agency Workers Compensation Excess Joint Powers Authority (LAWCX), which covers workers compensation claims in excess of \$350,000 per claim, up to statutory limits. LAWCX is governed by a board of directors comprised of representatives from member municipalities. The board controls the operations of each risk pool, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on the board.

The City's contributions to each risk pool equal the ratio of the City's payroll to the total payrolls of all entities participating in the same layer of each program, in each program year. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating. In each of the past three years, the amount of settlements did not exceed insurance coverage. During the fiscal year ended June 30, 2022, the City contribution was \$963,154. Audited financial statements may be obtained from Bickmore Risk Services, 1831 K Street, Sacramento, CA 95814.

City of Newark
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2022



The City's risk management activities are recorded in the Public Liability Self-Insurance and Workers' Compensation Self-Insurance Internal Service Funds. Estimated liabilities are recorded when a loss is deemed probable and the amount of the loss can be reasonably estimated. Claims that have been incurred but not reported (IBNRs) are also included in the liability estimates. As discussed above, the City has coverage for such claims, but it has retained the risk for the deductible or uninsured portion of these claims.

The following is a summary of the changes in general liability claims and workers' compensation liabilities for the past three fiscal years:

	2022				
	General Liability	Workers'			
	Claims	Compensation	Total	2021	2020
	Claims	Claims			
Liability at beginning of fiscal year	\$ 515,573	\$ 1,866,716	\$ 2,382,289	\$ 2,039,226	\$ 2,228,093
Claims and changes in estimates	208,049	674,423	882,471	691,999	216,036
Claims Payments	(600)	(398,252)	(398,852)	(348,936)	(404,902)
Liability at end of fiscal year	723,021	2,142,887	2,865,908	2,382,289	2,039,227
Current Portion	\$ 75,738	\$ 445,269	\$ 521,007	\$ 716,512	\$ 806,830

City of Newark
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2022



10. FUND BALANCES

Fund balances are presented in the following categories: non-spendable, restricted, committed, assigned and unassigned (see Note 1 for a description of these categories). A detailed schedule of fund balances at June 30, 2022 is as follows:

	General Fund	Impact Fee Funds	Measure B - 1986 ACTIA Fund	Capital Projects Fund	Public Financing Authority	Other Government Funds	Total
Nonspendable fund balance:							
Supplies and other assets	\$ 145,120	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 145,120
	145,120	-	-	-	-	-	145,120
Restricted fund balance for:							
Public safety	-	634,587	-	-	-	1,488,641	2,123,228
Community service facilities	-	496,511	-	-	-	-	496,511
Transportation facilities	-	11,804,611	-	-	-	-	11,804,611
Housing impact	-	40,888,509	-	-	-	-	40,888,509
Community development	-	4,294,173	-	-	-	63,985	4,358,158
Park improvement	-	5,445,118	-	-	-	-	5,445,118
Highway and streets	-	-	-	-	-	9,843,539	9,843,539
Recycling programs	-	-	-	-	-	687,042	687,042
Health and welfare	-	-	-	-	-	25,135	25,135
PEG activities	-	-	-	-	-	649,368	649,368
Debt reserves	-	-	-	-	3,623,688	-	3,623,688
Landscape and lighting	-	-	-	-	-	1,905,586	1,905,586
	-	63,563,509	-	-	3,623,688	14,663,296	81,850,493
Committed fund balance for:							
Pension/OPEB Reserves	7,672,442	-	-	-	-	-	7,672,442
	7,672,442	-	-	-	-	-	7,672,442
Assigned fund balance for:							
Equipment replacement	6,200,000	-	-	-	-	-	6,200,000
Waste disposal program	-	-	-	-	-	18,638	18,638
Art in public places	-	-	-	-	-	1,915,912	1,915,912
Capital assets acquisition	-	-	-	7,111,982	-	-	7,111,982
	6,200,000	-	-	7,111,982	-	1,934,550	15,246,532
Unassigned fund balance							
Emergency reserves	11,430,299	-	-	-	-	-	11,430,299
Fiscal uncertainty	10,725,024	-	-	-	-	-	10,725,024
Measure GG	14,024,535	-	-	-	-	-	14,024,535
Unallocated (deficit)	9,955,939	-	(2,134,369)	-	-	(128,960)	7,692,610
	46,135,797	-	(2,134,369)	-	-	(128,960)	43,872,468
Total Fund Balances	\$ 60,153,359	\$ 63,563,509	\$ (2,134,369)	\$ 7,111,982	\$ 3,623,688	\$ 16,468,886	\$ 148,787,055



11. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

The following is a summary of construction commitments at the end of the fiscal year:

	Project Authorizations	Expenditures	Unexpended Authorizations
Central Avenue RR Design	\$ 2,754,000	\$ 2,112,107	\$ 641,893
New Civic Center	88,705,207	82,435,896	6,269,311
Thornton Avenue Overlay	992,514	755,319	237,195
Asphalt Concrete Overlay	1,350,000	195,555	1,154,445

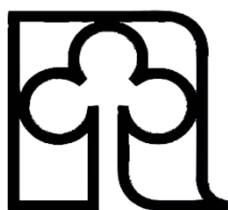
The City had no significant encumbrances outstanding as of June 30, 2022.

12. DEFICIT FUND BALANCE

The Community Development Act and Miscellaneous State Grants Non-Major funds of the City reported a deficit fund balance/net position of \$118,963 and \$9,997, respectively, due to revenue which was reflected as Unavailable Revenue because of the timing of payment receipt.

13. RESTATEMENTS OF NET POSITION AND FUND BALANCE

	General Fund	State Senate Bill Funds	Capital Project Fund	PEG Fees
FY21 Fund Balances, as previously reported	\$ 60,632,572	\$ 901,102	\$ (10,991,048)	\$ 942,223
Reclassification of fees incorrectly reported from the ERP data conversion	824,243	(837,488)	-	-
PEG Fees late entry not included in FY21	-	-	1,755	(1,755)
FY21 Fund Balances, restated	\$ 61,456,815	\$ 63,614	\$ (10,989,293)	\$ 940,468



REQUIRED SUPPLEMENTARY INFORMATION

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended June 30, 2022

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
General property taxes	\$ 22,962,000	\$ 26,250,000	\$ 25,833,659	\$ (416,341)
Other local taxes	19,434,000	30,186,000	34,327,743	4,141,743
Licenses permits and fees	9,015,000	8,370,000	9,393,730	1,023,730
Intergovernmental	185,000	185,000	447,414	262,414
Charges for services	2,629,000	1,224,000	1,227,413	3,413
Fines and forfeitures	875,000	638,000	605,085	(32,915)
Use of money and property (investment loss)	1,459,000	1,329,000	(335,719)	(1,664,719)
Other revenue	120,000	120,000	184,879	64,879
Total revenues	56,679,000	68,302,000	71,684,204	3,382,204
EXPENDITURES				
Current:				
General government	6,074,000	12,616,000	11,678,190	937,810
Public safety:				
Fire	12,274,000	12,844,000	12,846,532	(2,532)
Police	24,935,000	25,024,000	23,549,708	1,474,292
Community development	1,981,000	2,687,200	1,715,202	971,998
Recreation	5,548,000	5,883,723	5,218,855	664,868
Public works	8,974,000	10,218,000	8,774,572	1,443,428
Capital outlay	14,000	14,000	-	14,000
Total expenditures	59,800,000	69,286,923	63,783,059	5,503,865
Revenues over (under) expenditures	(3,121,000)	(984,923)	7,901,145	8,886,069
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,249,399	1,249,399
Transfers out	(4,204,000)	(28,730,000)	(10,454,000)	18,276,000
Total other financing sources (uses)	(4,204,000)	(28,730,000)	(9,204,601)	19,525,399
Net change in fund balances	(7,325,000)	(29,714,923)	(1,303,456)	28,411,468
Fund balances - beginning, as restated	61,456,815	61,456,815	61,456,815	-
Fund balances - ending	\$ 54,131,815	\$ 31,741,892	\$ 60,153,359	\$ 28,411,468

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
ARPA
For the Year Ended June 30, 2022

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	\$ -	\$ 5,900,000	\$ 2,833,448	\$ (3,066,552)
Total revenues	-	5,900,000	2,833,448	(3,066,552)
EXPENDITURES				
Current:				
Community development	-	1,560,000	1,531,812	28,188
Total expenditures	-	1,560,000	1,531,812	28,188
Revenues over (under) expenditures	-	4,340,000	1,301,636	(3,038,364)
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(5,900,000)	(1,301,636)	4,598,364
Total other financing sources (uses)	-	(5,900,000)	(1,301,636)	4,598,364
Net change in fund balances	-	(1,560,000)	-	1,560,000
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ (1,560,000)	\$ -	\$ 1,560,000

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Public Safety Impact Fees
For the Year Ended June 30, 2022

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Licenses permits and fees	\$ -	\$ -	\$ 630,622	\$ 630,622
Use of money and property	-	-	3,965	3,965
Total revenues	-	-	634,587	634,587
Revenues over (under) expenditures	-	-	634,587	634,587
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(4,831,845)	(4,831,845)	-
Total other financing sources (uses)	-	(4,831,845)	(4,831,845)	-
Net change in fund balances	-	(4,831,845)	(4,197,258)	634,587
Fund balances - beginning	-	4,831,845	4,831,845	-
Fund balances - ending	\$ -	\$ -	\$ 634,587	\$ 634,587

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Community Service Impact Fees
For the Year Ended June 30, 2022

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Licenses permits and fees	\$ -	\$ -	\$ 492,351	\$ 492,351
Use of money and property	-	-	4,160	4,160
Total revenues	-	-	496,511	496,511
Revenues over (under) expenditures	-	-	496,511	496,511
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(5,700,428)	(5,700,428)	-
Total other financing sources (uses)	-	(5,700,428)	(5,700,428)	-
Net change in fund balances	-	(5,700,428)	(5,203,917)	496,511
Fund balances - beginning	-	5,700,428	5,700,428	-
Fund balances - ending	\$ -	\$ -	\$ 496,511	\$ 496,511

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Development Maintenance Impact Fees
For the Year Ended June 30, 2022

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Licenses permits and fees	\$ 563,000	\$ 563,000	\$ 552,932	\$ (10,068)
Use of money and property	-	-	9,414	9,414
Total revenues	563,000	563,000	562,346	(654)
EXPENDITURES				
Current:				
Community development	430,000	899,374	356,156	543,218
Capital outlay	-	-	37,593	(37,593)
Total expenditures	430,000	899,374	393,749	505,625
Revenues over (under) expenditures	133,000	(336,374)	168,597	504,971
Net change in fund balances	133,000	(336,374)	168,597	504,971
Fund balances - beginning	4,125,576	4,125,576	4,125,576	-
Fund balances - ending	\$ 4,258,576	\$ 3,789,202	\$ 4,294,173	\$ 504,971

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Park Impact Fees
For the Year Ended June 30, 2022

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Licenses permits and fees	\$ 2,000,000	\$ 2,000,000	\$ 1,799,853	\$ (200,147)
Use of money and property	-	-	11,880	11,880
Revenue - Other revenue	-	110,000	694	(109,306)
Total revenues	<u>2,000,000</u>	<u>2,110,000</u>	<u>1,812,427</u>	<u>(297,573)</u>
 Revenues over (under) expenditures	 <u>2,000,000</u>	 <u>2,110,000</u>	 <u>1,812,427</u>	 <u>(297,573)</u>
 Net change in fund balances	 2,000,000	 2,110,000	 1,812,427	 (297,573)
 Fund balances - beginning	 3,632,691	 3,632,691	 3,632,691	 -
Fund balances - ending	<u>\$ 5,632,691</u>	<u>\$ 5,742,691</u>	<u>\$ 5,445,118</u>	<u>\$ (297,573)</u>

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Measure B - 1986 ACTIA
For the Year Ended June 30, 2022

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Expenditures				
Current:				
Capital outlay	-	860,595	214,247	646,348
Total expenditures	-	860,595	214,247	646,348
Revenues over (under) expenditures	-	860,595	214,247	646,348
Net change in fund balances	-	(860,595)	(214,247)	646,348
Fund balances - beginning	(1,920,122)	(1,920,122)	(1,920,122)	-
Fund balances - ending	\$ (1,920,122)	\$ (2,780,717)	\$ (2,134,369)	\$ 646,348

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY ACCOUNTING AND CONTROL
JUNE 30, 2022

Note 1: Budgetary Basis of Accounting**a. Budgetary Control and Budgetary Accounting**

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

1. Every other year, the City Manager submits to the City Council a proposed biennial operating budget and capital improvement plan for the two fiscal years commencing the following July 1, which include proposed expenditures and the means of financing them.
2. Public work sessions are conducted to obtain taxpayer comments.
3. The budget is adopted by City Council resolution prior to July 1 of even-numbered years.
4. Expenditures may not legally exceed budgeted appropriations at the department level.
5. All budget adjustments and transfers between funds must be approved by the City Council by resolution during the fiscal year. The City Manager is authorized to transfer any unencumbered appropriations within a department within the same funds.
6. Formal budgetary integration, including the recording of encumbrances, is employed as a management control device during the year in all budgeted funds. Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.
7. Budgets are adopted for all funds except for Debt Service Fund. Budgets are on a basis consistent with generally accepted accounting principles (GAAP).
8. Budgeted amounts are as originally adopted or as amended by the City Council. Individual amendments were not material in relation to the original appropriations, which were amended.

For the fiscal year ending June 30, 2022, the following funds had no adopted annual budgets:

Traffic Impact Fees Fund
Housing Impact Fee Fund
Waste Augmentation Fund
Recycle AB939

b. Expenditures over Appropriations

The following Funds had expenditures over appropriations for the fiscal year ended June 30, 2022:

Fund	Budget	Actual	Excess
General Fund, Public Safety (Fire)	\$ 12,844,000	\$ 12,846,532	\$ 2,532
Development Maintenance Fees (Capital Outlay)	-	37,593	37,593
Measure B, 1986 (Capital Outlay)	-	214,427	214,427

City of Newark

Miscellaneous Plan - Agent Multiple-Employer

Schedule of Changes in Net Pension Liability and Related Ratios

As of June 30, for the Last Ten Fiscal Years (1)

	2015	2016	2017	2018	2019	2020	2021	2022
Total Pension Liability								
Service Cost	\$ 1,565,207	\$ 1,428,480	\$ 1,526,903	\$ 1,741,959	\$ 1,958,908	\$ 2,015,761	\$ 1,935,397	\$ 1,901,824
Interest	6,903,386	7,153,135	7,430,465	7,606,416	7,893,622	8,282,270	8,658,150	8,849,497
Difference between Expected and Actual Experience	-	(336,919)	(296,888)	98,578	1,112,052	1,745,541	1,582,587	(891,445)
Changes in Assumptions	-	(1,677,534)	-	6,040,949	(761,857)	-	-	-
Benefit Payments, Including								
Refunds of Employee Contributions	(4,796,901)	(5,054,891)	(5,339,676)	(5,585,662)	(5,994,674)	(6,387,039)	(6,779,708)	(7,238,583)
Net Change in Total Pension Liability	3,671,692	1,512,271	3,320,804	9,902,240	4,208,051	5,656,533	5,396,426	2,621,293
Total Pension Liability - Beginning	93,660,996	97,332,688	98,844,959	102,165,763	112,068,003	116,276,054	121,932,587	127,329,013
Total Pension Liability - Ending (a)	\$ 97,332,688	\$ 98,844,959	\$ 102,165,763	\$ 112,068,003	\$ 116,276,054	\$ 121,932,587	\$ 127,329,013	\$ 129,950,306
Plan Fiduciary Net Position								
Contributions - Employer	1,672,308	1,771,614	2,089,006	2,252,015	3,091,582	3,224,109	3,532,890	3,874,896
Contributions - Employee	1,133,861	980,547	1,026,537	1,148,693	1,232,724	1,208,146	1,219,082	1,203,390
Plan to Plan Resource Movement	-	-	-	-	(176)	-	-	-
Net Investment Income	10,440,289	1,509,133	377,065	7,421,654	6,085,231	5,029,454	3,929,919	18,157,424
Benefit Payments, Including								
Refunds of Employee Contributions	(4,796,901)	(5,054,891)	(5,339,676)	(5,585,662)	(5,994,674)	(6,387,039)	(6,779,708)	(7,238,583)
Administrative Expense	-	(76,731)	(41,512)	(97,779)	(111,206)	(53,848)	(110,635)	(80,184)
Other Miscellaneous Income/(Expense)	-	95	-	(401)	(211,182)	176	-	-
Net Change in Fiduciary Net Position	8,449,557	(870,233)	(1,888,580)	5,138,520	4,092,299	3,020,998	1,791,548	15,916,943
Plan Fiduciary Net Position - Beginning	60,535,487	68,985,044	68,114,811	66,226,231	71,364,751	75,457,050	78,478,048	80,269,596
Plan Fiduciary Net Position - Ending (b)	\$ 68,985,044	\$ 68,114,811	\$ 66,226,231	\$ 71,364,751	\$ 75,457,050	\$ 78,478,048	\$ 80,269,596	\$ 96,186,539
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	\$ 28,347,644	\$ 30,730,148	\$ 35,939,532	\$ 40,703,252	\$ 40,819,004	\$ 43,454,539	\$ 47,059,417	\$ 33,763,767
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.88%	68.91%	64.82%	63.68%	64.89%	64.36%	63.04%	74.02%
Covered Payroll	\$ 8,387,860	\$ 8,555,244	\$ 8,944,772	\$ 9,900,873	\$ 10,929,418	\$ 11,040,727	\$ 10,850,808	\$ 11,804,200
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	337.96%	359.20%	401.79%	411.11%	373.48%	393.58%	433.70%	286.03%

(1) Historical information is required only for measurement years for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only seven years are shown.

Notes to Schedule:

Benefit Changes:

There were no changes to benefit terms. However, the figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2019 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 of Assumptions:

In 2020 and 2019, there were no changes. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate in 2018. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amount reported were based on the 7.5 percent discount rate.

City of Newark**Miscellaneous Plan - Agent Multiple-Employer****Schedule of Plan Contributions****As of June 30, for the Last Ten Fiscal Years (1)**

	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially Determined Contribution	\$ 1,773,777	\$ 2,089,006	\$ 2,252,317	\$ 2,937,068	\$ 3,231,257	\$ 3,532,994	\$ 3,873,663	\$ 4,282,706
Contribution in Relation to the Actuarially Determined Contribution	(1,773,777)	(2,089,006)	(2,252,317)	(2,937,068)	(3,231,257)	(3,532,994)	(3,873,663)	(9,282,706)
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	(5,000,000)
Covered Payroll	8,555,244	8,944,772	9,900,873	10,929,418	11,040,727	10,850,808	10,664,818	11,804,200
Contributions as a Percentage of Covered Payroll	20.73%	23.35%	22.75%	26.87%	29.27%	32.56%	36.32%	36.28%

(1) Historical information is required only for measurement years for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only seven years are shown.

City of Newark

Cost-Sharing Multiple Employer Safety Plan

Schedule of Proportionate Share of the Net Pension Liability

As of June 30, for the Last Ten Fiscal Years (1)

	2015	2016	2017	2018	2019	2020	2021	2022
Measurement Date	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021
Proportion of the Net Pension Liability*	0.64192%	0.66006%	0.62991%	0.61737%	0.64142%	0.63196%	0.63207%	0.68191%
Proportionate Share of the Net Pension Liability	\$ 39,942,949	\$ 45,305,899	\$ 54,506,282	\$ 61,226,071	\$ 61,809,192	\$ 64,757,434	\$ 68,772,104	\$ 36,879,425
Covered Payroll	\$ 6,720,767	\$ 7,186,807	\$ 7,171,629	\$ 7,362,907	\$ 7,381,368	\$ 9,025,651	7,417,018	7,777,066
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	594.3%	630.4%	760.0%	831.5%	837.4%	717.5%	927.2%	474.2%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.57%	78.40%	74.06%	65.64%	66.76%	66.82%	66.03%	82.29%

* Represents the portion of the net pension liability compared to the total risk pool for both safety and miscellaneous plans.

(1) Historical information is required only for measurement years for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only seven years are shown.

Notes to Schedules:

Benefit Changes:

There were no changes to benefit terms. However, the figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2018 valuation date. This applies for voluntary benefit changes as well as any offers of the Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions:

In 2019, there were no changes. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of the Actuarial Assumptions December 2017. There were not changes in the discount rate in 2018. In 2017, the accounting discount rate reduced from 7.65 percent (net of administrative expense) to 7.65 (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

City of Newark
Cost-Sharing Multiple Employer Safety Plan
Schedule of Plan Contributions
As of June 30, for the Last Ten Fiscal Years (1)

	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially Determined Contribution	\$ 2,526,932	\$ 3,262,170	\$ 3,595,377	\$ 4,766,942	\$ 5,046,191	\$ 5,386,172	\$ 5,836,100	\$ 5,493,067
Contribution in Relation to the Actuarially Determined Contribution	(2,526,932)	(3,262,170)	(3,595,377)	(4,766,942)	(5,046,191)	(5,386,172)	(15,836,100)	(5,493,067)
Contribution Deficiency (Excess)	-	-	-	-	-	-	(10,000,000)	-
Covered Payroll	7,186,807	7,171,629	7,362,907	7,381,368	9,025,651	7,417,018	7,777,066	7,740,113
Contributions as a Percentage of Covered Payroll	35.2%	45.5%	48.8%	64.6%	55.9%	72.6%	75.0%	71.0%

(1) Historical information is required only for measurement years for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only seven years are shown.

City of Newark

Schedule of Changes in the Net OPEB Liability and Related Ratios As of June 30, for the Last Ten Fiscal Years (1)

	2018	2019	2020	2021	2022
Total OPEB Liability					
Service cost	\$ 357,973	\$ 339,211	\$ 310,710	\$ 270,070	\$ 278,172
Interest on the total OPEB liability	345,706	387,888	463,155	378,535	398,066
Actual and expected experience difference	-	-	(1,516,027)	-	10,652
Changes in assumptions	(232,385)	103,950	(555,472)	-	(355,369)
Benefit payments	(205,783)	(223,221)	(353,760)	(322,724)	(339,677)
Net change in total OPEB liability	265,511	607,828	(1,651,394)	325,881	(8,156)
Total OPEB liability - beginning	6,978,268	7,243,779	7,851,607	6,200,213	6,526,094
Total OPEB liability - ending (a)	7,243,779	7,851,607	6,200,213	6,526,094	6,517,938
Plan Fiduciary Net Position					
Contribution - employer	315,000	354,000	576,617	697,381	339,677
Net investment income	161,324	126,130	130,911	91,520	761,949
Benefit payments	(205,783)	(223,221)	(353,760)	(322,724)	(339,677)
Administrative expense	(845)	(1,002)	(472)	(1,296)	(1,049)
Investment experience	-	23,308	-	-	-
Other expenses	-	(2,218)	-	-	-
Net change in plan fiduciary net position	269,696	276,997	353,296	464,881	760,900
Plan fiduciary net position - beginning	1,406,246	1,675,942	1,952,939	2,306,235	2,771,116
Plan fiduciary net position - ending (b)	1,675,942	1,952,939	2,306,235	2,771,116	3,532,016
Net OPEB Liability - ending (a) - (b)	\$ 5,567,837	\$ 5,898,668	\$ 3,893,978	\$ 3,754,978	\$ 2,985,922
Plan fiduciary net position as a percentage of the total OPEB liability	23.14%	24.87%	37.20%	42.46%	54.19%
Covered-employee payroll	15,780,296	17,438,452	20,956,996	18,991,910	18,685,140
Net OPEB liability as a percentage of covered-employee payroll	35.28%	33.83%	18.58%	19.77%	15.98%

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

Notes to schedule:

Changes in assumptions: In 2021, no changes were made. In 2020, the discount rate was changed from 7.00% to 6.00%. In 2019, the discount rate was changed from 7.25% to 7.00%.

City of Newark

Schedule of OPEB Contributions

As of June 30, for the Last Ten Fiscal Years (1)

	2018	2019	2020	2021	2022
Actuarially Determined Contribution	\$ 537,000	\$ 572,265	\$ 588,500	\$ 476,313	\$ 490,602
Contribution in Relation to the Actuarially Determined Contributions	(354,000)	(576,617)	(697,381)	(339,677)	(606,337)
Contribution Deficiency (Excess)	<u>\$ 183,000</u>	<u>\$ (4,352)</u>	<u>\$ (108,881)</u>	<u>\$ 136,636</u>	<u>\$ (115,735)</u>
Covered-employee payroll	\$ 17,438,452	\$ 20,856,996	\$ 18,991,910	\$ 18,685,140	\$ 19,245,694
Contributions as a percentage of covered-employee payroll	2.03%	2.76%	3.67%	1.82%	3.15%

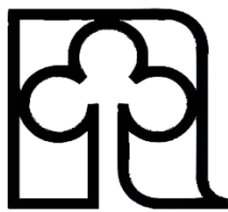
(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

Notes to Schedule:

*Actuarial methods and assumptions used to set the actuarially determined contribution for Fiscal Year 2021 were derived from the June 2019 Actuarial Valuation report, based on the plan assets and liabilities projected at the same time that valuation was prepared.

Methods and assumptions used to determine contributions:

Actuarial Cost Method	Entry Age Normal
Amortization Valuation Method/Period	Level percent of payroll
Asset Valuation Method	Market value
Discount Rate	6.00%
Inflation	2.50%
Mortality	CalPERS 2014



SUPPLEMENTARY INFORMATION

NON-MAJOR GOVERNMENTAL FUNDS

The following funds are reported in total on the Governmental Fund Financial Statements under the column Other Governmental Funds.

SPECIAL REVENUE FUNDS

Paramedic Tax – Accounts for funds used to support the Fire Department Paramedic Program. This voter-approved property tax is used to pay for training, supplies and certain personnel costs associated with the program.

Alameda County Fire Fees – Accounts for funds received from the County for emergency medical services.

Police Grants – Accounts for grant funds received for specific law enforcement purposes and to support drug resistance and education programs for community youth.

Community Development Act – Accounts for funds received from federal grants administered by the County to fund improvements to low-income housing and neighborhoods.

Waste Management Augmentation Fund – Accounts for waste hauler surcharge fees to be used for offsetting recycling and transfer station payments

Recycle AB 939 – Accounts for funds received from Waste Management and Republic Services franchise fees. These funds are used to fund and promote City recycling efforts as required by Assembly Bill 939.

Measure D - Recycling – Accounts for Measure D funds from the Alameda County Waste Reduction Initiative to be used for the continuation and expansion of municipal recycling programs.

Gas Tax Funds – Accounts for gas tax funds received from the State to be used for various street construction and maintenance projects.

Measure B - ACTC – Accounts for Measure B funds from the Alameda County Transportation Commission (ACTC) to be used for the maintaining of local streets and roadways, funding bikes and pedestrian projects, and providing paratransit services to the senior community.

Measure BB - ACTC – Accounts for Measure B funds from the Alameda County Transportation Commission (ACTC) to be used for the maintaining of local streets and roadways, funding bikes and pedestrian projects, and providing paratransit services to the senior community.

Measure F (VRF) ACTC – Accounts for Measure F funds from the Alameda County Vehicle Registration Fees to be used to sustain the County's transportation network and reduce traffic congestion and vehicle related pollution.

RMRA SB1 Special Revenue Fund – Accounts for Senate Bill 1 that increases gasoline and diesel taxes and vehicle registration fees to fund for basic road maintenance, rehabilitation, and critical safety projects on local streets and roads.

Hazardous Materials Program – Accounts for grant proceeds for specific hazardous materials education and mitigation programs.

State Senate Bills Fund – Accounts for Senate Bill 1186, State CASp fee which is mandated by California SB1186 and its purpose is to increase disability access and compliance with construction related accessibility requirements. It also accounts for the Building Standards Fee (SB1473) and the California Strong Motion Instrumentation Program (CSMIP).

Auto Break-in Prevention (AB74) – Accounts for State funding sponsored by Assembly member Kansan Chu, to combat auto burglaries in our region.

State Construction Maintenance Funds – Accounts for funds to be used for various street maintenance and construction projects.

CAPITAL PROJECTS FUNDS

PEG Fees – Accounts for funding used to support PEG activities and the capital costs needed for repair, replacement, and maintenance of equipment used to broadcast Council meetings, or to make technological upgrades to the Council chambers.

Art in Public Places – Accounts for funds collected from developers to be used for the procurement and enhancement of public art.

Miscellaneous State Grants – Accounts for State Grants reimbursements provided by cooperating agencies for capital related expenditures.

Landscape and Lighting District – Accounts for funds collected through special assessments for the maintenance of landscaping and street lighting in the Landscape and Lighting Districts.

City of Newark
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2022

	Special Revenue Funds			
	Paramedic Tax	Alameda County Fire Fees	Police Grants	Community Development Act (HCD)
ASSETS				
Pooled cash and investments	\$ 1,186,664	\$ 54,385	\$ 243,287	\$ -
Receivables:				
Accounts	-	-	-	-
Intergovernmental	-	-	6,181	149,835
Special assessments	-	-	-	-
Other	-	-	400	-
Total assets	<u>\$ 1,186,664</u>	<u>\$ 54,385</u>	<u>\$ 249,868</u>	<u>\$ 149,835</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 1,832	\$ 66,228
Accrued liabilities	-	-	444	-
Unearned revenues	-	-	-	-
Refundable deposits	-	-	-	-
Due to other funds	-	-	-	52,735
Total liabilities	<u>-</u>	<u>-</u>	<u>2,276</u>	<u>118,963</u>
DEFERRED INFLOW OR RESOURCES				
Unavailable revenue	-	-	-	149,835
Total deferred inflow or resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>149,835</u>
Fund Balances (Deficit):				
Restricted	1,186,664	54,385	247,592	-
Assigned	-	-	-	-
Unassigned (deficit)	-	-	-	(118,963)
Total fund balances (deficit)	<u>1,186,664</u>	<u>54,385</u>	<u>247,592</u>	<u>(118,963)</u>
Total liabilities and fund balances (deficits)	<u>\$ 1,186,664</u>	<u>\$ 54,385</u>	<u>\$ 249,868</u>	<u>\$ 149,835</u>

Special Revenue Funds							
Waste Augmentation	Recycle AB939	Measure D - Waste Mgmt	Gas Tax Funds	Measure B - ACTC	Measure BB ACTC	Measure F (VRF) ACTC	RMRA SB1
\$ 18,638	\$ 57,164	\$ 624,439	\$ 2,914,022	\$ 1,920,244	\$ 1,529,757	\$ 204,651	\$ 2,481,970
-	-	-	-	-	-	-	-
-	-	67,253	87,623	11,997	474,992	35,410	165,001
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 18,638</u>	<u>\$ 57,164</u>	<u>\$ 691,692</u>	<u>\$ 3,001,645</u>	<u>\$ 1,932,241</u>	<u>\$ 2,004,749</u>	<u>\$ 240,061</u>	<u>\$ 2,646,971</u>
\$ -	\$ -	\$ 28,260	\$ 143,222	\$ 309,346	\$ 53,140	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	28,260	143,222	309,346	53,140	-	-
-	-	33,554	-	6,319	202,456	-	-
-	-	33,554	-	6,319	202,456	-	-
-	57,164	629,878	2,858,423	1,616,576	1,749,153	240,061	2,646,971
18,638	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>18,638</u>	<u>57,164</u>	<u>629,878</u>	<u>2,858,423</u>	<u>1,616,576</u>	<u>1,749,153</u>	<u>240,061</u>	<u>2,646,971</u>
<u>\$ 18,638</u>	<u>\$ 57,164</u>	<u>\$ 691,692</u>	<u>\$ 3,001,645</u>	<u>\$ 1,932,241</u>	<u>\$ 2,004,749</u>	<u>\$ 240,061</u>	<u>\$ 2,646,971</u>

City of Newark
Combining Balance Sheet
Non-Major Governmental Funds, Continued
June 30, 2022

	Special Revenue Funds			
	Hazardous Materials Program	State Senate Bills Fund	Auto Break-in Prevention AB74	State Construction Maintenance
ASSETS				
Pooled cash and investments	\$ 32,193	\$ 126,641	\$ 688,358	\$ 932,369
Receivables:				
Accounts	-	-	-	-
Intergovernmental	-	-	-	184,535
Special assessments	-	-	-	-
	-	-	-	-
Total assets	<u>\$ 32,193</u>	<u>\$ 126,641</u>	<u>\$ 688,358</u>	<u>\$ 1,116,904</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 13,094	\$ -	\$ 187,245
Accrued liabilities	-	-	-	-
Unearned revenues	7,058	-	688,358	-
Refundable deposits	-	49,562	-	12,769
Due to other funds	-	-	-	-
Total liabilities	<u>7,058</u>	<u>62,656</u>	<u>688,358</u>	<u>200,014</u>
DEFERRED INFLOW OR RESOURCES				
Unavailable revenue	-	-	-	184,535
Total deferred inflow or resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>184,535</u>
Fund Balances:				
Restricted	25,135	63,985	-	732,355
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>25,135</u>	<u>63,985</u>	<u>-</u>	<u>732,355</u>
Total liabilities and fund balances	<u>\$ 32,193</u>	<u>\$ 126,641</u>	<u>\$ 688,358</u>	<u>\$ 1,116,904</u>

Capital Projects Funds				Total Other Non-Major Governmental Funds
PEG Fees	Art in Public Places	Misc. State Grants	Landscape and Lighting District	
\$ 632,620	\$ 1,915,912	\$ 65,041	\$ 1,817,664	\$ 17,446,019
	-	-	15,751	15,751
-	-	9,997	-	1,192,824
-	-	-	87,080	87,080
16,748	-	-	-	17,148
<u>\$ 649,368</u>	<u>\$ 1,915,912</u>	<u>\$ 75,038</u>	<u>\$ 1,920,495</u>	<u>\$ 18,758,822</u>
\$ -	\$ -	\$ 5,152	\$ 14,909	\$ 822,428
-	-	-	-	444
-	-	69,886	-	765,302
-	-	-	-	62,331
-	-	-	-	52,735
-	-	75,038	14,909	1,703,240
-	-	9,997	-	586,696
-	-	9,997	-	586,696
649,368	-	-	1,905,586	14,663,296
-	1,915,912	-	-	1,934,550
-	-	(9,997)	-	(128,960)
<u>649,368</u>	<u>1,915,912</u>	<u>(9,997)</u>	<u>1,905,586</u>	<u>16,468,886</u>
<u>\$ 649,368</u>	<u>\$ 1,915,912</u>	<u>\$ 75,038</u>	<u>\$ 1,920,495</u>	<u>\$ 18,758,822</u>

City of Newark

Combined Statement of Revenues, Expenditures and Changes in Fund Balances

Non-Major Governmental Funds

For the year ended June 30, 2022

	Special Revenue Funds			
	Paramedic Tax	Alameda County Fire Fees	Police Grants	Community Development Act (HCD)
REVENUES:				
Special assessments	\$ 258,509	\$ -	\$ -	\$ -
Other governmental agencies	-	-	224,151	223,686
Use of money and property	-	-	323	-
License, permits and fees	-	-	22,800	-
Total revenues	258,509	-	247,274	223,686
EXPENDITURES:				
Current:				
Public safety:				
Fire	4,302	3,500	-	-
Police	-	-	230,395	-
Public works	-	-	-	-
Community development	-	-	-	149,835
Recreation	-	-	-	-
Capital outlay	-	-	-	231,300
Total expenditures	4,302	3,500	230,395	381,135
REVENUE OVER (UNDER) EXPENDITURES	254,207	(3,500)	16,879	(157,449)
OTHER FINANCING USES:				
Transfers out	-	-	-	-
Total other financing uses	-	-	-	-
Net change in fund balances	254,207	(3,500)	16,879	(157,449)
FUND BALANCES (Deficit):				
Beginning of year, restated	932,457	57,885	230,713	38,486
End of year	<u>\$ 1,186,664</u>	<u>\$ 54,385</u>	<u>\$ 247,592</u>	<u>\$ (118,963)</u>

Special Revenue Funds							
Waste Augmentation Fund	Recycle AB 939	Measure D - Waste Mgmt	Gas Tax Funds	Measure B - ACTC	Measure BB - ACTC	Measure F (VRF) ACTC	RMRA SB1
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	179,627	1,142,847	968,987	1,039,414	207,179	976,578
-	-	1,595	6,446	4,193	3,245	412	5,368
-	-	-	-	-	-	-	-
-	-	181,222	1,149,293	973,180	1,042,659	207,591	981,946
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	65,904	823,217	2,499	42,221	-	-
-	-	-	-	-	-	-	-
-	-	-	-	195,241	7,000	-	-
-	-	-	491,814	612,416	955,697	300,000	871,600
-	-	65,904	1,315,031	810,156	1,004,918	300,000	871,600
-	-	115,318	(165,738)	163,024	37,741	(92,409)	110,346
-	-	(226,372)	-	-	-	-	-
-	-	(226,372)	-	-	-	-	-
-	-	(111,054)	(165,738)	163,024	37,741	(92,409)	110,346
18,638	57,164	740,932	3,024,161	1,453,552	1,711,412	332,470	2,536,625
<u>\$ 18,638</u>	<u>\$ 57,164</u>	<u>\$ 629,878</u>	<u>\$ 2,858,423</u>	<u>\$ 1,616,576</u>	<u>\$ 1,749,153</u>	<u>\$ 240,061</u>	<u>\$ 2,646,971</u>

City of Newark

Combined Statement of Revenues, Expenditures and Changes in Fund Balances

Non-Major Governmental Funds

For the year ended June 30, 2022

	Special Revenue Funds			
	Hazardous Materials Program	State Senate Bills Fund	Auto Break-in Prevention AB74	State Construction Maintenance
REVENUES:				
Special assessments	\$ -	\$ -	\$ -	\$ -
Other governmental agencies	-	-	15,749	-
Use of money and property	68	-	-	2,097
License, permits and fees	-	2,168	-	-
Total revenues	68	2,168	15,749	2,097
EXPENDITURES:				
Current:				
Public safety:				
Fire	-	-	-	-
Police	-	-	15,749	-
Public works	-	1,797	-	-
Community development	-	-	-	-
Recreation	-	-	-	-
Capital outlay	-	-	-	184,500
Total expenditures	-	1,797	15,749	184,500
REVENUE OVER (UNDER) EXPENDITURES	68	371	-	(182,403)
OTHER FINANCING				
Transfers out	-	-	-	-
Total other financing uses	-	-	-	-
Net change in fund balances	68	371	-	(182,403)
FUND BALANCES:				
Beginning of year, restated	25,067	63,614	-	914,758
End of year	\$ 25,135	\$ 63,985	\$ -	\$ 732,355

Capital Projects Funds				Total Other Non-Major Governmental Funds
PEG Fees	Art in Public Places	Misc. State Grants	Landscape and Lighting District	
\$ -	\$ -	\$ -	\$ 380,659	\$ 639,168
-	-	-	-	4,978,218
1,605	4,293	-	4,101	33,746
73,182	62,635	-	-	160,785
74,787	66,928	-	384,760	5,811,917
-	-	-	-	7,802
-	-	-	-	246,144
-	-	9,997	192,710	1,138,345
-	-	-	-	149,835
-	-	-	-	202,241
-	-	-	-	3,647,327
-	-	9,997	192,710	5,391,694
74,787	66,928	(9,997)	192,050	420,223
(365,887)	-	-	-	(592,259)
(365,887)	-	-	-	(592,259)
(291,100)	66,928	(9,997)	192,050	(172,036)
940,468	1,848,984	-	1,713,536	16,640,922
\$ 649,368	\$ 1,915,912	\$ (9,997)	\$ 1,905,586	\$ 16,468,886

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Paramedic Tax
For the Year Ended June 30, 2022

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Special assessments	\$ 233,000	\$ 233,000	\$ 258,509	\$ 25,509
Total revenues	233,000	233,000	258,509	25,509
EXPENDITURES				
Current:				
Public Safety - Fire	-	-	4,302	(4,302)
Total expenditures	-	-	4,302	(4,302)
Revenues over (under) expenditures	233,000	233,000	254,207	21,207
Net change in fund balances	233,000	233,000	254,207	21,207
Fund balances - beginning	932,457	932,457	932,457	-
Fund balances - ending	\$ 1,165,457	\$ 1,165,457	\$ 1,186,664	\$ 21,207

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Alameda County EMS Grant (FRALS)
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
EXPENDITURES				
Current:				
Public Safety - Fire	\$ -	\$ 4,000	\$ 3,500	\$ 500
Total expenditures	-	4,000	3,500	500
Revenues over (under) expenditures	-	4,000	3,500	500
Net change in fund balances	-	(4,000)	(3,500)	500
Fund balances - beginning	-	57,885	57,885	-
Fund balances - ending	\$ -	\$ 53,885	\$ 54,385	\$ 500

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Police Grants
For the Year Ended June 30, 2022

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Licenses permits and fees	\$ -	\$ -	\$ 22,800	\$ 22,800
Intergovernmental	100,000	170,000	224,151	54,151
Use of money and property	-	-	323	323
Total revenues	<u>100,000</u>	<u>170,000</u>	<u>247,274</u>	<u>77,274</u>
EXPENDITURES				
Current:				
Public safety - Police	<u>35,000</u>	<u>164,000</u>	<u>230,395</u>	<u>(66,395)</u>
Total expenditures	<u>35,000</u>	<u>164,000</u>	<u>230,395</u>	<u>(66,395)</u>
Revenues over (under) expenditures	<u>65,000</u>	<u>6,000</u>	<u>16,879</u>	<u>10,879</u>
Net change in fund balances	65,000	6,000	16,879	10,879
Fund balances - beginning	230,713	230,713	230,713	-
Fund balances - ending	<u><u>\$ 295,713</u></u>	<u><u>\$ 236,713</u></u>	<u><u>\$ 247,592</u></u>	<u><u>\$ 10,879</u></u>

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Community Development Act (HCD)
For the Year Ended June 30, 2022

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	\$ -	\$ 150,000	\$ 223,686	\$ 73,686
Total revenues	-	150,000	223,686	73,686
EXPENDITURES				
Current:				
Community development	-	150,000	149,835	165
Capital outlay	-	232,485	231,300	1,185
Total expenditures	-	382,485	381,135	1,350
Revenues over (under) expenditures	-	(232,485)	(157,449)	75,036
Net change in fund balances	-	(232,485)	(157,449)	75,036
Fund balances - beginning	-	38,486	38,486	-
Fund balances (deficit) - ending	\$ -	\$ (193,999)	\$ (118,963)	\$ 75,036

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Measure D - Waste Management
For the Year Ended June 30, 2022

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	\$ 125,000	\$ 125,000	\$ 179,627	\$ 54,627
Use of money and property	-	-	1,595	1,595
Total revenues	<u>125,000</u>	<u>125,000</u>	<u>181,222</u>	<u>56,222</u>
EXPENDITURES				
Current:				
Public works	-	478,000	65,904	412,096
Total expenditures	<u>-</u>	<u>478,000</u>	<u>65,904</u>	<u>412,096</u>
Revenues over (under) expenditures	<u>125,000</u>	<u>(353,000)</u>	<u>115,318</u>	<u>468,318</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(227,000)	(226,372)	628
Total other financing sources (uses)	<u>-</u>	<u>(227,000)</u>	<u>(226,372)</u>	<u>628</u>
Net change in fund balances	125,000	(580,000)	(111,054)	468,946
Fund balances - beginning	\$ 740,932	\$ 740,932	\$ 740,932	\$ -
Fund balances - ending	<u>\$ 865,932</u>	<u>\$ 160,932</u>	<u>\$ 629,878</u>	<u>\$ 468,946</u>

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Gas Tax
For the Year Ended June 30, 2022

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	\$ 1,213,000	\$ 1,213,000	\$ 1,142,847	\$ (70,153)
Use of money and property	-	-	6,446	6,446
Total revenues	<u>1,213,000</u>	<u>1,213,000</u>	<u>1,149,293</u>	<u>(63,707)</u>
EXPENDITURES				
Current:				
Public works	3,230,000	6,851,003	823,217	6,027,786
Capital outlay	-	-	491,814	(491,814)
Total expenditures	<u>3,230,000</u>	<u>6,851,003</u>	<u>1,315,031</u>	<u>5,535,972</u>
Revenues over (under) expenditures	<u>(2,017,000)</u>	<u>(5,638,003)</u>	<u>(165,738)</u>	<u>5,472,265</u>
Net change in fund balances	(2,017,000)	(5,638,003)	(165,738)	5,472,265
Fund balances - beginning	3,024,161	3,024,161	3,024,161	-
Fund balances - ending	<u><u>\$ 1,007,161</u></u>	<u><u>\$ (2,613,842)</u></u>	<u><u>\$ 2,858,423</u></u>	<u><u>\$ 5,472,265</u></u>

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Measure B (ACTC)
For the Year Ended June 30, 2022

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	\$ 915,000	\$ 899,000	\$ 968,987	\$ 69,987
Use of money and property	-	-	4,193	4,193
Total revenues	915,000	899,000	973,180	74,180
EXPENDITURES				
Current:				
Public works	-	-	2,499	(2,499)
Recreation	220,000	220,000	195,241	24,759
Capital outlay	-	30,427,050	612,416	29,814,634
Total expenditures	220,000	30,647,050	810,156	29,836,894
Revenues over (under) expenditures	695,000	(29,748,050)	163,024	29,911,074
Net change in fund balances	695,000	(29,748,050)	163,024	29,911,074
Fund balances - beginning	1,453,552	1,453,552	1,453,552	-
Fund balances - ending	\$ 2,148,552	\$ (28,294,498)	\$ 1,616,576	\$ 29,911,074

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Measure BB (ACTC)
For the Year Ended June 30, 2022

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	\$ 755,000	\$ 721,000	\$ 1,039,414	\$ 318,414
Use of money and property	-	-	3,245	3,245
Total revenues	<u>755,000</u>	<u>721,000</u>	<u>1,042,659</u>	<u>321,659</u>
EXPENDITURES				
Current:				
Public Works	-	137,887	42,221	95,666
Recreation	220,000	220,000	7,000	213,000
Capital outlay	-	1,010,000	955,697	54,303
Total expenditures	<u>220,000</u>	<u>1,367,887</u>	<u>1,004,918</u>	<u>362,969</u>
Revenues over (under) expenditures	<u>535,000</u>	<u>(646,887)</u>	<u>37,741</u>	<u>684,628</u>
Net change in fund balances	535,000	(646,887)	37,741	684,628
Fund balances - beginning	<u>1,711,412</u>	<u>1,711,412</u>	<u>1,711,412</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 2,246,412</u></u>	<u><u>\$ 1,064,525</u></u>	<u><u>\$ 1,749,153</u></u>	<u><u>\$ 684,628</u></u>

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Measure F (VRF) - ACTC
For the Year Ended June 30, 2022

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	\$ 190,000	\$ 190,000	\$ 207,179	\$ 17,179
Use of money and property	-	-	412	412
Total revenues	190,000	190,000	207,591	17,591
EXPENDITURES				
Current:				
Capital Outlay	-	300,000	300,000	-
Total expenditures	-	300,000	300,000	-
Revenues over (under) expenditures	190,000	(110,000)	(92,409)	17,591
Net change in fund balances	190,000	(110,000)	(92,409)	17,591
Fund balances - beginning	332,470	332,470	332,470	-
Fund balances - ending	\$ 522,470	\$ 222,470	\$ 240,061	\$ 17,591

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
RMRA SB1
For the Year Ended June 30, 2022

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	\$ 897,000	\$ 1,012,000	\$ 976,578	\$ (35,422)
Use of money and property	-	-	5,368	5,368
Total revenues	897,000	1,012,000	981,946	(30,054)
EXPENDITURES				
Current:				
Capital outlay	-	1,529,600	871,600	658,000
Total expenditures	-	1,529,600	871,600	658,000
Revenues over (under) expenditures	897,000	(517,600)	110,346	627,946
Net change in fund balances	897,000	(517,600)	110,346	627,946
Fund balances - beginning	-	2,536,626	2,536,625	(1)
Fund balances - ending	\$ 3,433,626	\$ 2,019,026	\$ 2,646,971	\$ 627,945

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Hazardous Materials Program
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 13,000	\$ 13,000	\$ -	\$ (13,000)
Use of money and property	-	-	68	68
Total revenues	13,000	13,000	68	(12,932)
 Revenues over (under) expenditures	 13,000	 13,000	 68	 (12,932)
 Net change in fund balances	 13,000	 13,000	 68	 (12,932)
 Fund balances - beginning	 25,067	 25,067	 25,067	 -
Fund balances - ending	\$ 38,067	\$ 38,067	\$ 25,135	\$ (12,932)

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
State Senate Bills Funds
For the Year Ended June 30, 2022

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Licenses permits and fees	\$ -	\$ -	\$ 2,168	\$ 2,168
Total revenues	-	-	2,168	2,168
EXPENDITURES				
Current:				
Public works	10,000	10,000	1,797	8,203
Total expenditures	10,000	10,000	1,797	8,203
Revenues over (under) expenditures	(10,000)	(10,000)	371	10,371
Net change in fund balances	(10,000)	(10,000)	371	10,371
Fund balances - beginning, restated	63,614	63,614	63,614	-
Fund balances - ending	\$ 53,614	\$ 53,614	\$ 63,985	\$ 10,371

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Auto Break-in Prevention AB 74
For the Year Ended June 30, 2022

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 15,749	\$ 15,749
Total revenues	-	-	15,749	15,749
EXPENDITURES				
Current:				
Public safety - Police	146,000	146,000	15,749	130,251
Total expenditures	146,000	146,000	15,749	130,251
Revenues over (under) expenditures	(146,000)	(146,000)	-	146,000
Net change in fund balances	(146,000)	(146,000)	-	146,000
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ (146,000)	\$ (146,000)	\$ -	\$ 146,000

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
State Construction Maintenance
For the Year Ended June 30, 2022

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 2,097	\$ 2,097
Total revenues	-	-	2,097	2,097
EXPENDITURES				
Current:				
Public Works	-	38,100	-	38,100
Capital Outlay	-	40,000	184,500	(144,500)
Total expenditures	-	78,100	184,500	(106,400)
Revenues over (under) expenditures	-	(78,100)	(182,403)	(104,303)
Net change in fund balances	-	(78,100)	(182,403)	(104,303)
Fund balances - beginning	-	914,758	914,758	-
Fund balances - ending	\$ -	\$ 836,658	\$ 732,355	\$ (104,303)

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
PEG Fees
For the Year Ended June 30, 2022

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Licenses permits and fees	\$ 50,000	\$ 50,000	\$ 73,182	\$ 23,182
Use of money and property	-	-	1,605	1,605
Total revenues	50,000	50,000	74,787	24,787
Revenues over (under) expenditures	50,000	50,000	74,787	24,787
Other Financing Sources (Uses)				
Transfers out	-	(366,000)	(365,887)	113
Total other financing sources (uses)	-	(366,000)	(365,887)	113
Net change in fund balances	50,000	(316,000)	(291,100)	24,900
Fund balances - beginning, restated	940,468	940,468	940,468	-
Fund balances - ending	\$ 990,468	\$ 624,468	\$ 649,368	\$ 24,900

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Art in Public Places
For the Year Ended June 30, 2022

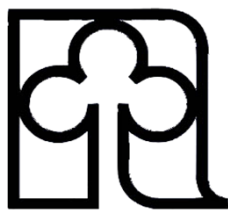
	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Licenses permits and fees	\$ 70,000	\$ 70,000	\$ 62,635	\$ (7,365)
Use of money and property	-	-	4,293	4,293
Total revenues	70,000	70,000	66,928	(3,072)
Revenues over (under) expenditures	70,000	70,000	66,928	(3,072)
Net change in fund balances	70,000	70,000	66,928	(3,072)
Fund balances - beginning	1,848,984	1,848,984	1,848,984	-
Fund balances - ending	\$ 1,918,984	\$ 1,918,984	\$ 1,915,912	\$ (3,072)

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Misc. State Grants
For the Year Ended June 30, 2022

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Other governmental agencies	\$ -	\$ 65,104	\$ -	\$ (65,104)
Total revenues	-	65,104	-	(65,104)
EXPENDITURES				
Current:				
Public works	-	65,104	9,997	55,107
Total expenditures	-	65,104	9,997	55,107
Revenues over (under) expenditures	-	-	(9,997)	(9,997)
Net change in fund balances	-	-	(9,997)	(9,997)
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ (9,997)	\$ (9,997)

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Landscape and Lighting Districts
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Special assessments	\$ -	\$ -	\$ 380,659	\$ 380,659
Use of money and property	-	-	4,101	4,101
Total revenues	-	-	384,760	384,760
EXPENDITURES				
Current:				
Public works	-	131,000	192,710	(61,710)
Total expenditures	-	131,000	192,710	(61,710)
Revenues over (under) expenditures	-	(131,000)	192,050	323,050
Net change in fund balances	-	(131,000)	192,050	323,050
Fund balances - beginning	-	1,713,535	1,713,536	1
Fund balances - ending	\$ -	\$ 1,582,535	\$ 1,905,586	\$ 323,051



INTERNAL SERVICE FUNDS

Equipment Replacement – Accounts for funds used to pay for the anticipated replacement of general equipment needs.

Equipment Operations – Accounts for funds used to support the maintenance and operation of general equipment.

Office Support – Accounts for funds used to support general office support needs including office supply purchases.

Building Maintenance –Accounts for funds used for general City-owned building maintenance.

Public Liability Self-Insurance – Accounts for funds used to cover general liability claims against the City and premiums for coverage above the City's risk retention level.

Workers' Compensation Self-Insurance – Accounts for funds used to cover premiums and claims paid related to Workers' Compensation coverage.

City of Newark
Combining Statement of Net Position
Internal Service Funds
June 30, 2022

	Equipment Replacement	Equipment Operations	Office Support
ASSETS			
Current assets:			
Cash and investments	\$ 2,609,009	\$ 2,027,973	\$ 98,857
Receivables	480	-	-
Supplies and other assets	-	66,591	3,000
Total current assets	2,609,489	2,094,564	101,857
Capital assets, net of accumulated depreciation	3,548,465	-	-
Total assets	6,157,954	2,094,564	101,857
LIABILITIES			
Current liabilities:			
Accounts payable	892	35,590	3,093
Accrued liabilities	24,263	-	-
Financed purchase obligations, due within one year	290,145	-	-
Claims payable, due within one year	-	-	-
Total current liabilities	315,300	35,590	3,093
Noncurrent liabilities:			
Financed purchase obligations, due in more than one year	797,866	-	-
Claims payable, due in more than one year	-	-	-
Total liabilities	1,113,166	35,590	3,093
NET POSITION			
Net investment in capital assets *	2,460,454	-	-
Unrestricted (deficit)	2,584,334	2,058,974	98,764
Total net position (deficit)	\$ 5,044,788	\$ 2,058,974	\$ 98,764

* Net of financed purchased obligations

<u>Building Maintenance</u>	<u>Public Liability Self-Insurance</u>	<u>Workers' Compensation Self-Insurance</u>	<u>Total</u>
\$ 2,386,547	\$ 393,005	\$ 3,557,027	\$ 11,072,418
42,696	435	-	43,611
22,657	-	-	92,248
<u>2,451,900</u>	<u>393,440</u>	<u>3,557,027</u>	<u>11,208,277</u>
-	-	-	3,548,465
<u>2,451,900</u>	<u>393,440</u>	<u>3,557,027</u>	<u>14,756,742</u>
164,655	2,037	27,328	233,595
-	42	-	24,305
-	-	-	290,145
-	75,738	445,269	521,007
<u>164,655</u>	<u>77,817</u>	<u>472,597</u>	<u>1,069,052</u>
-	-	-	797,866
-	647,283	1,697,618	2,344,901
<u>164,655</u>	<u>725,100</u>	<u>2,170,215</u>	<u>4,211,819</u>
-	-	-	2,460,454
<u>2,287,245</u>	<u>(331,660)</u>	<u>1,386,812</u>	<u>8,084,469</u>
<u>\$ 2,287,245</u>	<u>\$ (331,660)</u>	<u>\$ 1,386,812</u>	<u>\$ 10,544,923</u>

City of Newark

Combining Statement of Activities and Changes in Net Position

Internal Service Funds

For the year ended June 30, 2022

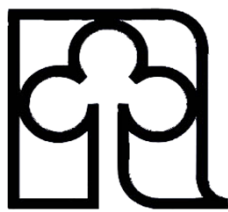
	Equipment Replacement	Equipment Operations	Office Support	Building Maintenance
OPERATING REVENUES:				
Charges to departments	\$ 845,000	\$ 1,288,000	\$ 134,000	\$ 2,221,000
Other revenue	1,887	-	-	91,084
Total operating revenues	<u>846,887</u>	<u>1,288,000</u>	<u>134,000</u>	<u>2,312,084</u>
OPERATING EXPENSES:				
Personnel services	-	575,037	12,702	538,336
Materials and supplies	148,032	375,567	25,576	86,801
Contractual services	-	212,860	81,028	721,414
Utilities	-	-	-	850,621
Insurance claims and premiums	-	-	-	-
Depreciation	525,961	-	-	-
Total operating expenses	<u>673,993</u>	<u>1,163,464</u>	<u>119,306</u>	<u>2,197,172</u>
OPERATING INCOME (LOSS)	<u>172,894</u>	<u>124,536</u>	<u>14,694</u>	<u>114,912</u>
NONOPERATING REVENUES (EXPENSES):				
Interest expense	(102,570)	-	-	-
Total nonoperating revenue (expenses)	<u>(102,570)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	70,324	124,536	14,694	114,912
NET POSITION:				
Beginning of year	4,974,464	1,934,438	84,070	2,172,333
End of year	<u>\$ 5,044,788</u>	<u>\$ 2,058,974</u>	<u>\$ 98,764</u>	<u>\$ 2,287,245</u>

Public Liability Self-Insurance	Workers' Compensation Self-Insurance	Total
\$ 845,500	\$ 1,322,000	\$ 6,655,500
3,649	-	96,620
849,149	1,322,000	6,752,120
31,358	40,082	1,197,515
3,649	-	639,625
208,049	738,528	1,961,879
-	-	850,621
1,256,596	284,897	1,541,493
-	-	525,961
1,499,652	1,063,507	6,717,094
(650,503)	258,493	35,026
-	-	(102,570)
-	-	(102,570)
(650,503)	258,493	(67,544)
318,843	1,128,319	10,612,467
\$ (331,660)	\$ 1,386,812	\$ 10,544,923

City of Newark
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2022

	Equipment Replacement	Equipment Operations	Office Support
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from other funds	\$ 846,887	\$ 1,288,000	\$ 134,000
Payments to suppliers/other fund	(148,389)	(615,847)	(104,717)
Payments to employees	-	(575,037)	(12,702)
Claim payments	-	-	-
Net cash provided (used) by operating activities	698,498	97,116	16,581
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Payments on capital lease	(246,451)	-	-
Acquisition of capital assets	(287,072)	-	-
Interest paid and fiscal charges	(102,570)	-	-
Net cash provided (used) by capital and related financing activities	(636,093)	-	-
Net increase (decrease) in cash and cash equivalents	62,405	97,116	16,581
CASH AND CASH EQUIVALENTS:			
Beginning of year	2,546,604	1,930,857	82,276
End of year	<u>\$ 2,609,009</u>	<u>\$ 2,027,973</u>	<u>\$ 98,857</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating income (loss)	\$ 172,894	\$ 124,536	\$ 14,694
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	525,961	-	-
Change in assets and liabilities:			
Accounts receivable and other assets	974	313	-
Accounts payable and accrued liabilities	(1,331)	(27,733)	1,887
Total adjustments	525,604	(27,420)	1,887
Net cash provided (used) by operating activities	\$ 698,498	\$ 97,116	\$ 16,581

<u>Building Maintenance</u>	<u>Public Liability Self-Insurance</u>	<u>Workers' Compensation Self-Insurance</u>	<u>Total</u>
\$ 2,312,084	\$ 849,149	\$ 1,322,000	\$ 6,752,120
(1,737,823)	(9,220)	(491,972)	(3,107,968)
(538,336)	(31,358)	(40,082)	(1,197,515)
-	(1,256,596)	(284,897)	(1,541,493)
35,925	(448,025)	505,049	905,144
-	-	-	(246,451)
-	-	-	(287,072)
-	-	-	(102,570)
-	-	-	(636,093)
35,925	(448,025)	505,049	269,051
2,350,622	841,030	3,051,978	10,803,367
<u>\$ 2,386,547</u>	<u>\$ 393,005</u>	<u>\$ 3,557,027</u>	<u>\$ 11,072,418</u>
\$ 114,912	\$ (650,503)	\$ 258,493	\$ 35,026
-	-	-	525,961
(35,754)	-	-	(34,467)
(43,233)	202,478	246,556	378,624
(78,987)	202,478	246,556	870,118
<u>\$ 35,925</u>	<u>\$ (448,025)</u>	<u>\$ 505,049</u>	<u>\$ 905,144</u>



CITY OF NEWARK

Statistical Section

This section of the City of Newark's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial condition.

Contents

Financial Trends

These schedules contain trend information to help the readers understand how the City's financial performance and well-being have changed over time.

- 1** Net Position by Component
- 2** Changes in Net Position
- 3** Fund Balances of Governmental Funds
- 4** Changes in Fund Balances of Governmental Funds

Revenue Source

These schedules present information to help reader assess the City's property and sales tax revenues.

- 5** Assessed Value of Taxable Property
- 6** Property Tax Rates - All Overlapping Government
- 7** Principal Property Tax Payers
- 8** Property Tax Levies and Collections
- 9** Taxable Sales by Category

Debt Capacity

These schedules present information to help reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

- 10** Ratio of Outstanding Debt by Type
- 11** Direct and Overlapping Governmental Activities Debt
- 12** Legal Bonded Debt Margin Information

Demographic and Economic Information

These schedules present demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

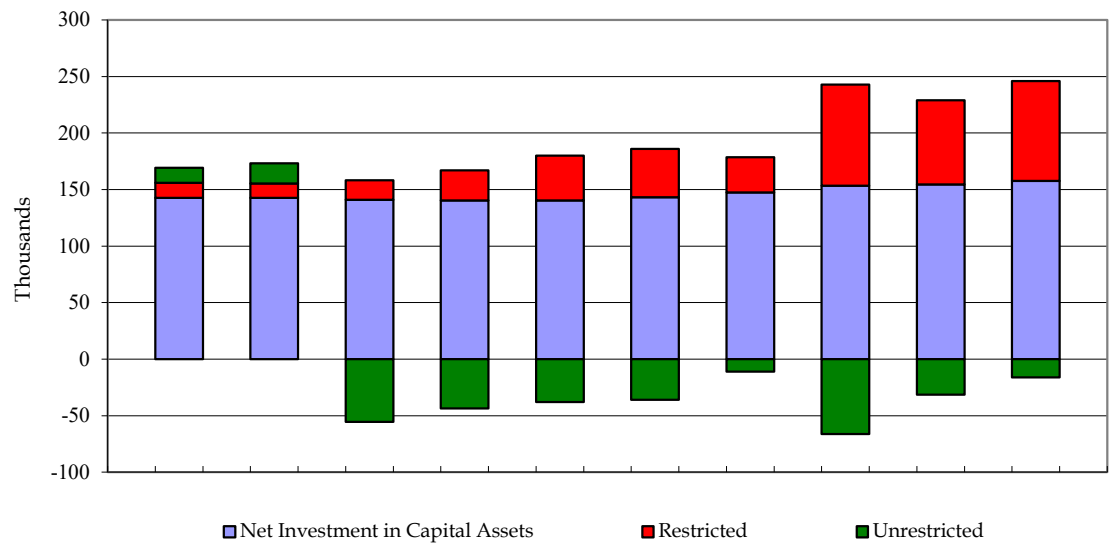
- 13** Demographic and Economic Statistics
- 14** Principal Employers

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and activities it performs.

- 15** Full-Time Equivalent City Government Employees by Function/Program
- 16** Operating Indicators by Function/Program
- 17** Capital Asset Statistics by Function/Program

City of Newark
Net Position by Component
Last Ten Years
(accrual basis of accounting)
(dollars in thousands)



	Fiscal year ended June 30,									
	2013	2014	2015	2016	2017*	2018	2019	2020	2021	2022
Primary government										
Governmental activities:										
Net Investment in Capital Assets	\$142,709	\$142,524	\$140,931	\$140,414	\$140,414	\$143,058	\$147,511	\$153,456	\$154,434	\$157,503
Restricted	13,198	12,806	17,260	26,622	39,483	42,954	31,076	89,447	74,408	88,301
Unrestricted	13,264	17,903	(55,634)	(43,711)	(37,879)	(35,998)	(11,034)	(66,234)	(31,461)	(16,192)
Total governmental activities net position	\$169,171	\$173,233	\$102,557	\$123,325	\$142,019	\$150,014	\$167,553	\$176,669	\$197,381	\$229,612

* Net Position not restated for the implementation of GASB Statement No. 75 or other restatements discussed in Note 14

Source: City of Newark Basic Financial Statements

City of Newark
Changes in Net Position
Last Ten Years
(accrual basis of accounting)
(dollars in thousands)

	Fiscal year ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
General government	\$3,796	\$4,643	\$5,986	\$4,484	\$5,337	\$6,159	\$6,656	\$6,668	\$6,827	\$10,182
Public safety:										
Fire	8,669	8,665	9,641	9,805	10,560	11,424	10,821	16,336	11,582	12,851
Police	14,643	15,310	15,565	17,202	19,798	21,728	24,012	22,317	27,257	17,928
Public Works	9,834	6,743	6,082	5,934	6,444	8,648	16,837	14,007	13,283	10,401
Community development	2,749	3,052	3,456	3,930	5,002	6,918	2,173	1,914	2,590	2,795
Recreation and community services	3,839	4,212	4,245	4,291	5,243	7,566	6,017	5,663	5,889	4,965
Interest on long-term debt	455	430	406	391	373	350	330	2,430	2,165	2,183
Total governmental activities expenses	43,985	43,055	45,381	46,036	52,757	62,792	66,845	69,335	69,592	61,305
Program revenues										
Governmental activities:										
Charges for services:										
General government	45	50	14	15	13	12	11	4,309	190	84
Public safety:										
Fire	135	115	113	230	323	270	193	172	158	155
Police	555	563	573	729	990	1,109	1,182	1,224	1,609	1,403
Public Works	560	530	1,181	2,771	3,388	905	5,367	7,374	9,583	6,630
Community development	1,268	1,858	5,048	13,492	14,269	12,482	7,422	4,105	14,220	7,610
Recreation and community services	1,686	2,432	2,273	2,458	2,801	2,459	5,899	1,883	482	1,189
Operating grants and contributions	1,053	938	615	803	642	543	891	1,051	1,909	4,221
Capital grants and contributions	2,337	2,725	2,055	2,584	2,661	2,844	5,031	4,243	3,820	6,449
Total governmental program revenues	7,639	9,211	11,872	23,083	25,074	20,625	25,996	24,362	31,971	27,740
Net (expense)/revenue										
Total governmental activities net expense	(36,346)	(33,844)	(33,509)	(22,953)	(27,683)	(42,168)	(40,849)	(44,973)	(37,621)	(33,565)
General revenues and other changes in net position										
Governmental activities:										
Taxes:										
Property taxes	12,559	13,035	13,987	14,967	16,465	19,193	20,700	22,768	24,417	25,834
Sales taxes	9,631	10,182	10,603	11,092	12,949	16,433	19,041	17,442	20,475	23,680
Transient occupancy tax	3,705	4,320	5,067	5,859	6,094	6,362	6,717	5,450	2,916	4,153
Utility users tax	3,376	3,644	3,617	3,292	3,527	3,631	3,289	3,480	3,367	3,744
Other local taxes	1,132	1,272	1,488	1,799	1,996	2,346	2,162	2,150	2,497	2,751
Franchise fees *	2,870	2,938	3,076	2,725	3,670	3,833	3,970	-	4,177	4,732
Motor vehicle in-lieu	23	19	18	18	20	24	23	39	36	56
Use of money and property	49	70	93	189	446	900	2,045	2,497	948	(6)
Miscellaneous	1,510	2,562	1,926	2,829	1,206	1,049	686	238	950	866
General revenues	34,855	38,042	39,875	42,769	46,373	53,770	58,633	54,063	59,783	65,810
Loss on disposal of asset	-	-	-	-	-	-	-	-	(1,036)	-
Change in net position governmental activities	(\$1,491)	\$4,198	\$6,366	\$19,816	\$18,690	\$11,602	\$17,784	\$9,090	\$21,126	\$32,245

* FY20 Franchise fees were categorized as Charges for services

CITY OF NEWARK

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(dollars in thousands)

	Fiscal year ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable:										
Supplies and prepaid assets	\$ 121	\$ 555	\$ 152	\$ 135	\$ 145	\$ 153	\$ 185	\$ 163	\$ 145	\$ 145
Due from Successor Redevelopment Agency	-	-	404	356	216	184	184	-	-	-
Committed:										
Pension/OPEB Reserves	-	150	-	-	6,424	7,785	10,789	15,989	6,824	7,672
Assigned for:										
Fire side fund	463	613	-	-	440	440	440	440	440	-
Equipment replacement	155	405	1,305	1,500	2,700	2,900	3,100	5,800	6,000	6,200
Waste disposal fund	1,028	817	576	429	429	73	631	41	-	-
Community development	-	242	187	342	513	743	2,793	1,073	-	-
Unassigned	13,849	16,776	18,904	27,169	23,246	31,666	34,331	39,548	47,223	46,136
Total General Fund	<u>\$ 15,616</u>	<u>\$ 19,558</u>	<u>\$ 21,528</u>	<u>\$ 29,930</u>	<u>\$ 34,111</u>	<u>\$ 43,945</u>	<u>\$ 52,454</u>	<u>\$ 63,054</u>	<u>\$ 60,633</u>	<u>\$ 60,153</u>
All other governmental funds										
Restricted for:										
Public safety	216	199	197	215	295	403	650	4,744	6,053	2,123
Community development	15	15	15	15	15	92	18,767	27,002	10,766	4,855
Transportation facilities	-	-	-	-	-	-	-	-	10,832	11,805
Housing impact	-	-	-	-	-	-	-	-	34,536	40,889
Street improvements	3,053	3,740	4,456	9,608	12,884	14,559	4,164	16,744	9,973	9,844
Environmental programs	241	313	400	491	580	645	688	736	798	687
Health and welfare	34	35	37	37	46	35	36	25	25	25
Park improvement	116	111	730	2,877	5,726	6,044	4,100	747	3,633	5,445
Debt service	676	677	681	680	680	687	700	37,116	6,511	3,624
Landscape and lighting	701	665	738	762	875	981	1,195	1,454	1,714	1,906
Other purposes (i.e. PEG, State CASp Fee)	-	-	-	-	-	689	777	878	942	649
Committed:										
Community development - General City Plan	152	304	576	1,121	1,907	2,242	2,793	3,700	-	-
Assigned to:										
Waste disposal fund	-	-	-	-	-	-	-	-	19	19
Art in public places	646	673	860	959	1,151	1,451	1,626	1,727	1,849	1,916
Capital asset acquisition	6,858	6,159	9,340	12,770	21,715	21,859	25,105	3,107	-	7,112
Unassigned	-	-	-	-	-	-	-	(1,692)	(12,911)	(2,263)
Total all other governmental funds	<u>\$ 12,708</u>	<u>\$ 12,890</u>	<u>\$ 18,029</u>	<u>\$ 29,535</u>	<u>\$ 45,874</u>	<u>\$ 49,687</u>	<u>\$ 60,601</u>	<u>\$ 96,289</u>	<u>\$ 74,739</u>	<u>\$ 88,634</u>

Source: City of Newark Basic Financial Statements

CITY OF NEWARK

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

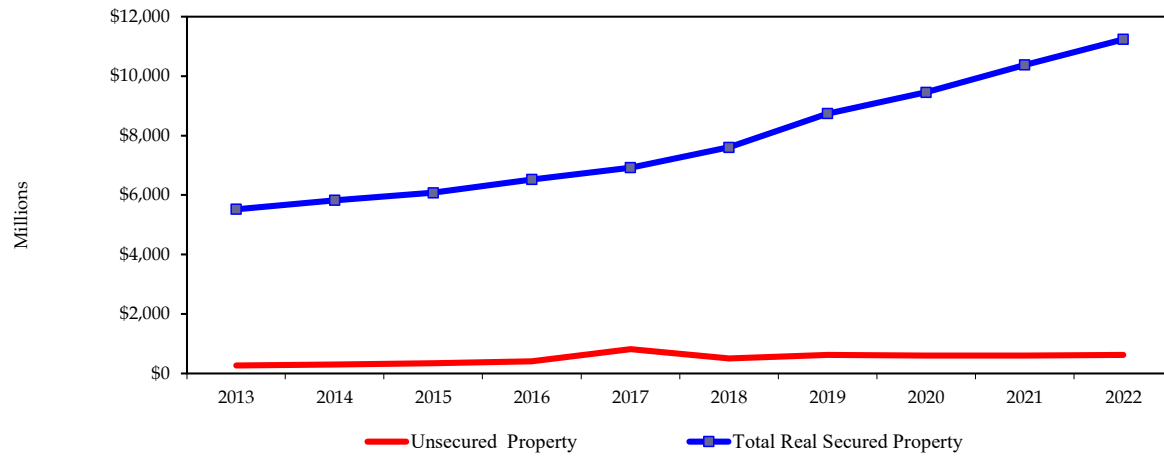
(modified accrual basis of accounting)

(dollars in thousands)

	Fiscal year ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Property taxes	\$12,559	\$13,035	\$13,988	\$14,967	\$16,465	\$19,193	\$20,700	\$22,768	\$24,417	\$25,834
Other local taxes	20,558	22,200	23,867	24,655	28,151	33,145	35,179	28,522	29,255	34,328
Special assessments	473	319	431	460	457	507	529	671	655	639
Licenses, permits and fees	939	1,443	2,264	4,173	4,149	3,638	3,638	3,241	29,134	20,255
Other governmental agencies	2,974	4,037	3,093	3,345	3,231	3,399	5,486	4,656	5,765	8,259
Charges for services	3,098	4,604	6,352	14,430	15,738	11,960	15,471	14,797	443	1,227
Fines and forfeitures	377	362	383	529	822	944	966	1,029	378	605
Use of money and property	49	70	93	189	477	900	1,999	2,497	948	(6)
Other	985	1,374	1,486	2,982	1,793	1,250	686	238	295	227
Total revenues	42,011	47,445	51,955	65,729	71,284	74,935	84,654	78,419	91,290	91,368
Expenditures										
Current:										
General government	3,722	4,526	6,043	4,643	5,231	5,487	5,774	5,734	6,208	11,678
Public safety:										
Fire	8,433	8,460	9,634	9,619	10,373	11,433	10,821	11,152	11,715	12,854
Police	14,433	15,282	15,435	16,741	17,954	19,763	20,970	22,563	33,747	23,796
Public works	7,160	4,350	3,663	3,954	3,877	7,522	13,032	9,150	9,608	10,147
Community development	2,708	3,005	3,512	4,089	4,922	6,158	1,858	1,743	2,368	3,772
Recreation	3,458	3,949	4,000	4,092	4,786	6,582	5,554	5,094	4,644	5,421
Capital outlay	2,365	2,611	1,483	1,321	2,844	2,957	5,840	38,645	43,511	7,236
Debt service:										
Principal repayment	527	572	589	560	584	542	556	544	525	545
Interest and fiscal charges	450	430	410	388	369	348	330	3,172	2,509	2,490
Total expenditures	43,256	43,185	44,770	45,409	50,940	60,791	64,736	97,798	114,835	77,939
Excess (deficiency) of revenues over (under) expenditures	(1,244)	4,260	7,185	20,321	20,344	14,144	19,918	(19,378)	(23,545)	13,429
Other financing sources (uses)										
Transfers in	1,852	2,212	4,065	3,773	5,836	6,544	6,402	26,442	28,565	22,880
Transfers (out)	(1,924)	(2,504)	(4,141)	(3,910)	(6,201)	(6,909)	(6,650)	(26,691)	(28,578)	(22,880)
Debt refunding	-	-	-	-	-	-	-	63,345	-	-
Bond premium less payment to refunded bond escrow agent	-	-	-	-	-	-	-	2,571	-	-
Capital lease proceeds	-	157	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(72)	(136)	(76)	(138)	(366)	(366)	(249)	65,667	(13)	-
Net change in fund balances	(\$1,316)	\$4,125	\$7,109	\$20,183	\$19,978	\$13,779	\$19,669	\$46,289	(\$23,558)	\$13,429
Debt service as a percentage of noncapital expenditures	2.4%	2.5%	2.4%	2.2%	2.0%	1.6%	1.5%	6.7%	4.4%	4.5%

Source: City of Newark Basic Financial Statements

CITY OF NEWARK
Assessed Value of Taxable Property
Last Ten Fiscal Years

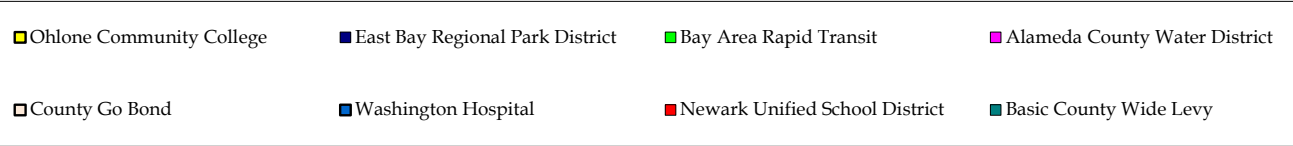
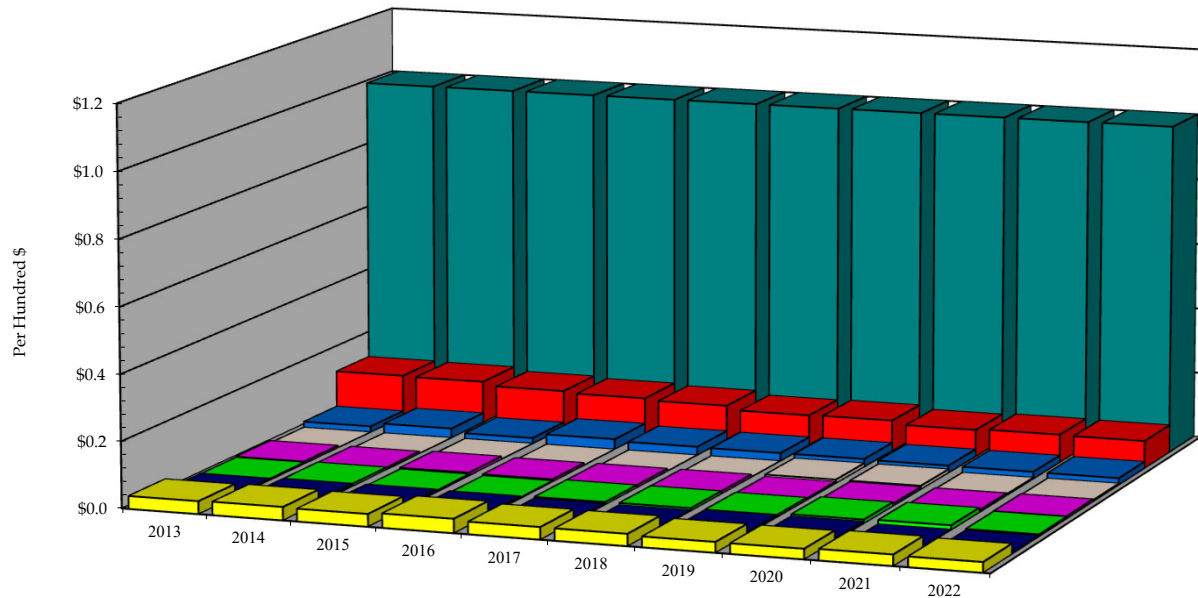


Fiscal Year	Real Property				Total Real Secured Property	Unsecured Property	Total Assessed (a)	Total Direct Tax Rate
	Residential Property	Commercial Property	Industrial Property	Other				
2013	\$ 3,320,387,782	\$ 630,964,789	\$ 1,424,015,618	\$ 150,820,781	\$ 5,526,188,970	\$ 295,134,158	\$ 5,821,323,128	0.16512%
2014	3,497,588,932	640,455,423	1,418,773,918	177,080,719	5,733,898,992	341,285,706	6,075,184,698	0.16432%
2015	3,827,802,794	649,505,241	1,426,042,828	211,620,359	6,114,971,222	409,594,577	6,524,565,799	0.16425%
2016	4,083,212,592	688,882,274	1,106,413,993	221,541,798	6,100,050,657	823,549,996	6,923,600,653	0.16383%
2017	4,381,165,279	714,399,736	1,635,285,953	371,907,937	7,102,758,905	502,466,622	7,605,225,527	0.16292%
2018	4,793,351,401	746,379,514	1,776,301,495	800,737,288	8,116,769,698	625,081,222	8,741,850,920	0.16107%
2019	5,594,411,632	791,514,110	1,793,559,114	673,443,440	8,852,928,296	605,704,087	9,458,632,383	0.17423%
2020	6,430,011,765	985,215,137	1,740,916,896	618,894,036	9,775,037,834	605,044,520	10,380,082,354	0.17314%
2021	7,181,543,724	1,039,834,126	1,745,443,867	652,454,373	10,619,276,090	622,858,588	11,242,134,678	0.17928%
2022	7,720,849,778	1,019,207,250	1,855,450,304	517,864,428	11,113,371,760	751,064,642	11,864,436,402	0.16523%

(a) In 1978 the voters of the State of California passed Proposition 13 which limited taxes to a total maximum rate of 1%, based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of the taxable property and is subject to the limitations described above.

Source: Alameda County Assessor 2011/12 - 2020/21 Combined Tax Rolls & Assessed Value of Taxable Property Report, The HdL Companies

CITY OF NEWARK
Property Tax Rates
All Overlapping Governments
Last Ten Fiscal Years



Fiscal Year	Basic County Wide Levy	Alameda County Water District	Bay Area Rapid Transit	County Go Bond	East Bay Regional Park District	Newark Unified School District	Ohlone Community College	Washington Hospital	Total
2013	1.0000	0.0069	0.0043	0.0000	0.0051	0.1298	0.0384	0.0181	1.2026
2014	1.0000	0.0066	0.0075	0.0000	0.0078	0.1280	0.0399	0.0291	1.2189
2015	1.0000	0.0093	0.0045	0.0000	0.0085	0.1159	0.0378	0.0171	1.1931
2016	1.0000	0.0075	0.0026	0.0000	0.0067	0.1103	0.0424	0.0313	1.2008
2017	1.0000	0.0080	0.0080	0.0000	0.0032	0.1046	0.0370	0.0256	1.1864
2018	1.0000	0.0082	0.0084	0.0000	0.0021	0.0922	0.0361	0.0243	1.1713
2019	1.0000	0.0049	0.0070	0.0112	0.0057	0.0936	0.0315	0.0242	1.1781
2020	1.0000	0.0071	0.0120	0.0108	0.0060	0.0823	0.0308	0.0221	1.1711
2021	1.0000	0.0067	0.0139	0.0036	0.0014	0.0855	0.0334	0.0213	1.1658
2022	1.0000	0.0072	0.0060	0.0041	0.0020	0.0838	0.0309	0.0203	1.1543

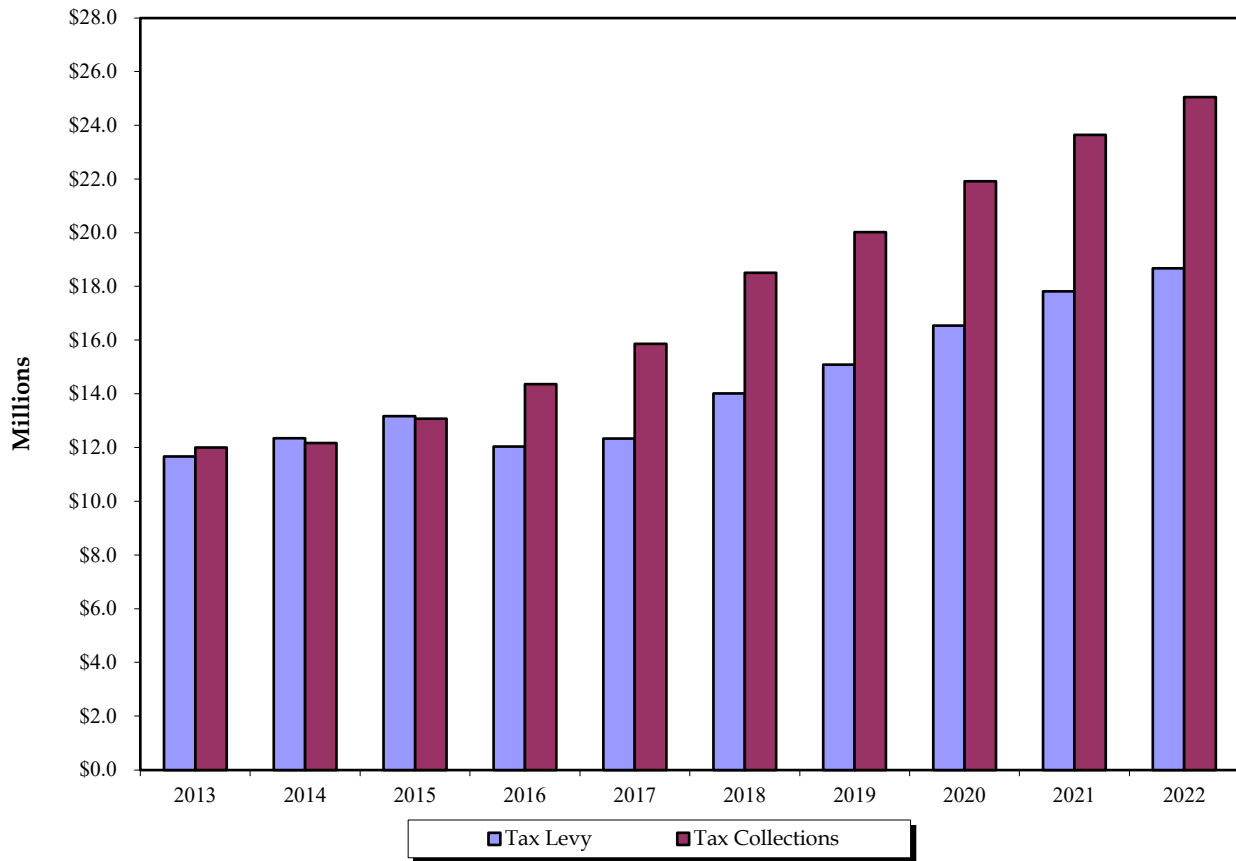
Source: Alameda County Assessor 2012/13 - 2021/22 Combined Tax Rolls & Assessed Value of Taxable Property Report
<https://acgov.org/auditor/tax/districtRpts23/51427CA Funds.txt>

CITY OF NEWARK
Principal Property Tax Payers
Current Year and Ten Years Ago

Taxpayer	2021/22			2012/13		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
BMR Gateway Boulevard LLC	\$370,442,990	1	3.12%	\$216,422,143	2	3.72%
Lennar Homes California Inc.	190,629,068	2	1.61%			
JMB Newpark Associates & GGP	179,497,389	3	1.51%	75,675,329	3	1.30%
T5 Silicon Valley LP	126,532,700	4	1.07%			
Newark Industrial Partners LLC	104,722,934	5	0.88%			
Metropolitan Life Insurance Company	98,009,654	6	0.83%			
Silicon Valley Gateway Technology Center	97,083,184	7	0.82%			
IPT East Bay DC LP	88,229,691	8	0.74%			
Apple Inc	75,542,276	9	0.64%			
Leslie Salt Company	69,796,061	10	0.59%	65,951,177	4	1.13%
Apple Computer Inc				389,496,031	1	6.69%
Evergreen Oil Inc.				55,494,350	5	0.95%
Sycamore Bay LLC				53,484,231	6	0.92%
SI XVIII LLC				44,792,280	7	0.77%
BRCP Stevenson Point LLC				34,115,348	8	0.59%
BRE US Industrial Properties				40,898,890	9	0.70%
DCT Cherry Street California LP				34,000,000	10	0.58%
Subtotal	\$1,400,485,947		11.81%	\$1,010,329,779		17.35%
Total Net Assessed Valuation:						
Fiscal Year 2021/22	\$11,864,436,402					
Fiscal Year 2012/13	\$5,821,323,128					

Source: Alameda County Assessor 2011/12 - 2020/21 Combined Tax Rolls. HDL

CITY OF NEWARK
Property Tax Levies and Collections
Last Ten Fiscal Years

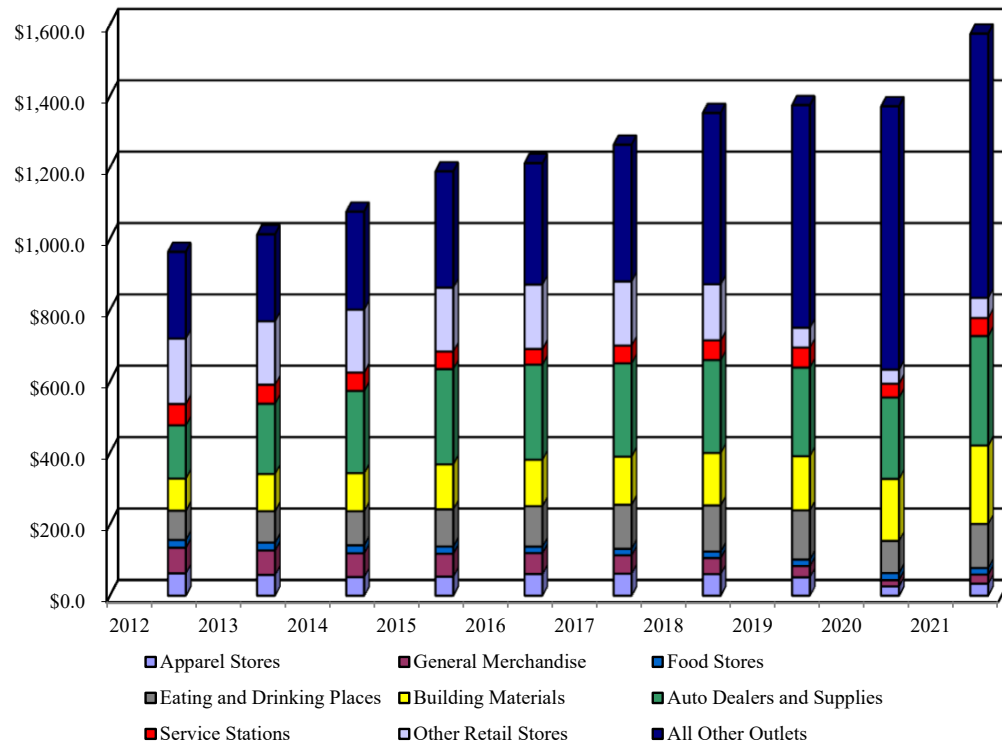


Fiscal Year	Total Tax Levy		Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections (a)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
2013	\$	11,661,505	\$ 11,627,668	99.7098%	\$ 376,444	\$ 12,004,112	102.9379%
2014		12,341,426	12,055,900	97.6864%	104,849	12,160,749	98.5360%
2015		13,167,587	12,981,908	98.5899%	91,303	13,073,211	99.2833%
2016		12,034,774	13,998,852	116.3200%	363,854	14,362,706	119.3434%
2017		12,328,151	15,344,462	124.4669%	514,182	15,858,644	128.6377%
2018		14,011,767	17,900,017	127.7499%	601,908	18,501,925	132.0456%
2019		15,081,236	19,415,489	128.7394%	596,591	20,012,080	132.6952%
2020		16,533,492	21,268,642	128.6397%	641,250	21,909,892	132.5182%
2021		17,810,975	22,987,652	129.0645%	651,798	23,639,450	132.7241%
2022		18,668,120	24,401,540	130.7124%	640,977	25,042,516	134.1459%

(a) Information required by GASB Statement 44 differs from information reported. Delinquent tax collections represent total delinquent amounts received during the fiscal year, regardless of the fiscal year of the tax levy. Data for delinquent tax collections by levy year is not available from the Alameda County Assessor's Office.

Sources: City of Newark, Alameda County Auditor-Controller Agency

CITY OF NEWARK
Taxable Sales by Category
Last Ten Calendar Years



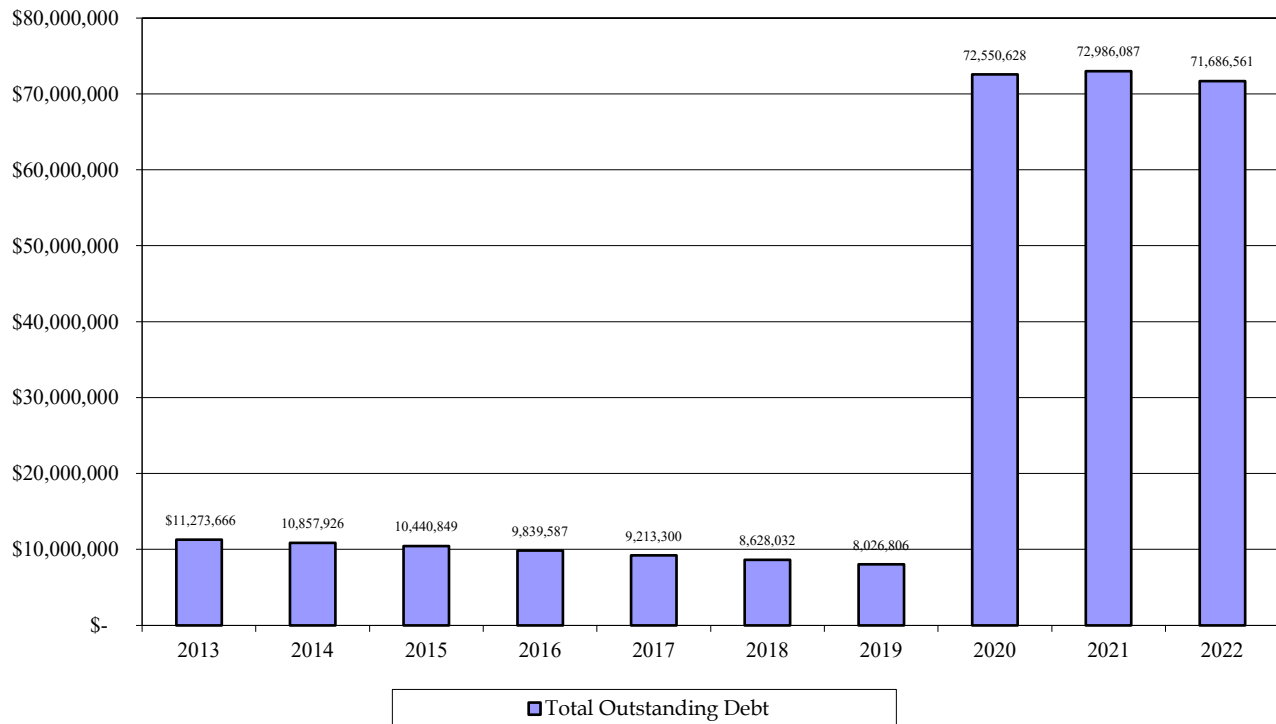
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Apparel Stores	\$62.5	\$58.2	\$52.1	\$53.4	\$60.7	\$61.6	\$60.5	\$51.6	\$26.0	\$33.6
General Merchandise	71.7	68.4	66.5	64.1	58.6	51.7	45.0	31.4	17.6	25.4
Food Stores	22.0	22.0	22.5	20.2	18.0	18.0	18.0	18.2	19.7	18.7
Eating and Drinking Places	81.8	87.9	95.4	104.1	113.4	123.3	129.2	137.8	90.0	123.1
Building Materials	90.0	104.4	106.9	126.1	129.9	134.8	146.9	151.6	173.7	219.7
Auto Dealers and Supplies	149.1	196.5	229.9	266.7	266.6	261.4	260.2	248.2	228.0	306.7
Service Stations	59.8	53.6	51.8	49.2	43.6	49.6	55.3	56.1	38.7	50.7
Other Retail Stores	183.3	177.7	176.0	179.1	180.7	179.5	157.3	55.6	39.5	56.2
All Other Outlets	242.8	243.5	274.5	325.7	340.1	383.4	480.1	623.9	737.9	740.8
Total	\$ 963.0	\$ 1,012.2	\$ 1,075.6	\$ 1,188.6	\$ 1,211.6	\$ 1,263.3	\$ 1,352.5	\$ 1,374.4	\$ 1,371.1	\$ 1,574.9

Note: Due to confidentiality issues, the names of the largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue. Information by fiscal year is not readily available.

CITY OF NEWARK

Ratio of Outstanding Debt by Type

Last Ten Fiscal Years



Governmental Activities						
Fiscal Year	Certificates of Participation and Bank Refinancing	Bond Premium	Financed Purchase Obligations	Total Outstanding Debt	Percentage of Personal Income (a)	Per Capita (a)
2013	\$ 10,963,807	\$ -	\$ 309,859	\$ 11,273,666	0.91%	393
2014	10,510,717	-	347,209	10,857,926	0.84%	369
2015	10,045,261	-	395,588	10,440,849	0.78%	342
2016	9,562,962	-	276,625	9,839,587	0.71%	317
2017	9,059,605	-	153,695	9,213,300	0.65%	294
2018	8,540,948	-	87,084	8,628,032	0.56%	267
2019	8,007,711	-	19,095	8,026,806	0.49%	239
2020	62,820,000	9,730,628	0	72,550,628	4.01%	1,963
2021	62,295,000	9,289,589	1,401,498	72,986,087	3.66%	1,789
2022	61,750,000	8,848,550	1,088,011	71,686,561	3.16%	1,492

Note: Debt amounts exclude any discounts and other amortization amounts.

(a) Personal income and population data are presented in the Schedule of Demographic Statistics.

Sources: City of Newark

State of California, Department of Finance (population)

U.S. Department of Commerce, Bureau of the Economic Analysis (income)

CITY OF NEWARK

Direct and Overlapping Governmental Activities Debt

June 30, 2022

	Debt Outstanding	Percentage Applicable (1)	Share of Overlapping Debt
<u>OVERLAPPING TAX AND ASSESSMENT DEBT</u>			
Alameda County	\$183,745,000	3.423%	\$6,289,591
Bay Area Rapid Transit District	2,521,570,000	1.333%	33,612,528
East Bay Regional Park District	184,590,000	2.129%	3,929,921
Ohlone Community College District	412,995,000	16.047%	66,273,308
Newark Unified School District	75,704,769	100.000%	75,704,769
Washington Township Healthcare District	343,045,000	13.766%	47,223,575
City of Newark 1915 Act Bonds	1,857,559	100.000%	1,857,559
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 234,891,251
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT</u>			
Alameda County General Fund Obligations	\$742,688,000	3.423%	\$25,422,210
Alameda-Contra Costa Transit District Certificates of Participation	11,655,000	4.053%	472,377
City of Newark General Fund Obligations - Direct Debt	70,598,550	100.000%	70,598,550
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 96,493,137
City of Newark Financed Purchased Obligations	1,088,011	100.000%	1,088,011
TOTAL DIRECT DEBT			71,686,561
TOTAL OVERLAPPING DEBT			259,697,827
COMBINED TOTAL DEBT			<u>\$331,384,388</u> (2)

Notes:

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: Avenu Insights & Analytics, California Municipal Statistics, Inc.

CITY OF NEWARK

Legal Bonded Debt Margin Information

June 30, 2022

Assessed valuation:

Secured property assessed value, net of exempt real property	<u>\$11,864,436,402</u>
---	-------------------------

Bonded debt limit: 3.75% of assessed value (a)	444,916,365
--	-------------

(a) California Government Code, Section 43605 sets the debt limit at 15%. The Code section was enacted prior to the change in being 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.

Amount of debt subject to limit:

Total bonded debt	61,750,000
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Less: Certificates of participation and bank refinancing not subject to limit	<u>61,750,000</u>
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Amount of debt subject to limit	<u>-</u>
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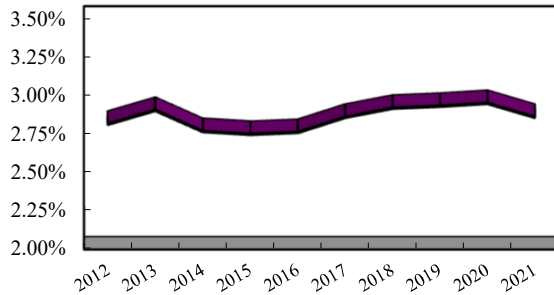
Legal bonded debt margin	<u>\$444,916,365</u>
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Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2013	\$ 207,225,861	-	\$ 207,225,861	0.00%
2014	215,014,987	-	215,014,987	0.00%
2015	229,297,499	-	229,297,499	0.00%
2016	259,635,024	-	259,635,024	0.00%
2017	285,195,957	-	285,195,957	0.00%
2018	327,819,410	-	327,819,410	0.00%
2019	354,698,714	-	354,698,714	0.00%
2020	389,253,088	-	389,253,088	0.00%
2021	105,395,013	-	105,395,013	0.00%
2022	111,229,091	-	111,229,091	0.00%

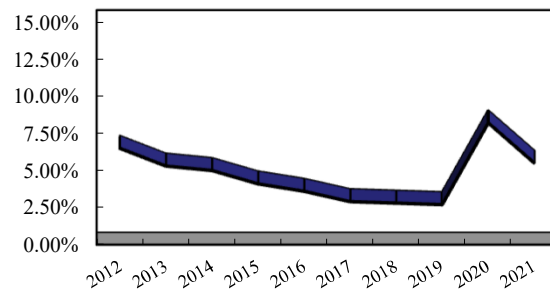
CITY OF NEWARK

Demographic and Economic Statistics

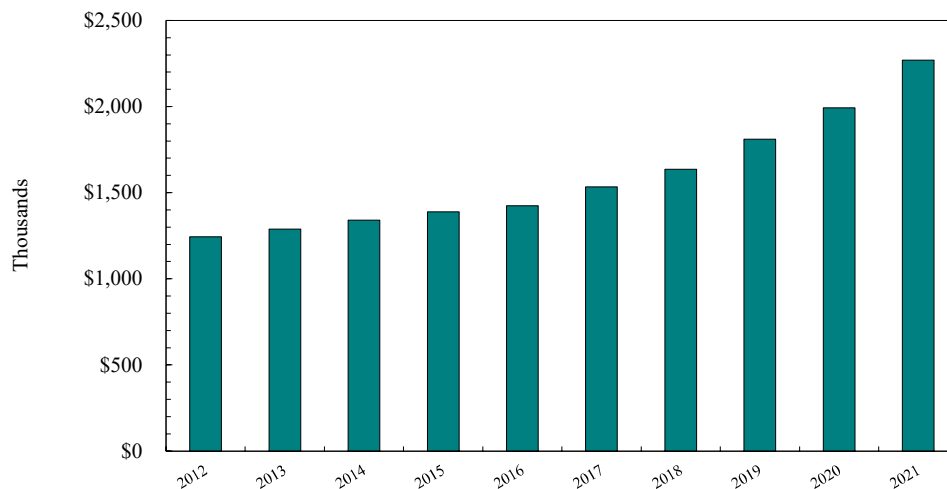
Last Ten Calendar Years



City Population % of County



Unemployment Rate



Total Personal Income

Calendar Year	City Population	Total Personal Income (In Thousands)	Per Capita Personal Income	Unemployment Rate	Alameda County Population	City Population % of County
2012	43,342	\$ 1,243,179	\$ 28,683	6.5%	1,540,490	2.81%
2013	43,856	1,288,928	29,390	5.3%	1,510,271	2.90%
2014	43,821	1,339,696	30,572	5.0%	1,583,979	2.77%
2015	44,733	1,388,647	31,043	4.1%	1,627,865	2.75%
2016	45,422	1,424,360	31,358	3.6%	1,645,359	2.76%
2017	47,467	1,533,235	32,301	2.9%	1,660,202	2.86%
2018	48,712	1,636,312	33,591	2.8%	1,669,301	2.92%
2019	48,966	1,809,734	36,958	2.7%	1,670,834	2.93%
2020	48,859	1,992,967	40,790	8.2%	1,656,591	2.95%
2021	47,229	2,269,518	48,053	5.5%	1,651,979	2.86%

Source: State of California, Department of Finance
 State of California Employment Development Department
 U.S. Department of Commerce, Bureau of Economic Analysis
 U.S. Department of Labor, Bureau of Labor Statistics

CITY OF NEWARK
Principal Employers
Current Year and Nine Years Ago

Employer	2021-22			2012-13		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees (2)	Rank	Percentage of Total City Employment
Logitech Inc	635	1	2.49%	689	2	3.2%
WorldPac	454	3	1.78%	280	3,4	1.3%
Amazon Fulfillment Center	563	2	2.21%			
Newark Unified School District	396	4	1.55%	700	1	3.3%
KNT Manufacturing	368	5	1.44%			
Risk Management Solutions	282	6	1.11%	270	5	1.3%
Nordstrom Distribution Center*	236	7	0.93%			
Smart Modular Technologies	220	8	0.86%	249	6	1.2%
Cargill Salt	203	9	0.80%	182	8	0.9%
City of Newark	185	10	0.73%	176	9	0.8%
Aryzta, LLC (formerly Fullbloom Baking Co.				280	3,4	1.3%
Morpho Detection				208	7	1.0%
Valassis (formerly ADVO)				166	10	0.8%
Total	3,542		13.89%	3,034		15.0%
Total City Employment (1)	25,500			21,400		

Source: MuniServices an Avenu Insights and Analytics Company

Source: City of Newark Comprehensive Annual Financial Report for the Year Ended June 30th, 2017

Note: Nine Year Historical Data Not Available.

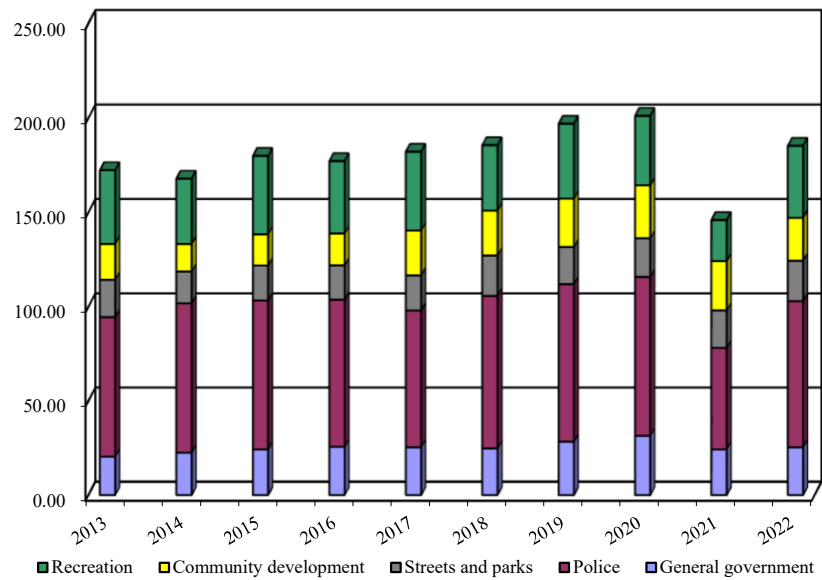
Results based on direct correspondence with city's local businesses.

(1) Employment Development Department.

*No response from business, previous year's count applied.

CITY OF NEWARK

Full-Time Equivalent City Government Employees by Function/Program Last Ten Fiscal Years



	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Function/Program:										
General government	20.43	22.52	24.24	25.67	25.35	24.75	28.37	31.48	24.24	25.33
Public safety										
Police	74.06	79.36	79.14	78.10	72.70	81.01	83.66	84.42	53.97	77.71
Streets and parks	19.89	16.88	18.57	18.23	18.65	21.50	19.70	20.48	19.88	21.41
Community development	19.00	14.58	16.52	16.94	23.80	23.73	25.65	28.04	26.18	22.74
Recreation	39.00	34.53	41.45	38.22	41.62	34.59	39.54	36.75	21.73	38.06
Total	172.38	167.87	179.92	177.16	182.12	185.58	196.92	201.17	146.00	185.25

CITY OF NEWARK
Operating Indicators by Function/Program
Last Six Fiscal Years

Function/Program	Fiscal Year					
	2017	2018	2019	2020*	2021**	2022***
Public safety:						
Fire						
Fire calls for service	3,308	3,296	3,239	3,423	3,550	3,772
Primary fire inspections conducted	2,194	1,671	1,797	1,940	2,291	2,494
Environmental safety inspections conducted	696	875	1,115	177	157	825
Police						
Communication center calls answered	31,670	38,114	42,556	41,749	20,399	46,880
Police calls for service	31,670	38,114	42,556	41,749	20,399	23,656
Law violations						
Part I crimes	1,726	1,782	1,784	1,779	1,901	2,358
Traffic violations	1,996	3,032	3,368	2,013	1,308	1,244
Parking violations	1,067	1,406	775	1,526	981	995
Public works:						
Street resurfacing (miles)	6	5	4	4	1	8
Street lights repaired	602	472	482	374	548	594
Recreation:						
Recreation class/program participants	154,120	152,574	187,088	70,132	38,110	48,373
Recreation facilities rentals	1,486	1,445	1,559	1,112	692	1,862
Silliman Activity Center use	125,761	94,766	101,239	66,265	11,962	44,962
Miscellaneous:						
Library:						
Library visitors	191,709	183,184	188,060	104,695	5,753	73,442
Library materials circulated	249,197	250,934	246,803	159,662	42,724	212,066

* The reduction in the number of Recreation class/program participants, facilities rentals and Silliman Activity Center use due to impact of COVID-19 Pandemic. The decline in Library visitors and materials circulation is mostly due to limited parking as a result of the construction of new Library and impact of COVID-19 Pandemic.

** Newark Library provided No-Contact Pickup service during FY 2020-2021, including July 2020-March 31, 2021. The library was completely shut down the remaining three months due to the move to the new building. The reduction in the number of Recreation class/program participants, facilities rentals and Silliman Activity Center use are due to impact of COVID-19 Pandemic.

***Increase in Part I Crimes is due to a change in reporting from Uniform Crime Reporting (hierarchy rule) to California Incident Based Reporting System (all offenses).

CITY OF NEWARK
Capital Asset Statistics by Function/Program
Last Six Fiscal Years

	Fiscal Year					
	2017	2018	2019	2020	2021	2022
Function/Program						
Public safety:						
Fire stations	3	3	3	3	3	3
Police stations	1	1	1	1	1	1
Police patrol units	20	20	21	25	27	23
Public works:						
Miles of streets	105	105	105	105	105	105
Street lights	2,849	2,849	2,849	2,849	2,849	2,849
Traffic signals	44	44	44	44	47	47
Recreation:						
Community services:						
City parks	14	14	14	15	15	15
City parks acreage	124	124	124	127	127	127
Roadway landscaping acreage	56	56	56	56	56	56
Lake acreage	16	16	16	16	16	16
Community activity centers	2	2	2	2	2	2
Senior center	1	1	1	1	1	1
Aquatic center	1	1	1	1	1	1
Miscellaneous						
Library	1	1	1	1	1	1

Source: City of Newark



STAFF REPORT

Item F. 1.

DATE 01/26/2023
TO Honorable Mayor and City Council Members
FROM Jayson Imai, Assistant City Engineer
SUBJECT Adopt resolutions initiation of proceedings for the formation of Area Improvement District No. 35 for Lindsay Tract, providing preliminary approval of the Engineer's Report, declaring intention to order formation of the assessment district and to levy and collect assessments, establishing Property Owner Assistance Program for City-Sponsored Assessment Districts, and setting a public hearing date of March 23, 2023

SUMMARY AND RECOMMENDATION

In the late 1990s the City secured property owner participation and support to form multiple Area Improvement Districts throughout the Old Town neighborhoods to help fund the construction of public sidewalk, drainage and roadway improvements. Similarly, staff recommends that City Council initiate proceedings to form Area Improvement District No. 35 to partially fund the construction of the Lindsay Tract Roadway and Green Infrastructure Improvements Project (Lindsay Tract Project). The Lindsay Tract Project would install and perform much needed pavement rehabilitation, sidewalk, drainage, water line and green infrastructure improvements within the Lindsay Tract neighborhood, which includes portions of George Avenue, Magnolia Street, Olive Street and Mulberry Street.

If the City Council approves a Resolution of Intention, the formation of Area Improvement District No. 35 and the levy and collection of assessments to finance the construction of curb, gutter, driveway, and sidewalk improvements with the Lindsay Tract Project will be considered by the City Council at a Public Hearing scheduled for March 23, 2023. If, at the Public Hearing, Area Improvement District No. 35 is approved, the total amount that would be assessed to property owners within the District is \$2,864,355. This would equate to an average annual assessment per parcel of approximately \$1,400 each year for 30 years. The City will be responsible for \$38,915.03 of general benefit received from construction of new curb, gutter, sidewalk, and driveway improvements in addition to approximately \$3.6 million to construct additional roadway, storm drain, and green infrastructure improvements not included in the property owner assessments.

To help alleviate the burden caused by the assessments for certain qualified owner-occupied parcels, staff recommends establishing a Property Owner Assistance Program. Similar to the Property Owner Assistance Programs established in the late 1990s in conjunction with Area Improvement Districts formed throughout the Old Town neighborhoods, the Program would allow senior, disabled and low-income applicants to

defer payment of their assessment interest-free until they sell or transfer their property. The City would be obligated to pay up-front, any property owner assessments that are deferred through the Program. This could amount to upwards of an additional \$1.45 million of City project cost.

Staff recommends that the City Council initiate proceedings for the formation of Area Improvement District No. 35 for Lindsay Tract, and by resolutions: (1) preliminarily approve the Engineer's Report, (2) declare the intention to order the formation of the assessment district and to levy and collect assessments, (3) establish a Property Owner Assistance Program for City-Sponsored Assessment Districts, and (4) set the Public Hearing date on March 23, 2023.

BACKGROUND

The Lindsay Tract Roadway and Green Infrastructure Improvements Project (Lindsay Tract Project) would install and perform much needed pavement rehabilitation, sidewalk, drainage, water line and green infrastructure improvements within the Lindsay Tract area, which includes portions of George Avenue, Magnolia Street, Olive Street and Mulberry Street. The cost to construct all project improvements is currently estimated at \$9.86 million. Of this, \$3.01 million is attributable to the replacement of ACWD's existing asbestos cement water mains and will be paid for in full by ACWD per a cooperative Cost Sharing Agreement approved by City Council in February 2021. This results in \$6.85 million of City project construction costs. Similar to what was previously done in the late 1990s to help fund construction of roadway and sidewalk improvements throughout the Old Town neighborhoods, funding for the construction of improvements associated with the Lindsay Tract Project will be subject to property owner participation and support. In response, City Council approved a Contractual Services Agreement with Francisco & Associates in July 2021 to evaluate the feasibility of forming an Area Improvement District to authorize assessments and bonding to finance the construction of curb, gutter, driveway, and sidewalk improvements within the Lindsay Tract neighborhood.

Francisco & Associates has prepared a Preliminary Engineer's Report for the establishment of Area Improvement District No. 35 which, if approved, is required to partially fund the construction of the Lindsay Tract Project improvements using assessments. Approval of the Preliminary Engineer's Report and adoption of a Resolution of Intention to establish assessments will authorize staff to mail the required notices and ballots to affected property owners, initiating the 45-day noticing period, in accordance with Proposition 218. The formation of Area Improvement District No. 35 and the levy and collection of assessments to finance a portion of the improvements will be considered by the City Council at a Public Hearing scheduled for March 23, 2023.

DISCUSSION/ANALYSIS

Section 10100 of the Municipal Improvements Act of 1913 allows local government to finance the costs and expenses of certain capital facilities within or along its streets or any public right of way or easement. The formation of Area Improvement District No. 35 will provide for:

1. Removal of existing curb, gutter, and sidewalk
2. Installation of new concrete curb, gutter, and sidewalk
3. Removal of existing driveway and walkway sections
4. Installation of new concrete driveway and walkway conform sections
5. Payment of assessment administration, bonding and related costs

Pursuant to the Municipal Improvement Act of 1913 and Article XIID of the State Constitution (Proposition 218), a parcel's assessment for any certain improvement shall be based on the special benefit that the property receives from the proposed improvements. Proposition 218 further states that a parcel's assessment may not exceed the reasonable cost attributed to the proportional special benefit conferred upon that parcel. The local agency levying the assessment must separate the general benefits to the public at large from the special benefits, and only the special benefits are assessable.

As discussed in the Engineer's Report, the Lindsay Tract Project improvements provide special benefit to parcels within the boundaries of the proposed Area Improvement District No. 35 (the "District") that is not realized by other parcels outside of the District or the general public. These special benefits are further described as "Primary Benefits" and "Enhanced Benefits." Primary Benefits are those that will be realized by all properties within the District as a result of improved drainage throughout the neighborhood, the reconstruction and resultant prolonged lifespan of roadway pavement, and improved walkability. In addition, certain properties within the District will experience Enhanced Benefits above and beyond the Primary Benefits resulting from the construction of new curb, gutter, driveway, and sidewalk directly fronting their parcels, and conform work to match these new improvements to existing walkway and driveway improvements on their parcels. The total assessment of each single-family home parcel within the District is the sum of Primary Benefit and Enhanced Benefit assessments, plus their share of incidental expenses and financing costs associated with establishment of the District. Assessments per parcel would range between \$9,581 and \$54,074 with an average per-parcel assessment of \$19,354. The total principal amount that would be assessed to property owners within the District, including incidental and financing costs, is \$2,864,355. For assessments that are not paid upfront, the annual assessments per parcel to be placed on the Alameda County property tax bills are estimated to range between \$700 and \$4,000, with an average annual assessment of approximately \$1,400.

In accordance with Proposition 218, a parcel's assessment for any certain improvement shall be based on the proportional special benefit conferred on that parcel by that improvement. As discussed in the Engineer's Report, benefits realized from the Lindsay Tract Project improvements are generally limited to the residents living within the District boundaries, as it is highly unlikely that drivers from points outside the

Lindsay Tract neighborhood would traverse through the Lindsay Tract neighborhood to reach a destination also located outside of the Lindsay Tract neighborhood. However, to acknowledge the incidental occasion when this may occur, general benefit received from construction of new curb, gutter, sidewalk, and driveway improvements within the boundaries of the District was estimated at 2% of the costs of the improvements or \$38,915.03 and will be paid for by the City.

If, after the close of the Public Hearing on March 23, 2023, a majority (weighted by proposed assessment amount) protest does not exist and the City Council orders the levying of the first annual assessments for Area Improvement District No. 35, property owners would have a 30-day period in which to elect to pay the entire principal assessment amount upfront and avoid added financing and administration costs associated with the issuance of bonds. In accordance with Division 10 of the Streets and Highways Code of the State of California (the "Improvement Bond Act of 1915"), bonds will be issued to cover all unpaid assessments. Bonds would be financed over a thirty (30) year term and paid annually through assessments placed on the Alameda County property tax bills.

Property Owner Assistance Program for City-Sponsored Assessment Districts

Similar to Area Improvement Districts formed in the late 1990s within the Old Town neighborhoods, City staff recommends establishing a Property Owner Assistance Program to help alleviate the burden caused by the assessments for certain qualified owner-occupied parcels. For qualifying applicants, payment of their applicable assessment can be deferred interest-free to the time of the next sale or transfer of the property for which their application was submitted. To qualify for the deferment program, property owners must submit an application to the City with evidence of eligibility in accordance with at least one of the criteria described below.

For an applicant to qualify for full deferment of the assessment assigned, the City must determine the property is owner-occupied and supporting documentation demonstrates proof of at least one of the following:

- At least one property owner on title is 65 years of age or older on or before April 24, 2023.
- At least one property owner on title is permanently disabled and receiving disability benefits from Social Security, Workers Compensation, or an equivalent.
- For calendar year 2022, household income earned for the property for which the application is submitted must be low income or below, pursuant to the income limits for Alameda County published by the California State Department of Housing and Community Development.

Number of persons	1	2	3	4	5	6
Low Income Household	\$76,750	\$87,700	\$98,650	\$109,600	\$118,400	\$127,150

For an applicant to qualify for partial deferment of the assessment assigned, the City must determine the property is owner-occupied and the following is true:

- The property for which the application is submitted must have a total assigned assessment of at least 25% above the average assessment of \$19,353.75 for Area Improvement District No. 35, i.e., the total assigned assessment must be \$24,192.19 or higher. For qualifying properties, the portion of the total assigned assessment above the average assessment can be deferred to the time of next sale or transfer of property.

FISCAL IMPACT

As discussed earlier in this report, if a majority (weighted by proposed assessment amounts) protest does not exist and the City Council orders the levying of the first annual assessments for Area Improvement District No. 35, the City will be responsible for \$38,915.03 of general benefit received from construction of new curb, gutter, sidewalk, and driveway improvements within the boundaries of the District.

If the Property Owner Assistance Program is approved, the City would also be obligated to pay up-front, any property owner assessments that are deferred. Based on census data for the Lindsay Tract neighborhood, staff estimates that approximately 30%-40% of property owners within the boundaries of the District may qualify for full deferment of their assessment. This could amount to upwards of \$1,146,000. In addition, if every property owner that qualifies for a partial deferral of their assessment through the Partial Assessment Deferment Program, a) takes advantage of program; and b) does not already qualify for full deferment, the City would have to pay as much as an additional \$306,000.

The 2022-2024 Biennial Budget and Capital Improvement Plan includes sufficient funding for Lindsay Tract Roadway and Green Infrastructure Improvements, Project 1238 to pay for the City's potential obligations that may result from the formation of Area Improvement District No. 35 and approval of the Property Owner Assistance Program using a combination of Alameda County Measure B/BB Sales Tax funds, Vehicle Registration Fee funds, SB1 Road Maintenance and Rehabilitation Account funds, and Highway Users Tax.

REVIEW AND APPROVAL

Prepared by - Jayson Imai, Assistant City Engineer
Reviewed by - Soren Fajeau, Public Works Director
Reviewed by - Krysten Lee, Finance Director
Reviewed by - Kristopher J. Kokotaylo, City Attorney
Approved by - David J. Benoun, City Manager

Resolution 1 - Intention
Resolution 2 - Preliminary Approval
Preliminary Engineer's Report
Resolution 3 - Property Owner Assistance Program
Property Owner Assistance Program
Presentation

RESOLUTION NO.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
NEWARK OF INTENTION TO MAKE ACQUISITIONS AND
IMPROVEMENTS FOR THE PROPOSED AREA
IMPROVEMENT DISTRICT NO. 35 (LINDSAY TRACT)

WHEREAS, the City of Newark (the “City”), County of Alameda (the “County”), State of California, is a general law city under the laws of the State of California and is authorized to take actions pursuant to the Municipal Improvement Act of 1913, Division 12 of the Streets and Highways Code of California (the “Act”); and

WHEREAS, the City Council (the “Council”) of the City had determined a need for improved drainage throughout the Lindsay Tract neighborhood in the City (the “neighborhood”), prolonging lifespan of the pavement and ancillary improvements associated with the neighborhood streets, and improvement of walkability throughout the neighborhood, and therefore desires to commence and conduct proceedings pursuant to the Act in and for the establishment of an assessment district within the City to be known as “Area Improvement District No. 35 (Lindsay Tract)” (the “Assessment District”).

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Newark hereby resolves the following:

1. Each of the above recitals is true and correct and is adopted by the City Council of the City of Newark.
2. The public interest, convenience and necessity require, and the City intends to order the making of, the acquisitions and improvements described in Exhibit “A” (the “Improvements”) attached hereto and made a part hereof in and for the proposed Assessment District.
3. Except as herein otherwise provided for the issuance of bonds, all of the work shall be done as provided in the Act.
4. Serial and/or term improvement bonds (the “Bonds”) to represent unpaid assessments levied under the Act for the Assessment District will be issued under the Improvement Bond Act of 1915, Division 10 of the California Streets and Highways Code (the “Bond Law”). The Bonds shall be issued in such series and shall mature in such principal amounts and at such times (not to exceed 39 years after the September 2 next succeeding their date) and at such rate or rates of interest (not to exceed the maximum rate permitted by applicable law) as may be determined by this Council at the time of the issuance and sale of the Bonds. The provisions of Part 11.1 of the Bond Law shall apply to the calling of the Bonds. It is the intention of this Council to create a special reserve fund for the Bonds under Part 16 of the Bond Law. The City will not advance available surplus funds from the City treasury to cure any deficiency in the redemption fund to be created with respect to the Bonds;

provided, however, that this determination shall not prevent the City from, in its sole discretion, so advancing funds. The Bonds may be refunded under Division 11.5 of the California Streets and Highways Code or other applicable laws permitting refunding of the Bonds, upon the conditions specified by and at the determination of the Council.

5. In the opinion of this Council, the Improvements are of more than general or ordinary public benefit, and are of special benefit to the lands within the Assessment District. The costs and expenses of the Improvements are chargeable upon the Assessment District, the exterior boundaries of which are shown on a map thereof on file in the office of the City Clerk, to which reference is hereby made for further particulars. The map indicates by a boundary line the extent of the territory proposed to be included in Assessment District and, except as modified, shall describe the extent of the Assessment District.
6. This Council declares that all public streets, highways, lanes and alleys, and properties owned by any public agency or department of the United States of America, the State of California, the County, any city or special district, in the Assessment District and used for a public function shall be omitted from the assessment unless and to the extent found to be specially benefited by the Improvements.
7. The Improvements are hereby referred to Francisco & Associates, Carlsbad, California, being a competent firm employed for the purpose hereof as Engineer of Work for the Assessment District (the "Engineer of Work"), and the Engineer of Work is hereby directed to make and file with the City Clerk a report in writing (the "Engineer's Report"), presenting the following:
 - a. Maps and descriptions of the lands and easements to be acquired, if any.
 - b. Plans and specifications of the Improvements, if not already installed, which need not be detailed and are sufficient if they show or describe the general nature, location, and extent of the Improvements. If the Assessment District is divided into zones, the plans and specifications shall indicate the class and the type of Improvements to be provided for each zone. The plans or specifications may be prepared as separate documents, or either or both may be incorporated in the Engineer's Report as a combined document.
 - c. A general description of works or appliances already installed and any other property necessary or convenient for the operation of the Improvements, if the works, appliances, or property are to be acquired as part of the Improvements.
 - d. An estimate of the cost of the Improvements including the cost of lands, rights-of-way, easements, and incidental expenses in connection with the Improvements, including any cost of issuing, selling and delivering the Bonds.
 - e. A diagram showing, as they existed at the time of the passage of this Resolution, all of the following:
 - i. The exterior boundaries of the Assessment District.

- ii. The boundaries of any zones within the Assessment District.
 - iii. The lines and dimensions of each parcel of land within the Assessment District. The diagram may refer to the county assessor's maps for a detailed description of the lines and dimensions of any parcels, in which case those maps shall govern for all details concerning the lines and dimensions of the parcels. Each parcel shall be given a separate number upon the diagram.
 - f. A proposed assessment of the total amount of the cost and expenses of the Improvements upon the parcels or subdivisions of land in the Assessment District in proportion to the estimated special benefits to be received by each subdivision, respectively, from the Improvements. The assessment shall refer to the subdivisions by their respective numbers as assigned pursuant to subdivision (e). When any portion of the costs of the Improvements is to be paid from sources other than assessments, the amount of such portion shall first be deducted from the total estimated cost of the Improvements and the assessment shall include only the remainder of the estimated cost. The Engineer's Report shall specify that property owners may apply with the City for a full or partial deferment of their total assessment for their respective parcel(s) by providing evidence of eligibility per the City's Property Owner Assistance Program.
 - g. A proposed maximum annual assessment upon each of the several subdivisions of land in the Assessment District to pay cost incurred by the City and not otherwise reimbursed resulting from the administration and collection of assessments or from administration or registration of any associated bonds and reserve or other related funds.
8. This Council will comply with Division 4 of the Streets and Highways Code of California under Part 7.5 of it. The Engineer of Work shall include in the Engineer's Report the information required under Part 7.5, and for which the total true value shall be estimated as the full cash value of the parcels of land in the Assessment District as shown on the last equalized assessment roll of the County, or alternatively, by means of a current appraisal on such terms as may be prescribed by this Council.
 9. Any excess realized from the assessment, including the proceeds of the Bonds, shall be used, in such amounts as this Council may determine, in accordance with the applicable provisions of the Act.
 10. The City will enter into agreement(s) with public agency(ies) or public utility(ies) under Chapter 2 (commencing with Section 10100) of the Act for the Improvements, to provide for the construction, ownership, operation and/or maintenance by such agency or utility of the Improvements, and for the providing of service to the properties in the Assessment District by such agency or utility in accordance with its rates, rules and regulations, and that such agreement shall become effective after proceedings have been taken for the levy of the assessments and sale of bonds and funds are available to carry out the terms of any such agreement. This Council determines that the public interest will not be served by

allowing the property owners in the Assessment District to take any contract for the construction of the improvements and therefore that, under Section 20487 of the California Public Contract Code, no notice of award of contract shall be published.

11. All of the Improvements are to be constructed at the places and in the particular locations, of the forms, sizes, dimensions and materials, and at the lines, grades and elevations, as shown and delineated upon the plans, profiles and specifications to be made therefore and approved by the City. This Council does hereby adopt and establish as the official grades for the Improvements the grades and elevations to be shown upon the plans, profiles and specifications. All such grades and elevations are to be in feet and decimals thereof with reference to the datum plane of this City. Notice is hereby given of the fact that if the Improvements will result in a grade different from that formerly existing, the grades are hereby changed and the Improvements will be done to the changed grades.
12. In cases where there is any disparity in level or size between the Improvements and private property and where it is more economical to eliminate such disparity by work on the private property than by adjustment of the work on public property, it is hereby determined that it is in the public interest and more economical to do such work on private property to eliminate such disparity. In such cases, the work on private property shall, with the written consent of the owner of the property, be done and the actual cost thereof may be added to the proposed assessment of the lot on which the work is to be done.
13. The descriptions of the Improvements and the termini of the work for them are general in nature. All items of work do not necessarily extend for the full length of the description thereof. The plans and profiles of the Improvements and maps and descriptions referenced in the Engineer's Report, hereinafter directed to be made and filed, shall be controlling as to the correct and detailed description thereof.
14. The City hereby confirms the appointment of Jones Hall, A Professional Law Corporation, San Francisco, California, as bond counsel.
15. Jayson Imai, Assistant City Engineer, is hereby designated as the person to answer inquiries regarding the assessment proceedings to be had herein, and may be contacted during regular office hours at City Hall, 37101 Newark Boulevard, Newark, California, 94560; telephone: (510) 578-4671; e-mail: jayson.imai@newark.org.
16. This Resolution shall take effect from and after the date of its passage and adoption.

EXHIBIT A

CITY OF NEWARK AREA IMPROVEMENT DISTRICT NO. 35 (LINDSAY TRACT)

DESCRIPTION OF IMPROVEMENTS

Section 10100 of the Municipal Improvements Act of 1913 provides for the legislative body of any municipality to finance certain capital facilities and services within or along its streets or any public right of way or easement. The following is the list of Area Improvement District No. 35 improvements specifically benefitting properties within the boundaries of the Assessment District and allowed to be installed or improved under the provisions of the Municipal Improvements Act of 1913.

- Removal of existing curb, gutter, and sidewalk.
- Installation of new concrete curb, gutter, and sidewalk.
- Removal of existing driveway and walkway sections.
- Installation of new concrete driveway and walkway conform sections.

Plans and specifications for the Assessment District improvements listed above have been prepared for the City by BKF Engineers and are on file in the office of the City Engineer.

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
NEWARK APPROVING PRELIMINARY ENGINEER'S
REPORT AND DIRECTING RELATED ACTIONS FOR THE
PROPOSED AREA IMPROVEMENT DISTRICT NO. 35
(LINDSAY TRACT)

WHEREAS, on January 26, 2023, the City Council (the "Council") of the City of Newark (the "City"), County of Alameda (the "County"), State of California, adopted its resolution entitled "A Resolution of the City Council of the City of Newark of Intention to Make Acquisitions and Improvements for the proposed Area Improvement District No. 35 (Lindsay Tract)" (the "Resolution of Intention") under the Municipal Improvement Act of 1913, Division 12 of the Streets and Highways Code of California (the "Act") to initiate proceedings under the Act in and for the City's proposed Area Improvement District No. 35 (Lindsay Tract) (the "Assessment District") for the making of certain public improvements (the "Improvements") as described in the Resolution of Intention; and

WHEREAS, the Resolution of Intention referred the acquisitions and improvements described therein to the person designated therein as the Engineer of Work and directed the Engineer of Work to prepare and file with the City Clerk a report (the "Engineer's Report") pursuant to the Act and containing information set forth in the Resolution of Intention, to which reference is hereby made for further particulars.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Newark hereby resolves the following:

1. Each of the above recitals is true and correct and is adopted by the City Council of the City of Newark.
2. The Engineer of Work has prepared and filed the Engineer's Report with the City Clerk, and this Council with the aid of City staff has reviewed the Engineer's Report, and hereby finds it to be sufficient for, and that it shall stand for purposes of subsequent proceedings for the Assessment District and the preliminary Engineer's Report is hereby approved.
3. Pursuant to the Act, this Council hereby orders that a public hearing be held before this Council, in the regular meeting place thereof, City Hall Council Chambers, David W. Smith City Hall, 37101 Newark Boulevard, 1st Floor, Newark, California, on Thursday, March 23, 2023, at the hour of 7:00 o'clock p.m., for the purposes of this Council's determination whether the public interest, convenience and necessity require the Improvements, whether the properties in the Assessment District are specially benefited by the Improvements, the tabulation of special assessment ballots and the determination of the existence of any majority protest and this Council's final action upon the Engineer's Report

and the assessments therein. The public hearing may be continued from time to time as determined by the Council.

4. The City Clerk is hereby authorized and directed to cause notice of the hearing ordered under Section 3 hereof to be given to the record owner of each parcel in the Assessment District by mailing, postage prepaid, in the United States mail, and such notice shall be deemed to have been given when so deposited in such mail. On the face of the envelope mailed to the record owner, in which the notice and ballot are enclosed, there shall appear in no smaller than 16-point bold type the words "OFFICIAL BALLOT ENCLOSED," together with the name of the City and the return address of the City Clerk as the sender. The mailed notice shall be given to all owners of property proposed to be assessed within the Assessment District as shown in the Engineer's Report by such mailing by name to those persons whose names and addresses appear on the last equalized assessment roll of the County or the State Board of Equalization assessment roll, as the case may be. The notice shall be mailed not less than 45 days before the date of the public hearing ordered under Section 3 hereof.

The amount of the proposed assessment for each parcel shall be calculated and the record owner of each parcel shall be given written notice by mail of the proposed assessment, the total amount thereof chargeable to the entire Assessment District, the amount chargeable to the owner's particular parcel, the anticipated duration of payments for the assessment if bonded, the reason for such assessment and the basis upon which the amount of the proposed assessment was calculated. Each such mailed notice to owners shall contain a ballot which includes the property owner's name, identification of the parcel and support or opposition to the proposed assessment.

Each notice shall include, in a conspicuous place, a summary of the procedures applicable to the completion, return and tabulation of ballots, including a disclosure that the existence of a majority protest (whereby ballots submitted in opposition exceed those submitted in favor of the assessment, with ballots weighted according to proportional financial obligation of the affected property) will result in the assessment not being imposed. Each mailed ballot shall include a sealable return envelope with the City's address for receipt of the completed ballot.

5. The City Clerk is hereby designated as the impartial person, without a vested interest in the outcome of the assessment, responsible for the tabulation of the ballots, and is hereby authorized to engage a consultant to assist in the tabulation of the ballots in accordance with Government Code section 53753(e). The City Clerk shall maintain a separate and secure file for the safekeeping of the assessment ballots as they are received and pending tabulation. Ballots shall be received up to the time of the close of the public hearing. Ballots shall remain sealed until the close of the public hearing and the beginning of the tabulation, provided that ballots may be submitted, or changed, or withdrawn by the person submitting the ballot prior to the conclusion of the public hearing. During and after tabulation, the ballots shall be disclosable public records under Section 6252 of the California Government Code.

6. The proposed boundaries of the proposed Assessment District are hereby described as shown on a map thereof on file in the office of the City Clerk (the “Boundary Map”), which indicates by a boundary line the extent of the territory to be included in the proposed Assessment District; the Boundary Map shall govern for all details for further purposes of the proceedings for the Assessment District and reference is hereby made to the Boundary Map for further particulars. The City Clerk is hereby authorized and directed to endorse upon the original and at least one copy of the Boundary Map the date of the filing thereof and date and adoption of this resolution and to cause a copy of the Boundary Map to be filed with the County Recorder of the County within 15 days after the adoption of this resolution, but in no event later than 15 days before the date of the public hearing ordered under Section 3 hereof. The County Recorder shall endorse upon the Boundary Map the time and date of filing and shall fasten the same securely in a book of maps of assessment and community facilities districts which the County Recorder maintains. The County Recorder shall index the Boundary Map by the name of the City and by the distinctive designation of the proposed Assessment District.
7. This Resolution shall take effect from and after the date of its passage and adoption.



Area Improvement District No. 35 (Lindsay Tract)

Preliminary Engineer's Report

January 26, 2023

Prepared by

**FRANCISCO
AND ASSOCIATES**

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Fund Tomorrow's Communities

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APPENDICES

APPENDIX A – Benefit Boundary and Improvement Diagram

APPENDIX B – Right-of-Way Certificate

APPENDIX C – Assessment Roll

APPENDIX D – Property Owner Assistance Program

CITY OF NEWARK

**AREA IMPROVEMENT DISTRICT NO. 35
(LINDSAY TRACT)**

**ENGINEER'S REPORT PURSUANT TO THE
PROVISIONS OF SECTIONS 2960 AND 10200
OF THE STREETS AND HIGHWAYS CODE**

This Engineer's Report (the "Report") is presented to the City Council of the City of Newark (the "City") in connection with the proceeding to establish Area Improvement District No. 35 (Lindsay Tract) (the "District"). The District will provide financing for the installation of new curb, gutter, sidewalk, driveway, and walkway improvements (the "District Improvements") associated with the Lindsay Tract Roadway and Green Infrastructure Improvement Project within the Lindsay Tract neighborhood of the City. The Lindsay Tract neighborhood is bound by Cherry Street, Dairy Avenue, Sycamore Street, and the Newark slough running along the northwest end of Olive Street and Mulberry Street. The District Improvements are proposed to be constructed to City standards and will enhance aesthetics, ingress/egress, safety, and walkability for the Lindsay Tract neighborhood.

Pursuant to the provisions of Article XIID of the State Constitution, Part 7.5 of the "Special Assessment Investigation, Limitation and Majority Protest Act of 1931", being Division 4 of the Streets and Highways Code of the State of California, and the "Municipal Improvement Act of 1913", being Division 12 of said Code, and the Resolution of Intention, adopted by the City Council of the City of Newark, State of California, in connection with the proceedings to establish the District, I, Eduardo Espinoza, P.E., a Registered Professional Engineer and authorized representative of Francisco & Associates, the duly appointed Engineer of Work, herewith submit this Report for Area Improvement District No. 35 (Lindsay Tract), consisting of six (6) parts as outlined below.

PART I – DESCRIPTION OF PROJECT, PLANS, AND SPECIFICATIONS

This part contains the description of project, plans, and specifications which describe the general nature, location, and extent for the District Improvements to be constructed and are filed herewith and made a part hereof. Said plans and specifications are on file in the office of the City Engineer, who is acting as the Superintendent of Streets (the "Superintendent of Streets").

PART II – ESTIMATE OF COST

This part contains an estimate of the cost of the District Improvements, including capitalized interest, if any, incidental costs and expenses in connection therewith as set forth herein and attached hereto.

PART III – ASSESSMENT DIAGRAM

This part contains a diagram showing the boundaries of the District, the boundaries and the dimensions of parcels of land within said District, and those boundaries and dimensions are the same as existed at the time of the passage of the Resolution of Intention. The Boundary Map and Assessment Diagram are filed herewith and made a part hereof, and part of the assessment.

PART IV – METHOD OF ASSESSMENT

This part consists of the proposed assessment for the total amount of costs and expenses of the District Improvements upon the parcels of land within the District, in proportion to the special benefits to be received by such parcels of land from said District Improvements, which is set forth upon the assessment roll filed herewith and made a part hereof.

PART V – ANNUAL ADMINISTRATIVE ASSESSMENT

This part contains the proposed maximum annual administrative assessment to be levied within the District and upon each parcel of land within the District to pay the costs incurred by the City, resulting from the administration and collection of assessments, from the administration and registration of any associated bonds and reserve or other related funds, or both.

PART VI – BONDS AND DEBT LIMIT VALUATION

This part contains the information related to limitations for bonds issued in accordance with Division 10 of the Streets and Highways Code of the State of California (the “Improvement Bond Act of 1915”), and to demonstrate compliance with Section 2960 of the “Special Assessment Investigation, Limitation, and Majority Protest Act of 1931” related to value to lien against the total area proposed to be assessed on a per parcel basis and for the District.

This Report is submitted on January 26, 2023.

FRANCISCO AND ASSOCIATES

EDUARDO ESPINOZA, P.E.
R.C.E. No. 83709
ENGINEER OF WORK
CITY OF NEWARK
STATE OF CALIFORNIA

PART I

DESCRIPTION OF PROJECT, PLANS, AND SPECIFICATIONS

Description of Project

Section 10100 of the Municipal Improvements Act of 1913 provides for the legislative body of any municipality to finance certain capital facilities and services within or along its streets or any public right of way or easement. The following is the list of District Improvements specifically benefitting properties within the boundaries of the District and allowed to be installed or improved under the provisions of the Municipal Improvements Act of 1913.

- Removal of existing curb, gutter, and sidewalk.
- Installation of new concrete curb, gutter, and sidewalk.
- Removal of existing driveway and walkway sections.
- Installation of new concrete driveway and walkway conform sections.

The City will also complete pavement rehabilitation, storm drain improvements, and green infrastructure improvements within the Lindsay Tract neighborhood in conjunction with the District Improvements listed above. These other City improvements will be paid for by the City utilizing alternative funding sources and are not included in the proposed assessment for the District. Additionally, the District Improvements and other City roadway, storm drain, and green infrastructure improvements for the Lindsay Tract are intended to be constructed concurrently with the planned water main replacement project of the Alameda County Water District.

Plans and Specifications

The plans and specifications to construct the District Improvements benefitting properties within the District, and any ancillary improvements thereof, describe the general nature, location and extent of the improvements are referenced herein and incorporated as if attached and a part of this Report. Plans and specifications have been prepared for the City by BKF Engineers and are on file in the office of the Superintendent of Streets. Appendix A (Benefit Boundary and Improvement Diagram) included in this Report depicts the location of the District Improvements.

PART II ESTIMATE OF COST

Below is an Estimate of Cost for the District Improvements based on the Plans and Specifications prepared for the City. As described in Part I of this Report, the City will also complete pavement rehabilitation, storm drain, and green infrastructure improvements within the Lindsay Tract neighborhood in conjunction with the District Improvements. The estimate of cost for these other City improvements is approximately \$4.27 million and will be paid by the City utilizing non-District funding sources.

District Cost Description	Cost Estimate
<u>Curb and Gutter District Improvements</u>	
Remove Existing Curb and Gutter	\$256,200
Remove Existing Storm Drain Inlets	\$30,000
Installation of New Curb and Gutter	\$93,650
Installation of New Rolled Curb	\$302,050
Installation of Curb Drain	<u>\$30,000</u>
Subtotal:	\$711,900
<u>Sidewalk (including Driveway portions) District Improvements</u>	
Remove Existing Sidewalk and Driveway	\$244,520
Curb Ramps	\$120,000
Concrete Sidewalk	\$417,571
Concrete Driveway	<u>\$197,967</u>
Subtotal:	\$980,058
15% Contingency:	\$253,794
Total Cost Estimate for Curb, Gutter, and Sidewalk District Improvements:	\$1,945,751.70
2% Attributed to General Benefit (Paid by City):	(<u>\$38,915.03</u>)
Total Special Benefit Attributed to Curb and Sidewalk District Improvements	\$1,906,837
<u>Driveway/Walkway Conform District Improvements</u>	
Installation of 4 foot and/or 10 foot Driveway and Walkway Conforms	\$366,821
15% Contingency:	\$55,023
Total Cost Estimate for Driveway/Walkway Conform District Improvements:	\$421,844
0% Attributed to General Benefit (Paid by City):	<u>\$0</u>
Total Special Benefit Attributed to Driveway/Walkway Conform District Improvements:	\$421,844
<u>Incidental Expenses</u>	
Assessment Engineering	\$50,000
Bond Counsel	\$35,000
Financial Advisor	\$25,000
Filing Recording Fees	<u>\$5,000</u>
Total Cost Estimate for Incidental Expenses:	\$115,000
<u>Financing Costs</u>	
Debt Service Reserve Fund	\$123,348
Capitalized Interest	\$95,000
Bond Counsel (Issuance)	\$32,500
City Administration	\$58,217
Disclosure Counsel	\$20,000
Financial Advisor (Issuance)	\$47,500
Underwriter	\$29,109
Paying Agent	\$5,000
Miscellaneous	<u>\$10,000</u>
Total Cost Estimate for Financing Costs:	\$420,674
Total Amount of Assessment:	\$2,864,355

PART III
ASSESSMENT DIAGRAM

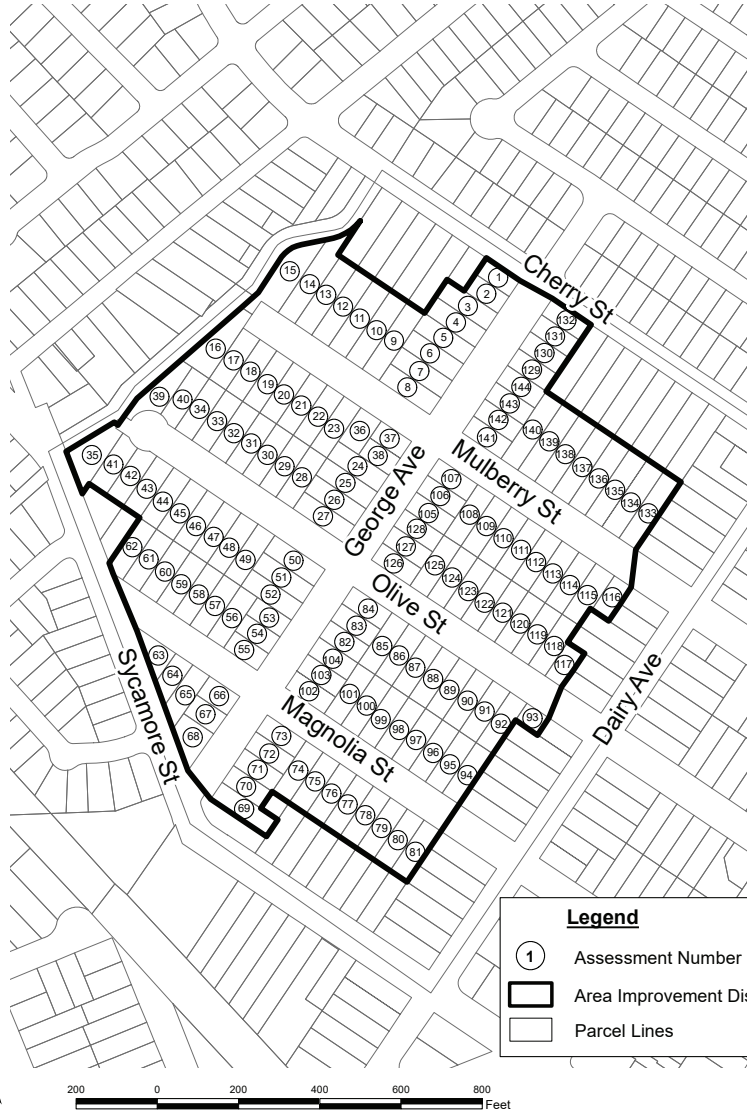
A reduced copy of the Assessment Diagram is attached hereto. Full-sized copies of the Boundary Map and Assessment Diagram are on file in the Office of the City Clerk, of the City of Newark.

As required by the Municipal Improvement Act of 1913, the Assessment Diagram shows the exterior boundaries of the District and the assessment number assigned to each parcel of land corresponding to its number as it appears in the Assessment Roll contained in Appendix C of this Report. The Assessor's Parcel Number is also shown for each parcel as they existed at the time of the passage of the Resolution of Intention and reference is hereby made to the Assessor's Parcel Maps of the County of Alameda for the boundaries and dimensions of each parcel of land.

ASSESSMENT DIAGRAM
AREA IMPROVEMENT DISTRICT No. 35

Page 1 of 1

CITY OF NEWARK
COUNTY OF ALAMEDA
STATE OF CALIFORNIA



Asmt. No.	Assessor Parcel Number
1	092 -0001-016-00
2	092 -0001-017-00
3	092 -0001-018-00
4	092 -0001-019-00
5	092 -0001-020-00
6	092 -0001-021-00
7	092 -0001-022-00
8	092 -0001-023-00
9	092 -0001-024-00
10	092 -0001-025-00
11	092 -0001-026-00
12	092 -0001-027-00
13	092 -0001-028-00
14	092 -0001-029-01
15	092 -0001-030-09
16	092 -0005-005-06
17	092 -0005-006-00
18	092 -0005-007-00
19	092 -0005-008-00
20	092 -0005-009-00
21	092 -0005-010-00
22	092 -0005-011-00
23	092 -0005-012-00
24	092 -0005-015-00
25	092 -0005-016-00
26	092 -0005-017-00
27	092 -0005-018-00
28	092 -0005-019-00
29	092 -0005-020-00
30	092 -0005-021-00
31	092 -0005-022-00
32	092 -0005-023-00
33	092 -0005-024-00
34	092 -0005-025-00
35	092 -0005-030-00
36	092 -0005-032-00
37	092 -0005-033-00
38	092 -0005-034-00
39	092 -0005-035-00
40	092 -0005-036-00
41	092 -0010-001-02
42	092 -0010-003-03
43	092 -0010-004-00
44	092 -0010-005-00
45	092 -0010-006-00
46	092 -0010-007-00
47	092 -0010-008-00
48	092 -0010-009-00
49	092 -0010-010-00
50	092 -0010-011-00

Asmt. No.	Assessor Parcel Number
51	092 -0010-012-00
52	092 -0010-013-00
53	092 -0010-014-00
54	092 -0010-015-00
55	092 -0010-016-00
56	092 -0010-017-00
57	092 -0010-018-00
58	092 -0010-019-00
59	092 -0010-020-00
60	092 -0010-021-00
61	092 -0010-022-00
62	092 -0010-023-00
63	092 -0023-001-00
64	092 -0023-002-00
65	092 -0023-003-00
66	092 -0023-004-00
67	092 -0023-005-00
68	092 -0023-006-00
69	092 -0025-002-00
70	092 -0025-003-00
71	092 -0025-005-00
72	092 -0025-006-00
73	092 -0025-007-00
74	092 -0025-008-00
75	092 -0025-009-00
76	092 -0025-010-00
77	092 -0025-011-00
78	092 -0025-012-00
79	092 -0025-013-00
80	092 -0025-014-00
81	092 -0025-015-00
82	092 -0026-001-00
83	092 -0026-002-00
84	092 -0026-003-00
85	092 -0026-004-00
86	092 -0026-005-00
87	092 -0026-006-00
88	092 -0026-007-00
89	092 -0026-008-00
90	092 -0026-009-00
91	092 -0026-010-00
92	092 -0026-011-00
93	092 -0026-012-00
94	092 -0026-019-00
95	092 -0026-020-00
96	092 -0026-021-00
97	092 -0026-022-00
98	092 -0026-023-00
99	092 -0026-024-00
100	092 -0026-025-00

Asmt. No.	Assessor Parcel Number
101	092 -0026-026-00
102	092 -0026-027-00
103	092 -0026-028-00
104	092 -0026-029-00
105	092 -0027-001-00
106	092 -0027-002-00
107	092 -0027-003-00
108	092 -0027-004-00
109	092 -0027-005-00
110	092 -0027-006-00
111	092 -0027-007-00
112	092 -0027-008-00
113	092 -0027-009-00
114	092 -0027-010-00
115	092 -0027-011-00
116	092 -0027-012-00
117	092 -0027-019-00
118	092 -0027-020-00
119	092 -0027-021-00
120	092 -0027-022-00
121	092 -0027-023-00
122	092 -0027-024-00
123	092 -0027-025-00
124	092 -0027-026-00
125	092 -0027-027-00
126	092 -0027-028-00
127	092 -0027-029-00
128	092 -0027-030-00
129	092 -0028-001-00
130	092 -0028-002-00
131	092 -0028-003-00
132	092 -0028-004-00
133	092 -0028-018-00
134	092 -0028-019-00
135	092 -0028-020-00
136	092 -0028-021-00
137	092 -0028-022-00
138	092 -0028-023-00
139	092 -0028-024-00
140	092 -0028-025-00
141	092 -0028-026-00
142	092 -0028-027-00
143	092 -0028-028-00
144	092 -0028-029-00

Filed in the office of the City Clerk of the City of Newark this ____ day of _____, 2023.

Sheila Harrington, City Clerk
City of Newark
County of Alameda
State of California

Filed in the office of the City Engineer as the Superintendent of Streets of the City of Newark this ____ day of _____, 2023.

Soren Fajeau, City Engineer
City of Newark
County of Alameda
State of California

An assessment was levied by the City Council on the lots, pieces and parcels of land shown on this Assessment Diagram. The assessment was levied on the ____ day of ____, 2023; the Assessment Diagram and the Assessment Roll were recorded in the office of the City Engineer as the Superintendent of Streets of that city on the ____ day of ____, 2023. Reference is made to the Assessment Roll recorded in the office of the City Engineer as the Superintendent of Streets for the exact amount of each assessment levied against each parcel of land shown on this diagram.

Sheila Harrington, City Clerk
City of Newark
County of Alameda
State of California

Filed this ____ day of _____, 2023, at the hour of ____ o'clock ____ m. in Book _____, Page _____ of Maps of Assessment and Community Facilities Districts in the office of the Recorder of the County of Alameda, State of California.

County Recorder
County of Alameda
State of California

Assessor Parcels Within Boundary: For particulars of lines and dimensions of parcels, reference is made to the Assessor Parcel Maps of Alameda County for the Assessor Parcel Numbers listed in the tables on this Assessment Diagram.

PART IV

METHOD OF ASSESSMENT

The proposed special assessment for the District will be established pursuant to the Municipal Improvement Act of 1913 and Article XIID of the State Constitution, which require that assessments be based on the special benefit that properties receive from the proposed improvements. Section 4 of Article XIID of the State Constitution requires that a parcel's assessment may not exceed the reasonable cost attributed to the proportional special benefit conferred upon that parcel. The local agency levying the assessment must separate the general benefits to the public at large from the special benefits, and only the special benefits are assessable. Any cost attributed to general benefits may not be assessed to properties within the District. In addition, Section 4 of Article XIID of the State Constitution states that parcels within an assessment district that are owned or used by any public agency, the State of California, or the United States shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit.

Neither the Municipal Improvement Act of 1913 nor the State Constitution specifies the method or formula that should be used to apportion the costs to properties in any special assessment district proceeding. The responsibility for recommending an apportionment of the costs to properties which specially benefit from the improvements rests with the Engineer of Work, who is appointed for the purpose of making an analysis of the facts and determining the correct apportionment of the assessment obligation. In order to apportion the assessments to each parcel in direct proportion with the special benefit which it will receive from the improvements, an analysis has been completed and is used as the basis for apportioning costs to each property within the District. The findings of the analysis and resulting apportionment of cost is outlined in this part of the Report.

The final authority to approve the establishment of the District rests with the City Council after hearing all testimony and evidence presented at a public hearing. In accordance with Section 4 of Article XIID of the State Constitution, notices and ballots are mailed to all record owners of property within the District not less than 45 days prior to the public hearing. Upon conclusion of the public hearing, the ballots returned to the City Clerk prior to the close of the public hearing are tabulated. If a majority of the returned ballots weighted by assessment amount, are not in opposition to the formation of District, the City Council may proceed with the formation of the District. The City Council's findings must include whether the assessment spread has been made in direct proportion to the special benefits received by each parcel.

The following sections set forth the benefits identified as being conferred from the District Improvements, the separation of general and special benefits, and the methodology used to apportion the costs of the improvements to each parcel.

Identification of Benefits

The District is being established to provide financing for new curb, gutter, sidewalk, driveway, and walkway improvements within the Lindsay Tract neighborhood, collectively referred to as the District Improvements in this Report. The location of the District Improvements is shown in Appendix A (Benefit Boundary and Improvement Diagram) of this Report. The District Improvements provide the following benefits to property:

- Improved ingress/egress.
- Improved aesthetics.
- Improved pedestrian and vehicle safety.
- Improved walkability throughout the neighborhood.
- Reduced likelihood of financial obligation for certain property owners to repair sidewalks per California Streets and Highways Code Section 5610, which authorizes cities to recover the cost of repairing and maintaining sidewalks from the owners of property abutting the sidewalk.

General Benefit

Article XIID, of the California Constitution limits the amount of any assessment to the proportional “special benefit” conferred on the property. Article XIID provides that only special benefits are assessable, and the City must separate the general benefits from the special benefits conferred on a parcel. There is no widely accepted or statutory formula for determining general and special benefit. However, the constitution states that a special benefit is different from a general benefit in that it is “particular and distinct” and “over and above” general benefits received by other properties and the public at large.

The District Improvements are located along the in-tract residential streets of the Lindsay Tract neighborhood as shown in Appendix A (Benefit Boundary and Improvement Diagram) of this Report. Due to the localized nature of the District Improvements, general benefit or benefit to the public at large is attributed to incidental vehicular or pedestrian flow-through traffic traversing the Lindsay Tract neighborhood roads commencing from locations outside the benefit boundary of the District to access other destinations outside the benefit boundary of the District. Vehicular or pedestrian traffic commencing outside the benefit boundary of the District but traveling to a destination inside the benefit boundary of the District was determined to be a special benefit to the destination parcel within the benefit boundary of the District.

Google Maps was utilized to determine if the Lindsay Tract neighborhood roads are likely to be traversed by property owners/residents commencing from locations outside the benefit boundary of the District to access other destinations outside the benefit boundary of the District. An analysis of virtually all viable routes from all directions, utilizing various times of travel, was performed using locations of developed property outside of the District benefit boundary as a starting destination to ending destinations of developed property outside the benefit boundary of the District. The results of this analysis confirmed that traversing the Lindsay Tract neighborhood roads is never the most efficient and practical

route and therefore it is highly unlikely property owners/residents commencing from locations outside the benefit boundary of the District will intentionally traverse the Lindsay Tract neighborhood roads to access other destinations outside the benefit boundary of the District. Therefore, it is concluded the District Improvements provide a particular and distinct special benefit only to those parcels within the benefit boundary of the District that is not realized by other parcels or the public at large. However, to acknowledge the rare and incidental occasion on which property owners/residents commencing from a location outside the benefit boundary of the District utilize the Lindsay Tract neighborhood streets to access other destinations outside the benefit boundary of the District, 2% of the cost of the District Improvements, excluding driveway and walkway conform District Improvements, is attributed to general benefit, and will be paid by the City. There is no general benefit associated with the driveway and walkway conform District Improvements and therefore 100% of the driveway and walkway conform District Improvements will be apportioned to each respective property proportionately.

Special Benefit

As discussed above, the District Improvements provide a particular and distinct special benefit to those parcels within the benefit boundary of the District that is not realized by other parcels or the public at large. Article XIIID of the State Constitution requires the Engineer of Work to determine the proportionality of the special benefits conferred to property based on characteristics of the District Improvements and characteristics of properties.

Primary Benefits

The District Improvements will improve drainage throughout the Lindsay Tract neighborhood, prolong lifespan of the pavement and ancillary improvements associated with the neighborhood streets, and improve walkability throughout the neighborhood. The equal special benefits to all properties within the benefit boundary of the District are known as the “Primary Benefits” for the purposes of this Report and are summarized below.

- Improved ingress and egress throughout neighborhood due to better localized drainage that will minimize likelihood of potholes and debris.
- Improved neighborhood aesthetics due to increased lifespan of pavement.
- Improved neighborhood aesthetics due to added deterrence from parking on the sidewalk.
- Improved neighborhood safety due to increased lifespan of pavement (e.g., reduced risk of flat tires).
- Improved walkability throughout the neighborhood due to continuous and well-maintained sidewalks.

As a result of the Primary Benefits listed above, it is reasonable to assume the District Improvements will increase the desirability and specifically enhance the values of the properties within the benefit boundary of the District.

The assessable properties within the benefit boundary of the District are all single-family homes. Therefore, the costs attributed to the Primary Benefits will be apportioned equally

to each single-family home on a per parcel basis.

Enhanced Benefits

New curb, gutter, driveway and sidewalk will be installed along the frontage of certain parcels within the benefit boundary of the District as shown on Appendix A (Benefit Boundary and Improvement Diagram) of this Report. These parcels experience special benefits above and beyond the Primary Benefits due to the improved frontage of their individual properties and are known as the “Enhanced Benefits” for the purposes of this Report. The cost attributed to the Enhanced Benefits for curb, gutter, and sidewalk (including driveway portion) will be apportioned to each single-family home based on linear feet of new curb, gutter, and sidewalk directly abutting their property. In addition, 4-foot and/or 10-foot conform sections of existing driveways and walkways within public right-of-way measured from back of sidewalk toward the single-family homes will be replaced for certain parcels within the boundaries of the District to conform and match existing improvements. The replacement of these existing driveway and walkway conform sections within public right-of-way is also considered an Enhanced Benefit and is of sole benefit to each respective property. Therefore, there is no general benefit associated with the new driveway and walkway conform sections and the corresponding costs are apportioned to each single-family home based on square feet of new driveway and/or walkway conform area.

The Enhanced Benefits experienced by certain parcels within the benefit boundary of the District due to the installation of new curb, gutter, sidewalk, driveway, and walkway improvements along the frontage of their property are summarized below.

- Improved ingress and egress to individual properties.
- Added aesthetic benefit to individual properties.
- Deterrence from parking on frontage sidewalk and improved safeguard to individual properties.
- Reduced likelihood of financial obligation for property owners to repair sidewalks per California Streets and Highways Code Section 5610, which authorizes cities to recover the cost of repairing and maintaining sidewalks from the owners of property abutting the sidewalk.

Assessment Methodology and Calculation

The total estimated cost associated with the new curb, gutter, and sidewalk (including driveway portion) District Improvements is \$1,945,751.70 as outlined in Part II of this Report. Of the total estimated cost, 2% or \$38,915.03 is attributed to general benefit and will be paid by the City. Therefore, the net cost attributed to special benefit for parcels within the benefit boundary of the District is \$1,906,836.67.

Each of the five Primary Benefits and each of the four Enhanced Benefits listed above is assigned one “Benefit Unit” related to the new curb, gutter, and sidewalk (including driveway portion) District Improvements. Therefore, properties within the benefit boundary of the District that do not abut new curb, gutter, and sidewalk (including driveway portion) District Improvements are assigned five (5) Benefit Units. Properties

within the benefit boundary of the District that abut new curb, gutter, and sidewalk (including driveway portion) District Improvements are assigned a total of nine (9) Benefit Units. Benefit Unit Assignments for both categories of single-family home parcels within the benefit boundary of the District is shown in Table 1.

Table 1. Benefit Unit Assignments for Curb and Sidewalk Improvements

Benefit Description	Benefit Units	
	Properties Not Abutting Curb and Sidewalk District Improvements	Properties Abutting Curb and Sidewalk District Improvements
<u>Primary Benefits</u>		
Improved ingress/egress in neighborhood due to better localized drainage that will minimize likelihood of potholes and debris	1	1
Improved neighborhood aesthetics due to increased lifespan of pavement	1	1
Improved neighborhood aesthetics due to added deterrence from parking on the sidewalk	1	1
Improved neighborhood safety due to increased lifespan of pavement (e.g., reduced risk of flat tires)	1	1
Improved walkability throughout the neighborhood due to continuous and well-maintained sidewalks	<u>1</u>	<u>1</u>
Primary Benefit Units per Single-Family Home:	5	5
<u>Enhanced Benefits</u>		
Improved ingress/egress to individual properties	0	1
Added aesthetic benefit to individual properties	0	1
Deterrence from parking on frontage sidewalk and improved safeguard to individual properties	0	1
Reduced likelihood of financial obligation to repair sidewalks per California Streets and Highways Code Section 5610	<u>0</u>	<u>1</u>
Enhanced Benefit Units per Single-Family Home:	0	4
Total Benefit Units:	5	9

Based on the Benefit Unit Assignments for curb, gutter, and sidewalk (including driveway portion) District Improvements shown in Table 1, a Benefit Unit Summary for the District is provided in Table 2 below.

Table 2. Benefit Unit Summary for Curb and Sidewalk District Improvements

Description	Properties Not Abutting Curb and Sidewalk District Improvements	Properties Abutting Curb and Sidewalk District Improvements	Totals
Number of Single-Family Home Parcels	27	121	148
Total Primary Benefit Units	135	605	740
Total Enhanced Benefit Units	0	484	484
Total Benefit Units	135	1,089	1,224

Based on the Benefit Unit Summary for curb, gutter, and sidewalk (including driveway portion) District Improvements provided in Table 2 above, the cost apportionment calculations for the Primary Benefits and Enhanced Benefits associated with the curb, gutter, and sidewalk (including driveway portion) District Improvements, and the assessment calculation for Primary Benefits and Enhanced Benefits attributed to curb, gutter, and sidewalk (including driveway portion) District Improvements for each parcel in the District is shown below. The linear feet of new curb and sidewalk for each parcel is shown in Appendix C of this Report.

$$\text{Cost per Benefit Unit} = \$1,906,836.67 / 1,224 = \mathbf{\$1,557.87}$$

$$\begin{aligned} \text{Total Cost Attributed to Primary Benefits} &= \$1,557.87 * 740 = \mathbf{\$1,152,826.09} \\ \text{Primary Benefit Assessment per Single-Family Home} &= \$1,152,826.09 / 148 = \mathbf{\$7,789.37} \end{aligned}$$

$$\begin{aligned} \text{Total Cost Attributed to Curb/Sidewalk Enhanced Benefits} &= \$1,557.87 * 484 = \mathbf{\$754,010.58} \\ \text{Linear Feet (LF) of Curb/Sidewalk District Improvements} &= \mathbf{7,629} \\ \text{Enhanced Benefit Assessment per LF of Curb/Sidewalk} &= \$754,010.58 / 7,629 = \mathbf{\$98.83} \end{aligned}$$

The total estimated cost associated with the driveway and walkway conform District Improvements is \$421,844.15 as outlined in Part II of this Report, none of which is attributed to general benefit. Therefore, 100% of the driveway and walkway conform District Improvements cost is of special benefit to each respective single-family home parcel within the boundaries of the District and assigned proportionately based on square-footage of driveway and/or walkway conform attributed to each single-family home parcel.

Below is the assessment calculation for Enhanced Benefits attributed to the new driveway and walkway conform District Improvements. The square feet of new driveway and walkway conform area for each parcel is shown in Appendix C of this Report.

$$\begin{aligned} \text{Total Cost Attributed to Driveway/Walkway Enhanced Benefits} &= \mathbf{\$421,844.15} \\ \text{Square Feet (SQ FT) of Driveway/Walkway District Improvements} &= \mathbf{12,648.50} \\ \text{Enhanced Benefit Assessment per SQ FT of Driveway/Walkway} &= \$421,844.15 / 12,648.50 = \mathbf{\$33.35} \end{aligned}$$

The incidental expenditures and financing costs shown in Part II of this Report will be assigned to each parcel based on a prorated share of the estimated construction costs for the District Improvements assigned to each parcel.

The total assessment for each single-family home parcel in the District is calculated as follows:

Total Assessment = Primary Benefit Assessment + Enhanced Benefit Assessment for New Curb, Gutter, and Sidewalk + Enhanced Benefit Assessment for New Driveway and Walkway Conforms + Share of Incidental Expenses + Share of Financing Costs

Property owners may apply with the City for deferment of all or a portion of their Total Assessment for their respective parcel(s) by providing evidence of eligibility per Appendix D (Property Owner Assistance Program) of this Report.

PART V
ANNUAL ADMINISTRATIVE ASSESSMENT

A proposed maximum annual administrative assessment shall be levied on each parcel of land within the District to pay for necessary costs and expenses incurred by the City, and not otherwise reimbursed, resulting from the administration and collection of assessments, from the administration or registration of any bonds and reserve or other related funds. The maximum assessment authorized to be collected annually for administration of the District and associated debt is \$20,000 (in Fiscal Year 2022-23 dollars) per year. The maximum assessment to be collected annually by the District is subject to an annual increase of the All Urban Consumers, San Francisco-Oakland-Hayward, CA area Consumer Price Index (CPI), during the preceding year ending in December. The exact amount of the administration charge will be established each year by the Superintendent of Streets based on the budgetary needs for the ensuing fiscal year.

The annual administrative assessment will be collected in the same manner and at the same time as the assessment levied to pay for the cost of the District Improvements.

PART VI
BONDS AND DEBT LIMIT VALUATION

Bonds will be issued in accordance with Division 10 of the Streets and Highways Code of the State of California (the "Improvement Bond Act of 1915"), to represent all unpaid assessments, which bonds shall be issued in one or more series, each with a term not to exceed the legal maximum term as authorized by law of thirty-nine (39) years from the second day of September next succeeding twelve (12) months from their date. Said bonds shall bear interest at a rate not to exceed the legal maximum rate of 12% per annum.

As required by the Special Assessment Investigation, Limitation and Majority Protest Act of 1931, the total amount of the principal sum of the proposed District assessments to be levied, together with the principal amount of previously levied special assessments, as set forth in the table below, do not exceed one-half (1/2) the total true value of the District parcels proposed to be assessed, and the amount proposed to be assessed upon any parcel does not exceed one-half of the true value of the parcel as shown in Appendix C (Assessment Roll) of this Report.

Debt Limit Valuation	
Total Principal Sum for the District	\$2,862,055
Unpaid Special Assessments*	\$0
Total True Value of the District Parcels**	\$63,868,215
Average Value to Lien Ratio	22:1

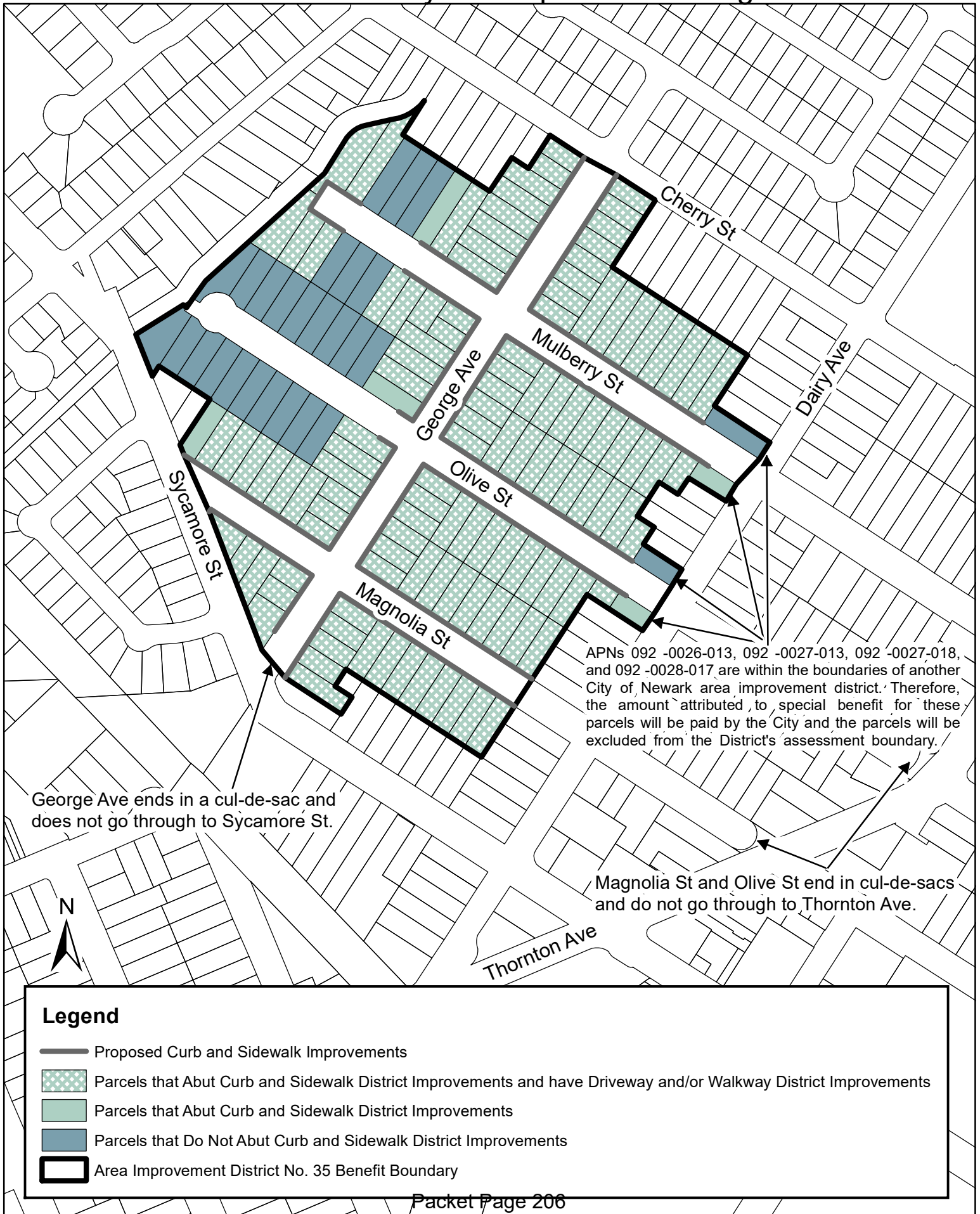
*Unpaid Special Assessments shall consist of the total principal sum of all unpaid special assessments previously levied or proposed to be levied other than in the pending District proceedings.

**True Value of the District Parcels means the total value of the land and improvements as shown on the last equalized roll of Alameda County.

APPENDIX A

Benefit Boundary and Improvement Diagram

City of Newark - Area Improvement District No. 35 Benefit Boundary and Improvement Diagram



APPENDIX B
Right-of-Way Certificate

Right-of-Way Certificate

**STATE OF CALIFORNIA
COUNTY OF ALAMEDA
CITY OF NEWARK**

The undersigned hereby CERTIFIES UNDER PENALTY OF PERJURY that the following is all true and correct.

That at the time herein mentioned, the undersigned was, and now is, the authorized representative of the duly appointed CITY ENGINEER of the CITY OF NEWARK, CALIFORNIA.

That there have now been instituted proceedings under the provisions of Article XIID of the California Constitution, and the "Municipal Improvements Act of 1913," being Division 12 of the Streets and Highways Code of the State of California, for the construction of certain public improvements in a special assessment district known and designated as AREA IMPROVEMENT DISTRICT NO. 35 (hereinafter referred to as the "Area Improvement District").

THE UNDERSIGNED STATES AND CERTIFIES AS FOLLOWS:

All easements or right-of-way necessary for the construction and installation of the public improvements of the Area Improvement District either have been obtained or are in process of being obtained and will be obtained and in the possession of the City, the County of Alameda, or the State of California prior to commencement of the construction and installation of such public improvements.

EXECUTED this _____ day of _____, 2023, at CITY OF NEWARK, CALIFORNIA.

CITY ENGINEER
CITY OF NEWARK
STATE OF CALIFORNIA

By: _____
Soren Fajeau, P.E.

APPENDIX C
Assessment Roll

Assessor's Parcel Number	Property Address	Primary Benefit for Curb and Sidewalk District Improvements Cost	Frontage to Curb and Sidewalk District Improvements (Linear Feet)	Enhanced Benefit for Curb and Sidewalk District Improvements Cost	Driveway and Walkway Conform District Improvements (Square Feet)	Enhanced Benefit for Driveway and Walkway Conform District Improvements Cost	Total District Improvements Cost	Incidental Expenses	Financing Cost	Total Assessment as Preliminarily Approved	Total Assessment as Confirmed and Recorded	Total True Value	Value to Lien Ratio
092 -0001-016-00	6507 GEORGE AVE	\$7,789.37	66	\$6,523.10	86.0	\$2,868.21	\$17,180.67	\$848.45	\$3,103.67	\$21,132.80		\$283,684	13
092 -0001-017-00	6523 GEORGE AVE	\$7,789.37	50	\$4,941.74	92.0	\$3,068.32	\$15,799.43	\$780.24	\$2,854.15	\$19,433.82		\$391,030	20
092 -0001-018-00	6539 GEORGE AVE	\$7,789.37	50	\$4,941.74	64.0	\$2,134.48	\$14,865.59	\$734.12	\$2,685.45	\$18,285.17		\$313,643	17
092 -0001-019-00	6555 GEORGE AVE	\$7,789.37	50	\$4,941.74	68.0	\$2,267.89	\$14,998.99	\$740.71	\$2,709.55	\$18,449.26		\$161,618	9
092 -0001-020-00	6619 GEORGE AVE	\$7,789.37	50	\$4,941.74	72.0	\$2,401.29	\$15,132.40	\$747.30	\$2,733.65	\$18,613.35		\$141,826	8
092 -0001-021-00	6635 GEORGE AVE	\$7,789.37	50	\$4,941.74	140.0	\$4,669.18	\$17,400.29	\$859.30	\$3,143.35	\$21,402.93		\$76,198	4
092 -0001-022-00	6651 GEORGE AVE	\$7,789.37	50	\$4,941.74	170.0	\$5,669.72	\$18,400.83	\$908.71	\$3,324.09	\$22,633.63		\$302,990	13
092 -0001-023-00	36598 MULBERRY ST	\$7,789.37	231	\$22,830.84	400.0	\$13,340.53	\$43,960.73	\$2,170.96	\$7,941.46	\$54,073.16		\$754,603	14
092 -0001-024-00	36584 MULBERRY ST	\$7,789.37	50	\$4,941.74	162.0	\$5,402.91	\$18,134.02	\$895.53	\$3,275.89	\$22,305.45		\$593,639	27
092 -0001-025-00	36576 MULBERRY ST	\$7,789.37	23	\$2,273.20	0	\$0.00	\$10,062.57	\$496.93	\$1,817.79	\$12,377.29		\$71,073	6
092 -0001-026-00	36568 MULBERRY ST	\$7,789.37	0	\$0.00	0	\$0.00	\$7,789.37	\$384.67	\$1,407.14	\$9,581.18		\$499,356	52
092 -0001-027-00	36560 MULBERRY ST	\$7,789.37	0	\$0.00	0	\$0.00	\$7,789.37	\$384.67	\$1,407.14	\$9,581.18		\$840,935	88
092 -0001-028-00	36552 MULBERRY ST	\$7,789.37	0	\$0.00	0	\$0.00	\$7,789.37	\$384.67	\$1,407.14	\$9,581.18		\$425,855	44
092 -0001-029-01	36544 MULBERRY ST	\$7,789.37	53	\$5,238.24	341.0	\$11,372.80	\$24,400.41	\$1,204.99	\$4,407.91	\$30,013.31		\$374,412	12
092 -0001-030-09	36528 MULBERRY ST	\$7,789.37	70	\$6,918.43	307.0	\$10,238.85	\$24,946.66	\$1,231.97	\$4,506.59	\$30,685.22		\$354,823	12
092 -0005-005-06	36527 MULBERRY ST	\$7,789.37	15	\$1,482.52	150.0	\$5,002.70	\$14,274.58	\$704.94	\$2,578.69	\$17,558.21		\$826,287	47
092 -0005-006-00	36535 MULBERRY ST	\$7,789.37	50	\$4,941.74	167.5	\$5,586.35	\$18,317.45	\$904.59	\$3,309.03	\$22,531.07		\$388,294	17
092 -0005-007-00	36543 MULBERRY ST	\$7,789.37	53	\$5,238.24	185.0	\$6,169.99	\$19,197.60	\$948.06	\$3,468.03	\$23,613.69		\$247,990	11
092 -0005-008-00	36551 MULBERRY ST	\$7,789.37	0	\$0.00	0	\$0.00	\$7,789.37	\$384.67	\$1,407.14	\$9,581.18		\$363,807	38
092 -0005-009-00	36559 MULBERRY ST	\$7,789.37	0	\$0.00	0	\$0.00	\$7,789.37	\$384.67	\$1,407.14	\$9,581.18		\$675,176	70
092 -0005-010-00	36567 MULBERRY ST	\$7,789.37	0	\$0.00	0	\$0.00	\$7,789.37	\$384.67	\$1,407.14	\$9,581.18		\$450,030	47
092 -0005-011-00	36575 MULBERRY ST	\$7,789.37	23	\$2,273.20	70.0	\$2,334.59	\$12,397.16	\$612.22	\$2,239.53	\$15,248.92		\$655,083	43
092 -0005-012-00	36583 MULBERRY ST	\$7,789.37	50	\$4,941.74	68.0	\$2,267.89	\$14,998.99	\$740.71	\$2,709.55	\$18,449.26		\$155,916	8
092 -0005-015-00	6733 GEORGE AVE	\$7,789.37	50	\$4,941.74	78.0	\$2,601.40	\$15,332.51	\$757.18	\$2,769.80	\$18,859.49		\$474,558	25
092 -0005-016-00	6745 GEORGE AVE	\$7,789.37	50	\$4,941.74	80.0	\$2,668.11	\$15,399.21	\$760.48	\$2,781.85	\$18,941.54		\$292,966	15
092 -0005-017-00	6757 GEORGE AVE	\$7,789.37	50	\$4,941.74	100.0	\$3,335.13	\$16,066.24	\$793.42	\$2,902.35	\$19,762.01		\$266,878	14
092 -0005-018-00	6769 GEORGE AVE	\$7,789.37	128	\$12,650.85	0	\$0.00	\$20,440.22	\$1,009.42	\$3,692.51	\$25,142.15		\$446,537	18
092 -0005-019-00	36656 OLIVE ST	\$7,789.37	0	\$0.00	0	\$0.00	\$7,789.37	\$384.67	\$1,407.14	\$9,581.18		\$986,414	103
092 -0005-020-00	36644 OLIVE ST	\$7,789.37	0	\$0.00	0	\$0.00	\$7,789.37	\$384.67	\$1,407.14	\$9,581.18		\$469,948	49
092 -0005-021-00	36632 OLIVE ST	\$7,789.37	0	\$0.00	0	\$0.00	\$7,789.37	\$384.67	\$1,407.14	\$9,581.18		\$1,009,800	105
092 -0005-022-00	36620 OLIVE ST	\$7,789.37	0	\$0.00	0	\$0.00	\$7,789.37	\$384.67	\$1,407.14	\$9,581.18		\$328,000	34
092 -0005-023-00	36568 OLIVE ST	\$7,789.37	0	\$0.00	0	\$0.00	\$7,789.37	\$384.67	\$1,407.14	\$9,581.18		\$394,361	41
092 -0005-024-00	36556 OLIVE ST	\$7,789.37	0	\$0.00	0	\$0.00	\$7,789.37	\$384.67	\$1,407.14	\$9,581.18		\$619,102	65
092 -0005-025-00	36544 OLIVE ST	\$7,789.37	0	\$0.00	0	\$0.00	\$7,789.37	\$384.67	\$1,407.14	\$9,581.18		\$279,085	29
092 -0005-030-00	36548 SYCAMORE ST	\$7,789.37	0	\$0.00	0	\$0.00	\$7,789.37	\$384.67	\$1,407.14	\$9,581.18		\$260,383	27
092 -0005-032-00	36591 MULBERRY ST	\$7,789.37	50	\$4,941.74	114.0	\$3,802.05	\$16,533.16	\$816.48	\$2,986.70	\$20,336.33		\$872,470	43
092 -0005-033-00	6709 GEORGE AVE	\$7,789.37	181	\$17,889.10	128.0	\$4,268.97	\$29,947.43	\$1,478.93	\$5,409.98	\$36,836.33		\$762,097	21
092 -0005-034-00	6721 GEORGE AVE	\$7,789.37	50	\$4,941.74	80.0	\$2,668.11	\$15,399.21	\$760.48	\$2,781.85	\$18,941.54		\$945,046	50
092 -0005-035-00	36530 OLIVE ST	\$7,789.37	0	\$0.00	0	\$0.00	\$7,789.37	\$384.67	\$1,407.14	\$9,581.18		\$326,884	34
092 -0005-036-00	36532 OLIVE ST	\$7,789.37	0	\$0.00	0	\$0.00	\$7,789.37	\$384.67	\$1,407.14	\$9,581.18		\$1,173,102	122
092 -0010-001-02	36529 OLIVE ST	\$7,789.37	0	\$0.00	0	\$0.00	\$7,789.37	\$384.67	\$1,407.14	\$9,581.18		\$537,335	56
092 -0010-003-03	36533 OLIVE ST	\$7,789.37	0	\$0.00	0	\$0.00	\$7,789.37	\$384.67	\$1,407.14	\$9,581.18		\$497,466	52
092 -0010-004-00	36545 OLIVE ST	\$7,789.37	0	\$0.00	0	\$0.00	\$7,789.37	\$384.67	\$1,407.14	\$9,581.18		\$474,356	50
092 -0010-005-00	36557 OLIVE ST	\$7,789.37	0	\$0.00	0	\$0.00	\$7,789.37	\$384.67	\$1,407.14	\$9,581.18		\$346,723	36
092 -0010-006-00	36569 OLIVE ST	\$7,789.37	0	\$0.00	0	\$0.00	\$7,789.37	\$384.67	\$1,407.14	\$9,581.18		\$71,319	7
092 -0010-007-00	36623 OLIVE ST	\$7,789.37	0	\$0.00	0	\$0.00	\$7,789.37	\$384.67	\$1,407.14	\$9,581.18		\$464,133	48
092 -0010-008-00	36627 OLIVE ST	\$7,789.37	0	\$0.00	0	\$0.00	\$7,789.37	\$384.67	\$1,407.14	\$9,581.18		\$761,340	79
092 -0010-009-00	36643 OLIVE ST	\$7,789.37	0	\$0.00	0	\$0.00	\$7,789.37	\$384.67	\$1,407.14	\$9,581.18		\$527,967	55
092 -0010-010-00	36655 OLIVE ST	\$7,789.37	0	\$0.00	0	\$0.00	\$7,789.37	\$384.67	\$1,407.14	\$9,581.18		\$875,277	91
092 -0010-011-00	6811 GEORGE AVE	\$7,789.37	128	\$12,650.85	40.0	\$1,334.05	\$21,774.27	\$1,075.30	\$3,933.50	\$26,783.08		\$622,923	23
092 -0010-012-00	6827 GEORGE AVE	\$7,789.37	50	\$4,941.74	88.0	\$2,934.92	\$15,666.02	\$773.65	\$2,830.05	\$19,269.73		\$105,009	5
092 -0010-013-00	6843 GEORGE AVE	\$7,789.37	50	\$4,941.74	84.0	\$2,801.51	\$15,532.62	\$767.07	\$2,805.95	\$19,105.63		\$754,350	39
092 -0010-014-00	6859 GEORGE AVE	\$7,789.37	50	\$4,941.74	40.0	\$1,334.05	\$14,065.16	\$694.60	\$2,540.86	\$17,300.61		\$742,003	43
092 -0010-015-00	6937 GEORGE AVE	\$7,789.37	50	\$4,941.74	80.0	\$2,668.11	\$15,399.21	\$760.48	\$2,781.85	\$18,941.54		\$53,496	3
092 -0010-016-00	36672 MAGNOLIA ST	\$7,789.37	180	\$17,790.26	170.0	\$5,669.72	\$31,249.35	\$1,543.22	\$5,645.17	\$38,437.74		\$140,201	4
092 -0010-017-00	36664 MAGNOLIA ST	\$7,789.37	50	\$4,941.74	66.0	\$2,201.19	\$14,932.29	\$737.42	\$2,697.50	\$18,367.22		\$166,149	9
092 -0010-018-00	36656 MAGNOLIA ST	\$7,789.37	50	\$4,941.74	68.0	\$2,267.89	\$14,998.99	\$740.71	\$2,709.55	\$18,449.26		\$824,448	45
092 -0010-019-00	36648 MAGNOLIA ST	\$7,789.37	50	\$4,941.74	50.0	\$1,667.57	\$14,398.67	\$711.07	\$2,601.11	\$17,710.84		\$775,200	44
092 -0010-020-00	36640 MAGNOLIA ST	\$7,789.37	50	\$4,941.74	192.0	\$6,403.45	\$19,134.56	\$944.94	\$3,456.64	\$23,536.14		\$405,970	17
092 -0010-021-00	36632 MAGNOLIA ST	\$7,789.37	50	\$4,941.74	188.0	\$6,270.05	\$19,001.15	\$938.36	\$3,432.54	\$23,372.05		\$321,513	14
092 -0010-022-00	36624 MAGNOLIA ST	\$7,789.37	50	\$4,941.74	60.0	\$2,001.08	\$14,732.18	\$727.54	\$2,661.36	\$18,121.08		\$318,291	18

Assessor's Parcel Number	Property Address	Primary Benefit for Curb and Sidewalk District Improvements Cost	Frontage to Curb and Sidewalk District Improvements (Linear Feet)	Enhanced Benefit for Curb and Sidewalk District Improvements Cost	Driveway and Walkway Conform District Improvements (Square Feet)	Enhanced Benefit for Driveway and Walkway Conform District Improvements Cost	Total District Improvements Cost	Incidental Expenses	Financing Cost	Total Assessment as Preliminarily Approved	Total Assessment as Confirmed and Recorded	Total True Value	Value to Lien Ratio
092 -0010-023-00	36592 SYCAMORE ST	\$7,789.37	12	\$1,186.02	0	\$0.00	\$8,975.38	\$443.24	\$1,621.39	\$11,040.02		\$53,138	5
092 -0023-001-00	36647 MAGNOLIA ST	\$7,789.37	150	\$14,825.22	72.0	\$2,401.29	\$25,015.88	\$1,235.39	\$4,519.09	\$30,770.36		\$237,873	8
092 -0023-002-00	36655 MAGNOLIA ST	\$7,789.37	50	\$4,941.74	60.0	\$2,001.08	\$14,732.18	\$727.54	\$2,661.36	\$18,121.08		\$403,811	22
092 -0023-003-00	36663 MAGNOLIA ST	\$7,789.37	50	\$4,941.74	70.0	\$2,334.59	\$15,065.70	\$744.01	\$2,721.60	\$18,531.31		\$950,000	51
092 -0023-004-00	36671 MAGNOLIA ST	\$7,789.37	176	\$17,394.92	158.0	\$5,269.51	\$30,453.80	\$1,503.94	\$5,501.45	\$37,459.18		\$369,571	10
092 -0023-005-00	7049 GEORGE AVE	\$7,789.37	56	\$5,534.75	80.0	\$2,668.11	\$15,992.22	\$789.76	\$2,888.98	\$19,670.96		\$278,136	14
092 -0023-006-00	7135 GEORGE AVE	\$7,789.37	56	\$5,534.75	190.5	\$6,353.43	\$19,677.54	\$971.76	\$3,554.73	\$24,204.03		\$287,822	12
092 -0025-002-00	7240 GEORGE AVE	\$7,789.37	50	\$4,941.74	108.5	\$3,618.62	\$16,349.72	\$807.42	\$2,953.56	\$20,110.70		\$535,974	27
092 -0025-003-00	7152 GEORGE AVE	\$7,789.37	50	\$4,941.74	92.0	\$3,068.32	\$15,799.43	\$780.24	\$2,854.15	\$19,433.82		\$147,710	8
092 -0025-005-00	7136 GEORGE AVE	\$7,789.37	50	\$4,941.74	84.0	\$2,801.51	\$15,532.62	\$767.07	\$2,805.95	\$19,105.63		\$759,900	40
092 -0025-006-00	7048 GEORGE AVE	\$7,789.37	50	\$4,941.74	80.0	\$2,668.11	\$15,399.21	\$760.48	\$2,781.85	\$18,941.54		\$51,983	3
092 -0025-007-00	36703 MAGNOLIA ST	\$7,789.37	197	\$19,470.45	274.0	\$9,138.26	\$36,398.08	\$1,797.49	\$6,575.28	\$44,770.85		\$552,255	12
092 -0025-008-00	36715 MAGNOLIA ST	\$7,789.37	50	\$4,941.74	190.0	\$6,336.75	\$19,067.86	\$941.65	\$3,444.59	\$23,454.10		\$814,753	35
092 -0025-009-00	36727 MAGNOLIA ST	\$7,789.37	50	\$4,941.74	48.0	\$1,600.86	\$14,331.97	\$707.77	\$2,589.06	\$17,628.80		\$257,824	15
092 -0025-010-00	36739 MAGNOLIA ST	\$7,789.37	50	\$4,941.74	108.0	\$3,601.94	\$16,333.05	\$806.59	\$2,950.55	\$20,090.19		\$65,152	3
092 -0025-011-00	36751 MAGNOLIA ST	\$7,789.37	50	\$4,941.74	84.0	\$2,801.51	\$15,532.62	\$767.07	\$2,805.95	\$19,105.63		\$65,963	3
092 -0025-012-00	36763 MAGNOLIA ST	\$7,789.37	50	\$4,941.74	84.0	\$2,801.51	\$15,532.62	\$767.07	\$2,805.95	\$19,105.63		\$202,269	11
092 -0025-013-00	36775 MAGNOLIA ST	\$7,789.37	50	\$4,941.74	120.0	\$4,002.16	\$16,733.26	\$826.36	\$3,022.85	\$20,582.47		\$788,376	38
092 -0025-014-00	36787 MAGNOLIA ST	\$7,789.37	50	\$4,941.74	68.0	\$2,267.89	\$14,998.99	\$740.71	\$2,709.55	\$18,449.26		\$594,177	32
092 -0025-015-00	36793 MAGNOLIA ST	\$7,789.37	50	\$4,941.74	76.0	\$2,534.70	\$15,265.80	\$753.89	\$2,757.75	\$18,777.45		\$65,687	3
092 -0026-001-00	6844 GEORGE AVE	\$7,789.37	50	\$4,941.74	44.0	\$1,467.46	\$14,198.56	\$701.18	\$2,564.96	\$17,464.70		\$56,626	3
092 -0026-002-00	6828 GEORGE AVE	\$7,789.37	50	\$4,941.74	110.0	\$3,668.65	\$16,399.75	\$809.89	\$2,962.60	\$20,172.24		\$971,000	48
092 -0026-003-00	36701 OLIVE ST	\$7,789.37	197	\$19,470.45	340.0	\$11,339.45	\$38,599.27	\$1,906.19	\$6,972.92	\$47,478.38		\$885,839	19
092 -0026-004-00	36709 OLIVE ST	\$7,789.37	50	\$4,941.74	280.0	\$9,338.37	\$22,069.47	\$1,089.88	\$3,986.83	\$27,146.19		\$688,151	25
092 -0026-005-00	36717 OLIVE ST	\$7,789.37	50	\$4,941.74	255.0	\$8,504.59	\$21,235.69	\$1,048.71	\$3,836.21	\$26,120.61		\$657,982	25
092 -0026-006-00	36725 OLIVE ST	\$7,789.37	50	\$4,941.74	80.0	\$2,668.11	\$15,399.21	\$760.48	\$2,781.85	\$18,941.54		\$62,405	3
092 -0026-007-00	36733 OLIVE ST	\$7,789.37	50	\$4,941.74	64.0	\$2,134.48	\$14,865.59	\$734.12	\$2,685.45	\$18,285.17		\$922,083	50
092 -0026-008-00	36741 OLIVE ST	\$7,789.37	50	\$4,941.74	80.0	\$2,668.11	\$15,399.21	\$760.48	\$2,781.85	\$18,941.54		\$173,086	9
092 -0026-009-00	36749 OLIVE ST	\$7,789.37	50	\$4,941.74	106.0	\$3,535.24	\$16,266.34	\$803.30	\$2,938.50	\$20,008.14		\$722,374	36
092 -0026-010-00	36757 OLIVE ST	\$7,789.37	50	\$4,941.74	40.0	\$1,334.05	\$14,065.16	\$694.60	\$2,540.86	\$17,300.61		\$519,817	30
092 -0026-011-00	36765 OLIVE ST	\$7,789.37	50	\$4,941.74	72.0	\$2,401.29	\$15,132.40	\$747.30	\$2,733.65	\$18,613.35		\$244,071	13
092 -0026-012-00	36773 OLIVE ST	\$7,789.37	65	\$6,424.26	106.0	\$3,535.24	\$17,748.87	\$876.51	\$3,206.32	\$21,831.70		\$157,626	7
092 -0026-013-00*	6815 DAIRY AVE	\$7,789.37	7	\$691.84	0	\$0.00	\$8,481.21	\$418.84	\$1,532.12	\$10,432.17		\$40,200	4
092 -0026-019-00	36792 MAGNOLIA ST	\$7,789.37	50	\$4,941.74	44.0	\$1,467.46	\$14,198.56	\$701.18	\$2,564.96	\$17,464.70		\$212,046	12
092 -0026-020-00	36786 MAGNOLIA ST	\$7,789.37	50	\$4,941.74	72.0	\$2,401.29	\$15,132.40	\$747.30	\$2,733.65	\$18,613.35		\$346,644	19
092 -0026-021-00	36774 MAGNOLIA ST	\$7,789.37	50	\$4,941.74	60.0	\$2,001.08	\$14,732.18	\$727.54	\$2,661.36	\$18,121.08		\$775,000	43
092 -0026-022-00	36762 MAGNOLIA ST	\$7,789.37	50	\$4,941.74	64.0	\$2,134.48	\$14,865.59	\$734.12	\$2,685.45	\$18,285.17		\$342,995	19
092 -0026-023-00	36750 MAGNOLIA ST	\$7,789.37	50	\$4,941.74	56.0	\$1,867.67	\$14,598.78	\$720.95	\$2,637.26	\$17,956.98		\$110,514	6
092 -0026-024-00	36738 MAGNOLIA ST	\$7,789.37	50	\$4,941.74	76.0	\$2,534.70	\$15,265.80	\$753.89	\$2,757.75	\$18,777.45		\$279,308	15
092 -0026-025-00	36726 MAGNOLIA ST	\$7,789.37	50	\$4,941.74	96.0	\$3,201.73	\$15,932.83	\$786.83	\$2,878.25	\$19,597.91		\$317,601	16
092 -0026-026-00	36704 MAGNOLIA ST	\$7,789.37	50	\$4,941.74	110.0	\$3,668.65	\$16,399.75	\$809.89	\$2,962.60	\$20,172.24		\$713,920	35
092 -0026-027-00	6954 GEORGE AVE	\$7,789.37	197	\$19,470.45	112.0	\$3,735.35	\$30,995.17	\$1,530.67	\$5,599.25	\$38,125.08		\$251,980	7
092 -0026-028-00	6938 GEORGE AVE	\$7,789.37	50	\$4,941.74	72.0	\$2,401.29	\$15,132.40	\$747.30	\$2,733.65	\$18,613.35		\$53,600	3
092 -0026-029-00	6922 GEORGE AVE	\$7,789.37	50	\$4,941.74	80.0	\$2,668.11	\$15,399.21	\$760.48	\$2,781.85	\$18,941.54		\$376,038	20
092 -0027-001-00	6734 GEORGE AVE	\$7,789.37	50	\$4,941.74	56.0	\$1,867.67	\$14,598.78	\$720.95	\$2,637.26	\$17,956.98		\$450,347	25
092 -0027-002-00	6722 GEORGE AVE	\$7,789.37	50	\$4,941.74	40.0	\$1,334.05	\$14,065.16	\$694.60	\$2,540.86	\$17,300.61		\$956,564	55
092 -0027-003-00	6710 GEORGE AVE	\$7,789.37	196	\$19,371.62	40.0	\$1,334.05	\$28,495.04	\$1,407.20	\$5,147.60	\$35,049.84		\$159,503	5
092 -0027-004-00	36607 MULBERRY ST	\$7,789.37	50	\$4,941.74	52.0	\$1,734.27	\$14,465.37	\$714.36	\$2,613.16	\$17,792.89		\$54,986	3
092 -0027-005-00	36623 MULBERRY ST	\$7,789.37	50	\$4,941.74	48.0	\$1,600.86	\$14,331.97	\$707.77	\$2,589.06	\$17,628.80		\$174,270	10
092 -0027-006-00	36639 MULBERRY ST	\$7,789.37	50	\$4,941.74	68.0	\$2,267.89	\$14,998.99	\$740.71	\$2,709.55	\$18,449.26		\$496,701	27
092 -0027-007-00	36655 MULBERRY ST	\$7,789.37	50	\$4,941.74	80.0	\$2,668.11	\$15,399.21	\$760.48	\$2,781.85	\$18,941.54		\$69,340	4
092 -0027-008-00	36705 MULBERRY ST	\$7,789.37	50	\$4,941.74	66.0	\$2,201.19	\$14,932.29	\$737.42	\$2,697.50	\$18,367.22		\$248,361	14
092 -0027-009-00	36721 MULBERRY ST	\$7,789.37	50	\$4,941.74	82.0	\$2,734.81	\$15,465.91	\$763.77	\$2,793.90	\$19,023.59		\$58,683	3
092 -0027-010-00	36737 MULBERRY ST	\$7,789.37	50	\$4,941.74	160.0	\$5,336.21	\$18,067.32	\$892.24	\$3,263.84	\$22,223.40		\$328,318	15
092 -0027-011-00	36753 MULBERRY ST	\$7,789.37	50	\$4,941.74	82.0	\$2,734.81	\$15,465.91	\$763.77	\$2,793.90	\$19,023.59		\$575,034	30
092 -0027-012-00	36769 MULBERRY ST	\$7,789.37	50	\$4,941.74	96.0	\$3,201.73	\$15,932.83	\$786.83	\$2,878.25	\$19,597.91		\$816,000	42
092 -0027-013-00*	6707 DAIRY AVE	\$7,789.37	12	\$1,186.02	0	\$0.00	\$8,975.38	\$443.24	\$1,621.39	\$11,040.02		\$400,428	36
092 -0027-018-00*	36782 OLIVE ST	\$7,789.37	0	\$0.00	0	\$0.00	\$7,789.37	\$384.67	\$1,407.14	\$9,581.18		\$246,642	26
092 -0027-019-00	36774 OLIVE ST	\$7,789.37	47	\$4,645.23	118.0	\$3,935.46	\$16,370.06	\$808.42	\$2,957.24	\$20,135.71		\$355,067	18
092 -0027-020-00	36766 OLIVE ST	\$7,789.37	50	\$4,941.74	40.0	\$1,334.05	\$14,065.16	\$694.60	\$2,540.86	\$17,300.61		\$475,650	27
092 -0027-021-00	36758 OLIVE ST	\$7,789.37	50	\$4,941.74	40.0	\$1,334.05	\$14,065.16	\$694.60	\$2,540.86	\$17,300.61		\$440,139	25

Assessor's Parcel Number	Property Address	Primary Benefit for Curb and Sidewalk District Improvements Cost	Frontage to Curb and Sidewalk District Improvements (Linear Feet)	Enhanced Benefit for Curb and Sidewalk District Improvements Cost	Driveway and Walkway Conform District Improvements (Square Feet)	Enhanced Benefit for Driveway and Walkway Conform District Improvements Cost	Total District Improvements Cost	Incidental Expenses	Financing Cost	Total Assessment as Preliminarily Approved	Total Assessment as Confirmed and Recorded	Total True Value	Value to Lien Ratio
092 -0027-022-00	36750 OLIVE ST	\$7,789.37	50	\$4,941.74	88.0	\$2,934.92	\$15,666.02	\$773.65	\$2,830.05	\$19,269.73		\$567,132	29
092 -0027-023-00	36742 OLIVE ST	\$7,789.37	50	\$4,941.74	68.0	\$2,267.89	\$14,998.99	\$740.71	\$2,709.55	\$18,449.26		\$307,383	17
092 -0027-024-00	36734 OLIVE ST	\$7,789.37	50	\$4,941.74	76.0	\$2,534.70	\$15,265.80	\$753.89	\$2,757.75	\$18,777.45		\$396,162	21
092 -0027-025-00	36726 OLIVE ST	\$7,789.37	50	\$4,941.74	128.0	\$4,268.97	\$17,000.07	\$839.53	\$3,071.05	\$20,910.66		\$276,455	13
092 -0027-026-00	36718 OLIVE ST	\$7,789.37	50	\$4,941.74	230.0	\$7,670.80	\$20,401.91	\$1,007.53	\$3,685.59	\$25,095.02		\$468,547	19
092 -0027-027-00	36710 OLIVE ST	\$7,789.37	50	\$4,941.74	210.0	\$7,003.78	\$19,734.88	\$974.59	\$3,565.09	\$24,274.56		\$617,301	25
092 -0027-028-00	36702 OLIVE ST	\$7,789.37	196	\$19,371.62	180.0	\$6,003.24	\$33,164.22	\$1,637.79	\$5,991.09	\$40,793.09		\$312,730	8
092 -0027-029-00	6758 GEORGE AVE	\$7,789.37	50	\$4,941.74	72.0	\$2,401.29	\$15,132.40	\$747.30	\$2,733.65	\$18,613.35		\$279,085	15
092 -0027-030-00	6746 GEORGE AVE	\$7,789.37	50	\$4,941.74	112.0	\$3,735.35	\$16,466.45	\$813.18	\$2,974.65	\$20,254.28		\$559,981	28
092 -0028-001-00	6556 GEORGE AVE	\$7,789.37	50	\$4,941.74	48.0	\$1,600.86	\$14,331.97	\$707.77	\$2,589.06	\$17,628.80		\$463,631	26
092 -0028-002-00	6540 GEORGE AVE	\$7,789.37	50	\$4,941.74	64.0	\$2,134.48	\$14,865.59	\$734.12	\$2,685.45	\$18,285.17		\$384,648	21
092 -0028-003-00	6524 GEORGE AVE	\$7,789.37	50	\$4,941.74	84.0	\$2,801.51	\$15,532.62	\$767.07	\$2,805.95	\$19,105.63		\$1,050,000	55
092 -0028-004-00	6508 GEORGE AVE	\$7,789.37	70	\$6,918.43	40.0	\$1,334.05	\$16,041.85	\$792.21	\$2,897.95	\$19,732.01		\$800,000	41
092 -0028-017-00*	6661 DAIRY AVE	\$7,789.37	0	\$0.00	0	\$0.00	\$7,789.37	\$384.67	\$1,407.14	\$9,581.18		\$217,675	23
092 -0028-018-00	36754 MULBERRY ST	\$7,789.37	50	\$4,941.74	48.0	\$1,600.86	\$14,331.97	\$707.77	\$2,589.06	\$17,628.80		\$50,135	3
092 -0028-019-00	36738 MULBERRY ST	\$7,789.37	50	\$4,941.74	74.0	\$2,468.00	\$15,199.10	\$750.60	\$2,745.70	\$18,695.40		\$710,859	38
092 -0028-020-00	36722 MULBERRY ST	\$7,789.37	50	\$4,941.74	290.0	\$9,671.88	\$22,402.99	\$1,106.35	\$4,047.08	\$27,556.42		\$888,484	32
092 -0028-021-00	36706 MULBERRY ST	\$7,789.37	50	\$4,941.74	108.0	\$3,601.94	\$16,333.05	\$806.59	\$2,950.55	\$20,090.19		\$791,373	39
092 -0028-022-00	36656 MULBERRY ST	\$7,789.37	50	\$4,941.74	56.0	\$1,867.67	\$14,598.78	\$720.95	\$2,637.26	\$17,956.98		\$254,885	14
092 -0028-023-00	36640 MULBERRY ST	\$7,789.37	50	\$4,941.74	108.0	\$3,601.94	\$16,333.05	\$806.59	\$2,950.55	\$20,090.19		\$323,814	16
092 -0028-024-00	36624 MULBERRY ST	\$7,789.37	50	\$4,941.74	64.0	\$2,134.48	\$14,865.59	\$734.12	\$2,685.45	\$18,285.17		\$288,284	16
092 -0028-025-00	36608 MULBERRY ST	\$7,789.37	50	\$4,941.74	68.0	\$2,267.89	\$14,998.99	\$740.71	\$2,709.55	\$18,449.26		\$233,913	13
092 -0028-026-00	36602 MULBERRY ST	\$7,789.37	194	\$19,173.95	210.0	\$7,003.78	\$33,967.09	\$1,677.44	\$6,136.12	\$41,780.65		\$104,552	3
092 -0028-027-00	6652 GEORGE AVE	\$7,789.37	50	\$4,941.74	140.0	\$4,669.18	\$17,400.29	\$859.30	\$3,143.35	\$21,402.93		\$266,301	12
092 -0028-028-00	6636 GEORGE AVE	\$7,789.37	50	\$4,941.74	150.0	\$5,002.70	\$17,733.80	\$875.77	\$3,203.59	\$21,813.17		\$459,959	21
092 -0028-029-00	6620 GEORGE AVE	\$7,789.37	50	\$4,941.74	150.0	\$5,002.70	\$17,733.80	\$875.77	\$3,203.59	\$21,813.17		\$84,245	4
Totals:		\$1,152,826.09	7,629	\$754,010.58	12,648.5	\$421,844.15	\$2,328,680.82	\$115,000.00	\$420,674.00	\$2,864,354.83			

*These parcels receive a special and direct benefit from the District Improvements and have been assigned an assessment. However, they are excluded from the District boundary because they are included in another City Assessment District. The City will pay the AID No. 35 assessment assigned to these parcels.

APPENDIX D

Property Owner Assistance Program

The Newark City Council approved a Property Owner Assistance Program on January 26, 2023 to assist senior and low-income property owners with respect to City-sponsored assessment district assessments levied against their properties. This program will only be made available to defer payment of assessments for owner-occupied properties. To qualify for the program, property owners must submit an application to the City for approval with evidence of eligibility in accordance with at least one of the criteria described below. Property owners may qualify for deferment of the full assessment amount, or a portion of the assessment, depending on which criteria are met. The application period for Area Improvement District No. 35 will commence on January 27, 2023 and completed applications must be received by April 24, 2023. For qualifying applicants, payment of the applicable assessment amount can be deferred interest-free to the time of the next sale or transfer of the property for which their application was submitted. To proceed with the deferment, qualifying applicants must provide a lien on their property to the City confirming that full payment of the outstanding balance for their property will be due and paid at the time of the next sale or transfer of their property.

Property Owner Assistance Program Eligibility Criteria

For an applicant to qualify for deferment of the entire assessment levied, the City must determine the property is owner-occupied and the supporting documentation demonstrates proof of at least one of the following:

- At least one property owner on title is 65 years of age or older on or before the application deadline of April 24, 2023.
- At least one property owner on title is permanently disabled and receiving disability benefits from Social Security, Workers Compensation, or an equivalent agency.
- Household income earned, pursuant to income taxes filed for calendar year 2022, by the household that both owns and occupies the property for which the application is submitted is equal to or lower than the amount designated as a low-income household for Alameda County based on the number of household members, pursuant to the Official State Income Limits published by the California State Department of Housing and Community Development on an annual basis.

For an applicant to qualify for deferment of a certain limited portion of the assessment levied, the City must determine the property is owner-occupied and the following is true:

- The property for which the application is submitted must have a total assigned assessment of at least 25% above the average assessment of \$19,353.75 for Area Improvement District No. 35, i.e., the total assigned assessment must be \$24,192.19 or higher. For qualifying properties, the portion of the total assigned assessment above the average assessment can be deferred until the sale or transfer of the property for which the application is submitted.

If you have any questions regarding the deferment program for Area Improvement District No. 35, please contact the City's Public Works department at (510) 578-4589.

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
NEWARK APPROVING A POLICY FOR A PROPERTY
OWNER ASSISTANCE PROGRAM FOR CITY-SPONSORED
ASSESSMENT DISTRICTS

WHEREAS, from time to time the City forms assessment districts, as authorized under the Municipal Improvement Act of 1913, Division 12 of the Streets and Highways Code of California (the “Act”); and

WHEREAS, the City desires to adopt a policy to provide financial assistance to senior and low-income households (the “Applicants”) with respect to deferring an assessment adopted pursuant to the Act until sale of the Applicants property (the “Assistance Program”); and

WHEREAS, the City has prepared a policy, a copy of which is on file with the City Clerk (the “Policy”) with respect to the Assistance Program; and

WHEREAS, the Policy requires the Applicants to provide the City with a lien on their property to ensure payment of the assessment at time of sale of the Applicants’ property.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Newark hereby resolves that the above recitals are true and correct and made a part of this Resolution.

BE IT FURTHER RESOLVED that the City Council hereby approves the Policy, substantially in the form on file with the City Clerk.

BE IT FURTHER RESOLVED that the City Manager is authorized to establish further guidelines as needed related to the approval of the Policy, included but not limited to the creation of an application for the Assistance Program and documents requiring Applicants to provide a lien on their property to the City.

BE IT FURTHER RESOLVED that the City Manager is authorized to take all actions and approve all documents that are consistent with this Resolution and approved by the City Attorney.

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately upon its adoption.

5267077.1



POLICY FOR PROPERTY OWNER ASSISTANCE PROGRAM FOR CITY-SPONSORED ASSESSMENT DISTRICTS

ASSESSMENT DISTRICT BACKGROUND

The Municipal Improvements Act of 1913 allows local government to finance the costs and expenses of certain capital facilities within or along its streets or any public right of way or easement. Historically, the City of Newark has used assessment districts to allow property owners to partially fund roadway and frontage improvements within neighborhoods that were built prior to the City's incorporation. Pursuant to the Municipal Improvement Act of 1913 and Article XIIID of the State Constitution (Proposition 218), the levy of an assessment on real property for capital improvements must be based on the special benefit conferred on the property the construction of the proposed improvements. Proposition 218 further states that the amount of the assessment on any particular parcel may not exceed the reasonable cost attributed to the proportional special benefit conferred upon that parcel.

PROPERTY OWNER ASSESSMENT ASSISTANCE

The Newark City Council is providing this payment deferment program to assist senior and low-income property owners with respect to City-sponsored assessment district payments levied against their properties. For qualifying applicants, payment of the applicable assessment can be deferred interest-free until the sale or transfer of the property for which their application is submitted. This program is only available to defer payment of assessments for owner-occupied properties. To qualify for the deferment program, property owners must submit an application to the City with evidence of eligibility in accordance with at least one of the criteria described below. To proceed with the deferment, qualifying applicants must sign an agreement acknowledging that full payment of the outstanding balance for their property is due and payable at the time of the sale or transfer of their property and must provide a lien on the property to the City.

DEFERMENT PROGRAM ELIGIBILITY CRITERIA

❖ Full Assessment Deferment Program

For an applicant to qualify for deferment of the entire assessment levied, the following applies:

- The property is owner-occupied; and

The supporting documentation demonstrates proof of at least one of the following:

- At least one property owner on title is 65 years of age or older on or before the applicable application deadline.
- At least one property owner on title is permanently disabled and receiving disability benefits from Social Security, Workers Compensation, or an equivalent agency.



- Household income earned, pursuant to income taxes filed for the preceding calendar year, by the household that both owns and occupies the property for which the application is submitted is equal to or lower than the amount designated as a low-income household for Alameda County based on the number of household members, pursuant to the Official State Income Limits published by the California State Department of Housing and Community Development on an annual basis.

❖ **Partial Assessment Deferment Program**

For an applicant to qualify for deferment of a portion of the assessment levied, the following applies:

- The property is owner-occupied; and
- The property for which the application is submitted must have a total assigned assessment of at least 25% above the average assessment levied in the Area Improvement District (as defined and set forth in the engineer's report for such improvement district). For qualifying properties, the portion of the total assigned assessment above the average assessment can be deferred until the sale or transfer of the property for which the application is submitted.

SUBMITTAL OF APPLICATION

Applications for the Assessment District Assistance Program may be submitted electronically or in person to the Public Works Department Engineering Division of the City of Newark.

5267401.1



Area Improvement District No. 35 (Lindsay Tract)
Resolution of Intention Meeting – January 26, 2023

Project Overview and Updates

- August 2021 – Community Open House
- September 2021 – City Council Approved Conceptual Design Plans
- July 2022 – Property Owner's meeting regarding Assessment District



Project Overview and Updates

- Improvements
 - Pavement Rehabilitation
 - Drainage Improvements
 - Curb, Sidewalk, & Driveway Replacement
 - ACWD Water Main Replacement
 - Green Infrastructure Improvements
- Project Benefits
 - Improved Neighborhood Aesthetics
 - Elimination of Ponding/Flooding
 - Walkability
 - Enhanced Property Values



Project Overview and Updates



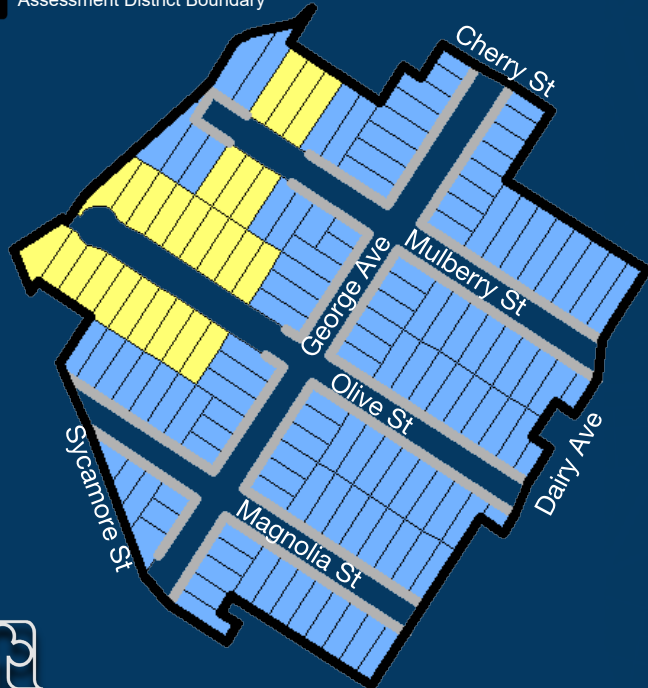
Project Cost and Funding Sources

Improvement Description	Estimated Cost	% of Total Cost	Funding Source
Pavement, Drainage & Green Infrastructure	\$4,265,145	44%	100% City
ACWD Water Main Improvements	\$3,009,205	31%	100% ACWD
Curb & Sidewalk Improvements	\$1,945,752	20%	98% AID; 2% City
Driveway & Walkway Improvements	\$421,844	4%	100% AID
TOTALS	\$9,641,946	100%	

- 76.4% of construction costs funded by City and ACWD
- 23.6% of costs - Proposed ***Area Improvement District (AID)***
 - Curb, sidewalk & driveway/walkway improvements

Proposed Assessment District

-  Proposed Curb and Sidewalk Improvements
-  Parcels Adjacent to Proposed Curb and Sidewalk Improvements
-  Parcels Not Adjacent to Proposed Curb and Sidewalk Improvements
-  Assessment District Boundary



Primary Benefit Assessment

- Corresponds to benefit realized by all properties within the Assessment District due to improved drainage and walkability provided by new curb, gutter, and sidewalk improvements.
- \$7,789.37 per parcel.

Enhanced Benefit Assessment

- Corresponds to additional benefits realized by parcels located directly adjacent to the proposed improvements (in blue) provided by new curb, gutter, driveway, and sidewalk improvements.
- \$98.83 per Linear Foot of new curb and sidewalk.
- \$33.35 per Square Foot of new driveway and walkway conform area.

Example Assessment Calculation

Parcel Characteristics

- 50 Linear Feet of New Curb and Sidewalk Improvements
- 56 Square Feet of New Driveway and Walkway Conform

Curb and Sidewalk Enhanced Benefit Assessment Calculation

50 LF x \$98.83 per LF = \$4,941.50

Driveway and Walkway Conform Enhanced Benefit Assessment Calculation

56 SF x \$33.35 per SF = \$1,867.60

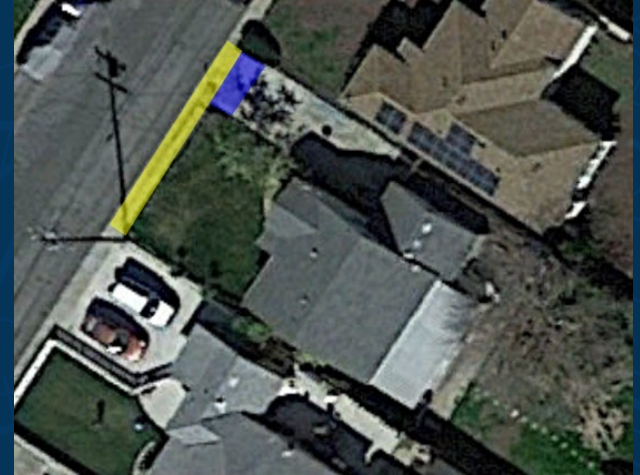
Incidental/Financing Costs

Assigned to each parcel based on prorated share of construction costs attributed to Primary and Enhanced Benefits.
Property owners that pay their entire assigned assessment upfront will not incur financing costs.

Total Assessment Calculation

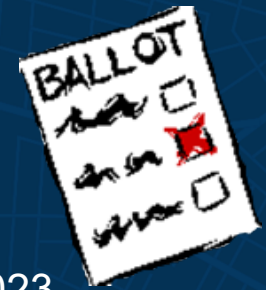
PB Assessment + Curb & Sidewalk EB Assessment + Driveway/Walkway EB Assessment + Incidentals/Financing = Total Assessment

$\$7,789.37 + \$4,941.50 + \$1,867.60 + \$3,358.20 = \$17,956.67$



Assessments and Financing Summary

- Proposed assessments vary based on linear feet of new curb and sidewalk installed directly adjacent to property and square feet of new driveway/walkway conform.
- Property owners will have option to pay their entire assessment amount upfront and avoid added financing costs.
- City will issue bonds to finance the remaining principal assessment amount.
- Bonds will be financed over 30-year term and paid annually through property taxes.
- Annual assessments are estimated to range between \$700 and \$4,000 per parcel, with an average annual assessment of approximately \$1,400.
- Property owners can prepay remaining principal any time before end of 30-year term.
- Property Owner Payment Assistance Program will be made available to qualified applicants.



AD Formation Process

- Preparation of Engineer's Report for Assessment District (AD).
- City Council adopts Resolution of Intention to form AD on January 26, 2023.
- Property owners may begin to apply for Property Owner Assistance Program.
- Notice and Ballot mailed to affected property owners (45 days prior to PH).
- Public Hearing and Ballot Tabulation on March 23, 2023.
- If majority of property owners, weighted by proposed assessments, do not oppose formation City Council can adopt Resolution of Formation on March 23, 2023.
- Property owners can elect to pay entire assessment amount upfront during 30-day cash collection period.
- Bonds are issued to finance remaining principal assessment amount.
- Assessments placed on FY 2023-24 property tax bills.

Property Owner Assistance Program

To qualify for deferment of entire assigned assessment, City must determine property is owner-occupied and at least one of the following criteria is met:

- At least one property owner on title is 65 years of age or older on or before the April 18, 2023 application deadline.
- At least one property owner on title is permanently disabled and receiving disability benefits from Social Security, Workers Compensation, or an equivalent.
- For calendar year 2022, household income earned must be low income or below, pursuant to the income limits for Alameda County published by the California State Department of Housing and Community Development.

To qualify for deferment of a portion of the assigned assessment, City must determine property is owner-occupied and the following is true:

- Property has a total assigned assessment of at least 25% above the average assessment of \$19,354, i.e., \$24,192 or higher. The portion of assigned assessment above the average can be deferred.

Construction Timeline

Public Hearing (March 23rd)



Advertise for Bid (April 2023)



Award Construction Contract (Early Summer 2023)



Start of Construction (Summer 2023)



Project Completion (End of 2023)

Area Improvement District No. 35 (Lindsay Tract) Recommendations

- Preliminarily approve Engineer's Report
- Declare intent to order formation of Assessment District and levy and collect assessments
- Establish a Property Owners Assistance Program for City-Sponsored Assessment Districts
- Set Public Hearing date on March 23, 2023



Thank you!

We are happy to answer any questions you may have.



STAFF REPORT

Item F. 2.

DATE 01/26/2023
TO Honorable Mayor and City Council Members
FROM Kristopher Kokotaylo, City Attorney
SUBJECT Adopt a resolution terminating the local emergency due to COVID-19 effective February 28, 2023

SUMMARY AND RECOMMENDATION

Shortly after the start of the COVID-19 pandemic, the City Council declared a local state of emergency. At that time, state and local regulations significantly impacted the ability of residents to go about their daily lives. For example, under local health officer regulations non-essential businesses were closed, restaurants could not serve customers in person, and large events were prohibited.

In response, throughout the pandemic, the City Council implemented immediate actions to protect Newark residents and to address the economic hardships faced by residents and businesses as a result of the COVID-19 pandemic. This includes providing grants to retailers, restaurants, and other small businesses and waiving penalties for late business license tax payments. The City Council also approved actions to protect the City's workforce by approving certain leaves and other actions to reduce employees' exposure to COVID-19 in the workplace.

As new tools are available to help manage the impacts of COVID-19, and as more is known about the virus, many of these actions have been phased out. Additionally, businesses and residents have returned to operating as they did prior to the beginning of the COVID-19 pandemic.

Other City Council actions remain in effect as long as the City continues its local emergency or as long as the California state of emergency continues, including the following temporary measures: an eviction moratorium; a cap on third-party delivery fees imposed on local businesses; and the ability for the Community Development Director to issue use permits waiving certain provisions of the Newark Municipal Code to facilitate business operations.

As outlined in this report, circumstances have significantly changed. Prohibitive health officer orders have been lifted and Governor Newsom has indicated that California will be ending the state of emergency on February 28, 2023. While the City will be dealing with the impacts of COVID-19 for years to come, it is approaching a point where COVID-19 is no longer being managed as an emergency. In light of that, staff recommends that the City Council adopt a resolution terminating the local emergency

due to COVID-19, effective February 28, 2023, for the reasons articulated in this report.

BACKGROUND

COVID-19 was first detected in late 2019. On March 4, 2020, Governor Newsom declared a state of emergency in California to make resources available and formalize emergency actions across multiple state agencies and departments to help the state prepare for the spread of COVID-19. Additionally, every county in the San Francisco Bay Area, including Alameda County, declared a local state of emergency and the Alameda County Health Officer issued a number of health orders that significantly impacted the daily lives of Newark residents.

In response to the COVID-19 pandemic, the City Manager, acting as Director of Emergency Services, proclaimed a local state of emergency on March 16, 2020, pursuant to California Government Code Section 8630 and Newark Municipal Code Section 2.16.060. The City Council ratified and confirmed the existence of a local emergency on March 17, 2020.

The circumstances that justify an emergency declaration are outlined in the Newark Municipal Code. Newark Municipal Code Section 2.16.020 defines "emergency" as "the actual or threatened existence of conditions of disaster or of extreme peril to the safety of persons and property within this city caused by such conditions as . . . epidemic . . . which conditions are or are likely to be beyond the control of the services, personnel, equipment, and facilities of this city, requiring the combined forces of other political subdivisions to combat."

During an emergency, the City Manager (as Director of Emergency Services) can take a number of actions including issuing regulations to protect life and property, obtaining vital supplies and equipment and commandeering the same for public use, mobilizing disaster services workers, and requisitioning necessary personnel of any City department, among others. This local emergency has allowed the City to enact various temporary emergency measures including the adoption of an eviction moratorium for residential and commercial properties ("eviction moratorium"), the adoption of an ordinance authorizing the Community Development Director to issue COVID-19 minor use permits and waive requirements of Title 17 of the Newark Municipal Code to facilitate business operations impacted by COVID-19 ("COVID-19 use permit ordinance"), and the adoption of an ordinance establishing a temporary limit on fees by third-party delivery services to restaurants ("delivery fee ordinance"). The eviction moratorium, COVID-19 use permit ordinance and delivery fee ordinance are attached to this report for reference.

Pursuant to the Government Code, the City Council is required to review the need for continuing the local emergency at least every sixty (60) days. The City Council last reviewed the need for the local emergency on December 8, 2022.

As noted above, after almost three years, Governor Newsom announced that he will end the COVID-19 State of Emergency on February 28, 2023. Additionally, the World Health Organization's emergency committee has begun discussing the possibility of

terminating the emergency declaration as a result of declining deaths and increasing immunity levels and President Biden has stated that the pandemic is over.

DISCUSSION/ANALYSIS

Current Circumstances and Conditions Warranting the End of the Local Emergency

The impacts of COVID-19 have greatly eased since the beginning of the pandemic, largely due to the availability of vaccines for all ages, awareness of COVID-19 and how it is spread, healthcare infrastructure that can effectively respond to COVID-19, and laws and regulations that help mitigate the spread and impacts of COVID-19. As a result, federal, state, and county governments have eased, or eliminated altogether, regulatory restrictions. This includes lifting mask mandates and allowing full access to public facilities and events.

Vaccination rates in Alameda County exceed 86% and the vaccination rate in Newark is 84%. At this point, it appears that the conditions justifying the City's local emergency are abating. While COVID-19 is going to be with us for some time, conditions of disaster or extreme peril no longer appear to be present in Newark. There does not appear to be a foreseeable circumstance under which the City would need to commandeer supplies or equipment, require the services of employees as disaster service workers, issue emergency orders or regulations, or take any other extraordinary actions in response to COVID-19. Additionally, although there was an increase in COVID-19 during this past winter, there was not a significant spike in cases and hospitalizations due to COVID-19. In Alameda County, there has been less than 50% the number of hospitalizations compared to this time of year in 2022 and less than 10% the number of reported cases compared to this time of year in 2022. From an economic standpoint, the unemployment rate in Alameda County reached approximately 13.5% in the midst of the pandemic and has since returned to pre-pandemic levels at 3.1%. The City is now in a position to consider ending the local emergency as a result of the full reopening of private and public facilities as well as the substantial and sustained downward trend of pandemic conditions.

City Urgency Ordinances Adopted As a Result of the Local Emergency

City staff reviewed the legislation for the local emergency and the three urgency ordinances dependent on the existence of a state of emergency. The COVID-19 use permit ordinance and the delivery fee ordinance would end immediately upon termination of the local emergency.

The eviction moratorium, which provides a forbearance for tenants who aren't able to pay rent due to economic impacts from COVID-19, would end upon the termination of the local emergency or the emergency declared by the state (whichever is later) and provides for repayment of rent in 45 day intervals of 25% until six (6) months at which point the full amount of unpaid rent is to be paid. Residents and landlords that continue to struggle with repayment are encouraged to contact ECHO Housing, an Alameda

County-based fair housing support service provider. ECHO Housing provides a range of mediation and counseling services that can be helpful to resolve disputes to achieve positive outcomes.

The City has issued grants to businesses that demonstrated economic loss as a result of the pandemic. Costs associated with lost rent were an eligible use of grant funds. Additionally, the City has a number of programs to assist businesses coming out of the pandemic and will encourage landlords and tenants to work cooperatively regarding any past due payments.

Programs available to Newark business owners include:

Financial Resiliency Workshops

Financial Resiliency workshops explain basic accounting and financial concepts so that small business owners can understand their own financial data. The Financial Resiliency workshop is intended to help familiarize business owners with the basics of financial statements. It promotes the ability to use cash flow projections and break-even calculations to understand opportunities for more profitability. It includes heavy emphasis on the best way to deploy cash when it is available to reinvest in the business. Many clients have taken the workshop twice and report that they deepen their understanding the second time. It helps an owner prepare for and implement one-on-one advising recommendations.

One-on-One Advising

One-on-one advising is provided by an experienced business advisor under contract with the City. An individual business benefits the most from this type of assistance because it is tailored specifically to their circumstances and level of business experience. Generally, at least a few sessions are needed to solve specific problems but often more sessions follow as other issues are identified. The City is in a unique position to provide this type of assistance, because business sustainability is in the City's interest, and because the small businesses provide goods and services to an important customer base.

Business Planning

A formal business plan is standard practice for large projects, and large companies with investors. The same discipline is critical to a small business on a smaller scale. The business plan analysis shows the owner where to focus efforts. It includes basic strategies regarding the problem being solved, the customer who will benefit, how the task can be done profitably, and who will do the work. The business plan coordinates marketing, sales and operations with the business' resources and financial forecasts. A well-planned business has a much greater likelihood of success and longevity. In addition to the above workshops, the City offers workshops on digital marketing, and emergency preparedness.

These workshops and seminars are available to the community and are intended to

promote long-term business stability and success after the end of the eviction moratorium.

The COVID-19 use permit ordinance, which allows the Community Development Director to issue COVID-19 minor use permits and waive requirements of Title 17 of the Newark Municipal Code to facilitate business operations impacted by COVID-19, would expire immediately upon the expiration of the local emergency. At this time, there are approximately three businesses that have been issued COVID-19 minor use permits that may be conducting outdoor business operations. At the time that the City Council adopted the COVID-19 use permit ordinance, the Alameda County Health Officer and State had significant restrictions that greatly impacted certain businesses including restaurants, food establishments, hair and nail salons, gyms and other hospitality services. Notably, indoor dining was prohibited entirely and a framework was created to gradually allow normal activities with certain safety precautions.

At this point in time, there are no such restrictions and all such businesses can serve the public in a similar manner as prior to the start of the pandemic. While the COVID-19 minor use permit ordinance will expire, the municipal code already contains provisions that allow businesses to seek for operational modifications through the standard entitlement process. For example, outdoor dining and seating on private property is allowed in the municipal code. Larger outdoor dining areas would be allowed if sufficient automobile parking is provided on site. Property owners can request relief from these parking requirements under certain circumstances. Property owners may also request design review approval for outdoor seating patios and covering structures. The City would issue building permits for the construction of these structures. Thus, there is an avenue for businesses seeking to pursue a permanent change in operations through the municipal code and staff does not believe that any code modifications are necessary at this time.

Similar to the COVID-19 use permit ordinance, the delivery fee ordinance, which established a 15% fee cap by third party delivery services businesses on the purchase price of an order, would expire immediately upon expiration of the local emergency. The delivery fee ordinance was designed to address the same issues as the COVID-19 use permit ordinance. Due to County and State regulations restaurants and other food establishments could not conduct indoor dining. Additionally, some residents were simply uncomfortable going to establishments to pick up orders and thus exclusively ordered meals through third party delivery services. Businesses were often without alternatives and greatly limited due to local and state health orders. As noted above, local and state health orders have lifted and residents are regularly dining at establishments – mostly returning to normal.

The eviction moratorium, the COVID-19 use permit ordinance and delivery fee ordinance were intended to be temporary and solely as a response to the COVID-19 pandemic. At the beginning of the pandemic, a significant number of residents and businesses suffered lost income as a result of the COVID-19 pandemic and certain businesses, such as restaurants, were entirely prohibited from providing indoor in-person service. At this point in time, all federal, state and local regulations in this regard have been lifted. Additionally, as noted above, Governor Newsom will be

ending the California State of Emergency on February 28, 2023. Further, during the pandemic, there was statewide financial assistance for tenants as well as County and City grants for local businesses that were impacted by COVID-19.

Staff believes it would be appropriate to provide ample notice of the termination of the local emergency and will engage in public outreach to local residents and businesses. Staff recommends that the City Council adopt the proposed resolution to terminate the local emergency effective 11:59 p.m. on February 28, 2023, consistent with the Governor's stated intent to terminate the California state of emergency on that date.

FISCAL IMPACT

There is no direct fiscal impact of adopting this Resolution.

REVIEW AND APPROVAL

Prepared by - Kristopher J. Kokotaylo, City Attorney
Steven Turner, Community Development Director
David J. Benoun, City Manager
Reviewed by - Krysten Lee, Finance Director
Approved by - David J. Benoun, City Manager

Attachments

Resolution End Local Emergency
Eviction Moratorium
COVID Use Permit Ordinance
Delivery Fee Ordinance

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
NEWARK TERMINATING THE LOCAL EMERGENCY DUE
TO COVID-19 EFFECTIVE FEBRUARY 28, 2023

WHEREAS, Government Code Section 8630 and Newark Municipal Code Section 2.16.060 authorize the Director of Emergency Services to proclaim a local emergency when conditions of disaster or extreme peril to the safety of persons and property within the territorial limits of a city exist if the City Council is not in session and provides that the City Council shall ratify the proclamation within seven days thereafter; and

WHEREAS, in accordance with Government Code Section 8630 and Newark Municipal Code Section 2.16.060, the Director of Emergency Services proclaimed the existence of a local emergency caused by the Novel Coronavirus (“COVID-19”), a respiratory disease that may result in serious illness or death that is easily transmissible from person to person, on March 16, 2020; and

WHEREAS, on March 17, 2020, the City Council ratified and confirmed the proclamation of the existence of a local emergency issued by the Director of Emergency Services; and

WHEREAS, the City Council adopted a subsequent resolutions confirming the continued existence of the local emergency and, consistent with Government Code Section 8630, the City Council has periodically reviewed the need for continuing the local emergency at least every sixty (60) days and last reviewed the need for the local emergency on December 8, 2022; and

WHEREAS, on March 4, 2020, Governor Newsom declared a State of Emergency as a result of COVID-19; and

WHEREAS, while California continues to operate under a state of emergency, Governor Newsom has indicated that the California State of Emergency will expire on February 28, 2023; and

WHEREAS, on April 9, 2020, the City Council adopted Urgency Ordinance 520-U enacting a temporary moratorium on evictions due to nonpayment of rent for residential and commercial tenants, where failure to pay rent results from income loss resulting from COVID-19; and

WHEREAS, among other provisions, Urgency Ordinance 520-U temporarily relieves the tenant of liability for unpaid rent, which the landlord may seek after the expiration of the ordinance, and the tenant must repay in 45 day intervals of 25% until six (6) months at which point the full amount of unpaid rent is to be paid; and

WHEREAS, Urgency Ordinance 520-U remains in effect until the expiration of the local emergency proclamation or the Governor's proclamation of a state of emergency, whichever is later; and

WHEREAS, on June 16, 2020, the City Council adopted Ordinance No. 522-U authorizing the Community Development Director to issue COVID-19 minor use permits and waive requirements of Title 17 of the Newark Municipal Code to facilitate business operations impacted by COVID-19, to remain in effect for the duration of the local emergency proclamation adopted by City Council; and

WHEREAS, one of the stated purposes of Ordinance No. 522-U is to facilitate continued operation of existing businesses in compliance with applicable health orders; and

WHEREAS, on December 10, 2020, the City Council adopted Ordinance No. 527-U establishing a temporary limit on fees by third-party food delivery services to restaurants, to remain in effect for the duration of the local emergency proclamation adopted by City Council; and

WHEREAS, one of the stated purposes of Ordinance No. 527-U is to help the restaurant and food service industry operate with survivable margins while still preventing the avoidable displacement or exposure to COVID-19 and the amplification of factors that lead to the spread of COVID-19; and

WHEREAS, COVID-19 vaccinations are now accessible to all; and

WHEREAS, within Alameda County 86.3% of residents are fully vaccinated and within Newark 84% of residents are fully vaccinated; and

WHEREAS, on June 25, 2022, the Alameda County Health Officer lifted mask mandates, and mask mandates remain lifted for the eleven Bay Area counties; and

WHEREAS, Government Code 8630 provides that a local state of emergency shall expire at the earliest possible date that the conditions warrant; and

WHEREAS, based on current conditions and trend of COVID-19 data, the City Council desires to end the local emergency concurrent with the end of the California state of emergency; and

WHEREAS, to end the local emergency, advanced notice is necessary in order to provide ample time to continue to monitor conditions and to address temporary regulations tied to the local emergency.

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Newark hereby declares that the local emergency declared by Resolution No. 11031 due to the COVID-19 pandemic shall terminate effective at 11:59 p.m. on February 28, 2023.

URGENCY ORDINANCE NO. 520-U

AN URGENCY ORDINANCE OF THE CITY OF NEWARK
ENACTING A TEMPORARY MORATORIUM ON EVICTIONS
DUE TO NONPAYMENT OF RENT FOR RESIDENTIAL AND
COMMERCIAL TENANTS WHERE THE FAILURE TO PAY
RENT IS FROM INCOME LOSS RESULTING FROM THE
NOVEL CORONAVIRUS (COVID-19)

WHEREAS, international, national, state, and local health and governmental authorities are responding to an outbreak of respiratory disease caused by a novel coronavirus named “SARS-CoV-2,” and the disease it causes has been named “coronavirus disease 2019,” abbreviated COVID-19 (“COVID-19”); and

WHEREAS, on January 30, 2020, the World Health Organization (“WHO”) declared COVID-19 a Public Health Emergency of International Concern; and

WHEREAS, on January 31, 2020, the Secretary of the United States Department of Health and Human Services declared a public health emergency for the entire United States to aid the nation’s healthcare community in responding to COVID-19; and

WHEREAS, on February 25, 2020, the Centers for Disease Control and Prevention (“CDC”) announced that community spread of COVID-19 is likely to occur in the United States; and

WHEREAS, on March 1, 2020, the Alameda County Health Officer declared a public health emergency throughout the County of Alameda; and

WHEREAS, on March 4, 2020, the Governor of California proclaimed a state of emergency exists in California after making determinations that:

1. The conditions caused by COVID-19 are likely to require the combined forces of a mutual aid region or regions to appropriately respond; and
2. Local authority is inadequate to cope with the threat posed by COVID-19; and

WHEREAS, on March 10, 2020, the Alameda County Board of Supervisors ratified the Alameda County Health Officer’s declaration of a local health emergency; and

WHEREAS, on March 11, 2020, the WHO declared COVID-19 a pandemic; and

WHEREAS, on March 12, 2020, the Alameda County Department of Public Health confirmed evidence of community-acquired transmission; and

WHEREAS, on March 13, 2020, the President of the United States of America declared a national state of emergency in response to the spread of COVID-19 within the United States of America; and

WHEREAS, on March 16, 2020, the Alameda County Health Officer, along with six other health officers within six Bay Area counties, took a unified step to slow the spread of novel coronavirus (COVID-19) and preserve critical health care capacity across the region by issuing a legal order directing their respective residents to shelter at home beginning March 17, 2020 through April 7, 2020. The order in Alameda County limits activity, travel, and business functions to only the most essential needs. The guidance comes after substantial input from the CDC and best practices from other health officials around the world; and

WHEREAS, on March 16, 2020, due to an escalating increase in the number of COVID-19 cases in Alameda County, the City Manager, acting as Director of Emergency Services, found that the conditions related to the COVID-19 pandemic were of extreme peril to the safety of persons and property within the territorial limits of the City and thus proclaimed a local emergency pursuant to Newark Municipal Code Chapter 2.16 and Government Code Section 8558; and

WHEREAS, on March 17, 2020, at a special meeting the Newark City Council ratified the Director of Emergency Services' proclamation of a local emergency related to the COVID-19 pandemic; and

WHEREAS, on March 16, 2020, the Governor of California issued Executive Order N-28-20 ordering waiver of time limitations set forth in Penal Code section 396(f) concerning protections against residential evictions, and suspending any provision of state law that would preempt or otherwise restrict a local government's exercise of its police power to impose substantive limitations on residential or commercial evictions related to COVID-19. The order further suspended statutory causes of action for judicial foreclosure, including Code of Civil Procedure section 725a *et seq.* the statutory cause of action for unlawful detainer, Code of Civil Procedure section 1161 *et seq.*, and any other statutory cause of action that could be used to evict or otherwise eject a residential or commercial tenant or occupant of residential real property after foreclosure; and

WHEREAS, on March 19, 2020, the Governor of California issued Executive Order N-33-20 ordering all individuals within the State of California to stay home or at their place of residence, except as needed to maintain continuity of operation of the federal critical infrastructure sectors, critical government services, schools, childcare, and construction; and

WHEREAS, events of all sizes across the Bay Area and in Newark are cancelling or being postponed due to the County's and State's Orders and recommendations at all levels of government to cancel large gatherings are occurring amid concerns over spread of the virus. Additionally, as a result of the County's shelter at home order and the Governor's order for individuals to stay in their place of residence, many businesses are closing or dramatically limiting their operations. These developments are likely to result in significantly increased levels of unemployment and decreased incomes for many businesses and residents of Newark; and

WHEREAS, California Constitution, Article XI, Section 7, provides cities and counties with the authority to enact ordinances to protect the public health, safety, and general welfare, of their citizens; and

WHEREAS, California Government Code Section 36937 authorizes the City Council to introduce and adopt an ordinance it declares to be necessary as an emergency measure to preserve the public peace, health, and safety at one and the same meeting if passed by at least four-fifths affirmative votes; and

WHEREAS, this Ordinance is a temporary moratorium intended to promote stability and fairness within the residential and commercial rental market in the City during the COVID-19 pandemic, and to prevent avoidable homelessness and evictions thereby serving the public peace, health, safety, and public welfare and to enable tenants in the City whose incomes and ability to work are affected by COVID-19 to remain in their homes; and

WHEREAS, displacement through eviction destabilizes the living situation of tenants and impacts the health of Newark residents and businesses by uprooting children from schools, disrupting the social ties and networks that are integral to citizens' welfare and the stability of communities within the City; and

WHEREAS, displacement through eviction creates undue hardship for tenants through additional relocation costs, and during the COVID-19 pandemic outbreak, affected tenants who have lost income due to impacts on the economy or their employment may be at risk of homelessness if they are evicted for non-payment as they will have little or no income and thus be unable to secure other housing if evicted; and

WHEREAS, housing instability threatens the public peace, health, and safety as eviction from one's home can lead to prolonged homelessness; strain on household finances due to the necessity of paying rental application fees and security deposits; stress and anxiety experienced by those displaced; interruption of the education of children in the home; and increased exposure to, and spreading of COVID-19, in contradiction to the Alameda County Health Officer and Governor's orders; and

WHEREAS, businesses are also affected by COVID-19 and may be unable to pay rent. If businesses are unable to pay rent, they may be evicted, which will negatively impact the local economy by laying off employees and ceasing to provide services to residents of the City, and negatively impacting local health by forcing persons out of their shelter-in-place locations to prepare for business eviction, increasing potential COVID-19 exposure, and reducing the number of retail and commercial spaces available to provide essential services, also increasing potential COVID-19 exposure as a result of less retail and commercial spaces available for residents and thus less space available for social distancing; and

WHEREAS, the City Council finds and determines that regulating the relations between residential and commercial landlords and tenants is essential to preventing the spread of COVID-19 in the City and thereby serve the public peace, health, and safety; and

WHEREAS, an urgency ordinance that is effective immediately is necessary to avoid the immediate threat to public peace, health, and safety as failure to adopt this urgency ordinance could result in the avoidable displacement or exposure to COVID-19 of the City's residents and community members.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF NEWARK, DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Findings

The City Council of the City of Newark finds that all of the above Recitals are true and correct and incorporated herein by reference. The provisions of the Governor's Executive Order N-28-20, including its recitals, are incorporated herein as if fully set forth.

SECTION 2. Urgency Findings

The City Council of the City of Newark hereby finds that there is a current and immediate threat to the public health, safety and/or welfare and a need for immediate preservation of the public peace, health, or safety that warrants this urgency ordinance, which finding is based upon the facts stated in the recitals above, and in the staff report for item B.1 dated March 26, 2020 and in the staff report dated April 9, 2020, considered during the March 26, 2020 and April 9, 2020 City Council meetings as well as any oral and written testimony at the March 26, 2020 and April 9, 2020 City Council meetings. This Ordinance and any moratorium that may be established thereunder is declared by the City Council to be an urgency measure necessary for the immediate preservation of the public peace, health or safety. The facts constituting such urgency are all of those certain facts set forth and referenced in this Ordinance and the entirety of the record before the City Council.

SECTION 3. Ordinance

The City Council hereby makes the findings contained herein and hereby adopts the uncodified Ordinance to read as follows.

COVID-19 Eviction Moratorium Ordinance

Section 1. Moratorium on Eviction for Nonpayment of Rent During the COVID-19 Emergency

A. During the term of this Eviction Moratorium, which shall apply to any applicable landlord action under this Ordinance occurring on or after March 26, 2020, no landlord shall endeavor to evict a residential or commercial tenant for nonpayment of rent, including but not limited to any such provision under Civil Code sections 1940 *et. seq.* or 1954.25 *et. seq.*, if the tenant demonstrates that the inability to pay rent is:

1. Due to, or arising out of a substantial decrease in household or business income (including but not limited to the circumstances described in subsections (B) and (C)) or substantial out-of-pocket medical expenses; and
2. The decrease in household or business income, or out-of-pocket medical expenses, was caused by the COVID-19 pandemic, or by any local, state, or federal government response to COVID-19, and is documented in writing.

This Eviction Moratorium shall remain in effect until May 31, 2020 or the expiration of the local emergency or the Governor's proclamation of a state of emergency, whichever is later. This Ordinance shall expire one hundred eighty (180) days following the expiration of this Eviction Moratorium.

B. "Substantial decrease in household income" includes but is not limited to income loss caused by COVID-19 illness or caring for a household or family member with COVID-19 illness, work closures, layoffs, job loss, a reduction in the number of compensable hours or other economic or employer impacts of COVID-19, missing work due to a minor child's school closure, compliance with government health authority orders, or other similarly-caused reason resulting in loss of household income due to COVID-19, substantiated with written documentation or other objectively verifiable proof of same.

C. “Substantial decrease in business income” includes, but is not limited to, income loss caused by work closures, reduction in staff reporting to work, reduction in opening hours, or reduction in consumer demand, compliance with government health authority orders, or other similarly-caused reason resulting in loss of business income due to COVID-19, substantiated with written documentation or other objectively verifiable proof of same.

D. A landlord who knows that a tenant cannot pay some or all of the rent temporarily for the reasons set forth above shall not serve a notice pursuant to Code of Civil Procedure section 1161, file or prosecute an unlawful detainer action based on a three-day pay or quit notice, or otherwise seek to evict for nonpayment of rent.

E. A landlord knows of a tenant’s inability to pay rent within the meaning of this Ordinance if the tenant, within 7 days after the date that rent is due, notifies the landlord in writing of tenant’s inability to pay full rent due to a substantial decrease in household or business income or out-of-pocket medical expenses was caused by the COVID-19 pandemic, or by any local, state, or federal government response to COVID-19, and provides documentation, within 15 days after the date that rent is due, to support the claim. Any medical or financial information provided to the landlord shall be held in confidence, and only used for evaluating the tenant’s claim.

F. Nothing in this Ordinance relieves the tenant of liability for the unpaid rent, which the landlord may seek after the expiration of the Eviction Moratorium, as specified in subsection (A) of this Ordinance, and the tenant must pay 25% of unpaid rent within forty-five (45) days of the date of expiration of the Eviction Moratorium, an additional 25% of unpaid rent within ninety (90) days of the date of expiration of the Eviction Moratorium, an additional 25% of unpaid rent within one hundred thirty-five (135) days of the date of expiration of the Eviction Moratorium, and the final 25% of unpaid rent within one hundred eighty (180) days of the date of expiration of the Eviction Moratorium, unless a state law or order is amended or adopted providing for a longer period, in which case this subsection shall be so superseded.

G. A landlord may not charge or collect a late fee for rent that is delayed for the reasons stated in this Ordinance, nor may a landlord seek rent that is delayed for the reasons stated in this Ordinance through the eviction process, unless rent continues to remain unpaid after the expiration of the forty-five (45), ninety (90), one hundred thirty-five (135), or one hundred eighty (180) day periods described in subsection F above.

H. This Ordinance may be asserted as an affirmative defense in any unlawful detainer action or other action brought by an owner or landlord to recover possession. A tenant may bring a civil suit seeking owner or landlord compliance with any provisions of this Ordinance.

Section 2. Moratorium on Judicial Foreclosures During the COVID-19 Emergency

As provided for in Executive Order N-28-20 and consistent with the other provisions in this ordinance, the statutory cause of action for judicial foreclosure, Code of Civil Procedure section 725a *et seq.*; the statutory cause of action for unlawful detainer, Code of Civil Procedure section 1161 *et seq.*; and any other statutory cause of action that could be used to evict or otherwise eject a residential or commercial tenant or occupant of residential real property after foreclosure is hereby suspended as applied to any tenancy, or residential real property and any occupation thereof, to which a limitation on eviction is imposed pursuant to this Ordinance.

SECTION 4. Severability

If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance, including the application of such part or provision to other persons or circumstances shall not be affected thereby and shall continue in full force and effect. To this end, provisions of this Ordinance are severable. The City Council of the City of Newark hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase hereof irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases be held unconstitutional, invalid, or unenforceable.

SECTION 5. Effective Date

Following adoption by at least a four-fifths vote of the City Council, this Ordinance shall be effective immediately upon adoption pursuant to Newark Municipal Code Section 2.08.180. The City Clerk shall certify as to the adoption of this Urgency Ordinance and shall cause it to be published within fifteen (15) days of the adoption and shall post a certified copy of this Urgency Ordinance, including the vote for and against the same, in the Office of the City Clerk, in accordance with California Government Code Section 36933.

I HEREBY CERTIFY this urgency ordinance was read at the regular meeting of the Newark City Council held on April 9, 2020. Council Member Collazo moved that it be adopted and passed and ordered published within 15 days of the date of adoption in the Tri-City Voice, a newspaper of general circulation published and printed in the County of Alameda and circulated in the City of Newark, which motion was duly seconded, and said ordinance was passed and adopted by the following vote:

AYES: Council Members Bucci, Collazo, Hannon, and Mayor Nagy

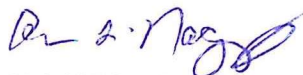
NOS: None

ABSENT: None

RECUSED: Vice Mayor Freitas

SECONDED: Council Member Collazo

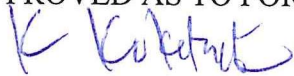
APPROVED:


s/ALAN L. NAGY
Mayor

ATTEST:


s/SHEILA HARRINGTON
City Clerk

APPROVED AS TO FORM:


s/KRISTOPHER J. KOKOTAYLO
Interim City Attorney

ORDINANCE NO. 522-U

AN URGENCY ORDINANCE OF THE CITY OF NEWARK AUTHORIZING THE COMMUNITY DEVELOPMENT DIRECTOR TO ISSUE COVID-19 MINOR USE PERMITS AND WAIVE REQUIREMENTS OF TITLE 17 TO FACILITATE BUSINESS OPERATIONS IMPACTED BY NOVEL CORONAVIRUS (COVID-19)

WHEREAS, national, state, and local health and governmental authorities are responding to an outbreak of respiratory disease named “coronavirus disease 2019” (“COVID-19”); and

WHEREAS, COVID-19 is easily transmissible from person to person, and community spread of the diseases has occurred throughout the United States and California, including in Alameda County; and

WHEREAS, on January 31, 2020, the Secretary of the United States Department of Health and Human Services declared a public health emergency for the entire United States to aid the nation’s healthcare community in responding to COVID-19; and

WHEREAS, on March 1, 2020, the Alameda County Health Officer declared a public health emergency throughout the County of Alameda regarding COVID-19, which was ratified by the Alameda County Board of Supervisors on March 10, 2020; and

WHEREAS, on March 4, 2020, the Governor of California proclaimed a state of emergency regarding COVID-19; and

WHEREAS, on March 13, 2020, the President of the United States of America declared a national state of emergency in response to the spread of COVID-19 within the United States of America; and

WHEREAS, on March 16, 2020, due to an escalating increase in the number of COVID-19 cases in Alameda County, the City Manager, acting as Director of Emergency Services, found that the conditions related to the COVID-19 pandemic were of extreme peril to the safety of persons and property within the territorial limits of the City and thus proclaimed a local emergency pursuant to Newark Municipal Code Section 2.16.060 and Government Code Section 8558; and

WHEREAS, on March 17, 2020, at a special meeting, the City Council of the City of Newark ratified the Director of Emergency Services’ proclamation of a local emergency related to the COVID-19 pandemic; and

WHEREAS, on March 16, 2020, the Alameda County Health Officer, along with six other health officers within six Bay Area counties, took a unified step to slow the spread of COVID-19 and preserve critical health care capacity across the region by issuing a legal order directing their respective residents to shelter at home beginning March 17, 2020. The order in Alameda County limited activity, travel, and business functions to only the most essential needs. The guidance comes after substantial input from the CDC and best practices from other health officials around the world; and

WHEREAS, on March 19, 2020, the Governor of California issued Executive Order N-33-20 ordering all individuals within the State of California to stay home or at their place of residence, except as needed to maintain continuity of operation of the federal critical infrastructure sectors, critical government services, schools, childcare, and construction; and

WHEREAS, on May 14, 2020, the Newark City Council adopted a resolution confirming the continued existence of local emergency due to COVID-19; and

WHEREAS, the Alameda County Health Officer has issued multiple orders extending the shelter in place order; and

WHEREAS, the State Public Health Officer has articulated a four-stage framework to allow for gradually resuming various activities while continuing to preserve public health; and

WHEREAS, On May 4, 2020, the Governor of California issued Executive Order N-60-20 ordering all individuals within the State of California to comply with the State Public Health Officer's framework unless stricter local regulations exists; and

WHEREAS, the Alameda County Health Officer has issued a revised health order allowing certain businesses to partially resume operations with certain safety precautions, while some businesses remain closed; and

WHEREAS, stage 2 of the State Public Health Officer's roadmap for reopening is split into an earlier and later stage 2 ("Stage 2b"); and

WHEREAS, during Stage 2b, dine in restaurants and in-person retail shopping are allowed to occur, with certain safety precautions; and

WHEREAS, during Stage 3 of the State Public Health Officer's roadmap for reopening personal services such as hair and nail salons, gyms and fitness studios, as well as hospitality services will be allowed to operate; and

WHEREAS, it is anticipated that in the coming weeks or months the Alameda County Health Officer will issue health orders allowing additional business to resume operations in a manner similar to Stage 2b and Stage 3 of the State Public Health Officer's roadmap for reopening; and

WHEREAS, businesses allowed to reopen will be subject to health and safety guidelines to minimize the risk of spread of COVID-19, such as increased physical distance between tables, required use of face coverings by staff, frequent cleaning of high touch surfaces, suspended use of shared food items such as condiment bottles and reusable menus, and similar restrictions; and

WHEREAS, the State Department of Public Health's guidelines for restaurants specifically recommend prioritizing outdoor seating and curbside pickup to minimize cross flow of customers in enclosed environments, and guidelines for other industries contain similar recommendations and requirements; and

WHEREAS, during this time of shelter in place and other social distancing, many businesses are experiencing substantial declines in business income as a result of business closures or the loss of hours, which threatens businesses ability to pay rent, maintain payroll, and continue operating; and

WHEREAS, many businesses may face layoffs or permanent closure as a result of the pandemic; and

WHEREAS, even as certain shelter in place restrictions begin to ease, many local businesses will continue to be affected by social distancing requirements; and

WHEREAS, businesses are an integral part of the economy and community of Newark; and

WHEREAS, local businesses are a significant source of jobs, tax revenue and essential services for the community; and

WHEREAS, business closures will negatively impact the local economy by laying off employees and ceasing to provide services to residents of the City, and negatively impact local health by reducing the number of retail and commercial spaces available to provide essential services while maintaining social distancing, and will decrease tax revenues available to the City to respond to COVID-19 and other public health and safety concerns; and

WHEREAS, the Zoning Code contains various requirements regarding for outdoor seating, outdoor display of merchandise, off-street parking, and similar restriction; and

WHEREAS, to assist businesses that are experiencing, and will continue to experience, severe negative economic impacts due to the COVID-19 pandemic, the City desires to authorize the Community Development Director to approve temporary waivers from the strict application of the Zoning Code to facilitate a return to business operations; and

WHEREAS, California Constitution, Article XI, Section 7, provides cities and counties with the authority to enact ordinances to protect the public health, safety, and general welfare, of their citizens; and

WHEREAS, California Government Code Section 36937 authorizes the City Council to introduce and adopt an ordinance that it declares to be necessary as an urgency measure to preserve the public peace, health, and safety at one and the same meeting if passed by at least four-fifths affirmative votes; and

WHEREAS, COVID-19 and the public health orders designed to reduce the virus's spread have had a significant impact on the economy of the City, requiring the closure of numerous business, and this Urgency Ordinance will facilitate the prompt reopening of businesses impacted by COVID-19 in a manner consistent with anticipated public health orders thereby minimizing negative economic impacts; and

WHEREAS, the Urgency Ordinance is designed to reduce and slow the transmission of COVID-19 by facilitating required social distancing between and among patrons and employees; and

WHEREAS, the Urgency Ordinance is designed to promote economic business stability and prevent business closures during the COVID-19 pandemic by streamlining the process for a business to obtain a waiver of Zoning Code requirements to enable business operations in a manner that complies with social distancing orders and protocols, thereby serving the public peace, health, safety, and public welfare; and

WHEREAS, the City Council finds and determines that allowing the Community Development Director to waive certain requirements of the Zoning Code to facilitate business operations impacted by COVID-19 in compliance with applicable health orders is essential to support economic development, prevent layoffs, and maintain tax revenue in the City and thereby serve the public peace, health, and safety; and

WHEREAS, an urgency ordinance that is effective immediately is necessary to avoid the immediate threat to public peace, health, and safety as failure to adopt this urgency ordinance could result in the avoidable closure of local businesses.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF NEWARK, DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Findings The City Council of the City of Newark finds that all of the above Recitals are true and correct and incorporated herein by reference. The provisions of the Governor’s “resilience roadmap for state reopening” as published on the State of California’s official COVID-19 website, www.covid.ca.gov, are incorporated herein as if fully set forth.

SECTION 2. CEQA

Approval of the amendments is exempt from environmental review under the general rule in California Environmental Quality Act (CEQA) Guidelines Section 15061(b)(3) that CEQA only applies to projects that have the potential for causing a significant effect on the environment. As a series of text amendments and additions, it can be seen with certainty that there is no possibility that the ordinance will have a significant effect on the environment.

SECTION 3. Urgency Findings

The City Council of the City of Newark hereby finds that there is a current and immediate threat to the public health, safety and/or welfare and a need for immediate preservation of the public peace, health, or safety that warrants this urgency ordinance, which finding is based upon the facts stated in the recitals above, and in the staff report dated June 25, 2020, as well as any oral and written testimony at the June 25, 2020 City Council meeting. This Ordinance is declared by the City Council to be an urgency measure necessary for the immediate preservation of the public peace, health or safety. The facts constituting such urgency are all of those certain facts set forth and referenced in this Ordinance and the entirety of the record before the City Council.

SECTION 4. Ordinance

The City Council hereby makes the findings contained herein and hereby adopts the uncodified Ordinance to read as follows:

ORDINANCE AUTHORIZING COMMUNITY DEVELOPMENT DIRECTOR TO WAIVE REQUIREMENTS OF TITLE 17 DUE TO COVID-19.

Section 1. Authority of Community Development Director

The Community Development Director shall have the authority to issue a COVID-19 minor use permit waiving any requirements and/or standards of Title 17, Zoning, of the Newark Municipal Code to facilitate business operations affected by public-health orders of the federal, state, or county government designed to slow the transmission of the Novel Coronavirus (COVID-19). The Community Development Director may condition the issuance of a COVID-19 minor use permit on compliance with any conditions he or she determines appropriate. Failure to comply with such conditions may result in the revocation of the COVID-19 minor use permit.

Without limiting the foregoing, COVID-19 minor use permits may waive requirements related to outdoor seating, outdoor merchandise displays, required off-street parking, signage and similar restrictions, including conditions contained in existing permits. COVID-19 minor use permits shall not be issued pursuant to this Ordinance to authorize wholly new businesses, but rather only to facilitate the continued operation of existing businesses in compliance with applicable health orders.

Section 2. Duration of COVID-19 Minor Use Permit

A COVID-19 minor use permit issued by the Community Development Director pursuant to this Ordinance, unless otherwise specified by the Community Development Director in his or her sole discretion, shall remain in effect for the duration of this Ordinance. Additionally, the Community Development Director, in his or her sole discretion, may revoke a COVID-19 minor use permit without cause.

Section 3. Procedures

An individual or entity seeking a COVID-19 minor use permit must submit an application on a form designated by the Community Development Director, along with any other documentation or information required by the Community Development Director. No public hearings or notices are required prior to the issuance of a COVID-19 minor use permit. There shall be no fee for the submittal of an application for a COVID-19 minor use permit pursuant to this Ordinance.

Section 4. Use of Right-of-Way

Any individual or entity seeking to use the public sidewalk or other public property for their business operations must obtain an encroachment permit from the City, and must obtain and maintain appropriate insurance as required by the City Engineer. There shall be no fee for the submittal of an application for an Encroachment Permit pursuant to this Ordinance. Business operations shall not be permitted on the sidewalk or other public property if such operations will interfere with the ADA accessible path of travel or cause other safety hazards.

Section 5. Termination

This Ordinance shall take effect immediately and shall remain in effect until the expiration of the declaration of local emergency by the City Council of the City of Newark or unless earlier rescinded by a majority vote of the City Council.

SECTION 5. Severability

If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, the remainder of this Ordinance, including the application of such part or provision to other persons or circumstances shall not be affected thereby and shall continue in full force and effect. To this end, provisions of this Ordinance are severable. The City Council of the City of Newark hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase hereof irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases be held unconstitutional, invalid, or unenforceable.

SECTION 6. Effective Date

Following adoption by at least a four-fifths vote of the City Council, this Ordinance shall be effective immediately upon adoption pursuant to Government Code Section 36937. The City Clerk shall certify as to the adoption of this Urgency Ordinance and shall cause it to be published within fifteen (15) days of the adoption and shall post a certified copy of this Urgency Ordinance, including the vote for and against the same, in the Office of the City Clerk, in accordance with California Government Code Section 36933.

I HEREBY CERTIFY this urgency ordinance was read at the special meeting of the Newark City Council held on June 16, 2020. Council Member Buccì moved that it be adopted and passed and ordered published within 15 days of the date of adoption in the Tri-City Voice, a newspaper of general circulation published and printed in the County of Alameda and circulated in the City of Newark, which motion was duly seconded, and said ordinance was passed and adopted by the following vote:

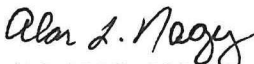
AYES: Council Members Buccì, Collazo, Hannon, Vice Mayor Freitas, and Mayor Nagy

NOS: None

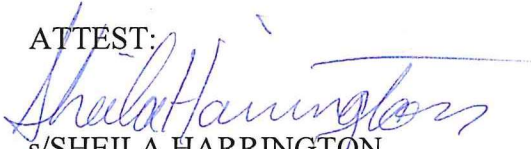
ABSENT: None

SECONDED: Council Member Collazo

APPROVED:


s/ALAN L. NAGY
Mayor

ATTEST:


s/SHEILA HARRINGTON
City Clerk

APPROVED AS TO FORM:


s/KRISTOPHER J. KOKOTAYLO
Interim City Attorney

WHATS HAPPENINGS TRI CITY VOICE

This space for filing stamp only

39737 PASEO PADRE PKWY, FREMONT, CA 94538
Telephone (510) 494-1999 / Fax (510) 796-2462

SHEILA HARRINGTON
CITY OF NEWARK/CITY MANAGER
37101 NEWARK BLVD
NEWARK, CA - 94560

CNS #: 3373658

PROOF OF PUBLICATION

(2015.5 C.C.P.)

State of California)
County of ALAMEDA) ss

Notice Type: ORD - ORDINANCE PUBLICATION

Ad Description:

Minor Use Permits COVID-19

I am a citizen of the United States and a resident of the State of California; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the principal clerk of the printer and publisher of the WHATS HAPPENINGS TRI CITY VOICE, a newspaper of general circulation in the city of Fremont, county of Alameda as defined by the laws of the State of California by the Superior Court of the County of Alameda, State of California under date 05/08/2015, case no. HG14716669. That the notice, of which the annexed is a printed copy, has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

06/23/2020

Executed on: 06/23/2020
At Los Angeles, California

I certify (or declare) under penalty of perjury that the foregoing is true and correct.



Signature



* A 0 0 0 0 0 5 4 3 9 2 2 9 *

Email

ORDINANCE NO. 522-U AN URGENCY
ORDINANCE OF THE CITY OF NEWARK
AUTHORIZING THE COMMUNITY
DEVELOPMENT DIRECTOR TO ISSUE COVID-
19 MINOR USE PERMITS AND WAIVE
REQUIREMENTS OF TITLE 17 TO FACILITATE
BUSINESS OPERATIONS IMPACTED BY
NOVEL CORONAVIRUS (COVID-19)
WHEREAS, national, state, and local health and
governmental authorities are responding to an
outbreak of respiratory disease named
"coronavirus disease 2019" ("COVID-19"); and
WHEREAS, COVID-19 is easily transmissible
from person to person, and community spread of
the diseases has occurred throughout the United
States and California, including in Alameda
County; and WHEREAS, on January 31, 2020,
the Secretary of the United States Department of
Health and Human Services declared a public
health emergency for the entire United States to
aid the nation's healthcare community in
responding to COVID-19; and WHEREAS, on
March 1, 2020, the Alameda County Health
Officer declared a public health emergency
throughout the County of Alameda regarding
COVID-19, which was ratified by the Alameda
County Board of Supervisors on March 10, 2020;
and WHEREAS, on March 4, 2020, the Governor
of California proclaimed a state of emergency
regarding COVID-19; and WHEREAS, on March
13, 2020, the President of the United States of
America declared a national state of emergency
in response to the spread of COVID-19 within the
United States of America; and WHEREAS, on
March 16, 2020, due to an escalating increase in
the number of COVID-19 cases in Alameda
County, the City Manager, acting as Director of
Emergency Services, found that the conditions
related to the COVID-19 pandemic were of
extreme peril to the safety of persons and
property within the territorial limits of the City and
thus proclaimed a local emergency pursuant to
Newark Municipal Code Section 2.16.060 and
Government Code Section 8558; and
WHEREAS, on March 17, 2020, at a special
meeting, the City Council of the City of Newark
ratified the Director of Emergency Services'
proclamation of a local emergency related to the
COVID-19 pandemic; and WHEREAS, on March
16, 2020, the Alameda County Health Officer,
along with six other health officers within six Bay
Area counties, took a unified step to slow the
spread of COVID-19 and preserve critical health
care capacity across the region by issuing a legal
order directing their respective residents to
shelter at home beginning March 17, 2020. The
order in Alameda County limited activity, travel,
and business functions to only the most essential
needs. The guidance comes after substantial
input from the CDC and best practices from other
health officials around the world; and WHEREAS,
on March 19, 2020, the Governor of California
issued Executive Order N-33-20 ordering all
individuals within the State of California to stay
home or at their place of residence, except as
needed to maintain continuity of operation
of the federal critical infrastructure sectors, critical
government services, schools, childcare, and
construction; and WHEREAS, on May 14, 2020,

the Newark City Council adopted a resolution confirming the continued existence of local emergency due to COVID-19; and WHEREAS, the Alameda County Health Officer has issued multiple orders extending the shelter in place order; and WHEREAS, the State Public Health Officer has articulated a four-stage framework to allow for gradually resuming various activities while continuing to preserve public health; and WHEREAS, On May 4, 2020, the Governor of California issued Executive Order N-60-20 ordering all individuals within the State of California to comply with the State Public Health Officer's framework unless stricter local regulations exist; and WHEREAS, the Alameda County Health Officer has issued a revised health order allowing certain businesses to partially resume operations with certain safety precautions, while some businesses remain closed; and WHEREAS, Stage 2 of the State Public Health Officer's roadmap for reopening is split into an earlier and later stage 2 ("Stage 2b"); and WHEREAS, during Stage 2b, dine in restaurants and in-person retail shopping are allowed to occur, with certain safety precautions; and WHEREAS, during Stage 3 of the State Public Health Officer's roadmap for reopening personal services such as hair and nail salons, gyms and fitness studios, as well as hospitality services will be allowed to operate; and WHEREAS, it is anticipated that in the coming weeks or months the Alameda County Health Officer will issue health orders allowing additional business to resume operations in a manner similar to Stage 2b and Stage 3 of the State Public Health Officer's roadmap for reopening; and WHEREAS, businesses allowed to reopen will be subject to health and safety guidelines to minimize the risk of spread of COVID-19, such as increased physical distance between tables, required use of face coverings by staff, frequent cleaning of high touch surfaces, suspended use of shared food items such as condiment bottles and reusable menus, and similar restrictions; and WHEREAS, the State Department of Public Health's guidelines for restaurants specifically recommend prioritizing outdoor seating and curbside pickup to minimize cross flow of customers in enclosed environments, and guidelines for other industries contain similar recommendations and requirements; and WHEREAS, during this time of shelter in place and other social distancing, many businesses are experiencing substantial declines in business income as a result of business closures or the loss of hours, which threatens businesses ability to pay rent, maintain payroll, and continue operating; and WHEREAS, many businesses may face layoffs or permanent closure as a result of the pandemic; and WHEREAS, even as certain shelter in place restrictions begin to ease, many local businesses will continue to be affected by social distancing requirements; and WHEREAS, businesses are an integral part of the economy and community of Newark; and WHEREAS, local businesses are a significant source of jobs, tax revenue and essential services for the community; and WHEREAS, business closures will negatively impact the local

economy by laying off employees and ceasing to provide services to residents of the City, and negatively impact local health by reducing the number of retail and commercial spaces available to provide essential services while maintaining social distancing, and will decrease tax revenues available to the City to respond to COVID-19 and other public health and safety concerns; and WHEREAS, the Zoning Code contains various requirements regarding for outdoor seating, outdoor display of merchandise, off-street parking, and similar restriction; and WHEREAS, to assist businesses that are experiencing, and will continue to experience, severe negative economic impacts due to the COVID-19 pandemic, the City desires to authorize the Community Development Director to approve temporary waivers from the strict application of the Zoning Code to facilitate a return to business operations; and WHEREAS, California Constitution, Article XI, Section 7, provides cities and counties with the authority to enact ordinances to protect the public health, safety, and general welfare, of their citizens; and WHEREAS, California Government Code Section 36937 authorizes the City Council to introduce and adopt an ordinance that it declares to be necessary as an urgency measure to preserve the public peace, health, and safety at one and the same meeting if passed by at least four-fifths affirmative votes; and WHEREAS, COVID-19 and the public health orders designed to reduce the virus's spread have had a significant impact on the economy of the City, requiring the closure of numerous business, and this Urgency Ordinance will facilitate the prompt reopening of businesses impacted by COVID-19 in a manner consistent with anticipated public health orders thereby minimizing negative economic impacts; and WHEREAS, the Urgency Ordinance is designed to reduce and slow the transmission of COVID-19 by facilitating required social distancing between and among patrons and employees; and WHEREAS, the Urgency Ordinance is designed to promote economic business stability and prevent business closures during the COVID-19 pandemic by streamlining the process for a business to obtain a waiver of Zoning Code requirements to enable business operations in a manner that complies with social distancing orders and protocols, thereby serving the public peace, health, safety, and public welfare; and WHEREAS, the City Council finds and determines that allowing the Community Development Director to waive certain requirements of the Zoning Code to facilitate business operations impacted by COVID-19 in compliance with applicable health orders is essential to support economic development, prevent layoffs, and maintain tax revenue in the City and thereby serve the public peace, health, and safety; and WHEREAS, an urgency ordinance that is effective immediately is necessary to avoid the immediate threat to public peace, health, and safety as failure to adopt this urgency ordinance could result in the avoidable closure of local businesses. NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF NEWARK, DOES HEREBY ORDAIN AS

FOLLOWS: SECTION 1. Findings. The City Council of the City of Newark finds that all of the above Recitals are true and correct and incorporated herein by reference. The provisions of the Governor's "resilience roadmap for state reopening" as published on the State of California's official COVID-19 website, www.covid.ca.gov, are incorporated herein as if fully set forth. SECTION 2. CEQA Approval of the amendments is exempt from environmental review under the general rule in California Environmental Quality Act (CEQA) Guidelines Section 15061(b)(3) that CEQA only applies to projects that have the potential for causing a significant effect on the environment. As a series of text amendments and additions, it can be seen with certainty that there is no possibility that the ordinance will have a significant effect on the environment. SECTION 3. Urgency Findings. The City Council of the City of Newark hereby finds that there is a current and immediate threat to the public health, safety and/or welfare and a need for immediate preservation of the public peace, health, or safety that warrants this urgency ordinance, which finding is based upon the facts stated in the recitals above, and in the staff report dated June 25, 2020, as well as any oral and written testimony at the June 25, 2020 City Council meeting. This Ordinance is declared by the City Council to be an urgency measure necessary for the immediate preservation of the public peace, health or safety. The facts constituting such urgency are all of those certain facts set forth and referenced in this Ordinance and the entirety of the record before the City Council. SECTION 4. Ordinance. The City Council hereby makes the findings contained herein and hereby adopts the uncodified Ordinance to read as follows: ORDINANCE AUTHORIZING COMMUNITY DEVELOPMENT DIRECTOR TO WAIVE REQUIREMENTS OF TITLE 17 DUE TO COVID-19. Section 1. Authority of Community Development Director. The Community Development Director shall have the authority to issue a COVID-19 minor use permit waiving any requirements and/or standards of Title 17, Zoning, of the Newark Municipal Code to facilitate business operations affected by public health orders of the federal, state, or county government designed to slow the transmission of the Novel Coronavirus (COVID-19). The Community Development Director may condition the issuance of a COVID-19 minor use permit on compliance with any conditions he or she determines appropriate. Failure to comply with such conditions may result in the revocation of the COVID-19 minor use permit. Without limiting the foregoing, COVID-19 minor use permits may waive requirements related to outdoor seating, outdoor merchandise displays, required off-street parking, signage and similar restrictions, including conditions contained in existing permits. COVID-19 minor use permits shall not be issued pursuant to this Ordinance to authorize wholly new businesses, but rather only to facilitate the continued operation of existing businesses in compliance with applicable health orders. Section 2. Duration of COVID-19 Minor Use Permit. A COVID-19 minor use permit issued by the

Community Development Director pursuant to this Ordinance, unless otherwise specified by the Community Development Director in his or her sole discretion, shall remain in effect for the duration of this Ordinance. Additionally, the Community Development Director, in his or her sole discretion, may revoke a COVID-19 minor use permit without cause. Section 3. Procedures An individual or entity seeking a COVID-19 minor use permit must submit an application on a form designated by the Community Development Director, along with any other documentation or information required by the Community Development Director. No public hearings or notices are required prior to the issuance of a COVID-19 minor use permit. There shall be no fee for the submittal of an application for a COVID-19 minor use permit pursuant to this Ordinance. Section 4. Use of Right-of-Way Any individual or entity seeking to use the public sidewalk or other public property for their business operations must obtain an encroachment permit from the City, and must obtain and maintain appropriate insurance as required by the City Engineer. There shall be no fee for the submittal of an application for an Encroachment Permit pursuant to this Ordinance. Business operations shall not be permitted on the sidewalk or other public property if such operations will interfere with the ADA accessible path of travel or cause other safety hazards. Section 5. Termination This Ordinance shall take effect immediately and shall remain in effect until the expiration of the declaration of local emergency by the City Council of the City of Newark or unless earlier rescinded by a majority vote of the City Council. SECTION 5. Severability If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, the remainder of this Ordinance, including the application of such part or provision to other persons or circumstances shall not be affected thereby and shall continue in full force and effect. To this end, provisions of this Ordinance are severable. The City Council of the City of Newark hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase hereof irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases be held unconstitutional, invalid, or unenforceable. SECTION 6. Effective Date Following adoption by at least a four-fifths vote of the City Council, this Ordinance shall be effective immediately upon adoption pursuant to Government Code Section 36937. The City Clerk shall certify as to the adoption of this Urgency Ordinance and shall cause it to be published within fifteen (15) days of the adoption and shall post a certified copy of this Urgency Ordinance, including the vote for and against the same, in the Office of the City Clerk, in accordance with California Government Code Section 36933. I HEREBY CERTIFY this urgency ordinance was read at the special meeting of the Newark City Council held on June 16, 2020. Council Member Bucci moved that it be adopted and passed and ordered published within 15 days of the date of adoption in the Tri-City Voice, a

newspaper of general circulation published and printed in the County of Alameda and circulated in the City of Newark, which motion was duly seconded, and said ordinance was passed and adopted by the following vote: AYES: Council Members Bucci, Collazo, Hannon, Vice Mayor Freitas, and Mayor Nagy NOS: None ABSENT: None SECONDED: Council Member Collazo APPROVED: s/ALAN L. NAGY ATTEST: Mayor s/SHEILA HARRINGTON City Clerk APPROVED AS TO FORM: s/KRISTOPHER J. KOKOTAYLO Interim City Attorney 6/23/20

CNS-3373658#

URGENCY ORDINANCE NO. 527-U

AN URGENCY ORDINANCE OF THE CITY COUNCIL OF
THE CITY OF NEWARK ESTABLISHING A TEMPORARY
LIMIT OF FIFTEEN PERCENT (15%) ON FEES BY THIRD-
PARTY FOOD DELIVERY SERVICES TO RESTAURANTS IN
NEWARK DURING THE COVID-19 PANDEMIC

WHEREAS, international, national, state, and local health and governmental authorities are responding to an outbreak of respiratory disease caused by a novel coronavirus named “SARS-CoV-2,” and the disease it causes has been named “coronavirus disease 2019,” abbreviated COVID-19 (“COVID-19”); and

WHEREAS, on January 30, 2020, the World Health Organization (“WHO”) declared COVID-19 a Public Health Emergency of International Concern; and

WHEREAS, on January 31, 2020, the Secretary of the United States Department of Health and Human Services declared a public health emergency for the entire United States to aid the nation’s healthcare community in responding to COVID-19; and

WHEREAS, on February 25, 2020, the Centers for Disease Control and Prevention (“CDC”) announced that community spread of COVID-19 is likely to occur in the United States; and

WHEREAS, on March 1, 2020, the Alameda County Health Officer declared a public health emergency throughout the County of Alameda; and

WHEREAS, on March 4, 2020, California Governor Gavin Newsom declared a State of Emergency to make additional resources available, formalize emergency actions already underway across multiple state agencies and departments, and help the state prepare for a broader spread of COVID-19. The proclamation comes as the number of positive California cases rises and following one official COVID-19 death; and

WHEREAS, on March 10, 2020, the Alameda County Board of Supervisors ratified the Alameda County Health Officer’s declaration of a local health emergency; and

WHEREAS, on March 11, 2020, the WHO declared COVID-19 a pandemic; and

WHEREAS, on March 13, 2020, the President of the United States of America declared a national emergency and announced that the federal government would make emergency funding available to assist state and local governments in preventing the spread of and addressing the effects of COVID-19; and

WHEREAS, on March 16, 2020, the Alameda County Health Officer, along with six other health officers within six Bay Area counties, took a unified step to slow the spread of COVID-19 and preserve critical health care capacity across the region by issuing a legal order directing their respective residents to shelter at home beginning March 17, 2020 through April 7, 2020 (the “shelter in place order”). The shelter in place order in Alameda County limits activity, travel, and business functions; and

WHEREAS, on March 16, 2020, due to an escalating increase in the number of COVID-19 cases in Alameda County, the City Manager, acting as Director of Emergency Services, found that the conditions related to the COVID-19 pandemic were of extreme peril to the safety of persons and property within the territorial limits of the City and thus proclaimed a local emergency pursuant to Newark Municipal Code Chapter 2.16 and Government Code Section 8558; and

WHEREAS, on March 17, 2020, at a special meeting the Newark City Council ratified the Director of Emergency Services' proclamation of a local emergency related to the COVID-19 pandemic; and

WHEREAS, on March 19, 2020, the Governor of California issued Executive Order N-33-20 ordering all individuals within the State of California to stay home or at their place of residence, except as needed to maintain continuity of operation of the federal critical infrastructure sectors, critical government services, schools, childcare, and construction (the "State order"); and

WHEREAS, the City Council has approved multiple resolutions declaring the continued existence of a local emergency within the City of Newark; and

WHEREAS, the shelter in place order and the State order have been modified to gradually allow some activity under limited circumstances and social distancing guidelines, but both remain in place and large segments of the economy, particularly related to indoor activities such as dining, remain closed or severely limited; and

WHEREAS, continuity of operations among the City's restaurants is critical for the delivery of essential food services to the residents of Newark and to sustain these sources of employment and neighborhood vitality within the City; and

WHEREAS, if restaurants permanently close, then essential workers will be displaced, storefronts will be vacant, and residents will lose access to contactless delivery of locally prepared meals; and

WHEREAS, many consumers use third-party applications and websites to place orders with restaurants for delivery and takeout, and these third-party platforms charge restaurants fees; service agreements between some restaurants and third-party platforms provide that the platform charges the restaurant between twenty five percent (25%) to thirty three percent (33%) of the purchase price per order; and

WHEREAS, restaurants, eating and drinking establishments, and particularly those that are small businesses, have limited bargaining power to negotiate lower fees with third-party platforms given the financial straits restaurants are facing during this period of emergency; and

WHEREAS, given that only a few companies in the marketplace provide such delivery services, restaurants that do not operate their own delivery service resort to contracting with third-party delivery service providers as a means to compete in the marketplace; and

WHEREAS, capping delivery service per-order fees at 15% will achieve the public purpose of ensuring the continued operation of local restaurants and third-party platforms during the period of emergency; the 15% limit on fees charged to restaurants is based on the findings and experience of other California cities and cities nationwide that have already adopted 15% fee ceilings or similar caps as reasonable emergency regulations in collaboration with food delivery companies; and

WHEREAS, the adoption of a cap among cities establishes a temporary, imminent and new competitive environment for Newark restaurants, and adoption of the 15% fee limitation by adjacent cities creates a competitive disadvantage to Newark restaurants during the COVID-19 pandemic when Newark restaurants are already struggling; and

WHEREAS, California Constitution, Article XI, Section 7, provides cities and counties with the authority to enact ordinances to protect the public health, safety, and general welfare, of their citizens; and

WHEREAS, both large and smaller events across the Bay Area and in Newark are cancelling or being postponed due to the County's and State's Orders and recommendations at all levels of government to cancel large gatherings amid concerns over spread of the virus. These cancellations and postponements cause loss in revenue for the event, as well as surrounding local businesses including eating and drinking establishments that rely on such events to bring in patrons to their businesses; and

WHEREAS, with modified capacity, many restaurants are seeing an increase in carry-out and delivery offerings, placing a sudden and severe financial strain on the industry, particularly on restaurants that are small businesses, a category of businesses which typically already operate on thin margins; and

WHEREAS, restricting restaurants to takeout or delivery offerings, and limited to outdoor dining with decreased capacity as a result of physical distancing, has placed a sudden and severe financial strain on many restaurants, particularly those that already operate on thin margins, adding to financial pressures in the industry that predate the COVID-19 crisis; and

WHEREAS, based on public input received by City staff, many restaurant and food establishments within the City have been relying on delivery and pick up to generate both revenue and new customers, and to serve existing customers, and it is critical they operate in a safe manner where social distancing can be maintained in accordance with guidance from the State of California and local health officials; and

WHEREAS, it is in the public interest to take action to ensure the delivery of essential food services to residents of Newark and to maximize restaurant revenue from the takeout and delivery orders that, with the exception of limited dining operations, are currently one of the primary sources of revenue for these businesses to enable restaurants to survive this crisis and remain as sources of employment and neighborhood vitality in the City; and

WHEREAS, Alameda County's reversion to the purple tier "widespread" status, coupled with an oncoming third wave of nationwide infections, further places a strain on Newark's local restaurants; and

WHEREAS, as restaurants return to modified, lower capacity restaurant service, it is still unclear how restaurants will fare, as restaurants must create new, physically distanced dining areas and implement increased training and sanitation measures, and it is also unclear how quickly restaurant patrons will return to restaurant dining and restaurants may continue to see a significant loss of revenue for an ongoing period of time; and

WHEREAS, this Ordinance is temporary in nature and only intended to promote stability and safe and healthy operations within the restaurant and food markets in the City during the COVID-19 pandemic

outbreak, to assist local businesses in transitional and uncertain times, and to prevent avoidable business closures thereby serving the public peace, health, safety, and public welfare and ensuring jobs and economic vitality within the City, while also preventing further spread of the virus; and

WHEREAS, an urgency ordinance is necessary to avoid the continuing and immediate threat to public peace, health, and safety as failure to adopt this urgency ordinance would result in the avoidable displacement or exposure to COVID-19 of the City's restaurant and food service industry and to the amplification of the factors that lead to the spread of the virus, as described in these Recitals; and

WHEREAS, the City Council hereby finds approval of this Ordinance is exempt from the California Environmental Quality Act (Public Resources Code §§ 21000 *et seq.*, "CEQA," and 14 Cal. Code Reg. §§ 15000 *et seq.*, "CEQA Guidelines") under Section 15061(b)(3) of the CEQA Guidelines. This is an emergency response measure aimed at capping delivery services fees on existing restaurants. No new development will result from the proposed action and the regulation is temporary. No impact to the physical environment will result.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF NEWARK, DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Findings

The City Council of the City of Newark finds that all of the above Recitals are true and correct and incorporated herein by reference.

SECTION 2. Urgency Findings

The City Council of the City of Newark hereby finds that there is a current and immediate threat to the public health, safety and/or welfare and a need for immediate preservation of the public peace, health, or safety that warrants this urgency ordinance, which finding is based upon the facts stated in the recitals above, and in the staff report dated December 10, 2020 and considered during the December 10, 2020 City Council meeting as well as any oral and written testimony at the December 10, 2020 City Council meeting. The adoption and implementation of this Ordinance is an urgency measure necessary for the immediate preservation and protection of the public peace, health and safety as detailed above and as this Ordinance is an emergency response measure aimed at ensuring the recovery and vitality of the restaurant industry after closure and limited operations. The facts constituting such urgency are all of those certain facts set forth and referenced in this Ordinance and the entirety of the record before the City Council.

SECTION 3. Ordinance

The City Council hereby makes the findings contained herein and hereby adopts the uncodified Ordinance to read as follows.

A Temporary Limit on Charges by Third-Party Food Delivery Services

Section 1. Definitions. For purposes of this Ordinance, the following definitions apply:

A. "Covered Establishment" means a restaurant that offers, in a single commercial transaction over the internet, such as Online Order, or over the telephone, such as a Telephone Order, whether directly or through a third-party food delivery service, the sale and same-day delivery of food to customers from one or more retail locations within the City.

B. "Third-party Food Delivery Service" means any website, mobile application or other internet service that offers or arranges for the sale of food and beverages prepared by, and the same-day delivery or same-day pickup of food and beverages from a Covered Establishment.

C. "Online Order" means an order placed by a customer through a platform provided by a Third-party Food Delivery Service for delivery or pickup within the City.

D. "Telephone Order" means an order placed by a customer to a food service establishment through a telephone call or the use of the third-party food delivery service providers' platform and/or on-line phone system, or via text for delivery or pickup within the City.

E. "Purchase Price" means the menu price of an online order. Such term therefore excludes taxes, gratuities, and any other fees that may make up the total cost to the customer of an order.

Section 2. Temporary Limit on Third Party Food Delivery Service Charges.

A. Fee Limit. It shall be unlawful for a Third-Party Food Delivery Service to charge a Covered Establishment a fee that totals more than 15 percent of the Purchase Price of an Online or Telephone Order for the use of its services.

Section 3. Enforcement.

A. A Third-Party Food Delivery Service shall not be found in violation of this Ordinance if between the Effective Date of this Ordinance and December 24, 2020, it imposes a fee per Online or Telephone Order for the use of its services that totals more than 15 percent of the Purchase Price of such order, provided it refunds the portion of the fee that exceeds the fee percentage set forth in this Ordinance to Covered Establishment no later than 15 days after the purchase.

B. If a Third-Party Food Delivery Service charges a Covered Establishment fees that violates this Ordinance, the Covered Establishment shall, within seven calendar days, provide written notice to the Third-Party Food Delivery Service requesting a refund; the refund shall be paid within seven calendar days. If the Third-Party Food Delivery Service does not provide the refund requested after seven days or the Third-Party Food Delivery Service continues to charge fees in violation of this Ordinance after the initial notice, a Covered Establishment may enforce this Ordinance by means of a civil action seeking damages and injunctive relief. The prevailing party in any such action shall be entitled to an award of reasonable attorney fees.

C. Violations of this Ordinance shall constitute an infraction that can be enforced solely through an administrative citation pursuant to Chapter 7.18 of the Newark Municipal Code.

Section 4. Guidance and Rules.

A. The City Manager, or designee, is authorized to implement this Ordinance and issue any guidance or rules necessary to implement this Ordinance.

Section 5. Duration.

A. This Ordinance shall become effective immediately upon its adoption and remain in effect until such time as the Newark City Council terminates the declared local emergency, as affirmed by the Council on March 17, 2020.

SECTION 4. Severability

If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance, including the application of such part or provision to other persons or circumstances shall not be affected thereby and shall continue in full force and effect. To this end, provisions of this Ordinance are severable. The City Council of the City of Newark hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase hereof irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases be held unconstitutional, invalid, or unenforceable.

SECTION 5. Effective Date

Following adoption by at least a four-fifths vote of the City Council, this Ordinance shall be effective immediately upon adoption pursuant to Newark Municipal Code Section 2.08.180. The City Clerk shall certify as to the adoption of this Urgency Ordinance and shall cause it to be published within fifteen (15) days of the adoption and shall post a certified copy of this Urgency Ordinance, including the vote for and against the same, in the Office of the City Clerk, in accordance with California Government Code Section 36933.

I HEREBY CERTIFY this urgency ordinance was read at the regular meeting of the Newark City Council held on December 10, 2020. Council Member Bucci moved that it be adopted and passed and ordered published within 15 days of the date of adoption in the Tri-City Voice, a newspaper of general circulation published and printed in the County of Alameda and circulated in the City of Newark, which motion was duly seconded, and said ordinance was passed and adopted by the following vote:

AYES: Council Members Bucci, Hannon, Vice Mayor Freitas, and Mayor Nagy

RECUSED: Council Member Collazo

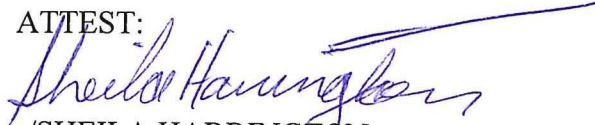
ABSENT: None

SECONDED: Council Member Hannon

APPROVED:


s/ALAN L. NAGY
Mayor

ATTEST:


s/SHEILA HARRINGTON
City Clerk

APPROVED AS TO FORM:


s/KRISTOPHER J. KOKOTAYLO
Interim City Attorney

WHATS HAPPENINGS TRI CITY VOICE

This space for filing stamp only

39737 PASEO PADRE PKWY, FREMONT, CA 94538
Telephone (510) 494-1999 / Fax (510) 796-2462

SHEILA HARRINGTON
CITY OF NEWARK/CITY MANAGER
37101 NEWARK BLVD
NEWARK, CA - 94560

CNS#: 3425110

PROOF OF PUBLICATION

(2015.5 C.C.P.)

State of California)
County of ALAMEDA) ss

Notice Type: ORD - ORDINANCE PUBLICATION

Ad Description:
Delivery Fees Ordinance

I am a citizen of the United States and a resident of the State of California; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the principal clerk of the printer and publisher of the WHATS HAPPENINGS TRI CITY VOICE, a newspaper of general circulation in the city of Fremont, county of Alameda as defined by the laws of the State of California by the Superior Court of the County of Alameda, State of California under date 05/08/2015, case no. HG14716669. That the notice, of which the annexed is a printed copy, has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

12/22/2020

Executed on: 12/22/2020
At Los Angeles, California

I certify (or declare) under penalty of perjury that the foregoing is true and correct.



Signature



Email

URGENCY ORDINANCE NO. 527-U
AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NEWARK ESTABLISHING A TEMPORARY LIMIT OF FIFTEEN PERCENT (15%) ON FEES BY THIRD-PARTY FOOD DELIVERY SERVICES TO RESTAURANTS IN NEWARK DURING THE COVID-19 PANDEMIC

WHEREAS, international, national, state, and local health and governmental authorities are responding to an outbreak of respiratory disease caused by a novel coronavirus named "SARS-CoV-2," and the disease it causes has been named "coronavirus disease 2019," abbreviated COVID-19 ("COVID-19"); and WHEREAS, on January 30, 2020, the World Health Organization ("WHO") declared COVID-19 a Public Health Emergency of International Concern; and WHEREAS, on January 31, 2020, the Secretary of the United States Department of Health and Human Services declared a public health emergency for the entire United States to aid the nation's healthcare community in responding to COVID-19; and WHEREAS, on February 25, 2020, the Centers for Disease Control and Prevention ("CDC") announced that community spread of COVID-19 is likely to occur in the United States; and WHEREAS, on March 1, 2020, the Alameda County Health Officer declared a public health emergency throughout the County of Alameda; and WHEREAS, on March 4, 2020, California Governor Gavin Newsom declared a State of Emergency to make additional resources available, formalize emergency actions already underway across multiple state agencies and departments, and help the state prepare for a broader spread of COVID-19. The proclamation comes as the number of positive California cases rises and following one official COVID-19 death; and WHEREAS, on March 10, 2020, the Alameda County Board of Supervisors ratified the Alameda County Health Officer's declaration of a local health emergency; and WHEREAS, on March 11, 2020, the WHO declared COVID-19 a pandemic; and WHEREAS, on March 13, 2020, the President of the United States of America declared a national emergency and announced that the federal government would make emergency funding available to assist state and local governments in preventing the spread of and addressing the effects of COVID-19; and WHEREAS, on March 16, 2020, the Alameda County Health Officer, along with six other health officers within six Bay Area counties, took a unified step to slow the spread of COVID-19 and preserve critical health care capacity across the region by issuing a legal order directing their respective residents to shelter at home beginning March 17, 2020 through April 7, 2020 (the "shelter in place order"). The shelter in place order in Alameda County limits activity, travel, and business functions; and WHEREAS, on March 16, 2020, due to an escalating increase in the number of COVID-19 cases in Alameda County, the City Manager, acting as Director of Emergency Services, found that the conditions related to the COVID-19 pandemic were of extreme peril to the safety of persons and

property within the territorial limits of the City and thus proclaimed a local emergency pursuant to Newark Municipal Code Chapter 2.16 and Government Code Section 8558; and WHEREAS, on March 17, 2020, at a special meeting the Newark City Council ratified the Director of Emergency Services' proclamation of a local emergency related to the COVID-19 pandemic; and WHEREAS, on March 19, 2020, the Governor of California issued Executive Order N-33-20 ordering all individuals within the State of California to stay home or at their place of residence, except as needed to maintain continuity of operation of the federal critical infrastructure sectors, critical government services, schools, childcare, and construction (the "State order"); and WHEREAS, the City Council has approved multiple resolutions declaring the continued existence of a local emergency within the City of Newark; and WHEREAS, the shelter in place order and the State order have been modified to gradually allow some activity under limited circumstances and social distancing guidelines, but both remain in place and large segments of the economy, particularly related to indoor activities such as dining, remain closed or severely limited; and WHEREAS, continuity of operations among the City's restaurants is critical for the delivery of essential food services to the residents of Newark and to sustain these sources of employment and neighborhood vitality within the City; and WHEREAS, if restaurants permanently close, then essential workers will be displaced, storefronts will be vacant, and residents will lose access to contactless delivery of locally prepared meals; and WHEREAS, many consumers use third-party applications and websites to place orders with restaurants for delivery and takeout, and these third-party platforms charge restaurants fees; service agreements between some restaurants and third-party platforms provide that the platform charges the restaurant between twenty five percent (25%) to thirty three percent (33%) of the purchase price per order; and WHEREAS, restaurants, eating and drinking establishments, and particularly those that are small businesses, have limited bargaining power to negotiate lower fees with third-party platforms given the financial straits restaurants are facing during this period of emergency; and WHEREAS, given that only a few companies in the marketplace provide such delivery services, restaurants that do not operate their own delivery service resort to contracting with third-party delivery service providers as a means to compete in the marketplace; and WHEREAS, capping delivery service per-order fees at 15% will achieve the public purpose of ensuring the continued operation of local restaurants and third-party platforms during the period of emergency; the 15% limit on fees charged to restaurants is based on the findings and experience of other California cities and cities nationwide that have already adopted 15% fee ceilings or similar caps as reasonable emergency regulations in collaboration with food delivery companies; and WHEREAS, the adoption of a cap among cities establishes a temporary, imminent and new competitive environment for

Newark restaurants, and adoption of the 15% fee limitation by adjacent cities creates a competitive disadvantage to Newark restaurants during the COVID-19 pandemic when Newark restaurants are already struggling; and WHEREAS, California Constitution, Article XI, Section 7, provides cities and counties with the authority to enact ordinances to protect the public health, safety, and general welfare, of their citizens; and WHEREAS, both large and smaller events across the Bay Area and in Newark are cancelling or being postponed due to the County's and State's Orders and recommendations at all levels of government to cancel large gatherings amid concerns over spread of the virus. These cancellations and postponements cause loss in revenue for the event, as well as surrounding local businesses including eating and drinking establishments that rely on such events to bring in patrons to their businesses; and WHEREAS, with modified capacity, many restaurants are seeing an increase in carry-out and delivery offerings, placing a sudden and severe financial strain on the industry, particularly on restaurants that are small businesses, a category of businesses which typically already operate on thin margins; and WHEREAS, restricting restaurants to takeout or delivery offerings, and limited to outdoor dining with decreased capacity as a result of physical distancing, has placed a sudden and severe financial strain on many restaurants, particularly those that already operate on thin margins, adding to financial pressures in the industry that predate the COVID-19 crisis; and WHEREAS, based on public input received by City staff, many restaurant and food establishments within the City have been relying on delivery and pick up to generate both revenue and new customers, and to serve existing customers, and it is critical they operate in a safe manner where social distancing can be maintained in accordance with guidance from the State of California and local health officials; and WHEREAS, it is in the public interest to take action to ensure the delivery of essential food services to residents of Newark and to maximize restaurant revenue from the takeout and delivery orders that, with the exception of limited dining operations, are currently one of the primary sources of revenue for these businesses to enable restaurants to survive this crisis and remain as sources of employment and neighborhood vitality in the City; and WHEREAS, Alameda County's reversion to the purple tier "widespread" status, coupled with an oncoming third wave of nationwide infections, further places a strain on Newark's local restaurants; and WHEREAS, as restaurants return to modified, lower capacity restaurant service, it is still unclear how restaurants will fare, as restaurants must create new, physically distanced dining areas and implement increased training and sanitation measures, and it is also unclear how quickly restaurant patrons will return to restaurant dining and restaurants may continue to see a significant loss of revenue for an ongoing period of time; and WHEREAS, this Ordinance is temporary in nature and only intended to promote stability and safe and healthy operations within

the restaurant and food markets in the City during the COVID-19 pandemic outbreak, to assist local businesses in transitional and uncertain times, and to prevent avoidable business closures thereby serving the public peace, health, safety, and public welfare and ensuring jobs and economic vitality within the City, while also preventing further spread of the virus; and WHEREAS, an urgency ordinance is necessary to avoid the continuing and immediate threat to public peace, health, and safety as failure to adopt this urgency ordinance would result in the avoidable displacement or exposure to COVID-19 of the City's restaurant and food service industry and to the amplification of the factors that lead to the spread of the virus, as described in these Recitals; and WHEREAS, the City Council hereby finds approval of this Ordinance is exempt from the California Environmental Quality Act (Public Resources Code §§ 21000 et seq., "CEQA," and 14 Cal. Code Reg. §§ 15000 et seq., "CEQA Guidelines") under Section 15061(b)(3) of the CEQA Guidelines. This is an emergency response measure aimed at capping delivery services fees on existing restaurants. No new development will result from the proposed action and the regulation is temporary. No impact to the physical environment will result. NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF NEWARK, DOES HEREBY ORDAIN AS FOLLOWS: SECTION 1. Findings The City Council of the City of Newark finds that all of the above Recitals are true and correct and incorporated herein by reference. SECTION 2. Urgency Findings The City Council of the City of Newark hereby finds that there is a current and immediate threat to the public health, safety and/or welfare and a need for immediate preservation of the public peace, health, or safety that warrants this urgency ordinance, which finding is based upon the facts stated in the recitals above, and in the staff report dated December 10, 2020 and considered during the December 10, 2020 City Council meeting as well as any oral and written testimony at the December 10, 2020 City Council meeting. The adoption and implementation of this Ordinance is an urgency measure necessary for the immediate preservation and protection of the public peace, health and safety as detailed above and as this Ordinance is an emergency response measure aimed at ensuring the recovery and vitality of the restaurant industry after closure and limited operations. The facts constituting such urgency are all of those certain facts set forth and referenced in this Ordinance and the entirety of the record before the City Council. SECTION 3. Ordinance The City Council hereby makes the findings contained herein and hereby adopts the uncoded Ordinance to read as follows. A Temporary Limit on Charges by Third-Party Food Delivery Services Section 1. Definitions. For purposes of this Ordinance, the following definitions apply: A. "Covered Establishment" means a restaurant that offers, in a single commercial transaction over the internet, such as Online Order, or over the telephone, such as a Telephone Order, whether directly or through a third-party food delivery service, the sale and

same-day delivery of food to customers from one or more retail locations within the City. B. "Third-party Food Delivery Service" means any website, mobile application or other internet service that offers or arranges for the sale of food and beverages prepared by, and the same-day delivery or same-day pickup of food and beverages from a Covered Establishment. C. "Online Order" means an order placed by a customer through a platform provided by a Third-party Food Delivery Service for delivery or pickup within the City. D. "Telephone Order" means an order placed by a customer to a food service establishment through a telephone call or the use of the third-party food delivery service providers' platform and/or on-line phone system, or via text for delivery or pickup within the City. E. "Purchase Price" means the menu price of an online order. Such term therefore excludes taxes, gratuities, and any other fees that may make up the total cost to the customer of an order. Section 2. Temporary Limit on Third Party Food Delivery Service Charges. A. Fee Limit. It shall be unlawful for a Third-Party Food Delivery Service to charge a Covered Establishment a fee that totals more than 15 percent of the Purchase Price of an Online or Telephone Order for the use of its services. Section 3. Enforcement. A. A Third-Party Food Delivery Service shall not be found in violation of this Ordinance if between the Effective Date of this Ordinance and December 24, 2020, it imposes a fee per Online or Telephone Order for the use of its services that totals more than 15 percent of the Purchase Price of such order, provided it refunds the portion of the fee that exceeds the fee percentage set forth in this Ordinance to Covered Establishment no later than 15 days after the purchase. B. If a Third-Party Food Delivery Service charges a Covered Establishment fees that violates this Ordinance, the Covered Establishment shall, within seven calendar days, provide written notice to the Third-Party Food Delivery Service requesting a refund; the refund shall be paid within seven calendar days. If the Third-Party Food Delivery Service does not provide the refund requested after seven days or the Third-Party Food Delivery Service continues to charge fees in violation of this Ordinance after the initial notice, a Covered Establishment may enforce this Ordinance by means of a civil action seeking damages and injunctive relief. The prevailing party in any such action shall be entitled to an award of reasonable attorney fees. C. Violations of this Ordinance shall constitute an infraction that can be enforced solely through an administrative citation pursuant to Chapter 7.18 of the Newark Municipal Code. Section 4. Guidance and Rules. A. The City Manager, or designee, is authorized to implement this Ordinance and issue any guidance or rules necessary to implement this Ordinance. Section 5. Duration. A. This Ordinance shall become effective immediately upon its adoption and remain in effect until such time as the Newark City Council terminates the declared local emergency, as affirmed by the Council on March 17, 2020. SECTION 4. Severability If any provision of this Ordinance or the application thereof to any person or

circumstance is held invalid, the remainder of the ordinance, including the application of such part or provision to other persons or circumstances shall not be affected thereby and shall continue in full force and effect. To this end, provisions of this Ordinance are severable. The City Council of the City of Newark hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase hereof irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases be held unconstitutional, invalid, or unenforceable. SECTION 5. Effective Date Following adoption by at least a four-fifths vote of the City Council, this Ordinance shall be effective immediately upon adoption pursuant to Newark Municipal Code Section 2.08.180. The City Clerk shall certify as to the adoption of this Urgency Ordinance and shall cause it to be published within fifteen (15) days of the adoption and shall post a certified copy of this Urgency Ordinance, including the vote for and against the same, in the Office of the City Clerk, in accordance with California Government Code Section 36933. I HEREBY CERTIFY this urgency ordinance was read at the regular meeting of the Newark City Council held on December 10, 2020. Council Member Buccì moved that it be adopted and passed and ordered published within 15 days of the date of adoption in the Tri-City Voice, a newspaper of general circulation published and printed in the County of Alameda and circulated in the City of Newark, which motion was duly seconded, and said ordinance was passed and adopted by the following vote: AYES: Council Members Buccì, Hannon, Vice Mayor Freitas, and Mayor Nagy RECUSED: Council Member Collazo ABSENT: None SECONDED: Council Member Hannon APPROVED: s/ALAN L. NAGY ATTEST: Mayor s/SHEILA HARRINGTON City Clerk APPROVED AS TO FORM: s/KRISTOPHER J. KOKOTAYLO Interim City Attorney 12/22/20

CNS-3425110#