

**DEL REY OAKS CITY COUNCIL
AND REDEVELOPMENT AGENCY
TUESDAY, JULY 28, 2009 at 7:00 P.M.
CHARLIE BENSON MEMORIAL HALL, CITY HALL**

**AGENDA
REGULAR MEETING**

1. **7:00 P.M. - ROLL CALL** – *City Council and Redevelopment Agency*

2. **PUBLIC COMMENTS:**
Anyone wishing to address the City Council or Agency on matters not appearing on the Agenda may do so now. The public may comment on any other matter listed on the Agenda at the time the matter is being considered. *There will be a time limit of not more than three minutes for each speaker. No action will be taken on matters brought up under this item and all comments will be referred to staff.*

3. **CONSENT AGENDA:** *Action Items*
 - A. **MINUTES:**
 1. June 23, 2009, Regular Joint City Council and RDA Meeting
 2. June 30, 2009, Special City Council Meeting – Cancelled
 3. July 1, 2009, Special City Council Meeting
 4. July 6, 2009, Special City Council Meeting
 5. July 21, 2009, Special Council Budget Workshop
 6. July 8, 2009, Regular Planning Commission Meeting - Cancelled
 - B. **MONTHLY REPORTS:**
 1. Claims, June 2009
 2. Financials, June 2009
 3. Fire Department Response Report, June 2009
 4. Police Activity Report, June 2009

4. **PRESENTATION:**
AMBAG (Association of Monterey Bay Area Governments):
Monterey Bay Regional Blueprint Program
Presenters: Katie Axt, Associate Planner
John Doughty, AMBAG Executive Director

5. PROCLAMATIONS:

- A. 7th Sea Otter Awareness Week, September 27 – October 3, 2009

6. OLD BUSINESS: None

7. NEW BUSINESS:

Action Items

- A. Appointment of Planning Commissioners
- B. Adopt the Fiscal Year 2009-2010 City of Del Rey Oaks Budget
1. Resolution 2009-07, A Resolution of the City Council of the City of Del Rey Oaks Establishing an Appropriation Limit for the Fiscal Year 2009-2010 Pursuant to Article XIII B of the California Constitution
 2. Resolution 2009-08, A Resolution of the City Council of the City of Del Rey Oaks Adopting a Change in Fees in the Fee Schedule for Certain Charges for City Services.
 3. Resolution 2009-09, A Resolution Adopting a Fee Schedule for Certain Charges for City Subdivisions, Planning and Related Services
 4. Resolution 2009-10, A Resolution of the City of Del Rey Oaks Establishing a Promotion Fund for the Fiscal Year 2009-2010
 5. Resolution 2009-11, A Resolution of the City of Del Rey Oaks Establishing Salaries for the Fiscal Year 2009-2010
 6. Resolution 2009-12, A Resolution Approving the Expenditure Plan of Funds from the Supplemental Law Enforcement Services Fund
- C. Consider adopting City of Del Rey Oaks Resolution 2009-13 and Del Rey Oaks Redevelopment Agency Resolution 2009-02 awarding a contract to the firm Marcello and Company to conduct a comprehensive financial audit of the City of Del Rey Oaks and the Del Rey Oaks Redevelopment Agency records for the fiscal year ending June 30, 2009, with an option for two additional years.

8. STAFF REPORTS:

- A. City Manager Report

9. MAYOR AND COUNCIL REPORTS

10. CORRESPONDENCE:

- A. Highlights of the Monterey Regional Waste Management District Board Meeting
- B. Highlights of the Community Human Services Board Meeting
- C. Letter of appreciation from Rolands & Associates Corporation

11. **CLOSED SESSION:** As permitted by Government Code Section 54956 et. seq. the Council may adjourn to a Closed Session to consider specific matters dealing with certain litigation, personnel, or labor/real property negotiations

- A. Public Employee Appointment: City Manager

12. **SET NEXT MEETING DATE:** Establish **Tuesday, August 25, 2009**, at **7:00 P.M.** as the date and time of the Council's next regular meeting.

13. **ADJOURNMENT**

<p>Information distributed to the Council at the meeting becomes part of the public record. A copy of written material, pictures, etc. must be provided to the secretary for this purpose. All enclosures and materials regarding these agenda items are available for public review at the Del Rey Oaks City Hall, 650 Canyon Del Rey Road, Del Rey Oaks.</p>
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THE DEL REY OAKS CITY COUNCIL AND REDEVELOPMENT AGENCY CONVENED FOR THE REGULAR MEETING AT 7:00 P.M. ON TUESDAY, JUNE 23, 2009 IN THE CHARLES BENSON MEMORIAL HALL, CITY HALL

Present: Council Members/Agency Members Clark, Edelen, Cecilio, Allion and Mayor Russell

Absent: None

Also present: Assistant City Attorney/Assistant Agency Attorney Buchert, Interim City Manager/Agency Secretary Evans, Redevelopment Project Manager Goblirsch and Deputy City Clerk/Agency Clerk Carvalho

Meeting came to order at 7:00 p.m., roll call was taken and the Pledge of Allegiance was recited.

PUBLIC COMMENT:

Bob Oliver: Stated he was here to talk about his ticket again and he will be here at the meetings to inform the public of the process. His constitutional rights were violated a police officer pulled him over for speeding and found nothing wrong so he looked for something wrong. Asked the council to contact him, no one has and he wanted you [Council] to know everyone is going through the same process. Has a pile of paperwork that is 6 inches tall.

Kathi Smith: Thanked the council for putting the meetings on the website.

Sergeant Villarreal: Has a question about the health and wellness benefit, and the education incentive. Wants to know if the City Manager has the right to stop a benefit? Read a memo out loud that had been left for the city clerk's.

City Manager Evans: This memo was not intended to eliminate the benefit, just postpone the payment temporarily until the budget is passed.

Sergeant Villarreal: He said he feels the city is like a family and it takes a lot for him to come up to speak.

CONSCENT:

Council Member Clark: Wanted to pull Item 3.C. SPCA and wanted to assure there is no fiscal change?

City Manager Evans: That is his understanding and that the Deputy City Clerk spoke with the director of SPCA and if the rates do end up going up we will be notified.

Motion by Council Member Edelen to approve consent agenda, seconded by Council Member Clark

There was no public comment received

Motion passed 5-0

PRESENTATION:

John Infantino: This is a hard time for everyone in this economy. He introduced his staff working at the Monterey Office. He stated that Butch Harmon brings a unique perspective. Planning that the boutique hotel will be by Kimpton Hotels with the Resort Hotel by Westin Hotels & resorts and Westin residence brand which is a part of Starwood Hotels. They are known for unique architecture. He stated that his spring had several meetings with water, environmental, etc. and that they are still in the EIR process. Continued EIR process should conclude by Winter 2010.



Updated EIR Schedule

	Duration	Start	Finish
EIR Scoping Meeting	0	7/20/09	7/20/09
Public Outreach	100	7/20/09	10/28/09
Finalize Administrative Draft	7	7/21/09	7/28/09
City Review of Admin Draft	14	7/28/09	8/11/09
Prepare Draft EIR	22	8/11/09	9/2/09
Public Review of EIR	30	9/2/09	10/2/09
Draft EIR Public Hearing	0	9/16/09	9/16/09
Response to Comments / Prep Final EIR	35	10/2/09	11/6/09
City Review of Final EIR	14	11/6/09	11/20/09
Prepare Staff Report on EIR	7	11/20/09	11/27/09
PC Approval of EIR	0	11/29/09	11/29/09
CC Certifies EIR	0	12/13/09	12/13/09
CC Second Hearing on EIR	0	1/7/10	1/7/10
FOR A Staff Consistency Determination	14	1/7/10	1/21/10

Despite all the odds, CA will prosper. Federal and DRO will succeed!

PUBLIC COMMENTS:

Bob Oliver: Mentioned Federal and Del Rey Oaks what is the relationship?

John Infantino: Strategy partner Federal Development, LLC and Del Rey Oaks to generate a long term income

Linda Richardson: Asked for clarification of some of the acronyms. ROD: Record of Decision army requirement: process that states how the land will be used now the base has been closed. DTSC: Department of Toxic Substance Control, they have the cleanup plans.

Mike Ventimiglia: Represents a group of Del Rey Oaks Citizens. Can the Draft EIR schedule be placed on website? Are their payments forthcoming? Are the consultants payments forthcoming? Knows the EIR will shake out some thing but they are in favor of the project.

John Infantino: Yes, EIR will be on website and payments are forthcoming.

Kathi Smith: Thanked John Infantino for coming to do a presentation. Asked about water, etc.

John Infantino: Explained the water process.

Council Member Clark: Hotel/conference center?

John Infantino: Yes in the second phase.

Council Member Edelen: Any big challenges?

John Infantino: It would be a shame if a litigation process begins. Community Facility District funds have dried up somewhat. Wants to reiterate that this project is worth every dollar:

Council Member Allion: Met with MCWD (Marina Coast Water District)

John Infantino: Asked when will the water be available, etc.

Mayor Russell: MCWD and MRWPCA (Monterey Regional Water Pollution Control Agency) have an MOU (Memorandum of Understanding) to provide recycled water for all projects, Del Rey Oaks, Seaside, and Marina.

Council Member Allion: They will provide the water that has been allocated/

Assistant City Attorney Buchert: Yes and recycled water for the golf course.

Council Member Cecilio: Brought a pulse back to the City Council and happy that he came to do the presentation.

Mayor Russell: Will the presentation be on the website?

Deputy City Clerk Carvalho/Elizabeth Orlando, Federal Development LLC: Yes this can be done.

OLD BUSINESS:

The Council considered **ITEM 5.A.** An Ordinance Adding Chapter 1.20 to the Municipal Code to Create a Procedure for Imposing and Collecting Administrative Fines for Violations of the Del Rey Oaks Municipal Code (*second reading*)

Assistant City Attorney Buchert: I've gone over this many times and nothing has changed.

Chief Langford: None of the codes will change.

PUBLIC COMMENT:

Bob Oliver: Seems that PD is happy with it, and asks that a citizen committee be appointed rather than a council appointed committee.

Mike Ventimiglia: Good tool but hopes that the DRO process is much more expedient than Monterey is for example. Feels it's a good move for the City.

Kathi Smith: Glad to see this implemented. Good source of revenue. Are we not giving warnings any longer? Has a large boat and trailer in front of her house.

Assistant City Attorney Buchert: Process isn't really going to change. He stated that he will be asking residents to comply. There is a citation, and a possible injunction. The difference is things would be handled through the City rather than the courts with some ramifications rather than just a fine.

Chief Langford: Stated they issued two citations, vehicle code supersedes the municipal code on parking on public streets.

Council Member Allion: Feels this ordinance is a good balance between the rights of the citizens and the rights of the City.

City Manager Evans: If this ordinance is approved it will not take effect for thirty days.

Motion by Council Member Allion to approve, seconded by Council Member Cecilio

There were no further public comments received

The Council was poled:

Council Member Clark: Aye

Council Member Edelen: Aye

Council Member Cecilio: Aye

Council Member Allion: Aye

Mayor Russell: Aye

Motion passed 5-0

NEW BUSINESS:

REDEVELOPMENT AGENCY (RDA)

The Redevelopment Agency considered **ITEM 6.A.1.**, RDA Resolution 2009-01, a Resolution Authorizing Continuing Appropriations for Fiscal Year 2009-2010.

Agency Secretary Evans: This Resolution will allow the City to continue to operate until the Budget is passed.

Public Comment:

Bob Oliver: Is there a percentage that can be annotated?

Agency Secretary Evans: None on the RDA

Motion by Agency Member Allion to approve, seconded by Agency Member Edelen.

*There were no further public comments received.
Motion passed 5-0*

The Redevelopment Agency considered **ITEM 6.A.2.**, Consider Acceptance of the RDA Audit Report

Agency Secretary Evans: Audit for FY 2007-2008

Sonny Wong, Hiyashi and Wayland: This was the first year handling the Del Rey Oaks audit. Stated we issued a clean decision. There were some findings that Mr. Evans is working on.

Agency Member Allion: On Page 10, statement of activities, expense \$52,000 interest on long term debt. This is money due to the RDA from the loans from Federal Development. This is not money the City has.

Sonny Wong: Management report explains differences between last year and this year's audit.

Agency Chair Russell: This money does not have to be paid back until there is a tax increment which there is not. Technically carried by the RDA as debt.

Motion by Agency Member Edelen to accept the Redevelopment Agency Audit Report, seconded by Agency Member Clark.

There were no public comments received.

Motion passed 5-0

CITY OF DEL REY OAKS (DRO)

The Council considered **ITEM 6.B.1.**, Consider Acceptance of the City Audit Report

Sonny Wong: City Audit only reports are in the back starting on page 30. City Audit issued a qualified opinion and was discussed with the audit committee.

Council Member Allion: Changes in fund balances \$710,000 as of June 2008. We have a positive fund balance as of June 2008.

Council Member Edelen: The City is making progress.

Sonny Wong: Net assets and fund balances are two different things.

Council Member Allion: Page 7: Change in net assets, Property taxes from 2008 decreased because of the safety tax and the tax incentive increased it.

Public Comment

Mike Ventimiglia: Go over findings.

Sonny Wong: Some of the findings: late budget, state reports late, accounting policy and procedures manual not completed, training in government accounting procedures not completed, train staff or hire someone who already has these skills. A lot of these items are being handled so will most likely go away in 2009.

Motion by Council Member Allion to accept City Audit Report, seconded by Council Member Edelen

There was no further public comment received
Motion passed 5-0

The Council considered **ITEM 6.B.2.**, Consider Resolution No. 2009-05, Resolution Authorizing Continuing Appropriations for Fiscal Year 2009-2010
City Manager Evans: Same thing as the RDA but for the City.

Public Comment:

Kathi Smith: Obviously we don't have to make any cuts.

Bob Oliver: Since Del Rey Oaks has no library, would DRO consider making a donation to Monterey Library so they can stay open on Sunday.

Sergeant Villarreal: Authorizing expenditures at the level of 2008-09.

City Manager Evans: It was only to stop payments until the budget is passed.

Note: There was much discussion back and forth between the Council and Sergeant Villarreal.

Bob Oliver: Wants to have clarification that this benefit will not be paid out for as many months as the budget is held up from approval.

Mike Ventimiglia: Doesn't know if DRO knows this but this is why many cities have gone with MOU's between the employees and Council. These MOU's are regulated by the State and Federal Benefits.

Bob Cayce: What is the wellness benefit?

Council Member Allion: This is so employees can go get exercise.

Motion by Council Member Allion to approve, seconded by Council Member Edelen

There were no further public comments received

Motion passed 5-0

The Council considered **ITEM 6.B.3.**, Consider Capital Assets Policy Manual
City Manager Evans: Deficiencies of a capital asset policy, what constitutes a fixed asset? He explained the basics of the policy.

Laura Dadiw, Dewey D. Evans and Associates: Basic policy was taken from one that is in use in Sand City.

City Manager Evans: Also taken from the league of CA cities

Council Member Clark: Were there any modifications made?

City Manager Evans: Yes it was tailored to Del Rey Oaks.

Laura Dadiw: There were mostly eliminations for things that DRO doesn't have such as boats, and marinas and there was one change of an amount that didn't make sense to DRO.

Council Member Allion: Stated that on Page 14 Roads have useful life of 50 years.

Motion by Council Member Clark to approve, seconded Council Member Edelen

There were no public comments received.

Motion passed 5-0

The Council considered **ITEM 6.B.4.**, Consider Accounting Policies and Procedure Manual

City Manager Evans: Puts in writing the procedures, duties by position, training required, purchasing, documentation of purchasing, accounts receivable, accounts payable, payroll, bank reconciliations, fiscal policy statement, grant compliance, computer system backup, chart of accounts, revenue, expenditure detail gave Laura great credit for this document.

Council Member Clark: Very detailed and feels every workplace should have it.

Public Comment:

Kathi Smith: Best thing that has been done for the City.

Council Member Allion: This is a living document and will continue to be updated.

*Motion by Council Member Edelen to approve, seconded by Council Member Clark
There were no further public comments received.*

Motion passed 5-0

The Council considered **ITEM 6.B.5.**, Consider Lettering Monument Approval

Chief Langford: Stated he was tasked with getting the City monument sign done. The masonry work has been completed, suggested planting behind sign at Hwy 218 and Hwy 68.

Council Member Clark: What if it gets graffitied?

Chief Langford: It would be the same no matter what type of sign was up.

Council Member Allion: Is ours going to be corrugated?

Chief Langford: No it will be as designed used corrugated as example of materials.

Council Member Edelen: Thinks we should go ahead.

Council Member Allion: Will this need Planning Commission approval?

Chief Langford: This has already been approved by the Planning Commission.

Public Comment:

Bob Oliver: How much is this going to cost?

Chief Langford: \$16,000

Irene Barlich: Thinks is very nice and should be done.

*Motion by Council Member Clark, seconded by Council Member Cecilio
There was no further public comment received*

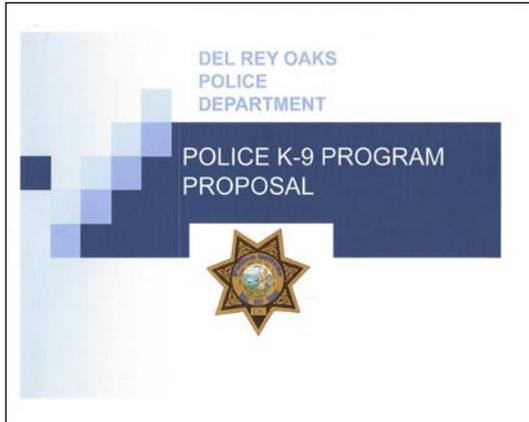
Motion passed 5-0

The Council considered **ITEM 6.B.6.**, Consider Authorizing Use of a Police K-9

Chief Langford: Asking the Council to approve Officer Laurits' proposal to use a Police K-9. Draft policy is included. Page 1, Item 2: "Reasonable believe" was

changed to "Absent reasonable believe" and Page 4, #12. Under public demonstration: The Chief of Police shall make the City Manager aware of any request.

(Slide Show)



Introduction

- Ares is a two year old Shepard from the Cezch Republic.
- He was imported into the US by Marken International of Santa Cruz. (He has his own passport.)



DRAFT - K-9 Policy

- The Policy is provided by Lexipol, a private company in CA, to provide vetted policies to Public Safety.
- The Draft Policy has been approved by MBAISA – Kent Rice. The same policy used by other agencies in MBASIA.

Costs Associated with Program

- The total cost of the program is absorbed by the K-9 Handler.
- There is no increase in the City's liability premium - Kent Rice 6/22/09.
- K-9 costs approximately \$20,000.00 to start, and \$5,000.00 a annually.

Summary

- Reserve Officer David Laurits is a trained K-9 officer. He has volunteered the services of Ares, to be the first K-9 unit in the history of DROPD.
- Ares is a P.O.S.T. certified K-9.
- Trained in Patrol Ops, Narcotics detection, and Hard Surface Tracking.

Facts for Consideration

- The public K-9 demonstrations develop and increase relationships with the public and the police department.
- K-9 is the only tool that can search out in a capacity that humans cannot.
- K-9 is considered by the 9th Circuit Court as being less force then a baton strike.
- 97%of k-9's works is done with its nose not mouth.
- A 5,445 square foot building took a K-9 less than two minutes to search while the same building took three officers 21 minutes to thoroughly search.

Council Member Edelen: Does he have his own car?

Chief Langford: He will be with David Laurits at all times.

Mayor Russell: Can other agencies use the Dog?

Chief Langford: It's up to the Chief of Police and our policy would go along with the dog.

Council Member Edelen: Any chance of extra revenue?

Chief Langford: Yes, would bring back to the City Manager. Having a dog there is a big plus.

Mayor Russell: Not really an attack dog?

Chief Langford: Will protect his handler, and chase a suspect but not trained to attack.

Council Member Allion: Who is picking up all the expense?

Chief Langford: David is paying for all of this 100%.

Motion by Council Member Allion to approve and accept the policy, seconded by Council Member Cecilio.

There were no public comments received

Motion passed 5-0

The Council considered **ITEM 6.B.7.**, Consider Resolution 2009-06, Resolution Unconstitutional Diversion of Local Share of Motor Fuel (Gas) Tax and Redevelopment Tax Increment

Mayor Russell: This resolution considers the action by the State of California to take RDA funds and gas tax funds and opposes this action. Feels we should tell the State that we do not approve of this action.

Council Member Edelen: Feels we should approve this resolution and send the message to our state legislatures.

City Manager Evans: This will mean the state borrowing 8% of Property tax and a potential loss of \$80,000 with the gas tax

Motion by Council Member Allion to approve, seconded by Council Member Clark.

There was no public comment received

Motion passed 5-0

STAFF REPORTS:

City Manager Evans: The Acorn will be hand delivered by the Citizens Action Group and will be at the City Hall tomorrow morning.

Chief Langford: Briefing the Council on this coming SCRAM event.

Council Member Clark: Has the Airport been contacted about all the helicopters? Asked City Manager Evans to talk to the Airport?

MAYOR/COUNCIL

Council Member Clark: Announced a Public Hearing for Del Rey Oaks DART route.

Council Member Edelen: Reported on TAMC, Hatton Canyon to bike path.

Council Member Allion: AMBAG still having a financial crisis.

Mayor Russell: MRWPCA and MCWD entered into a MOU regarding recycled water.

9:36 p.m. - Council meeting adjourned to closed session

9:44 p.m. - Convened Closed Session

10:00 p.m. - Reconvened into open session. Assistant City Attorney Buchert announced that the Council met in closed session regarding the items shown on the Agenda. Regarding Item 10. A., Public Employee Appointment, the Council received information, direction was given to staff, no action was taken. Regarding Item 10. B., Conference with Legal Counsel, the Council received information, direction was given to the City Attorney, no action was taken.

10:01 p.m. - Adjourned

Next Meeting Date: Establish **Tuesday, March 24, 2009, 7:00 p.m.** as the date and time of the Council's next regular meeting.

Approved:

SPECIAL MEETING OF THE CITY COUNCIL OF THE CITY OF DEL REY OAKS CONVENED AT 6:15 P.M. ON WEDNESDAY, JULY 1, 2009 IN THE CHARLES BENSON MEMORIAL HALL, CITY HALL

Present: Council Members Clark, Edelen, Cecilio and Mayor Russell

Absent: Council Member Allion

Also present: Assistant City Attorney Buchert and Deputy City Clerk Carvalho

Meeting came to order at 6:15 p.m. and roll call was taken.

CLOSED SESSION:

Public Employee Appointment – Interim City Manager

Open Session:

Assistant City Attorney Buchert: Reported that the Council met on the item listed on closed session.

Motion by Council Member Edelen to appoint Laura Dadiw as Interim City Manager, seconded by Council Member Clark

There was no public comment received

Motion passed 4-1

NEW BUSINESS:

The Council considered ITEM 4.A. Accept resignation of Interim City Manager Dewey Evans.

Assistant City Attorney Buchert: Required not to work past 6-30-09 per CalPERS audit findings.

Motion by Council Member Clark to accept resignation, seconded by Council member Cecilio

Council Member Edelen: Thanked Dewey for all the hard work, the city has been blessed by city managers coming in to save the day. First Phil Nash, then Ron Langford and Dewey D. Evans.

Council Member Clark: Thanked Dewey for the hard work with lots of ups and downs but they really did appreciate him. Speaking for Council Member Allion he really appreciated him also.

Council Member Cecilio: Thanks for jumping in the hole.

Mayor Russell: Will miss our daily contact and it's been a pleasure.

Dewey Evans: Really appreciated the opportunity to work together , and has an excellent caliber of Council that work very well together. The main reason for leaving is that CalPERS said he can not work past June 30, 2009 or they would take his retirement away.

There were no public comments received

Motion passed 4-0

The Council considered ITEM 4.B. Authorize execution of Employment Agreement for Interim City Manager.

Council Member Clark: Question item #5 as to hours agreed to by the City?

Assistant City Attorney Buchert: Can be decided by consensus

Mayor Russell: Leave as is

Motion by Council Member Clark to accept the agreement and authorization of execution of agreement, seconded by Council Member Edelen

There were no public comments received

Motion passed 4-0

Interim City Manager Dadiw was sworn into office this day by Deputy City Clerk Carvalho.

6:42 p.m. Adjourned

Approved

**SPECIAL MEETING OF THE CITY COUNCIL OF THE CITY OF
DEL REY OAKS CONVENED AT 6:00 P.M. ON MONDAY, JULY
6, 2009 IN THE CHARLES BENSON MEMORIAL HALL, CITY
HALL**

Present: Council Members Clark, Edelen, Cecilio, Allion and Mayor Russell

Absent: None

Also present: Assistant City Attorney Buchert and Deputy City Clerk Carvalho

Meeting came to order at 6:03 p.m. and roll call was taken.

CLOSED SESSION:

Public Employee Appointment – City Manager

Open Session:

Assistant City Attorney Buchert: Reported that the Council met on the item listed on closed session, direction was given to staff, no action was taken.

6:36 p.m. Adjourned

Approved

SPECIAL MEETING OF THE CITY COUNCIL OF THE CITY OF DEL REY OAKS CONVENED AT 7:00 P.M. ON TUESDAY, JULY 21, 2009 IN THE CHARLES BENSON MEMORIAL HALL, CITY HALL

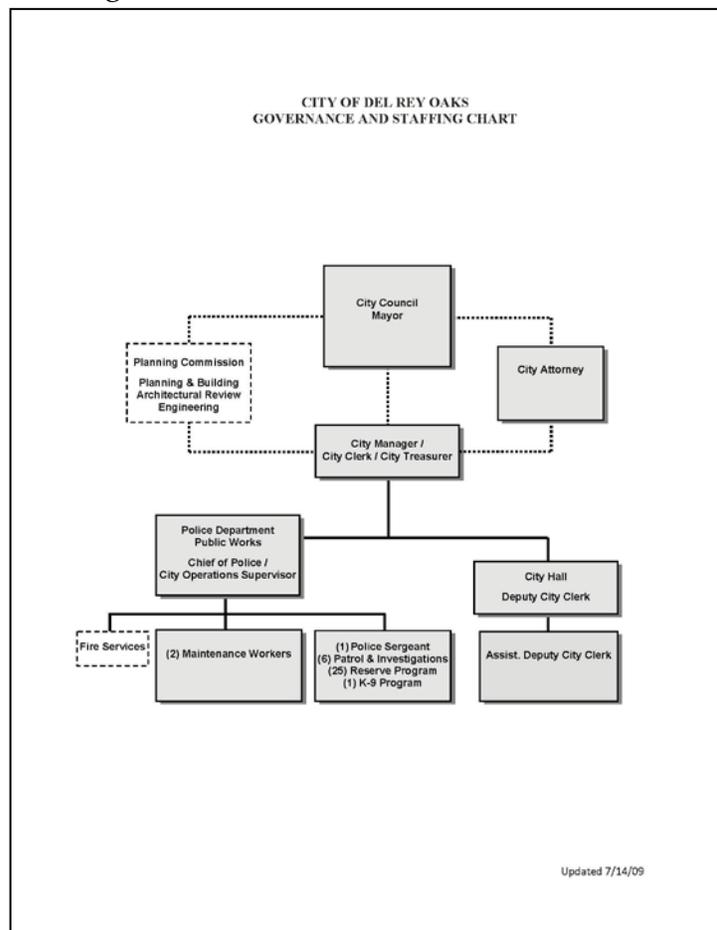
Present: Council Members Clark, Edelen, Cecilio, Allion and Mayor Russell

Absent: None

Also present: Assistant City Attorney Buchert and Deputy City Clerk Carvalho

Meeting came to order at 7:00 p.m. and roll call was taken.

Laura Dadiw: Preliminary Fiscal year budget presentation. Thanked all who helped to get this budget together. The theme of this budget is a moving target. As of this morning the State has just passed their budget. She stated that many Cities are laying people off and the city is currently proposing to keeping salaries as they are, with no reduction to education incentive. She went over the Governance and Staffing Chart.



Projected budget with two scenarios both A and B.

**CITY OF DEL REY OAKS
FISCAL YEAR 2009/10 PROJECTED BUDGETS
JULY 1, 2009 – JUNE 30, 2010**

The proposed budget is being presented in two scenarios to take into account the forecasted economic conditions County-wide and the pending State budget-balancing actions that would affect local governments:

SCENARIO A = 3% Reduction in Property Taxes anticipated by the Monterey County Assessor's Office due to foreclosures and slow-down in property sales

SCENARIO B = 3% Reduction in Property Taxes plus 8% State take-away of Property Taxes plus 75% State take-away of Gas Tax (HUTA)

She explained the changes and differences between Scenario A and Scenario B showing that the sales tax seems to be holding pretty steady at this point. Licenses and Permits have increased because of Safeway not overpaying this fiscal year as what happened in 08-09. Other Agency Revenue Property Tax should stay the same. Traffic Congestion Relief funds are unpredictable. Current services will increase because of overpayments received previous years. Scenario A will give us a net revenue of \$1,888,800 where Scenario B will give us a net revenue of \$1,826,100. On Expenditures benefits are the same and flat but might change with the incoming city manager. Premiums for workers comp will not change over the course of the year and it has gone up from \$68,000 to \$147,000. Safety programs will be looked at for training and to hopefully reduce the premiums next year. Many other expenses are being reduced by cost cutting efforts. Went over all the expense changes and non-changes. May want to consider postponing printing of the Acorn until funds come back. Contractual audit shows a reduction in potential savings with a new auditing firm. Legal costs should go down with the internal changes of the governance and the flow of information not going directly to the City Attorney. Operating Expenditure Scenario A \$1,820,200 and Scenario B \$1,756,000.

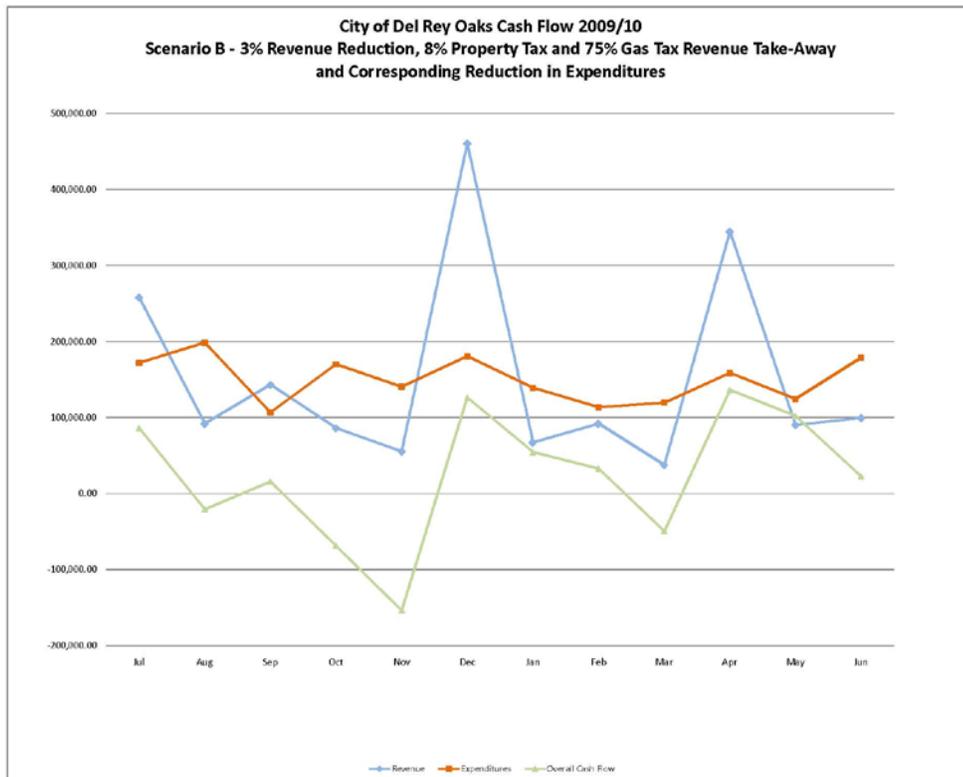
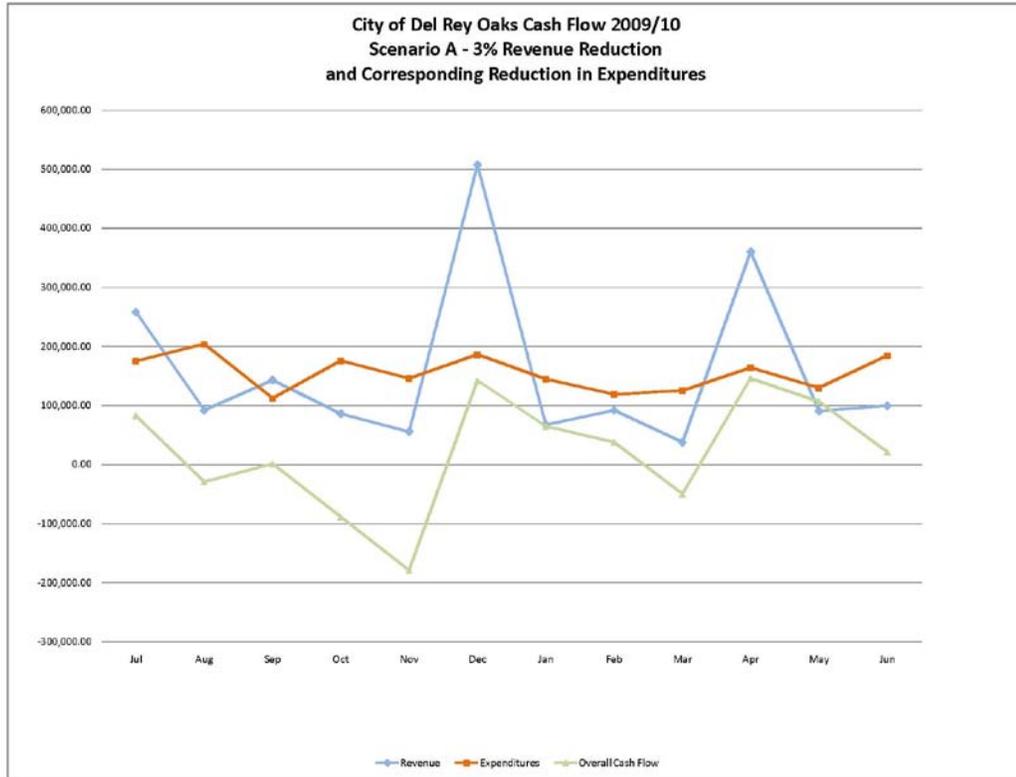
CITY OF DEL REY OAKS				
FISCAL YEAR 2009/10 PROJECTED BUDGET				
JULY 1, 2009 - JUNE 30, 2010				
			Scenario A	Scenario B
	FY 2008/09 Adjusted Budget	Actual Total for 2008/09	FY 2009/10 Projected Budget	FY 2009/10 Projected Budget
PAGE 1				
Revenues				
3100 · PROPERTY TAXES				
3105 · P/T-SECURED	378,500	375,246	367,000	337,000
3107 · P/T-UNITARY TAX	5,300	5,330	5,100	5,100
3108 · PRIOR UNITARY TAX	55	25	50	50
3110 · P/T-UNSECURED	17,100	17,616	17,400	15,200
3120 · P/T-SB813	14,140	10,616	13,700	12,600
3130 · P/T-PRIOR SECURED	20,440	23,317	20,800	18,100
3132 · PRIOR UNSECURED	50	148	50	50
3135 · PROPERTY TAX - VLF	129,500	128,961	125,600	115,200
3140 · P/T-INT/PENAL	1,500	1,678	1,450	1,450
3145 · P/T - ADMINISTRATIVE FEE	-	(6,317)	(5,500)	-
Total 3100 · PROPERTY TAXES	566,585	556,619	545,650	504,750
3200 · OTHER TAXES				
3202 · MANDATED COSTS	5,000	5,000	4,000	4,000
3205 · SALES TAX	268,000	248,525	255,000	255,000
3206 · SALES TAX IN LIEU - 3-FLIP	83,500	78,457	83,000	77,200
3208 · SALES TAX - ADD-ON	400,000	372,934	388,000	388,000
3209 · COP MONIES	88,000	55,225	88,000	88,000
3210 · PROPERTY TRANSFER TAX	6,700	4,637	4,900	4,900
3851 · SEWER IMPACT	8,400	8,266	8,400	8,400
3220 · GAS FRANCHISE	5,500	6,648	6,850	6,850
3225 · ELECTRIC FRANCHISE	13,500	14,092	14,500	14,500
3235 · GARBAGE FRANCHISE	37,000	39,451	40,600	40,600
3240 · CABLE TV FRANCHISE	23,000	23,754	24,500	24,500
3240 · WATER FRANCHISE	-	-	8,500	8,500
Total 3200 · OTHER TAXES	938,600	856,989	926,250	920,450
3300 · LICENSES & PERMITS				
3301 · BUSINESS LICENSES	108,500	104,176	170,000	170,000
3305 · BUILDING PERMITS	14,500	13,812	12,000	12,000
3310 · PLAN CHECK FEES	6,800	6,634	5,000	5,000
3315 · STREET OPENING PERMITS FEES	550	400	500	500
3325 · PLUMBING PERMITS	960	720	600	600
3330 · ELECTRICAL PERMITS	570	640	500	500
3340 · ENVIRON ASSESS FEES/PERMIT	100	-	100	100
3342 · DEVELOPER PYMT FEES/PERMITS	100	-	100	100
3345 · OTHER LICENSES/PERMITS	230	646	500	500
Total 3300 · LICENSES & PERMITS	132,310	127,028	189,300	189,300
3400 · FINES & FORFEITURES				
3401 · VEHICLE CODE FINES	16,900	8,509	10,000	10,000
3415 · OTHER COURT FINES	1,000	946	700	700
Total 3400 · FINES & FORFEITURES	17,900	9,456	10,700	10,700
3501 · INTEREST EARNED	17,500	19,658	20,000	20,000
3600 · OTHER AGENCY REVENUE				
3602 · MOTOR VEHICLE IN LIEU	3,000	3,770	3,000	3,000
3603 · OFF HIGHWAY	100	-	100	100
3604 · HOPTR	750	2,340	400	400
3605 · VEHICLE LICENSE COLLECTION	1,100	983	1,100	1,100
3620 · PROP 172	10,600	9,494	8,500	8,500
3624 · POST REIMBURSE	100	-	100	100
3648 · GRANTS	100	-	100	100
3649 · TRAFFIC CONGESTION RELIEF FUNDS	7,000	10,488	10,000	10,000
3655 · POLICE GRANTS OTHER AGENCIES	1,100	1,000	1,100	1,100
Total 3600 · OTHER AGENCY REVENUE	23,850	28,075	24,400	24,400

CITY OF DEL REY OAKS				
FISCAL YEAR 2009/10 PROJECTED BUDGET				
JULY 1, 2009 - JUNE 30, 2010				
			Scenario A	Scenario B
	FY 2008/09	Actual Total for	FY 2009/10	FY 2009/10
	Adjusted Budget	2008/09	Projected Budget	Projected Budget
PAGE 2				
3700 - CURRENT SERVICES				
3703 - USE PERMITS	3,850	2,340	3,000	3,000
3704 - MAPS/PUBLICATIONS	100	55	100	100
3706 - RENTAL INCOME	9,600	9,600	9,600	9,600
3707 - POLICE REPORTS	1,025	599	1,400	1,400
3709 - PROPERTY INSPECTIONS	1,800	1,935	1,300	1,300
3710 - POLICE SERVICES	8,000	7,257	10,000	10,000
3711 - PUBLIC EVENTS	56,000	52,228	80,000	90,000
3712 - MISCELLANEOUS SERVICES	2,000	991	1,000	1,000
3715 - PD DONATIONS	100	17	100	100
3716 - ELECTIONS	25	50	-	-
3717 - SCRIP TAXI SVC FOR SENIORS	40	(50)	-	-
Total 3700 - CURRENT SERVICES	82,540	75,022	106,500	116,500
3800 - PARKS/RECREATION				
3801 - PARK RENTAL	3,600	3,529	4,000	5,000
3802 - RV RENTAL PARKS	20,500	22,795	26,000	26,000
Total 3800 - PARKS/RECREATION	24,100	26,324	30,000	31,000
OTHER				
3610 - GAS TAX 2107	17,500	15,211	15,000	3,750
3612 - GAS TAX 2106	11,500	10,821	10,000	2,500
3614 - GAS TAX 2107.5	1,000	1,000	1,000	250
3616 - GAS TAX 2105	11,000	11,381	10,000	2,500
3708 - CDBG LOAN REPAYMENTS	52,653	52,653	-	-
Total 3900 - OTHER	93,653	91,065	36,000	9,000
Total Operating Revenues	1,897,038	1,790,236	1,888,800	1,826,100
Expenditures				
10000 - S/B				
10009 - OVERTIME	58,000	42,423	45,000	40,000
10010 - SALARIES	656,050	647,294	647,250	647,250
100101 - COUNCIL MEMBER STIPEND	6,000	6,000	6,000	6,000
100102 - CITY MANAGER SALARY	88,000	95,873	96,000	96,000
100103 - RESERVES SALARY	50,000	48,951	34,000	34,000
10011 - PERS	144,000	144,282	144,000	144,000
10012 - MEDICARE	10,000	8,808	10,000	10,000
10013 - DENTAL EXPENSE	24,600	24,320	24,600	24,600
10014 - HEALTH INS	127,400	126,536	127,400	127,400
10015 - VISION INS	2,600	2,328	2,600	2,600
10016 - WORKERS COMP	67,000	66,936	148,000	148,000
10018 - WELLNESS PROGRAM	5,000	5,000	-	-
10120 - UNIFORM ALLOWANCE	7,000	5,000	7,000	7,000
10130 - EDUCATIONAL INCENTIVE	2,850	2,775	5,100	-
Total 10000 - S/B	1,248,500	1,226,525	1,296,950	1,286,850
20100 - PAYROLL EXPENSE	4,200	3,540	3,000	3,000
20119 - BANK SERVICE CHARGES	1,000	756	100	100
20120 - SUPPLIES				
20121 - MATERIALS/SUPPLY	14,100	11,815	11,500	7,500
20123 - AMMUNITION	8,000	7,682	9,000	6,000
20160 - OFFICE SUPPLIES	27,000	27,440	15,500	9,500
20161 - SPECIAL SUPPLY POLICE	9,200	8,921	9,000	5,000
Total 20120 - SUPPLIES	58,300	55,858	45,000	28,000
20122 - REPAIR/MAINTENANCE	21,500	18,753	20,000	18,000
20126 - STREET SWEEPING	13,200	13,237	14,400	7,200
20127 - GABLAN CREW	2,500	1,436	2,000	2,000
20131 - UTILITIES/PGE	7,500	7,393	7,500	7,000
20132 - UTILITIES/WATER	10,500	4,141	5,000	5,000

She went over the capital outlay projects explaining the match process for Grants and TAMC.

CITY OF DEL REY OAKS			
FISCAL YEAR 2009/10 PROJECTED CAPITAL OUTLAY BUDGET			
JULY 1, 2009 - JUNE 30, 2010			
PAGE 1			Scenarios A & B
		FY 2008/09 Adjusted Budget	FY 2009/10 Projected Budget
4900 · CAPITAL OUTLAY REVENUE			
	3625 · 2000 PARK BOND GRANT	4,979	-
	3627 · 2002 Parks Resources Bond Act (by 6/30/2011)	-	99,655
	3720 · Portola/Carlton (Prop 1B) (by 06/03/2012)	400,000	-
	3730 · Portola/Work Walkway (MPRPD) (by 11/30/2010)	12,500	12,500
	3740 · Stream Blockage (State)	100,000	-
	3750 · Portola/Work Street (TAMC)	220,000	197,172
	3760 · City Monument Sign Proceeds	2,000	-
	Total 4900 · CAPITAL OUTLAY REVENUE	739,479	112,155
50400 · CAPITAL OUTLAY EXPENSE			
	50420 · MONUMENT SIGN	24,000	-
	50430 · PORTOLA / CARLTON (PROP 1B) (by 06/03/2012)	400,000	400,000 *
	50440 · PORTOLA / WORK WALKWAY (MPRPD) (by 11/30/2010)	25,000	25,000 **
	50450 · 2000 PARKS BOND ACT	7,353	-
	50460 · 2002 PARKS RESOURCES BOND ACT (by 6/30/2011)	-	134,500 ***
	50470 · STREAM BLOCKAGE (STATE GRANT)	100,000	-
	50480 · PORTOLA / WORK STREET (TAMC)	220,000	197,172
	Total 50400 · CAPITAL OUTLAY EXPENSE	776,353	559,500
	Operating Funds Transferred In for Capital Outlay Funding [^]	36,874	47,345
	Projected Excess/(Deficit) Capital Outlay Fund Balance	-	(400,000)
	*50430 Portola/Carlton (Prop 1B):		
	Revenue received last FY; the City Engineer is preparing the plans and specifications for road resurfacing along Portola / Carlton and 13 cul-de-sacs, project deadline 6/03/2012		
	**50440 Portola/Work Walkway (MPRPD):		
	The \$12,500 parks grant is to be matched 100% by the City, project deadline 11/30/2010		
	***50460 2002 Parks Resources Bond Act:		
	The \$99,655 bond revenue is to be matched 35% by the City, project deadline 6/30/2011		
	[^] Funds Transferred In from City Operating Account		
	\$22,000 was transferred in to cover the balance of the cost of the City Monument Signs; \$2,000 was generously donated by the Citizen's Action Group spearheaded by Council Member Clark		
	\$47,345 is the amount of match required to be paid by the City for the Walkway and the Park Bond Grants		

This graph follows the flocculation of the revenue and expenditures for Scenario A with the 3% Revenue Reduction



This graph follows the fluctuation of the revenue and expenditures for Scenario B.

Mayor Russell: Announced the Budget committee of Council Member Edelen and Council Member Allion

Council Member Edelen: Worked on the budget and has been listening to the staff, the council and all the suggestions. This is a fluid document and encourages anyone to put input into this.

Council Member Allion: Happy that no furloughs happened, comparing to other cities we are doing very well and encourages input also along with cooperation.

Mayor Russell: One item stands out having to do with memberships to organizations. This amount has been reduced greatly by moving funds to the RDA for FORA Fees. The State has come out with some tentative plans which are still shaky and we won't know until December when these funds start coming in. There are built in triggers to initiate funds from Cities being sent to the State and this is the caution.

Council Member Edelen: League of California Cities is initiating a law suit to keep Gas tax funds in the Cities. Noted that the Monterey Fire Contract has been paid in full.

Public Comment

Chief Langford: Asked both City Managers to interject. We have reduced fire calls by 35% and we are now the model for this process. State on the workman's compensation, that there isn't any officer that wants to have surgery or be injured. Gave example of how premiums are calculated. For example, if you break your leg they have to project the overall cost. Feels there are many revenue streams and we need get going on them more often than once a month.

John Moore: Stated he is a reserve officer with the DRO Police Force and is one of the largest grower, packer, shippers on the west coast. Just wants let you know that he sees this tiny city operate on 10 people and as a manager he walks through the City on a regular basis. Stated that the he feels the Educational Incentives and Wellness programs should be maintained. The Dental program for the Council should be looked at and could be given up for the City saving over \$8,000. Expenses can be reduced without hurting the employees. Doesn't quite understand the legal expenses. Is this the total amount that was spent last year in legal fees?

Interim City Manager Dadiw: Yes this was it.

Mayor Russell: Small is good, and feels that the employees are the heart of the City.

Closed public comment

Council Member Cecilio: Touching on the Chiefs comments and Mr. Moore's feels that there should be a committee to go out and seek more revenue.

Mayor Russell: Agrees there many more revenue streams.

Assistant Deputy City Clerk Minami: Feels it would be good to have a staff member on the committee, and also wanted to suggest that the Wellness benefit be given in days off in lieu of money and makes the staff feel more appreciated.

Council Member Edelen: If anyone comes up with anything please bring it to us, we are all one big team and we can all pull together.

Council Member Allion: Some of the comments here make him want to remind everyone that there are other people out there that are really suffering.

Mayor Russell: Lots of discussion about the wellness benefit and feels that the wellness benefit should remain in and personal health goes a long way to helping the workman's compensation premiums.

Assistant City Attorney Buchert: Time for input, no action and are directions for staff?

Council Member Allion: Are we focusing on Scenario A?

Mayor Russell: Are happy with Scenario A and proceeding in that direction.

7:43 p.m. Adjourned workshop

Approved

**City of Del Rey Oaks
Claims Report
June 2009**

1:01 PM
40017
Accrual Basis
Amount

Date	Num	Name	Memo	Amount
1000 · GENERAL CHECKING				
06/03/2009		FIRST NATIONAL BANK CHARGE	Bank Fee	(25.00)
06/09/2009	10747	AFLAC	Premiums-employee paid	(197.60)
06/09/2009	10748	BYTE TECHNOLOGY	WEBSITE MAINTENANCE	(62.50)
06/09/2009	10749	CENTRAL COAST P & S	PD UNITS POLISHING SUPPLIES	(46.82)
06/09/2009	10750	COMCAST HIGH SPEED INTERNET	INTERNET 5/10-6/9	(64.90)
06/09/2009	10751	CYPRESS COAST FORD	VEHICLE REPAIR AND MAINTENANCE	(1,687.89)
06/09/2009	10752	ENTENMANN-ROVIN CO.	INV. 0051407-IN : NAME BADGES	(588.51)
06/09/2009	10753	HAYASHI & WAYLAND, INC.	INTERIM BILLING FOR PROFESSIONAL ACCOUNTING SERVICES FOR THE YEAR ENDED JUI	(9,533.05)
06/09/2009	10754	HOME DEPOT CRC	ACCT. # 6035 3220 0248 6219	(393.92)
06/09/2009	10755	I.M.P.A.C.GOVERNM'T SER	ACCT. # 424604455649924	(1,104.93)
06/09/2009	10756	IE SOLUTIONS	INV. 209049-QUICKBOOKS CONSULTING FOR CITY CLERKS	(375.00)
06/09/2009	10757	JAMES DE CHALK	MAY BILLING	(300.00)
06/09/2009	10758	NEILL ENGINEERS CORP	W.O. 8227 2008 STREET RESURFACING PROJECT PORTOLA/WORK	(3,282.00)
06/09/2009	10759	OFFICE DEPOT	COPY PAPER, CLEANING SUPPLIES	(80.37)
06/09/2009	10760	PERS	05 2009 2- RETIREMENT PMT	(6,760.29)
06/09/2009	10761	PITNEY BOWES PURCHASE POWER	POSTAGE ACCT. 8000900003463050	(418.99)
06/09/2009	10762	PRINGLE TRACTOR CO.	MULCHING KIT, PIN FOR CHIPPER TRAILOR HITCH	(244.95)
06/09/2009	10763	TERMINIX	PEST CONTROL AND MAINTENANCE-MAY 09	(55.00)
06/09/2009	10764	UPS	0000447YR5219	(7.03)
06/09/2009	10765	VSP	VISION PLAN JUNE 09	(180.64)
06/09/2009	10766	WELLINGTON, ROBERT R.	RETAINER, PERSONNEL MATTERS, MISC	(4,304.00)
06/11/2009	1049	PINNACLE BUSINESS SERVICES	DIRECT DEPOSIT DATA FROM PBS	(23,601.48)
06/11/2009	1050	PINNACLE BUSINESS SERVICES	TAX TRANSFER FROM PBS	(5,350.95)
06/11/2009	1051	PINNACLE BUSINESS SERVICES	BILLING TRANSFER FROM PBS	(95.00)
06/12/2009		INTUIT	City check order	(179.14)
06/15/2009	10006	EVANS, DEWEY	Check Data From PBS	(7,400.00)
06/15/2009	10007	SALOPEK, CHRISTOPHER	Check Data From PBS	(149.40)
06/19/2009	10767	AMERICAN SUPPLY COMPANY	INV.0046320 CLEANING SUPPLIES	(71.88)
06/19/2009	10768	AT&T	PHONE (LONG DISTANCE) 5/25/09-6/20-09	(191.21)
06/19/2009	10769	BYTE TECHNOLOGY	WEBSITE HOSTING 2 YEARS	(547.50)
06/19/2009	10770	CALIFORNIA-AMERICAN WATER	APR 21-MAY 20 WATER	(326.86)
06/19/2009	10771	CITY OF MONTEREY	MAY PLAN CHECK AND BUILDING INSPECTIONS	(789.75)
06/19/2009	10772	CO-POWER	July 09, DELTA DENTAL PREMIUM	(2,003.53)
06/19/2009	10773	COMCAST HIGH SPEED INTERNET	INTERNET 6/10/09-7/9/09	(64.90)
06/19/2009	10774	COUNTY OF MONTEREY	3 mobile computer system/network access to County Information	(66.00)
06/19/2009	10775	CRYSTAL SPRINGS WATER CO.	ACCT 56258/WATER	(64.50)
06/19/2009	10776	CYPRESS COAST FORD	VEHICLE REPAIR AND MAINTENANCE	(335.55)
06/19/2009	10777	ELECTRICAL DISTRIBUTORS	LIGHTS FOR CITY CLERKS OFFICE	(44.88)
06/19/2009	10778	ENTERSECT CORPORATION	INVOICE #19799/POLICE ONLINE SERVICE-MAY 2009	(79.00)
06/19/2009	10779	FIRST AMERICAN REAL ESTATE SOLUTIONS	METRO SCAN- ADDRESS SERVICE-MAY 09	(104.17)
06/19/2009	10780	FIRST CHOICE SERVICES	SUPPLIES	(43.44)
06/19/2009	10781	GLOBALSTAR USA	SATELITE PHONE	(25.83)
06/19/2009	10782	HOME DEPOT CRC	ACCT. # 6035 3220 0248 6219	(214.68)
06/19/2009	10783	IE SOLUTIONS	INV. 209065-QUICKBOOKS CONSULTING FOR CITY CLERKS	(225.00)
06/19/2009	10784	KELLY-MOORE PAINT CO.INC	SUPPLIES	(39.00)

**City of Del Rey Oaks
Claims Report
June 2009**

Date	Num	Name	Memo	Amount
06/19/2009	10785	LENSAY MOELLER	REFUND FEE FOR PARK RENTAL-CANCELLATION WITHIN 72 HOURS OF EVENT	(50.00)
06/19/2009	10786	LINDA A. TRIPOLI, ATTY AT LAW	INV 1887-GENERAL COUNSELING 4/24/09	(23.50)
06/19/2009	10787	M&S BUILDING SUPPLY, INC.	SUPPLIES AND MATERIALS	(27.97)
06/19/2009	10788	NEILL ENGINEERS CORP	RETAINER FOR 1/1/09-3/31/09	(300.00)
06/19/2009	10789	OFFICE DEPOT	TRASH BAGS, CARD STOCK, CLEANING SUPPLIES, COPY PAPER, CUPS, OFFICE SUPPLIES	(528.89)
06/19/2009	10790	ORCHARD SUPPLY	acct. #5780970010197167/SAFETY GEAR	(42.39)
06/19/2009	10791	P.E.R.S.-HEALTH	HEALTH PREMIUM JULY 2009	(10,530.87)
06/19/2009	10792	PACIFIC PRODUCTS AND SERVICES	INV 10475: CONES, BARRICADES, AND SIGNAGE FOR RED BULL(SCRAMP REIMBURSABLE	(2,090.65)
06/19/2009	10793	PG&E	GAS 4/15/09-5/14/09 ELEC.4/15/09-5/26/09	(1,943.68)
06/19/2009	10794	RYAN RANCH PRINTERS	NEW BUSINESS CARDS FOR RON LANGFORD	(70.36)
06/19/2009	10795	SAFEWAY STORE	SUPPLIES FOR GAB CREW-MAY	(48.69)
06/19/2009	10796	SBC	PHONE-LOCAL USEAGE, JUNE 09	(494.74)
06/19/2009	10797	SHELL OIL COMPANY	ACCT 079-056-693-FUEL FOR MAY 09	(1,331.13)
06/19/2009	10798	SHRED-IT	INV 77041644/SHREDDING SERVICE	(50.00)
06/19/2009	10799	SPCA OF MONTEREY COUNTY	MAY 09 ANIMALS PROCESSED	(110.00)
06/19/2009	10800	TERMINIX	PEST CONTROL AND MAINTENANCE-JUNE 09	(55.00)
06/19/2009	10801	THE HERALD	CITY MANAGER AD	(979.86)
06/19/2009	10802	UNITED SITE SERVICES	PORTABLE TOILET GABILAN CREW	(25.06)
06/22/2009	10803	PERS	Payroll 2009-06-01	(6,760.29)
06/22/2009	10804	TARPY'S ROADHOUSE	Mayor's Luncheon Deposit	(25.00)
06/26/2009	1069	PINNACLE BUSINESS SERVICES	DIRECT DEPOSIT DATA FROM PBS	(23,554.34)
06/26/2009	1070	PINNACLE BUSINESS SERVICES	TAX TRANSFER FROM PBS	(5,245.52)
06/26/2009	10805	CALIFORNIA-AMERICAN WATER	MARCH 20-APRIL 22 WATER	(220.80)
06/26/2009	10806	DON CHAPIN COMPANY, INC.	CONTRACT 209015	(183,375.16)
06/26/2009	10807	CALIFORNIA BUILDING STANDARDS COMMISSION	STATE FEES	(18.00)
06/26/2009	10808	DEPT OF CONSERVATION	smip fee's for APRIL 1-JUNE 30, 2009	(16.25)
06/30/2009	10008	JAIME DEL VALLE	Check Data From PBS	(74.70)
06/30/2009	10009	DAVID NGUYEN	Check Data From PBS	(217.60)
06/30/2009	10010	SALOPEK, CHRISTOPHER	Check Data From PBS	(224.09)
06/30/2009	10011	CECILIO, JEFF	Check Data From PBS	(100.00)
06/30/2009	10012	JOSEPH RUSSELL	Check Data From PBS	(225.00)
06/30/2009	10008	JAIME DEL VALLE	Check Data From PBS	(74.70)
06/30/2009	10009	DAVID NGUYEN	Check Data From PBS	(217.60)
06/30/2009	10011	CECILIO, JEFF	Check Data From PBS	(100.00)
06/30/2009	10012	JOSEPH RUSSELL	Check Data From PBS	(225.00)
Total 1000 - GENERAL CHECKING				<u>(311,103.88)</u>
TOTAL				<u><u>(311,103.88)</u></u>

CITY OF DEL REY OAKS AND RDA			
CASH BALANCES			
AS OF JUNE 30, 2009			
CITY OF DEL REY OAKS CASH BALANCES AS OF JUNE 30, 2009			
		1000 · GENERAL CHECKING	\$ 169,680.32
		1008 · LAIF CITY ACCOUNT	\$ 1,074,619.50
		10080 · LAIF ANTICIPATION BOND ACT	\$ 1,038.00
		Total City Checking/Savings	\$ 1,245,337.82
REDEVELOPMENT AGENCY CASH BALANCES AS OF MARCH 31, 2009			
		10-1001 · GENERAL CHECKING	47,645.49
		10-1003 · DUFFY EIR/CEQA CHECKING	21,119.66
		10-1002 · LAIF RDA ACCOUNT	16,677.62
		Total RDA Checking/Savings	85,442.77
		GRAND TOTAL CASH BALANCES	\$ 1,330,780.59

CITY OF DEL REY OAKS
FISCAL YEAR 2008/09 BUDGET VS. ACTUAL
JULY 1, 2008 - JUNE 30, 2009

	Actual Total for 2008/09	FY 2008/09 Adjusted Budget	% of Total Budget
PAGE 1			
Revenues			
3100 · PROPERTY TAXES			
3105 · P/T-SECURED	375,246	378,500	99.14%
3107 · P/T-UNITARY TAX	5,330	5,300	100.57%
3108 · PRIOR UNITARY TAX	25	55	45.31%
3110 · P/T-UNSECURED	17,616	17,100	103.01%
3120 · P/T-SB813	10,616	14,140	75.08%
3130 · P/T-PRIOR SECURED	23,317	20,440	114.07%
3132 · PRIOR UNSECURED	148	50	295.52%
3135 · PROPERTY TAX - VLF	128,961	129,500	99.58%
3140 · P/T-INT/PENAL	1,678	1,500	111.86%
3145 · P/T - ADMINISTRATIVE FEE	(6,317)	-	
Total 3100 · PROPERTY TAXES	556,619	566,585	98.24%
3200 · OTHER TAXES			
3202 · MANDATED COSTS	5,000	5,000	100.00%
3205 · SALES TAX	248,525	268,000	92.73%
3206 · SALES TAX IN LIEU - 3-FLIP	78,457	83,500	93.96%
3208 · SALES TAX - ADD-ON	372,934	400,000	93.23%
3209 · COP MONIES	55,225	88,000	62.76%
3210 · PROPERTY TRANSFER TAX	4,637	6,700	69.20%
3851 · SEWER IMPACT	8,266	8,400	98.40%
3220 · GAS FRANCHISE	6,648	5,500	120.87%
3225 · ELECTRIC FRANCHISE	14,092	13,500	104.38%
3235 · GARBAGE FRANCHISE	39,451	37,000	106.62%
3240 · CABLE TV FRANCHISE	23,754	23,000	103.28%
3240 · WATER FRANCHISE	-	-	
Total 3200 · OTHER TAXES	856,989	938,600	91.31%
3300 · LICENSES & PERMITS			
3301 · BUSINESS LICENSES	104,176	108,500	96.01%
3305 · BUILDING PERMITS	13,812	14,500	95.26%
3310 · PLAN CHECK FEES	6,634	6,800	97.55%
3315 · STREET OPENING PERMITS FEES	400	550	72.73%
3325 · PLUMBING PERMITS	720	960	75.00%
3330 · ELECTRICAL PERMITS	640	570	112.28%
3340 · ENVIRON ASSESS FEES/PERMIT	-	100	0.00%
3342 · DEVELOPER PYMT FEES/PERMITS	-	100	0.00%
3345 · OTHER LICENSES/PERMITS	646	230	280.87%
Total 3300 · LICENSES & PERMITS	127,028	132,310	96.01%
3400 · FINES & FORFEITURES			
3401 · VEHICLE CODE FINES	8,509	16,900	50.35%
3415 · OTHER COURT FINES	946	1,000	94.63%
Total 3400 · FINES & FORFEITURES	9,456	17,900	52.83%
3501 · INTEREST EARNED			
	19,658	17,500	112.33%
3600 · OTHER AGENCY REVENUE			
3602 · MOTOR VEHICLE IN LIEU	3,770	3,000	125.68%
3603 · OFF HIGHWAY		100	0.00%
3604 · HOPTR	2,340	750	312.06%
3605 · VEHICLE LICENSE COLLECTION	983	1,100	89.36%
3620 · PROP 172	9,494	10,600	89.56%
3624 · POST REIMBURSE		100	0.00%
3648 · GRANTS		100	0.00%
3649 · TRAFFIC CONGESTION RELIEF FUNDS	10,488	7,000	149.82%
3655 · POLICE GRANTS OTHER AGENCIES	1,000	1,100	90.91%
Total 3600 · OTHER AGENCY REVENUE	28,075	23,850	117.72%

CITY OF DEL REY OAKS
FISCAL YEAR 2008/09 BUDGET VS. ACTUAL
JULY 1, 2008 - JUNE 30, 2009

	Actual Total for 2008/09	FY 2008/09 Adjusted Budget	% of Total Budget
PAGE 2			
3700 · CURRENT SERVICES			
3703 · USE PERMITS	2,340	3,850	60.78%
3704 · MAPS/PUBLICATIONS	55	100	55.00%
3706 · RENTAL INCOME	9,600	9,600	100.00%
3707 · POLICE REPORTS	599	1,025	58.44%
3709 · PROPERTY INSPECTIONS	1,935	1,800	107.49%
3710 · POLICE SERVICES	7,257	8,000	90.71%
3711 · PUBLIC EVENTS	52,228	56,000	93.26%
3712 · MISCELLANEOUS SERVICES	991	2,000	49.54%
3715 · PD DONATIONS	17	100	17.04%
3716 · ELECTIONS	50	25	200.00%
3717 · SCRIP TAXI SVC FOR SENIORS	(50)	40	-125.00%
Total 3700 · CURRENT SERVICES	75,022	82,540	90.89%
3800 · PARKS/RECREATION			
3801 · PARK RENTAL	3,529	3,600	98.04%
3802 · RV RENTAL PARKS	22,795	20,500	111.20%
Total 3800 · PARKS/RECREATION	26,324	24,100	109.23%
OTHER			
3610 · GAS TAX 2107	15,211	17,500	86.92%
3612 · GAS TAX 2106	10,821	11,500	94.09%
3614 · GAS TAX 2107.5	1,000	1,000	100.00%
3616 · GAS TAX 2105	11,381	11,000	103.46%
3708 · CDBG LOAN REPAYMENTS	52,653	52,653	100.00%
Total 3900 · OTHER	91,065	93,653	97.24%
Total Operating Revenues	1,790,236	1,897,038	94.37%
Expenditures			
10000 · S/B			
10009 · OVERTIME	42,423	58,000	73.14%
10010 · SALARIES	647,294	656,050	98.67%
100101 · COUNCIL MEMBER STIPEND	6,000	6,000	100.00%
100102 · CITY MANAGER SALARY	95,873	88,000	108.95%
100103 · RESERVES SALARY	48,951	50,000	97.90%
10011 · PERS	144,282	144,000	100.20%
10012 · MEDICARE	8,808	10,000	88.08%
10013 · DENTAL EXPENSE	24,320	24,600	98.86%
10014 · HEALTH INS	126,536	127,400	99.32%
10015 · VISION INS	2,328	2,600	89.55%
10016 · WORKERS COMP	66,936	67,000	99.90%
10018 · WELLNESS PROGRAM	5,000	5,000	100.00%
10120 · UNIFORM ALLOWANCE	5,000	7,000	71.43%
10130 · EDUCATIONAL INCENTIVE	2,775	2,850	97.37%
Total 10000 · S/B	1,226,525	1,248,500	98.24%
20100 · PAYROLL EXPENSE	3,540	4,200	84.28%
20119 · BANK SERVICE CHARGES	756	1,000	75.56%
20120 · -SUPPLIES			
20121 · MATERIALS/SUPPLY	11,815	14,100	83.79%
20123 · AMMUNITION	7,682	8,000	96.02%
20160 · OFFICE SUPPLIES	27,440	27,000	101.63%
20161 · SPECIAL SUPPLY POLICE	8,921	9,200	96.97%
Total 20120 · -SUPPLIES	55,858	58,300	95.81%
20122 · REPAIR/MAINTENANCE	18,753	21,500	87.22%
20126 · STREET SWEEPING	13,237	13,200	100.28%
20127 · GABILAN CREW	1,436	2,500	57.43%
20131 · UTILITIES/PGE	7,393	7,500	98.57%
20132 · UTILITIES/WATER	4,141	10,500	39.44%

CITY OF DEL REY OAKS
FISCAL YEAR 2008/09 BUDGET VS. ACTUAL
JULY 1, 2008 - JUNE 30, 2009

	Actual Total for 2008/09	FY 2008/09 Adjusted Budget	% of Total Budget
PAGE 3			
20140 · TELEPHONE / INTERNET	17,784	15,800	112.56%
20145 · WEBSITE DESIGN & MAINTENANCE	2,579	1,350	191.00%
20163 · BACKGROUND-TESTING	192	550	34.82%
20168 · POSTAGE / SHIPPING	3,776	4,200	89.91%
20170 · TRAVEL/CONFERENCE	631	1,500	42.04%
20171 · MEMBER/DUES/CONTRIBUTIONS	20,368	28,500	71.47%
20172 · AD/PROMOTION CITY CNCL	1,375	1,500	91.67%
20173 · LEGAL ADVERT NON-DEPT	906	1,500	60.43%
20174 · BOOK/PERIODICAL	365	75	486.13%
20175 · MEETING CITY CNCL	7,305	6,600	110.68%
20176 · PRINTING / PUBLICATIONS			
201761 · PERSONNEL MANUAL	3,825	3,825	100.00%
20176 · PRINTING / PUBLICATIONS - Other	4,638.68	6,100	76.04%
Total 20176 · PRINTING / PUBLICATIONS	8,464	9,925	85.28%
20177 · PROF DEVELOP CITY CLRK	1,888	1,200	157.29%
20178 · TRAINING POLICE	1,446	3,000	48.21%
20180 · RECRUITMENT - CITY MANAGER	2,496	2,000	124.82%
20181 · OTHER PERMITS PW/ENGR	3,600	4,900	73.47%
30044 · LIABILITY/PROP NON-DPT	17,961	21,600	83.15%
30113 · CONTRACTUAL AUDIT	27,976	27,400	102.10%
30114 · CONTRACTUAL - ACCOUNTING	348	500	69.57%
30115 · DATA PROCESSING	1,013	3,100	32.66%
30116 · CONTRACTUAL SVCS PLANNING / ENG	17,132	32,000	53.54%
30119 · CONTRACTUAL SVCS - LEGAL	47,228	33,000	143.12%
30120 · CONTRL RETAINER LEGAL	10,010	11,000	91.00%
30126 · JANITORIAL FUND	3,975	4,100	96.95%
30127 · RADIO DISPATCH POLICE	18,937	18,937	100.00%
30129 · FEES NON-DT	50	2,250	2.22%
30164 · ELECTIONS		-	
30165 · COMM HUM SERV NON-DEPT	3,057	3,057	100.00%
30170 · AUTO OPERATION			
30181 · AUTO OPS - SUPPLIES / EQUIP	8,172	8,800	92.86%
30182 · AUTO OPS - FUEL	19,263	23,000	83.75%
30190 · AUTO REPAIR/MAINTENANCE	22,189	30,000	73.96%
Total 30170 · AUTO OPERATION	49,624	61,800	80.30%
30183 · FUND JAIL & PRISONER	1,300	1,100	118.18%
30184 · ACJIS SYSTEM POLICE	1,074	1,400	76.72%
30186 · FIRE CONTRACT	139,307	166,000	83.92%
30187 · ANIMAL REGULATION FIRE	2,398	2,500	95.92%
30219 · S.M.I.P.	159	450	35.33%
30230 · STREET LIGHTING	16,269	17,200	94.59%
30231 · STORM WATER PROJECT - PHASE 1	4,836	1,400	345.43%
60000 · INTEREST EXPENSE - ND	-	240	0.00%
60001 · AUTO LEASE PAYMENTS	21,381	1,003	2131.70%
Total Operating Expenditures	1,788,846	1,859,837	96.18%
Operating Funds Transferred Out - Capital Outlay Funding	22,000	36,874	
Projected Excess / (Deficit) Operating Revenue	(20,610)	327	

CITY OF DEL REY OAKS			
FISCAL YEAR 2008/09 CAPITAL OUTLAY BUDGET VS. ACTUAL			
JULY 1, 2008 - JUNE 30, 2009			
PAGE 1			
		FY 2008/09 Adjusted Budget	Actual Total for 2008/09
4900 · CAPITAL OUTLAY REVENUE			
	3625 · 2000 PARK BOND GRANT	4,979	-
	3627 · 2002 Parks Resources Bond Act (by 6/30/2011)	-	-
	3720 · Portola/Carlton (Prop 1B) (by 06/03/2012)	400,000	400,000
	3730 · Portola/Work Walkway (MPRPD) (by 11/30/2010)	12,500	-
	3740 · Stream Blockage (State)	100,000	-
	3750 · Portola/Work Street (TAMC)	220,000	197,172
	3760 · City Monument Sign Proceeds	2,000	2,000
Total 4900 · CAPITAL OUTLAY REVENUE		739,479	599,172
50400 · CAPITAL OUTLAY EXPENSE			
	50420 · MONUMENT SIGN	24,000	24,000
	50430 · PORTOLA / CARLTON (PROP 1B) (by 06/03/2012)	400,000	-
	50440 · PORTOLA / WORK WALKWAY (MPRPD) (by 11/30/2010)	25,000	-
	50450 · 2000 PARKS BOND ACT	7,353	-
	50460 · 2002 PARKS RESOURCES BOND ACT (by 6/30/2011)	-	-
	50470 · STREAM BLOCKAGE (STATE GRANT)	100,000	-
	50480 · PORTOLA / WORK STREET (TAMC)	220,000	197,172
Total 50400 · CAPITAL OUTLAY EXPENSE		776,353	221,172
	Operating Funds Transferred In for Capital Outlay Funding^	36,874	22,000
Projected Excess/(Deficit) Capital Outlay Fund Balance		-	400,000

FIRE DEPARTMENT

1635 Broadway Avenue
Seaside, CA 93955

Telephone (831) 899-6790
FAX (831) 899-6261
TDD (831) 899-6207

July 1, 2009

Chief Langford
Del Rey Oaks City Hall
650 Canyon Del Rey
Del Rey Oaks, CA 93940

Dear Chief Langford:

Enclosed is a copy of the response reports for the Seaside Fire Department response to Del Rey Oaks for the period of June 1, 2009 thru June 30, 2009.

The City of Del Rey Oaks is being billed for the following incident numbers:

Incident #
09-0001087
09-0001120
09-0001128
09-0001131

There are four calls for the month of June. If you have any questions, please contact me.

Sincerely,



Kathryn Pernet
Sr. Administrative Assistant

CC: File

09-0001131
09-0001128
09-0001120
09-0001087

Seaside Fire

Incident List by Alarm Date/Time

Alarm Date Between {06/01/2009} And {06/30/2009}
and District = "029"

<u>Incident-Exp#</u>	<u>Alm Date</u>	<u>Alm Time</u>	<u>Location</u>	<u>Incident Type</u>
09-0000937-000	06/01/2009	14:46:00	1025 PORTOLA DR /Del Rey	611 Dispatched & cancelled en ro
<u>09-0001087-000</u>	06/25/2009	13:46:00	721 PHEASANT RIDGE RD /De	321 EMS call, excluding vehicle
<u>09-0001120-000</u>	06/29/2009	13:22:00	721 PHEASANT RIDGE RD /De	311 Medical assist, assist EMS c
<u>09-0001128-000</u>	06/30/2009	02:47:00	1025 PORTOLA DR /Del Rey	510 Person in distress, Other
<u>09-0001131-000</u>	06/30/2009	10:10:00	1027 PORTOLA DR /Del Rey	321 EMS call, excluding vehicle

Total Incident Count 5

4 calls

DEL REY OAKS POLICE DEPARTMENT
 REPORT TO CITY COUNCIL
 June 21, 2009

STATISTICAL INFORMATION:			
	June 09	TO DATE 09	June 08
Arrests: (Felony / Misd)	09	26	31
Crime Reports Filed	16	110	112
Traffic Citations Issued	07	124	146
Parking Citations Issued	00	03	06
Burglaries (Residential, Commercial, Veh.)	00	05	04
Grand & Petty Thefts	08*	27	18
Fire & Medical Emergencies	SEE SFD REPORT		00
Assaults / Disturbances / DV	00	01	06
Towed & Stored Vehicles	01	24	24
Alarms	00	00	00
DUI Enforcement	01	03	01
Traffic Accidents	00	18	18
Municipal Code Citations Issued	03	05	00
Warrants Served	00	02	04

* Petty Theft / Shoplifting from Safeway


 R.J. Langford
 Chief of Police

MEMORANDUM

FROM: **Katie Axt, Associate Planner**
John Doughty, AMBAG Executive Director

SUBJECT: **Monterey Bay Regional Blueprint Program**

MEETING DATE: **July 28, 2009**

RECOMMENDED ACTION

It is recommended that the Council received a briefing regarding the Monterey Bay Regional Blueprint Program.

BACKGROUND

The Monterey Bay Regional Blueprint Program is a long-range visioning and planning process that seeks to identify land use and transportation patterns that result in reduced regional Greenhouse Gas Emissions (GHGs), Vehicle Miles Traveled (VMT), and particulate matter. While participation in this program is voluntary, this program may serve as the foundation for the region's response to the requirements contained in Senate Bill 375. The recently passed bill includes a number of items that may affect the City of Del Rey Oaks. Specifically, the bill:

1. Requires that the Association of Monterey Bay Area Governments (AMBAG) address the interconnection between transportation and land use planning in order to reduce mobile greenhouse gas emissions to 1990 levels.
2. Streamlines the CEQA process for development projects that meet greenhouse gas goals
3. Synchronizes future Housing Element updates with the Regional Transportation Planning process

DISCUSSION

Over the last year and a half, Del Rey Oaks Planning staff has been involved in AMBAG's Blueprint planning efforts. The Blueprint effort is intended to be a big picture plan that can be used by AMBAG to begin its SB 375 compliance efforts and the City as it contemplates its own General Plan update. As part of this process AMBAG has successfully partnered with all 21

jurisdictions from Monterey, Santa Cruz and San Benito Counties. The Blueprint effort has already resulted in a completed 25-year Population, Housing, and Employment Forecast, and is already being used in the next phase of the Blueprint process.

AMBAG and jurisdictions are currently working closely together to develop a regional preferred growth scenario. This scenario will identify a variety of future transportation options and a range of housing choices to support the region's population and employment growth over the long term.

The scenario will also address other major regional concerns such as agriculture and natural habitat conservation while meeting the goal of reducing GHGs and VMT. One of the strengths of this Blueprint planning effort is that the effort is built on the foundation of existing General Plans and Spheres of Influence, which will shape the regional vision about where and how the Monterey Bay region will be growing in the coming decades.

Those scenarios will not commit the City to a particular set of actions in its next General Plan update, but instead will help inform that process with data about regional trends and goals.

Through this regional partnership, AMBAG will be conducting a series of workshops in late summer 2009 to educate and gain input from the public and stakeholder groups.

AMBAG requests the Council receive this informational report on the Monterey Bay Regional Blueprint Program and provide any comments or questions it might have. AMBAG looks forward to continuing to work with the Council on ongoing regional Blueprint activities.

Envisioning Monterey Bay

The Blueprint Planning Process for the Monterey Bay Region

AMBAG

ASSOCIATION OF
MONTEREY BAY AREA
GOVERNMENTS

Association of Monterey Bay Area Governments

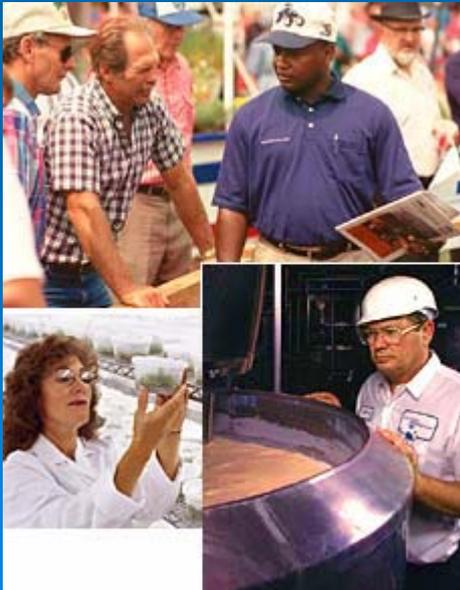
- John Doughty, Executive Director
- Katie Axt, Associate Planner
- Randy Deshazo, Principal Planner

Today

- What is Envisioning Monterey Bay?
- How does it relate to SB 375?
- How will this affect your community?
- What happens next?

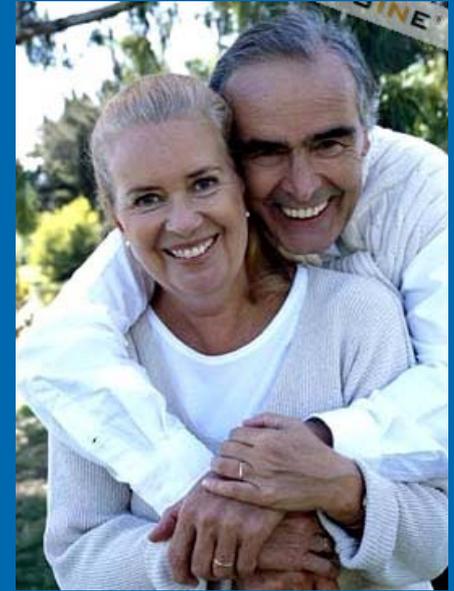


Blueprint's Importance

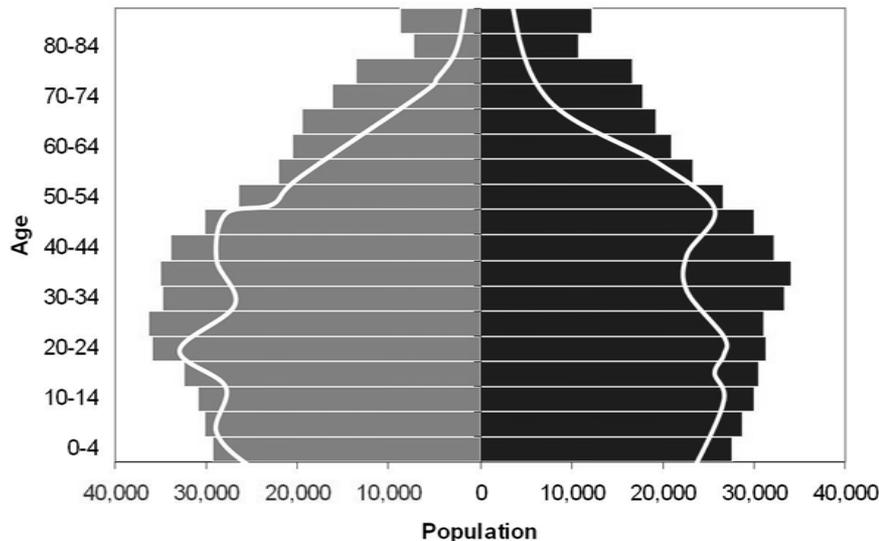


Blueprint's Importance

Like the rest of California,
Our region is changing...



Monterey Bay Region Population Comparison
2005 and 2035



What is Blueprint Planning Program?

- 1). Evaluate current trends
- 2). Develop a preferred growth scenario
- 3). Use preferred growth scenario as a basis for Senate Bill (SB) 375
- 4). Provide a forum for ongoing discussions and coordination of issues of regional significance.

Blueprint & Your Community

Benefits

- Establishes a foundation of working relationships and a level of input needed to implement Senate Bill (SB) 375
- Grant competitiveness
- New Housing Element Cycle:
 - Shift from 5 year to 8 year updates

Costs

- In-kind staff time

First Year Accomplishments

- Universal regional participation in the Forecast Technical Advisory Committee (FTAC)
- Resulting in preparation of 2008 Forecast of Population, Housing and Employment
- Initial development of the visualization platform
 - Maps and statistics
 - Decision Support GIS (UPLAN)



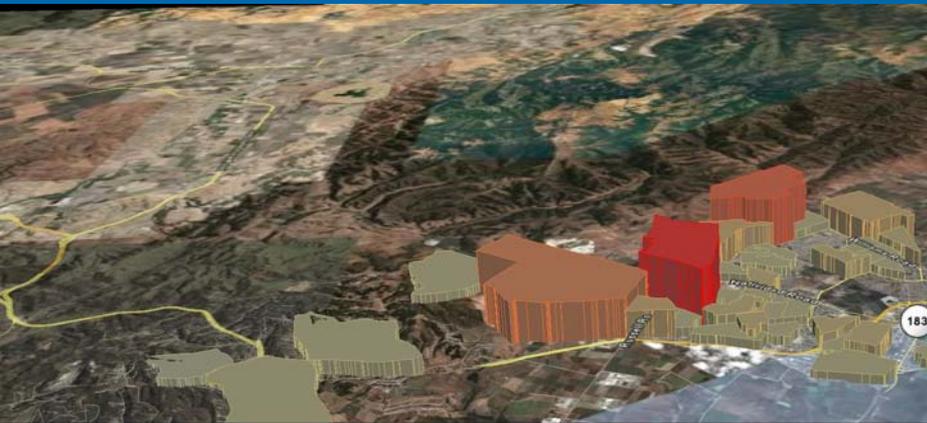
Monterey Bay Area 2008 Regional Forecast
Population, Housing Unit and Employment Projections for
Monterey, San Benito and Santa Cruz Counties to the Year 2035

Prepared by the Association of Monterey Bay Area Governments
Adopted by the AMBAG Board of Directors June 11, 2008

Preparation of this report was funded in part by the California Department of Transportation; the Federal Highway Administration, and Federal Transit Administration, under the Safe, Accessible, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU)



Visualizing Tradeoffs



Second Year Focus

- Broaden agency education and participation in Blueprint
- Further development of the Visualization Platform
- Public Outreach workshops
- Development of Scenario framework in coordination with local agencies



Blueprint Products

- Preferred Growth Scenario
- Providing informational inputs to other plans
 - General Plans and Housing Elements
 - Regional Housing Needs Allocation
 - Regional Transportation Plans
- Best Practices Manual
- Legislative platform for Blueprint implementation
- Future value for Senate Bill (SB) 375 implementation

Next Steps

- Continue to strengthen staff collaboration with other jurisdictions on Blueprint scenario development
- Public Workshops



Thank you!

Contact:

Katie Axt, Associate Planner

Association of Monterey Bay Area Governments

445 Reservation Road Suite G

Marina , CA 93933

Phone: 831.883.3750

email: kaxt@ambag.org

**A Proclamation Recognizing
The 7th Annual Sea Otter Awareness Week
September 27, 2009 through October 3, 2009**



WHEREAS, the sea otter is a symbol of wilderness, an integral part of California's natural ecosystem, and serves as an indicator for the overall health of California's near shore marine ecosystem; and

WHEREAS, a growing awareness of the benefits of maintaining the health of the near shore marine ecosystem has raised public interest in the sea otter; and

WHEREAS, disease from a variety of sources, including land-based biological pathogens, accounts for approximately 40% of the mortality for California sea otters in a given year; and

WHEREAS, the survival of the sea otter in California remains dependent upon continued public support and increased understanding of the essential role sea otters play in nature;

NOW, THEREFORE, BE IT PROCLAIMED THAT I, Joseph P. Russell, Mayor of the City of Del Rey Oaks, on behalf of the City Council and citizens, from this day forward, hereby proclaims the last week of September to be Sea Otter Awareness Week.

Dated this 28th day of July, 2009

JOSEPH P. RUSSELL, MAYOR

Planning Commissioner Ballot

Please Choose **FOUR** (4) Applicants for Planning Commissioner

George Jaksha

Michael Zuccaro

Gail H. Weir

Mike Hayworth

Joseph P. Russell

Planning Commissioner Ballot

Please Choose **FOUR** (4) Applicants for Planning Commissioner

George Jaksha

Michael Zuccaro

Gail H. Weir

Mike Hayworth

Jerry B. Edelen

Planning Commissioner Ballot

Please Choose **FOUR** (4) Applicants for Planning Commissioner

George Jaksha

Michael Zuccaro

Gail H. Weir

Mike Hayworth

Kristin A. Clark

Planning Commissioner Ballot

Please Choose **FOUR** (4) Applicants for Planning Commissioner

George Jaksha

Michael Zuccaro

Gail H. Weir

Mike Hayworth

Jeff Cecilio

Planning Commissioner Ballot

Please Choose **FOUR** (4) Applicants for Planning Commissioner

George Jaksha

Michael Zuccaro

Gail H. Weir

Mike Hayworth

Dennis Allion

RECEIVED

JUN 10 2009

DEL REY OAKS
CITY CLERK



CITY OF DEL REY OAKS APPLICATION FOR APPOINTMENT

OFFICE TO WHICH YOU WISH TO BE APPOINTED: Planning Commission

NAME: George Jaksha

ADDRESS: 1060 Paloma Rd PHONE: 394-1968

OCCUPATION: Prototype Machinist, Naval Postgraduate School

BUSINESS ADDRESS: 833 Pyer Rd, Physics Dept, NPS

HOW LONG HAVE YOU BEEN A RESIDENT OF DEL REY OAKS: 53 years

PREVIOUS SERVICE TO THE CITY: Chair, Planning Commission, member of DRO Citizens Action Group

EXPERIENCE RELATED TO THE APPOINTMENT: I'm presently on the commission

WHY DO YOU WISH TO BE APPOINTED: I think I have something to contribute to the city

AS FAR AS YOU KNOW, WHAT WILL BE EXPECTED OF YOU IF YOU ARE APPOINTED:

I will be expected to provide input on remodels and possible Fort Ord development so that DRO maintains its high standards so our city stays one of the more desirable city cities on the peninsula

REFERENCES (OPTIONAL):

NAME	ADDRESS	PHONE
<u>Kristin Clark</u>	<u>988 Via Verde</u>	<u>394-6958</u>
<u>Dennis Allion</u>	<u>4 Los Encinos</u>	<u>394-0420</u>
<u>Jerry Edelen</u>	<u>75 Carlton</u>	<u>394-9087</u>

RECEIVED

JUL 01 2009

DEL REY OAKS
CITY CLERK

**CITY OF DEL REY OAKS
APPLICATION FOR APPOINTMENT**



OFFICE TO WHICH YOU WISH TO BE APPOINTED: Planning Commission

NAME: Michael Zuccaro

ADDRESS: 12 Boronda Way

PHONE: 899-2410

OCCUPATION: Architect

BUSINESS ADDRESS: 2211 Garden Road, Monterey, 93940

HOW LONG HAVE YOU BEEN A RESIDENT OF DEL REY OAKS: 12 years

PREVIOUS SERVICE TO THE CITY: Three previous
planning commission terms

EXPERIENCE RELATED TO THE APPOINTMENT: Over twenty years
experience in building design and planning

WHY DO YOU WISH TO BE APPOINTED: I want to have a say in
how my neighborhood and the eventual Fort Ord
property takes shape.

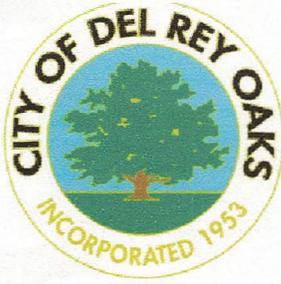
AS FAR AS YOU KNOW, WHAT WILL BE EXPECTED OF YOU IF YOU ARE APPOINTED:
Provide impartial opinion and fair-minded
direction in the review process of private and
commercial development.

REFERENCES (OPTIONAL):

NAME

ADDRESS

PHONE



CITY OF DEL REY OAKS
APPLICATION FOR APPOINTMENT

RECEIVED
JUN 22 2009
DEL REY OAKS
CITY CLERK

OFFICE TO WHICH YOU WISH TO BE APPOINTED: Planning Commissioner

NAME: Gale H. Weir

ADDRESS: 114 Carlton Drive PHONE: 394-5211

OCCUPATION: retired

BUSINESS ADDRESS: none

HOW LONG HAVE YOU BEEN A RESIDENT OF DEL REY OAKS: over 30 years

PREVIOUS SERVICE TO THE CITY: Planning Commissioner, vice chair

EXPERIENCE RELATED TO THE APPOINTMENT: I have been a
planning commissioner for several terms.

WHY DO YOU WISH TO BE APPOINTED: to continue with the
experience I have accumulated

AS FAR AS YOU KNOW, WHAT WILL BE EXPECTED OF YOU IF YOU ARE APPOINTED:

meetings, once a month; joint meanings with
the council, as called; vote on building projects;
follow the law established by the Brown Act;

REFERENCES (OPTIONAL): complete financial disclosure form once/year

NAME

ADDRESS

PHONE



RECEIVED
JUN 23 2009
DEL REY OAKS
CITY CLERK

CITY OF DEL REY OAKS APPLICATION FOR APPOINTMENT

OFFICE TO WHICH YOU WISH TO BE APPOINTED: PLANNING COMMISSION
NAME: GLENN MICHAEL "MIKE" HAYWORTH
ADDRESS: 4 CARLTON DRIVE PHONE: 394-0890
OCCUPATION: AUTO DEALER PARTS MANAGER
BUSINESS ADDRESS: #1 GEARY PLAZA, SEASIDE, 93955
HOW LONG HAVE YOU BEEN A RESIDENT OF DEL REY OAKS: MORE THAN 20 YEARS
PREVIOUS SERVICE TO THE CITY: PLANNING COMMISSION SINCE 1/05,
DOOR TO DOOR SOLICITING VOTES IN FAVOR OF PUBLIC SAFETY ASSESSMENT

EXPERIENCE RELATED TO THE APPOINTMENT: HAVE BEEN A PLANNING
COMMISSIONER SINCE 2005. I BRING EXPERIENCE WITH WORKING
AS A TEAM MEMBER AND MANAGER OF PEOPLE IN WORK & AS AN SCCA STEWARD.

WHY DO YOU WISH TO BE APPOINTED: I FEEL IT IS IMPORTANT TO
BE INVOLVED IN COMMUNITY AND TO CONTRIBUTE
WHERE I CAN.

AS FAR AS YOU KNOW, WHAT WILL BE EXPECTED OF YOU IF YOU ARE APPOINTED:

I EXPECT PERIODIC MEETINGS, OCCASIONAL VISIT TO VIEW
LOCATIONS AND OCCASIONAL NONE REGULAR MEETINGS.
I EXPECT ~~THE~~ NEED TO KNOW PERTAINENT LAWS & CODES.

REFERENCES (OPTIONAL):

NAME	ADDRESS	PHONE
<u>RON LANGFORD</u>	<u>650 CANYON DEL REY, DRO</u>	<u>394-8511</u>
<u>GEORGE JAKSHA</u>	<u>1060 PALOMA RD. , DRO.</u>	<u>394-1968</u>

CITY OF DEL REY OAKS

TO: Mayor and City Council
FROM: Laura Dadiw, Interim City Manager
DATE: July 28, 2009
SUBJECT: Fiscal Year 2009/10 City of Del Rey Oaks Budget

RECOMMENDATION:

Consider adoption of Scenario A of proposed budget as presented with further evaluation of the employee Wellness Benefit Program at midyear to allow time to consider language and codification of the program.

DISCUSSION:

The proposed City of Del Rey Oaks budget for fiscal year 2009/10 was presented at a special budget workshop on July 21, 2009 with the outlined Scenario A being recommended by the Council Budget Sub-committee and staff for the Council to consider. The annual City contribution of \$500.00 for each employee for health /wellness program was listed in a Powerpoint presentation of the 2007/08 preliminary budget on August 28, 2007. The preliminary budget was subsequently adopted as final on September 25, 2007. No program parameters or language was developed beyond the bulleted item in the preliminary budget presentation such as when payout was required, and no resolution was enacted or amendment to the Personnel Policies and Procedures made at that time or since. The program is not budgeted for 2009/10 due to expense reductions needed to balance the proposed budget and it is recommended to consider the program "on hold" to give sufficient time to define it and codify it by the time of the midyear budget review for possible amended inclusion in the budget at that time.

FISCAL IMPACT:

The proposed budget for 2009/10 remains balanced if Scenario A is accepted as presented.

ATTACHMENTS:

- Slide from Powerpoint presentation of 2007/08 preliminary budget made August 28, 2007

PROPOSED CHANGES TO
SALARY AND BENEFIT PACKAGES
FOR ALL EMPLOYEES
FY 2007 -08

- 20% Salary Increase for all employees (N/C for ACM/COP).
- City to Continue to fund the cost of all health, dental and vision premiums for employee and family.
- Introduce (1) floating holiday for each employee.
- \$500.00 annual City contribution for each employee for health / wellness program.

RESOLUTION NO. 2009-07

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DEL REY OAKS
ESTABLISHING AN APPROPRIATIONS LIMIT FOR THE FISCAL YEAR 2009-2010
PURSUANT TO ARTICLE XIII B OF THE CALIFORNIA CONSTITUTION

-oOo-

WHEREAS, Article XIII B of the California Constitution provides that the total annual appropriations subject to limitation of each governmental entity, including this City, shall not exceed the appropriation limit of such entity of government for the prior year adjusted for changes in the cost of living or personal income and population, except as otherwise provided for in said Article XIII B and implementing State statutes; and

WHEREAS, pursuant to said Article XIII B of said California Constitution, and 7900 *et seq.* of the California Government Code, the City is required to set its appropriations limit for each fiscal year; and

WHEREAS, the City Council of the City of Del Rey Oaks has interpreted the technical provisions of said Proposition 4 computations and has caused a technical review to be made of the documentation for the City=s said appropriation limitation, and has caused the numbers upon which the City=s appropriation limit was and is based to be calculated on the basis of (NOTE: Once it is determined which basis will be used, select the applicable of the following: changes in the California per capita personal income or increase in city or county population); and

WHEREAS, based on such calculations the City Clerk has determined the said appropriation limit and pursuant to Section 7910 of said California

Government Code has made available to the public the documentation used in the determination of said appropriation limit;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Del Rey Oaks, California that said appropriation limit for fiscal year 2009-2010 shall be and is hereby set in the amount of \$3,122,009.35 for said fiscal year.

PASSED AND ADOPTED at a regular meeting of the Del Rey Oaks City Council duly held on July 28, 2009, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

Joseph P. Russell, Mayor

ATTEST:

Dewey D. Evans, City Clerk

CITY OF DEL REY OAKS
 APPROPRIATIONS LIMIT WORKSHEET FOR FY 2007-2008 RECOMMENDED BUDGET

	AMOUNT	SOURCE
A. LAST YEAR'S LIMIT	\$3,078,146.99	Prior Year
B. ADJUSTMENT FACTORS		
1. Populations	1.008	State Dept of Finance
2. Inflation	1.0062	State Dept of Finance
	1.0142496	(B1*B2)
Total Adjustment %	\$0.0142496	(B1*B2-1)
C. ANNUAL ADJUSTMENT	\$43,862.36	(B*A)
D. OTHER ADJUSTMENTS:		
Lost Responsibility (-)	0	
Transfer to private (-)	0	
Transfer to fees (-)	0	
Assumed Responsibility (+)	0	
Sub-total	0	
E. TOTAL ADJUSTMENTS	\$43,862.36	(C+D)
F. THIS YEAR'S LIMIT	\$3,122,009.35	(A+E)

RESOLUTION NO.2009-08

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DEL REY OAKS ADOPTING A FEE
SCHEDULE
FOR CERTAIN CHARGES FOR CITY SERVICES**

-oOo-

BE IT RESOLVED by the City Council of the City of Del Rey Oaks that effective, July 28, 2009, the following schedule of fees is adopted for certain services furnished by the City, as follows:

<u>Service</u>	<u>Fee</u>
Accident Report	\$.20 per page ¹
Police Report	\$.20 per page ¹
False Police Alarm Fee:	
1 st alarm within 60 days	No Charge
2 nd alarm within 60 days	\$ 50.00 ²
Subsequent Alarms	\$ 100.00 ²
Fingerprinting	\$ 10.00 per card
Special Events	\$ 80.00 per hour
Vehicle Repossession	\$ 15.00
Vehicle Storage Release	\$ 200.00 ³
Citation Sign-Off	\$ 10.00
VIN Verification	\$ 10.00
Police Shoulder Patch Request	\$ 20.00 each ⁴

1 Increase in Accident / Police Report from \$10

2 Increase in False Alarm Fees 2nd alarm in sixty days from \$25/Subsequent alarms from \$50

3 Increase in Vehicle Storage Release Fee from \$180

4 Increase in shoulder patch request from \$15.00

<u>Service</u>	<u>Fee</u>
Duplication of Audio Tape	\$ 25.00 each ⁵
Duplication of DVD (Council meetings, etc.)	\$ 25.00 each ⁶
Duplication of DVD / Police Photos	\$ 25.00 each ⁷
Enlargement of Photographs	City's cost including personnel time
Returned Check Fee	
Stop Payment/NSF	\$ 35.00 ⁸
Sales of Maps	\$ 5.00 ⁹
Business License Application Fee	\$ 20.00 ¹⁰
Home Occupational Use Permit Application Fee	\$ 10.00 ¹¹
Dog park annual registration fee (per dog)	\$ 10.00 ¹²
Park Barbeque Reservation Fee:	
Residents - groups of 1 to 50	\$ 50.00
groups of 50 to 100	\$100.00
groups of 101 to 150	\$150.00
Non-Residents - groups of 1 to 50	\$100.00
groups of 51 to 100	\$150.00
groups of 101+	\$200.00
Non refundable cleaning deposit	
- group of 1 to 50	\$ 25.00 ¹³
group of 51 to 100	\$ 50.00
group of 101+	\$100.00
Bounce House Permit	\$ 50.00
Temporary Day Use Permit	\$ 50.00

5 Increase in Duplication of Audio Tape from \$15
6 New Fee proposed, cost of time and materials
7 New Fee proposed, cost of time and materials
8 Increase in Stop payment/NSF check fee from \$25
9 Increase in Sale of City Maps from \$3
10 New Fee Proposed, requires research and staff time
11 New Fee Proposed, requires research, staff time, sign off and possible insurance verification
12 New Fee Proposed, requires that dog owner provide city with copy of dog license from county
13 New Fee proposed, requires extra time and materials for prep and cleaning

<u>Service</u>	<u>Fee</u>
Recreational Vehicle Storage Facility (plus \$5.00 key deposit)	
Residents	\$ 65.00 per month ¹⁴
Non-Resident	\$ 80.00 per month ¹⁴
Hazardous Materials / Fire Response fee	\$1,951.00 ¹⁵
False Alarm / Fire Response / Fire Alarm – Sprinkler System	\$1,951.00 ¹⁶

PASSED AND ADOPTED by the City Council of the City of Del Rey Oaks at a regular meeting duly held on July 28, 2009, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

Joseph P. Russell, Mayor

ATTEST:

Laura Dadiw, City Clerk

- | | |
|----|--|
| 14 | Increase in Recreational Vehicle Storage from Resident Fee: \$50/Non Resident Fee: \$65 |
| 15 | Will reimburse city for fire response to hazardous materials spills |
| 16 | Fire is required to respond to all Fire Alarm System activations, this will reimburse city for these costs |

RESOLUTION NO. 2009-09

A RESOLUTION ADOPTING A FEE SCHEDULE FOR CERTAIN CHARGES FOR CITY SUBDIVISION,
PLANNING AND RELATED SERVICES

-oOo-

BE IT RESOLVED by the City Council of the City of Del Rey Oaks that the following fee schedule for subdivisions, planning and other related services furnished the City is hereby adopted, effective this date:

<u>SERVICE</u>	<u>PLANNING</u>	<u>FLOOD</u>	<u>TOTAL FEE</u>
<u>VARIANCE</u>	<u>FEE</u>	<u>CONTROL FEE</u>	
Commercial, hotel, motel, multi-family & industrial	\$1100.00 ea/ section	\$ 50.00	\$1150.00 ea/ section
Additional meetings	\$ 350.00		\$ 350.00
Single Family Residential	\$ 650.00	\$ 50.00	\$ 700.00
Additional meetings	\$ 300.00		\$ 300.00
<u>USE PERMIT</u>			
Conditional Use in any district or auxiliary housing unit	\$ 500.00	\$ 55.00 (or \$155.00 if located in flood plain)	\$ 555.00 (or \$655.00 if located in flood plain)
Minor Use (Signs, Home Occupations, fences, animals, etc. in Section 11-208) Including Renewals	\$ 100.00 for signs		\$ 100.00
	\$ 60.00 for all other uses		\$ 60.00

ARCHITECTURAL REVIEW BY PLANING COMMISSION

Major (New commercial, hotel, motel, multi-family & industrial)	\$ 600.00		\$ 600.00
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Minor (Single family dwellings new/additions, tenant improvements, remodels, colors, landscape)	\$ 100.00		\$ 100.00
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PROPERTY INSPECTIONS

R-1 District	\$ 100.00		\$ 100.00
D District (Condo.)	\$ 100.00		\$ 100.00

ZONING PERMITS

R-1 District	\$ 200.00	\$ 50.00	\$ 250.00
Additional meetings	\$ 100.00		\$ 100.00

Hotel/motel/multi-family 1-7 units	\$ 875.00	\$ 50.00	\$ 925.00
8-36 units	\$ 125.00/unit		\$125.00/unit
>36 units	Negotiated fee for cost of service		Negotiated fee for cost of service

Commercial & industrial < 15,000 sf	\$ 500.00 +140.00 K/sf		\$500.00+140.00K/sf
> 15,000 sf	Negotiated fee for cost of service		Negotiated fee for cost of service

Additional meetings	\$ 400.00		\$ 400.00
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RECLASSIFICATION OR REZONING

Minor text (alterations of existing sections)	\$ 500.00/ 1st section charged + \$ 200.00 for each additional section		\$500.00/ 1st section charged+ \$200.00 for each additional section
---	---	--	--

Major text (addition of new section)	\$1000.00 deposit/ cost of service		\$1000.00 Deposit/ cost of service
--	---------------------------------------	--	---------------------------------------

ALL APPEALS	\$ 175.00	\$ 175.00
STANDARD SUBDIVISION MAP		
Tentative	\$ 1800.00 + 100.00/lot	\$ 1800.00 + 100.00/lot
Exceptions	\$ 700.00/lot w/exceptions	\$ 700.00/lot w/exceptions
Minor Exceptions	\$ 1600.00 \$ 700.00/lot w/exceptions	\$ 1600.00 \$ 700.00/lot w/exceptions
Additional meetings for minor text amendments	\$ 100.00	\$ 100.00
FINAL MAP PROCESSING		
	\$ 750.00 + 60.00/lot	\$ 750.00 + 60.00/lot
PARCEL MAP	\$ 600.00 per map	\$ 600.00 per map
LOT LINE ADJUSTMENT	\$ 700.00	\$ 700.00
ENCROACHMENT PERMIT¹		
Routine	\$ 150.00 requires inspection	\$ 150.00 requires inspection
Major	\$ 200.00 + 2% of cost of public improvements requires plan check	\$ 200.00 + 2% of cost of public improvements requires plan check
STREET OPENING²		
	\$ 200.00 + 2% of cost of public improvements Requires inspection	\$ 200.00 + 2% of cost of public improvements Requires inspection
SPECIFIC PLAN **		

1 Increase in fees from Routine \$100 / Major \$150

2 Increase in fees from \$100

GENERAL PLAN AMENDMENT

Minor Text (alterations of existing sections)	\$ 600.00	\$ 600.00
Major Text (addition of new sections)	\$1000.00 deposit/ Cost of service	\$1000.00 deposit/ Cost of service
Map	Cost of service	Cost of service

DEVELOPMENT AGREEMENT **

INITIAL ENVIRONMENTAL REVIEW/NEGATIVE DECLARATION

w/ Local Review only	\$ 500.00	\$ 500.00
w/ State Review	\$ 650.00	\$ 650.00

ENVIRONMENTAL IMPACT REPORT **

PRINTED MATERIAL

Copies	\$.20 per page	\$.20 per page ³
R-1 Guidelines	\$ 10.00	\$ 10.00 ⁴
Commercial Guidelines	\$ 10.00	\$ 10.00 ⁵
Sign Ordinance	\$ 10.00	\$ 10.00 ⁶

3 Increase in fees from \$.10 per page

4 Increase in fees from \$5.00

5 Increase in fees from \$5.00

6 Increase in fees from \$3.00

Subdivision Ordinance	\$ 10.00	\$ 10.00 ⁷
Zoning Ordinance Text	\$ 15.00	\$15.00
General Plan Text	\$ 20.00	\$20.00

Consultant fee, plus 30% of consultant fees to cover normal staff costs, plus 15% of consultant fee as a contingency fund to cover unanticipated costs, plus duplicating. These fees shall be considered advances and should the actual cost be less than the fee advanced, the excess shall be returned to the applicant; should the actual cost be more than the fee advanced, the difference shall be paid by the applicant.

Applicant shall, in addition to those fees listed in this fee schedule, pay the actual cost of legal advertising.

It is City policy and requirement that processing of development or planning projects be fully cost recoverable. Application fees are intended to reimburse the City for minimal costs incurred for the normal or routine amount of time necessary to process applicant's requests. If additional or other unusual time is required on a particular project, then the developer/applicant will be charged for these additional costs to the City, plus a 30% administrative overhead fee.

⁷ Increase in fees from \$ 5.00

PASSED AND ADOPTED by the City Council of the City of Del Rey Oaks at a regular meeting duly held on July 28, 2009, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

Joseph P. Russell, Mayor

ATTEST:

Laura Dadiw, City Clerk

RESOLUTION NO. 2009-10

A RESOLUTION OF THE CITY OF DEL REY OAKS ESTABLISHING A PROMOTION FUND FOR
THE FISCAL YEAR 2009-2010

-oOo-

BE IT RESOLVED by the City Council of the City of Del Rey Oaks, as follows:

That for the promotion and advertising of the City for the fiscal year 2009-2010 there is appropriated the sum of \$1,500.00, payable at the monthly rate of \$125.00, which shall be paid to the Mayor, for his discretionary use, as other claims are paid by the City. Said sum shall be paid monthly without itemization. Said sum shall be charged to the Advertising and Promotion Funds of said City.

PASSED AND ADOPTED at a regular meeting of the Del Rey Oaks City Council duly held on July 28, 2009, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

Joseph P. Russell, Mayor

ATTEST:

Laura Dadiw, City Clerk

2009-11
 2009-2010

- 00 -

2009-2010, 28, 20098

	<u>0000.00</u>
0000.00	4,078.00
0000.00	4,283.00
0000.00	4,498.00
0000.00	4,722.00
0000.00	4,959.00

	<u>3,356.00</u>
0000.00	3,523.00
0000.00	3,702.00
0000.00	3,887.00
0000.00	4,080.00
0000.00	3,197.00
0000.00	3,358.00
0000.00	3,506.00
0000.00	3,700.00
0000.00	3,886.00
0000.00	9,200.00
0000.00	1,631.00

	<u>5,093.00</u>
0000.00	5,348.00
0000.00	5,614.00
0000.00	5,895.00
0000.00	6,191.00

	<u>3,989.00</u>
0000.00	4,190.00
0000.00	4,399.00
0000.00	4,619.00

RESOLUTION NO. 2009-12

A RESOLUTION APPROVING THE EXPENDITURE PLAN OF FUNDS FROM THE SUPPLEMENTAL
LAW ENFORCEMENT SERVICES FUND

-oOo-

WHEREAS, SB 736 provides for the allocation of funds from the Supplemental Law Enforcement Services Fund for distribution to counties through the Citizens' Option for Public Safety (COPS) Program for further distribution to local agencies;

WHEREAS, SB 736 prohibits said distribution by counties until a city provides a spending plan for said funds, which must be spent for front-line law enforcement services;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Del Rey Oaks that it does hereby approve the expenditure of funds received from the Supplemental Law Enforcement Services Fund through the Citizens' Option for Public Safety (COPS) Program, for the following:

1. Continued employment of a full-time police officer who was hired with said funds previously received.
2. Un-programmed overtime for police officers.
3. Un-programmed training for police officers.

PASSED AND ADOPTED by the City Council of the City of Del Rey Oaks at a regular meeting duly held on July 28, 2009 by the following vote:

AYES: COUNCIL MEMBER

NOES: COUNCIL MEMBER

ABSENT: COUNCIL MEMBER

Joseph P. Russell, Mayor

ATTEST:

Laura Dadiw, City Clerk

CITY OF DEL REY OAKS
and the
REDEVELOPMENT AGENCY OF THE CITY OF DEL REY OAKS

TO: Mayor and City Council
Redevelopment Agency Members

FROM: Laura Dadiw, Interim City Manager

DATE: July 28, 2009

SUBJECT: Audit of Financial Records of City and Redevelopment Agency for
Fiscal Year 2008-2009 with an option to for two additional years

RECOMMENDATION:

Consider adopting the attached Resolutions awarding a contract to Marcello & Company, CPAs to conduct comprehensive financial audits of the City and Redevelopment Agency's financial records for fiscal year 2008-2009 with an option for two additional years.

DISCUSSION:

The City and the Redevelopment Agency have retained the services of Hayashi & Wayland CPAs for a number of years to conduct the fiscal year financial audits. Although the City and Agency have been very pleased with the results of these audits and the working relationship with the Hayashi and Wayland firm it was mutually decided that it just makes good business sense to change auditors every few years. RFPs were mailed to six auditing firms and only Marcello & Company, CPAs responded within the time frame allowed. After careful review by Mr. Dewey Evans and me we believe the proposal from Marcello & Company for a combined bid of \$29,000 seems fair and reasonable. For comparison purposes the combined fee charged by Hayashi & Wayland CPAs for the fiscal year audits ending June 30, 2008 was \$35,060 or \$6,060 more than the proposal from Marcello & Company.

FISCAL IMPACT:

If the proposal is awarded to Marcello & Company the approximate cost to the City and the Agency for the audits for fiscal year ending June 30, 2009 would be broken down as follows:

City of Del Rey Oaks	\$21,750
RDA	<u>7,250</u>
Total	<u>\$29,000</u>

ATTACHMENTS:

- City Resolution No. 2009-13
- RDA Resolution No. 2009-02
- Proposal to Provide Auditing Services from Marcello & Company, CPAs

**Technical Proposal to Provide Auditing Services
for the**

City of Del Rey Oaks

and the

Del Rey Oaks Redevelopment Agency

Submitted by

Marcello & Company, CPAs
2701 Cottage Way, Suite 30
Sacramento, CA 95825
(916) 979-9079
www.marcello-cpa.com

Contact Person:
Ralph A. Marcello, CPA
Managing Director
email: auditor@marcello-cpa.com

July 14, 2009

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APPENDIX A

Dollar Cost Bid Proposal

MARCELLO & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

2701 Cottage Way, Suite 30 / Sacramento, California 95825 / (916) 979-9079

July 14, 2009

City of Del Rey Oaks
Attention: City Manager
650 Canyon Del Rey Road
Del Rey Oaks, California 93940

Dear Ms. Dadiw,

Thank you for this opportunity to demonstrate why we are the best qualified firm to serve the City of Del Rey Oaks as its independent auditor for the fiscal year ending June 30, 2009, with an option for two additional years.

Marcello & Company will maximize the use of audit team members who have prior governmental audit experience on this engagement. After reviewing our proposal we are sure that you will agree that Marcello & Company will provide the City with the most efficient audit possible with a minimum disruption of your daily schedule.

This letter summarizes our understanding of the scope of services required, the expectations of the City, and many of the reasons why Marcello & Company should be selected to serve the City.

Scope of Services

We understand that the scope of services required for each of the next three years is as follows:

- To perform an audit of the City's financial statements in accordance with generally accepted auditing standards, as set forth by the American Institute of Certified Public Accountants
- To perform an audit of the Del Rey Oaks Redevelopment Agency's financial statements in accordance with generally accepted auditing standards, as set forth by the American Institute of Certified Public Accountants, and in compliance with *Guidelines for Compliance Audits of California Redevelopment Agencies* as published by the California State Controller's Office
- To issue opinions on the fair presentation of the City and the Del Rey Oaks Redevelopment Agency financial statements in conformity with generally accepted accounting principles
- To test the City's compliance with the Single Audit Act (July 2007 revision) and applicable laws and regulations, and issue the following reports: (1) Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and (2) Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133 and on the Schedule of Expenditures of Federal Awards

Scope of Services - continued

- To participate with the City in following the revised electronic submission requirements of the Data Collection Form to the Federal Audit Clearinghouse (July 2007 revision)
- To provide a management letter, schedule of findings and questioned costs, auditor comments and recommendations concerning the adequacy of existing internal controls, and recommendations for operational efficiencies, as applicable
- To provide 10 bound financial reports of the City, the RDA, and the Single Audit
- To participate with management in an engagement entrance and exit conference at agreed upon dates
- To prepare and submit annual State Controller Reports of Financial Transactions for the City of Del Rey Oaks, the Del Rey Oaks Redevelopment Agency, and Street Report, by the statutory filing deadlines, based upon a City prepared trial balance or compiled financial statement delivered to us by September 15 each year, as an *agreed upon procedure*
- To review the City's comprehensive annual financial report (CAFR) and consult with finance staff in preparation for submission of the City's CAFR to the California Society of Municipal Finance Officers (CSMFO) Certificate of Achievement for Excellence in Financial Reporting program, as an *agreed upon procedure*
- To make an immediate, written report of all reportable conditions, irregularities and illegal acts or indications of illegal acts of which we become aware to the City Manager.

Marcello & Company is the Best Firm for the City of Del Rey Oaks

Our goal is to provide you with solid reasons for selecting Marcello & Company to serve as your auditors and business advisors.

Communication Open and honest communication is vital to any business relationship. Communication begins with the process of listening to you, the client, and then providing you with timely reports and thorough management or recommendation letters. At the beginning of each audit we meet with the appropriate City officials to discuss the general financial condition of the City, your concerns and expectations about the audit, and the status of any prior year auditor recommendations. At the conclusion of field work, we again meet with the appropriate City officials to discuss the status of the audit, and any audit findings or recommendations we can offer. Our purpose in making these suggestions is to help you accomplish your operational objectives, which often result in cost savings.

Quality and Efficiency We are not the largest public accounting firm in California, but our experience offers the City significant benefits. We specialize in auditing small California cities, many of which are tourism dependent. This experience and related understanding of your City's operations permit us to design, perform, and complete engagements for your City effectively and at a reasonable cost.

Priority Client The City of Del Rey Oaks will be a priority client of our firm. We are committed to perform all work within the stated time frame. A demonstration of this commitment is a substantial reduction of our standard audit fees for this engagement, thereby illustrating our desire to serve the City as their auditors.

City of Del Rey Oaks
July 14, 2009

I represent Marcello & Company, CPAs in all matters concerning the City audit, and am authorized to bind Marcello & Company in a contract with the City. You can contact me at the address indicated on the cover page or at (916) 979-9079.

The all-inclusive fee is based upon a number of factors including past experience, our knowledge of the City, scope of the engagement and the amount of assistance to be provided by the City's staff. Our proposal is a firm offer made under current accounting and auditing standards in effective as of the date of this letter.

It is our desire to provide a full range of professional services to the City of Del Rey Oaks, and we believe there are many items in this proposal which distinguish us from other firms that you will be considering. We will be glad to meet with you and the City officials to elaborate upon our credentials and our commitment to serve the City.

Sincerely,

MARCELLO & COMPANY
Certified Public Accountants

By:



Ralph A. Marcello, CPA
Managing Director

RAM:jtf

Independence

The firm meets the independence requirements of the *Government Auditing Standards* (yellow book), published by the Comptroller General of the United States, July 2007 Revision. We are independent with respect to the City of Del Rey Oaks. Our policy on independence states that no partner or staff member may own securities of any client or be related to any client's employee who is in a position to influence the financial statements.

Prior Engagements

Marcello & Company has not had prior CPA or any business relations with the City of Del Rey Oaks.

Commitments to Staff Continuity

Although we are a new company, Ralph Marcello and Jim Gozzo have worked together for eleven years. Ralph Marcello will be the in-charge auditor for the City audit, with Jim Gozzo as staff.

Complaints

No complaints have been filed against any firm members in the past eleven years.

Audit Workpapers

Auditor prepared workpapers and related audit reports will be kept for a minimum of five (5) years and will be made available to the City, or its agent, upon request.

Client Assistance

We will provide you with a schedule of requested audit documents before we start audit fieldwork. This schedule will list original documents we will want to examine, a list of cancelled checks and supporting documents such as invoices, and copies of documents we would like you to prepare for us.

Peer Review

Because Marcello & Company has been in business less than 3 years, it is not required to have a peer review.

License to Practice in California

The firm and all assigned key professional staff are properly licensed to practice public accounting in California.

Business License

If required, the firm will purchase a City of Del Rey Oaks business license if selected as their auditors, while conducting work under this contract.

Insurance

The firm will maintain adequate professional, liability and auto insurance during the entire term of the engagement with the City.

Subcontractors

We subcontract preparation and submission of State Controller Reports to Brett Miller, CPA. Brett provides CPA subcontract services to us on an as needed basis, and was the former managing partner of the Sacramento branch office of Moss, Levy and Hartzheim, CPAs.

Qualifications and Experience

Marcello & Company, CPAs was formed in 2008 and operated previously as the *audit department* of Nicholson & Olson, CPAs.

Ralph A. Marcello

Ralph is the firm's Managing Director with over twenty-five years of professional experience including municipal audits, special district audits, nonprofit organization audits, HUD audits, DSS audits, college audits, homeowner association audits, and two employment positions as a chief financial officer. His most recent government audit resume includes auditing the Cities of Carmel, Gustine, Lakeport, Los Banos, Mammoth Lakes, Marina, Orland, Plymouth, Portola Valley, Scotts Valley, Sutter Creek, Tiburon, and Trinidad. Other recent governmental audit experience includes several Redevelopment Agencies and Single Audits, the Fort Ord Reuse Authority, Carmel Public Improvement Authority, Marina Coast Water District, Nevada Irrigation District, Olivehurst Public Utilities District, Tri-Dam Power Authority, and the Tri-Dam Project. Additional recent audit experience includes audits of the California Forestry Association, California Parks & Recreation Society, Society of California Accountants, Theatre for Children (B Street Theatre), California Municipal Utilities Association and the California Association for Health, Physical Education, Recreation and Dance.

Ralph is a graduate of California State University, Sacramento, earning a Bachelor of Science degree in Accounting and has been a California licensed Certified Public Accountant since 1981. Continuing education requirements for GAO *yellow book* have been met. He has been a guest lecturer at CSUS for their upper division "Government and Non-Profit Organization" accounting class, an instructor/author for the California CPA Education Foundation, and serves on the board of directors for the Leland Meadow Water District, and is Finance Committee Co-chair of the future City of Arden Arcade.

James N. Gozzo

Jim is the firm's Audit Manager with over twenty-five years of professional experience including managing engagements for both regional and national public accounting firms. He has also instructed courses for the California Association of Auditors for Management, and conducted training seminars on *state of the art* auditing techniques. His most recent government audit experience includes the Cities of Carmel, Gustine, Lone, Lakeport, Los Banos, Marina, Mammoth Lakes, Needles, Orland, Portola Valley, Plymouth, Scotts Valley, Sutter Creek, Tiburon, County of Fresno, the Sacramento Employment & Training Agency-single audit, Capitol Area Development Agency, Sexual Assault & Domestic Violence Center-single audit, and the Financing Authority for Resource Efficiency of California (FARECal). Jim has also participated in audits of the U.S. Community Services Administration's Community Action Agency grants, the U.S. Department of Housing & Urban Development's Housing Authority grants, various Employment & Training grants, several U.S. Environmental Protection Agency Wastewater Treatment program grants, and several Urban Mass Transportation Agency audits, among many others.

Jim is a graduate of California State University, Los Angeles, earning a Bachelor's degree in Business Administration and has been a California licensed Certified Public Accountant since 1978. Continuing education requirements for GAO *yellow book* have been met.

Gregory M. Kaeser

Greg is the firm's Audit and Electronic Data Processing consultant. His extensive computer skills and analytical abilities have been utilized in connection with engagements with the California Assembly Rules Committee, Santa Clara County Transportation Agency, California State Lottery, California State Board of Barbering and Cosmetology, Sacramento Housing and Redevelopment Agency, and the annual financial audits for the Counties of Butte and Tuolumne, and the City of Vacaville. He has also conducted data processing reviews consistent with the audit standards specified in Statement on Auditing Standards (SAS) Numbers 48 and 70. These entities include the Sacramento Housing and Redevelopment Agency, the Counties of San Mateo, Ventura, Napa, Tuolumne and Butte as well as the Cities of Los Angeles, Modesto, Pleasanton, Simi Valley and Antioch. Greg is a graduate of the University of Santa Clara, earning Bachelor of Science degrees in both commerce and finance, and is a California licensed Certified Public Accountant.

Similar Current Engagements

References ranked on the basis of total staff hours

Fort Ord Reuse Authority

Scope of Engagement - Audit of financial statements, US Army audit report, and single audit

Date - Fiscal year ended June 30, 2002, with a new contract through 2012

Engagement Manager - Ralph Marcello

Total Hours - 175

Principal Contact - Ms. Ivana Bednarik, Controller (831) 883-3672

email - ivana@fora.org

Marina Coast Water District

Scope of Engagement - Audit of financial statements (CAFR), GFOA award

Date - Fiscal Year ended June 30, 2005 through June 30, 2008 (contract expired)

Engagement Manager - Ralph Marcello

Total Hours - 150

Principal Contact - Mr. Suresh Prasad, Finance Director (831) 384-6131

email - sprasad@mcwd.org

City of Orland

Scope of Engagement - Audit of financial statements and single audit

Date - Fiscal year ended June 30, 1998, extended through June 30, 2009

Engagement Manager - Ralph Marcello

Total Hours - 140

Principal Contact - Mr. Daryl Brock, Finance Director (530) 865-1603

email - dbrock@cityoforland.com

City of Scotts Valley

Scope of Engagement - Audit of financial statements (CAFR), GFOA award consistently, RDA and single audits

Date - Fiscal years ended June 30, 2004 through June 30, 2008 (contract expired)

Engagement Manager - Ralph Marcello

Total Hours - 120

Principal Contact - Mr. Steve Ando, City Manager/Finance Director (831) 440-5610

email - sando@scottsvalley.org

Current and Past Engagements

Arcade Creek Recreation and Park District - Audit
Boys and Girls Clubs of Greater Sacramento, Inc. - Financial and Single Audits
BRCO - 401(k) Audit
California Parks & Recreation Society - Audit
California Association of Retarded Citizens - Audit
California Forestry Association - Audit
California Library Association - Audit
California Municipal Utilities Association - Audit
Capitol Area Development Agency - Audit
Child Abuse Prevention Council of Placer County - Financial and Single Audits

City of Carmel - City and Public Improvement Authority Audits, TOT Agreed Upon Procedures, and a *Historic Value Capital Assets Study* to eliminate the audit opinion qualification
City of Grass Valley - City and RDA Audits
City of Gridley - Audit
City of Gustine - City and Single Audits
City of Hesperia - City and RDA Audits
City of Ione - City and Single Audits
City of Lakeport - City and RDA Audits, TOT Agreed Upon Procedures

City of Los Banos - City, RDA and Single Audits
City of Marina - City, RDA and Single Audits
City of Marina - TOT Agreed Upon Procedures, and Variable Waste Can Study
Town of Mammoth Lakes - City, RDA and Single Audits
City of Modesto - Due Diligence
City of Needles - City and RDA Audits
City of Orland - City and Single Audits

City of Plymouth - City and Single Audits
Town of Portola Valley - City and Single Audits
City of Sacramento - Audit Subcontractor
City of Scotts Valley - City, RDA and Single Audits
City of Sonora Transportation Development Act Fund - Audit
City of Sutter Creek - Audit
Town of Tiburon - City and RDA Audits
City of Trinidad - Audit

County of Butte - County and Single Audits
County of Tuolumne - County, Single, TDA and Hospital Audits
County of Tuolumne and Cities Area Planning Council - Audit
Crossroads Treatment Center - DSS Audit
Del Webb Sun City - DRE/HOA Audit
Evergreen Convalescent Hospital - 401(k) Audit
Fair Oaks Recreation and Park District - Audit
Families for Children, Inc. - DSS Audit

Financing Authority for Resource Efficiency of California - Audit
Fort Ord Reuse Authority - Financial, Single and US Army Audits
Friends of the River Foundation - Audit
Gramercy Court Convalescent Hospital - HUD and 401(k) Audits
Greenhaven Nursing Facility - Audit
Lakeside Mortgage - SEC Audit
Mortgage Brokers Acceptance Corporation - HUD Audit

Current and Past Engagements - concluded

Nepenthean Homes - DSS Audit
Nevada Irrigation District - Audit
Nevada Power Authority - Audit
Pacific Crest Trail Association - Audit
Peabody's Coffee Inc. - SEC Audit
Roseville Chamber of Commerce - Audit
Rudolf Steiner College - Audit
Rutherford Institute - Audit

Sacramento Employment & Training Agency - Financial and Single Audits
Sacramento Housing and Redevelopment Agency - Audit
Saint Francis Home for Children - DSS Audit
Saint John Hospital - Audit
Sierra Sacramento Valley EMS Authority - Audit
Sierra WES - 401(k) Audit
Society of California Accountants - Review
Somerset Nursing Center - HUD Audit
Somerset Hills - CHFA Audit
State Water Contractors - Audit

The Place - DRE/HOA Audit
Theatre for Children (B Street Theatre) - Audit
Tri-Dam Project - Audit
Tri-Dam Power Authority - Audit

U.S. Community Services Administration's Community Action Agency - Grant Audits
U.S. Department of Housing & Urban Development's Housing Authority - Grant Audits
U.S. Environmental Protection Agency Wastewater Treatment Program - Grant Audits
Urban Mass Transportation Agency - Audit
Western Center for Law & Religious Liberty - Audit
Western Mobile Home Association - Audit
Women's Civic Improvement Club of Sacramento, Inc. - Financial and Single Audits

Development of our Audit Plan and Approach

Marcello & Company's staff members have performed hundreds of audits throughout the State. Every organization and thus every audit have certain common characteristics yet each has its own unique qualities as well. For a CPA firm to meet the needs and expectations of such a diverse group of clients, its approach must be flexible and tailored to the individual circumstances. It must consider not only the specific characteristics of the organization, but also the operating environment and other external factors that impact the organization. Marcello & Company uses such an approach, and it has been tailored to meet the particular needs of governmental entities.

Our approach to service is based on a thorough, up-to-date understanding of our client's operating environment. We want to understand your concerns, needs, expectations, and plans for the future. We can obtain this understanding by frequent communications with officials and by detailed analysis of the internal and external environment in which you operate. With this knowledge, we are in a position to design and tailor an audit approach that includes the most effective and efficient combination of tests responsive to your circumstances.

In determining the appropriate nature, timing and extent of audit procedures in a given area or account, most accounting firms refer to materiality. In fact, virtually all decisions concerning audit efforts are based on materiality. The Marcello & Company approach recognizes that other factors should be considered in determining the appropriate mix of audit procedures. We consider these other factors through a formal analysis of risk - that is, we evaluate the probability that a material error could occur with a specific account or transaction. By considering both materiality and risk, we audit what is important and only what is important - we avoid both over auditing and under auditing.

In evaluating risk, our analysis is based on our knowledge and assessment of:

- 1 Internal and external conditions surrounding the City and the environment in which you operate
- 2 The effectiveness of your accounting and reporting systems
- 3 Trends and relationships of significant financial and operating data

This formal approach to the evaluation of risk, together with materiality considerations, enables us to develop an audit approach that is tailored to the City's needs and expectations and is both efficient and cost-effective.

Our approach divides all audits into three phases - initial planning (phase 1), program development (phase 2), and program execution (phase 3). During the initial planning phase, we obtain an understanding of the environment in which you operate, and we review current developments and both financial and operating trends. An overall audit plan is the end product of our initial planning.

In the program development phase, we document and obtain an understanding of your accounting systems. We do this phase by taking a "businessman's perspective" of what is important and how well control systems are operating. We then perform detail analytical reviews of accounts and transactions so that we can assess the risk of material error, and thus determine the appropriate audit procedures.

In the final phase of our approach - the program execution phase - we perform our detail tests of balances and transactions, and we consider the results of our tests and evaluate the sufficiency of our audit approach.

Although our approach appears as three distinct steps or phases, it is really an evolutionary process that builds on itself. Throughout our examination as we learn more about the year under audit, we challenge our procedures to ensure they are appropriate for your particular organization.

Development of our Audit Plan and Approach - continued

Phase 1 - Initial Planning

The first goal during the initial planning phase of our approach is to update our understanding of the external and internal environments in which the City operates. Following are some of the factors we consider:

External Environment

- Legal Requirements
- Reporting Obligations
- Economic Environment

Internal Environment

Definition of the Reporting Entity	Organizational Charts
Operating Characteristics	Operating Budget
Organization Manuals and Programs	Investment Policy
Administration and Financial Characteristics	Accounting Records
Other Management Information Systems	

Our evaluation of the control environment enables us to have expectations about the effectiveness of accounting systems throughout the period we are auditing. To aid in this evaluation, we utilize a Government Environment Questionnaire which provides us with important information about the organization, statutory requirements, reporting entity, financial reporting practices, auditing functions, intergovernmental relationships, personnel policies, etc.

Following this assessment, we review and analyze current and expected developments and trends to assess potential changes in risk. Any changes in risk alert us to consider that the preliminary audit plan should be reviewed and challenged for continuing effectiveness. We identify changes in your operations through our continuing discussions with City officials and by reviewing your interim and/or year end operating and financial results.

Our initial planning phase provides us with a detailed assessment of environmental and operating conditions currently affecting the City. We combine this assessment with the evaluation of internal controls, and detail analytical reviews performed in the program development phase to provide the basis for determining the nature, timing, and extent of audit procedures for specific transactions and accounts.

Phase 2 - Program Development

The primary purpose of this phase of our audit approach is to assess the likelihood of material errors in the accounts and transactions and to determine the most effective and cost-efficient mix of audit procedures. The first step in this process is to obtain an understanding of the accounting system and to document and evaluate it.

In reviewing accounting systems we take a "businessman's perspective" - that is, we are *objectives-oriented* as opposed to the more traditional *procedures-oriented*. We focus on whether certain control objectives are being met - not whether certain control procedures are in place. For example if a city manager (an authorized check signer) gives the finance director (who is not a check signer) 10 pre-signed checks before the manager departs on a vacation, the *control procedure* has been met, but the *control objective* has not been met. Our approach to evaluating accounting systems is thus responsive to the individual characteristics and strengths of a given system.

We next perform detailed analytical reviews of selected accounts and transactions to obtain an understanding of current operations. This knowledge, plus our understanding of the accounting system and the internal and external environments, constitutes the three inputs to our formal risk analysis.

Development of our Audit Plan and Approach - concluded

By evaluating both risk and materiality we are then in a position to select the nature, timing, and extent of audit procedures that are most appropriate for your organization. Our goal in selecting procedures is to:

- 1 Avoid audit procedures for areas in which the risk of material error is negligible
- 2 Avoid redundant audit procedures
- 3 Use audit procedures that accomplish more than one purpose
- 4 Provide a complete audit program for all important financial statement amounts
- 5 Maximize the use of analytical review procedures and other advanced audit techniques

Phase 3 - Program Execution

This phase of our audit consists of performing the procedures outlined in the audit program and reviewing and evaluating the results. For some organizations we perform interim audit testing close to your year end and perform additional audit testing after year end. Given the size of your organization we will most likely execute our audit program at one time, after year end.

Tests of controls and transactions should provide evidence that the accounting system is functioning as documented. Testing significant transactions can provide evidence that material errors or irregularities have or have not occurred, and also whether related account balances are free of material error or misstatement.

We then perform further direct tests of balances. Direct tests of balances include year end analytical review procedures to confirm that the elements of the system that we planned to rely on have produced the expected amounts (i.e., the numbers make sense) and to identify specific transactions or accounts that may require more audit support.

The *Marcello & Company Audit Approach* means efficient and effective auditing. By directly linking environmental factors, analytical review results, and internal control reviews we are able to determine the most efficient combination of tests that will be responsive to the identified risks. The benefit to the City of Del Rey Oaks is that every audit procedure has a specific purpose that is related to the City's circumstances (nothing is "routine" and hence potentially unnecessary). Therefore, you have greater assurance that all important risks are not overlooked because risk is formally, rather than informally, assessed.

Industry standard, and our customary audit practice, is to obtain representations concerning specific matters from the officials responsible for those matters, commonly called the *Management Representations Letter*. Written representations have several advantages; they confirm in writing the understanding between the auditor and the client, thus minimizing the possibility of misunderstanding; they provide a written record as to the matters covered; and they tend to remind the client that the financial statements are the client's responsibility.

In this connection, we will request a representation from appropriate officials as of the date of our report on the City's financial statements. In general, this representation will ask these officials to represent that to the best of their knowledge and belief all material direct liabilities, claims, contractual obligations, commitments, and pledged assets are disclosed in the financial statements and that significant events since the date of the financial statements are disclosed. We will provide the City officials with a pro forma representation letter in advance in order to assist them in complying with our request.

Anticipated Potential Audit Problems and Resolutions

We do not anticipate audit problems for the fiscal year ending June 30, 2009. However, should problems arise; we will discuss them with the supervisor of the department where the conflict arises, and move up the "chain of command" until we reach a resolution. In the event that a problem occurs that cannot allow us to independently issue an unqualified opinion, we will issue a qualified opinion describing the issue that causes us to qualify our opinion. In the event that we cannot issue a financial statement because of certain unresolved issues or scope limitations, we will consider disclaiming our opinion.

Some matters may not affect the opinion in the financial statements, but we will report them to you. Such matters include, but are not limited to, reportable conditions such as significant deficiencies in the design or operation of the internal control structure. Other agreed-upon conditions and material weaknesses will be reported to you, and we will help resolve these situations to your benefit.

If we become aware of any irregularities, fraud or illegal acts, we shall promptly notify appropriate officials above the level of involvement. The City, in turn, shall promptly notify the cognizant agency or appropriate department of the irregularities, fraud or illegal acts and of the City's proposed and or actual actions, if any. Irregularities, fraud or illegal acts include such matters as conflicts of interest, falsification of records or reports, misappropriation of funds or assets, or other such similar matters.

In every situation where a potential audit problem arises, we will do our best to solve it immediately with the least amount of disruption to the City's staff and routine.

Timing

1	Possible interim field work	August - September
2	Phase 1 - Initial Planning	August - September
3	Phase 2 - Program Development / Audit Plan	August - September
4	Phase 3 - Program Execution / Field Work	October, or as agreed upon
5	Exit Conference	October, or as agreed upon
6	Electronic filing of SCO Reports	By statutory deadlines
7	Deliver Bound Reports	November 30th

APPENDIX A

DOLLAR COST BID PROPOSAL

Submitted by

Marcello & Company, CPAs
2701 Cottage Way, Suite 30
Sacramento, CA 95825
(916) 979-9079
www.marcello-cpa.com

Contact Person:
Ralph A. Marcello, CPA
Managing Director
email: auditor@marcello-cpa.com

July 14, 2009

DOLLAR COST BID PROPOSAL
Summary of All-Inclusive Schedule of Professional Fees
City of Del Rey Oaks and the Del Rey Oaks Redevelopment Agency

Firm: Marcello & Company, CPAs

Certification: I, Ralph A. Marcello, CPA am entitled to represent the Firm, am authorized to submit the bid, and empowered to sign a contract with the City of Del Rey Oaks and the RDA.

By: 

Ralph A. Marcello, CPA
 Managing Director

<u>Audit Cost Proposal Summary:</u>	Option Years			Three Year Totals
	FY	FY	FY	
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	
Financial audit of the City (1)	\$ 15,000	\$ 16,500	\$ 18,000	\$ 49,500
Financial audit of the RDA	5,000	5,500	6,000	16,500
subtotal	<u>20,000</u>	<u>22,000</u>	<u>24,000</u>	<u>66,000</u>
<u>Compliance Audit</u>				
Single Audit, if required (2)	6,000	6,500	7,000	19,500
<u>Agreed Upon Procedures</u>				
City SCO report	1,000	1,075	1,175	3,250
RDA SCO report	750	800	850	2,400
Street SCO report	750	800	850	2,400
CSMFO award submission assistance	500	550	600	1,650
Totals (3)	<u>\$ 29,000</u>	<u>\$ 31,725</u>	<u>\$ 34,475</u>	<u>\$ 95,200</u>

- (1) Includes miscellaneous consulting in regards to the city audit, GASB issues, and telephone questions.
- (2) Current and subsequent audit years are subject to fee change upon award of new federal grant programs requiring a "Single Audit." This bid is to audit one major program. Additional major programs that require an audit generally add \$1,500 each to the fee. Additionally, this bid is subject to the City's finance department having all records related to the federal grant award programs, including the schedule of federal program awards, ready on the second day of field work.
- (3) Subsequent year audits provide for increases due to increased operating costs. This bid is to audit the City in accordance with accounting and auditing standards currently in effect at the time of this proposal. Additional or new accounting and auditing standards requiring a material increase in audit time will increase the audit fee accordingly. Additionally, this bid is subject to the City's finance department having all financial records ready on the first day of field work, including the adjusted year end trial balance, draft financial statements, and supporting lead schedules for all the major balance sheet, revenue and expense accounts.

DOLLAR COST BID PROPOSAL
All-Inclusive Schedule of Professional Fees
City of Del Rey Oaks and the Del Rey Oaks Redevelopment Agency

<u>Schedule of Professional Fees:</u>	<i>Year One Anticipated Hours (1)</i>	<i>Standard Hourly Rates</i>	<i>Average Government Hourly Rates (2)</i>	<i>Fiscal Year 2008-2009 Total</i>
Directors	120	\$150-200	\$ 150	\$ 18,000
Managers	80	120-150	135	10,800
Staff	40	100-120	100	4,000
Subtotal	<u>240</u>			<u>\$ 32,800</u>
 Out of Pocket Costs:				
Transportation and lodging				1,500
Business license				125
Outsourced printing costs:				
City	10 reports			150
RDA	10 reports			150
Single Audit	10 reports			100
Adjustment				<u>(5,825)</u>
Total all-inclusive maximum price for the first year audit				<u>\$ 29,000</u>

First Year Audit

(1) First year audits generally add 20% to 30% additional time.

Consulting Services

(2) Hourly rates for on-call consulting, agreed upon procedures, comfort letters, etc.
Government hourly rates are generally 75% of standard hourly rates and change annually.

Manner of Payment:

Progress payments will be billed monthly on the basis of pro-rated audit work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with this proposal.

CITY OF DEL REY OAKS

RESOLUTION NO. 2009-13

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DEL REY OAKS
AWARDING A PROFESSIONAL SERVICES AGREEMENT FOR FINANCIAL
STATEMENT AUDITING SERVICES TO MARCELLO & COMPANY CPAs FOR
FISCAL YEAR 2008-2009 IN AN AMOUNT NOT EXCEED \$21,750.

WHEREAS, on June 17, 2009, a request for proposals for financial statement audit services was circulated among six CPA firms; and

WHEREAS, the lowest complete, responsible proposal which met all proposal qualifications was Marcello & Company at a price of \$21,750 for fiscal year 2008-2009.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Del Rey Oaks, does:

1. Award the bid for the financial statement auditing services for Fiscal Year 2008-2009 to Marcello & Company CPAs in an amount not to exceed \$21,750.
2. Authorize the Mayor to sign the contract agreement.
3. Authorize staff to expend funds from the appropriate accounts, as necessary, for progress payments.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Del Rey Oaks duly held on July 28, 2009 by the following vote:

AYES: COUNCIL MEMBERS

NOES: COUNCIL MEMBERS

ABSENT: COUNCIL MEMBERS

Joseph P. Russell, Mayor

ATTEST:

Laura P. Dadiw, City Clerk

REDEVELOPMENT AGENCY OF THE CITY OF DEL REY OAKS

RESOLUTION NO. 2009-02

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY OF THE CITY OF DEL REY OAKS AWARDING A PROFESSIONAL SERVICES AGREEMENT FOR FINANCIAL STATEMENT AUDITING SERVICES TO MARCELLO & COMPANY CPAs FOR FISCAL YEAR 2008-2009 IN AN AMOUNT NOT TO EXCEED \$7,250.

WHEREAS, on June 17, 2009, a request for proposals for financial statement audit services was circulated among six CPA firms; and

WHEREAS, the lowest complete, responsible proposal which met all proposal qualifications was Marcello & Company at a price of \$7,250 for fiscal year 2008-2009.

NOW, THEREFORE, BE IT RESOLVED, by the Redevelopment Agency of Del Rey Oaks, does:

1. Award the bid for the financial statement auditing services for Fiscal Year 2008-2009 to Marcello & Company CPAs in an amount not to exceed \$7,250.
2. Authorize the Chair to sign the contact agreement.
3. Authorize staff to expend funds from the appropriate accounts, as necessary, for progress payments.

PASSED AND ADOPTED at a regular meeting of the Redevelopment Agency of the City of Del Rey Oaks duly held on July 28, 2009 by the following vote:

AYES: AGENCY MEMBERS:

NOES: AGENCY MEMBERS

ABSENT: AGENCY MEMBERS

Joseph P. Russell, Agency Chair

ATTEST _____
Laura J. Dadiw, Agency Secretary

BOARD OF DIRECTORS

LEO LASKA
CHAIR

SUE McCLOUD
VICE CHAIR

GARY BALES
DAVID PENDERGRASS
JOSEPH P. RUSSELL
LIBBY DOWNEY
JANE PARKER
IAN OGLESBY
BRUCE DELGADO



WILLIAM MERRY, P.E., BCEE
GENERAL MANAGER/
DISTRICT ENGINEER

TIMOTHY S. FLANAGAN
ASST. GENERAL MANAGER

RICHARD SHEDDEN, P.E.
SENIOR ENGINEER

RICHARD NORTON
ADMIN. SERVICES MGR.

ROBERT WELLINGTON
COUNSEL

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Home of the Last Chance Mercantile

MEMORANDUM

RECEIVED

JUN 24 2009

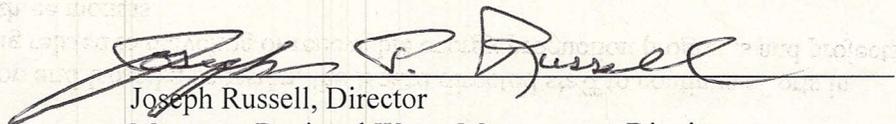
DEL REY OAKS
CITY CLERK

DATE: June 23, 2009
TO: Del Rey Oaks City Council
FROM: Joseph Russell
SUBJECT: Highlights of the June 19, 2009 Board Meeting

The highlights of the meeting are as follows:

- 1) The Board adopted Resolution 2009-07 authorizing expenditure of funds pending adoption of final budget for fiscal year 2009/10. Staff anticipates presenting the final budget for adoption at the July 17, 2009 Board meeting.
- 2) Following staff recommendation and Board discussion, the Board directed staff to continue efforts in seeking Federal Stimulus funding related to recycling or renewable energy production programs and projects, and report back to the Board in three months.
- 3) Added as an emergency item, the Board approved the scope of work from Golder Associates in the amount of \$12,036 to conduct follow-up groundwater monitoring field work, as required under State regulations, as a result of an exceedence of sulfates in one of the 30 groundwater monitoring wells on the site. Golder Associates will prepare a report for submittal to the California Regional Water Quality Control Board.
- 4) General Manager reported on regional solid waste and recycling topics and stated that staff will be meeting with other regional agencies soon. A Committee of the Board, consisting of Chair Laska, Vice Chair McCloud and Director Bales was formed to meet with representatives of the Salinas Valley Waste Management Authority to discuss matters of mutual interest.
- 5) Staff reported that refuse tonnages delivered to the landfill continue to decline, which results in less revenue received. There has been a 9.9% decline in refuse tonnages over the last 12 months, resulting in a loss of revenue of \$1,000,000. Over the last three years, tonnages have declined over 20%.

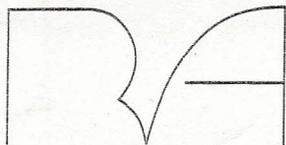
If you have any questions or would like more information, please contact General Manager William Merry at 384-5313, or me.


Joseph Russell, Director
Monterey Regional Waste Management District



**HIGHLIGHTS OF
REGULAR BOARD MEETING
June 18, 2009**

1. *The Board approved the FY 2009/10 Preliminary Budget.*
 2. *The Board approved an additional unpaid furlough day for FY 09/10 for all employees (counselors at Off Main Clinic exempt), making a total of (2) unpaid furlough days per month.*
 3. *The board approved the elimination of three full-time positions; the reduction of hours and elimination of benefits for two full-time positions; and the reduction of hours for two part-time positions.*
 4. *The board approved a fee increase for methadone maintenance services.*
 5. *The board approved a fee increase for supervised visitation services.*
 6. *The board declared four vehicles as surplus and directed staff to sell at fair market value.*
 7. *The board approved loan renewal with First National Bank for Genesis House mortgage financing.*
 8. *The board appointed an audit committee to review the annual Form 990. The committee consists of the following members: Mary Mitchell, Elizabeth Panetta, Mike Xavier and Annette Yee Steck. Jim Ford, Alternate from the City of Marina, was not present but will be asked to join the committee.*
 9. *The board approved the 2009/10 Action Plan as proposed at the meeting.*
 10. *The board approved the slate of board officers as recommended by the nominating committee for FY 2009/10: Chair, Mary Ann Carbone; Vice-Chair, Harvey Kuffner; and Finance Committee Chair, Annette Yee Steck.*
 11. *Valerie Catania, Program Director for Off Main Clinic, presented the program to the Board of Directors. Off Main Clinic provides harm reduction by offering methadone maintenance and detox services to people who are dependent on opioid drugs. People dependent on street opioids who receive methadone treatment are healthier and safer. They live longer, spend less time in jail or hospital, are less often infected with HIV and commit fewer crimes. The program received a three-year accreditation from Commission on Accreditation of Rehabilitation Facilities (CARF) last July. The program currently serves 167 in the maintenance program and 9 in detox.*
 12. *It was noted in the development report that board donations stand at 73% for FY 08/09. Thanks to all our members who donate, not only monetarily but of their time. We appreciate you!*
- ➔ *The agency's "Annual Luncheon & 40th Anniversary Celebration" will be held on Thursday, July 16, 2009, from 11am – 1pm. at Embassy Suites, 1441 Canyon Del Rey, Seaside, CA 93955. Please join us! For information contact Helga Ralston @ 658-3811, ext. 203.*



ROLANDS &
ASSOCIATES
CORPORATION

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City of Del Rey Oaks
650 Canyon Del Rey Blvd.
Del Rey Oaks, CA 93940

Attention: Mr. J. P. Russell, Mayor

Subject: Appreciation for your Police Force

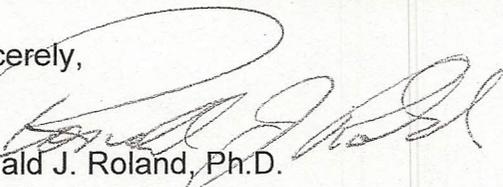
Dear Sir,

It is my pleasure to send this letter of appreciation concerning members of your staff. My granddaughter, Roxanne Gibson, was not feeling well last week and as she sat in her car at about 900 Portola Drive, Officer Olmos stopped to determine whether she was having a problem. He was kind enough to remain with her until she called me and I was able to arrive and handle the situation.

During the interlude I understand there were others from your police staff that assisted Officer Olmos and they should also be commended. However I think Officer Olmos was the key person and the one with which I interfaced that day.

Please congratulate him for me and pass my appreciation for his concerns, dedication to our community and willingness to go out of his way to help others. I also want to thank the others that were involved in this situation.

Sincerely,


Ronald J. Roland, Ph.D.
President

Wednesday, July 8, 2009

RECEIVED

JUL 10 2009

DEL REY OAKS
CITY CLERK