



CITY OF DEL REY OAKS

650 CANYON DEL REY RD. • DEL REY OAKS, CALIFORNIA 93940
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AGENDA

MEETING OF THE CITY OF DEL REY OAKS CITY COUNCIL TUESDAY, MAY 28, 2013 AT 6:00 P.M. CHARLIE BENSON MEMORIAL HALL, CITY HALL

1. 6:00 P.M. - ROLL CALL – *Council Members*
2. PLEDGE OF ALLEGIANCE
3. PUBLIC COMMENTS:
Anyone wishing to address the City Council 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.*
4. CONSENT AGENDA: *Action Items*
 - A. MINUTES:
 1. April 23, 2013, City Council Meeting
 2. April 10, 2013, Regular Planning Commission Meeting - *Cancelled*
 - B. MONTHLY REPORTS:
 1. Claims, April 2013
 2. Financials, April 2013 vs. April 2012
 3. Fire Department Response Report, April 2013
 4. Police Activity Report, April 2013
5. OLD BUSINESS: None
6. NEW BUSINESS:
 - A. Consider an Extension to the Agreement for City Attorney Services
 - B. Fiscal Year 2011-2012 Audit Report
Presented by: Lavorato and Darling, CPA's

- C. Planning Commissioner Applications review, presentations, vote and swearing in of Commissioners.

Applicants: *(Alphabetic Order)*

John Gaglioti	Scott Larson
Louise Goetzelt	Helaine Tregenza
Glenn M. Hayworth	Gale H. Weir
George Jaksha	

7. **STAFF REPORTS:**

- A. City Manager Report

8. **MAYOR AND COUNCIL REPORTS**

9. **CORRESPONDENCE:**

- A. Monterey Regional Waste Management District, Highlights of the Board Meeting

10. **SET NEXT MEETING DATE:** Establish **Tuesday, June 25, 2013**, at 6:00 P.M. as the date and time of the Council's next regular meeting.

11. **ADJOURNMENT**

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.

**REGULAR MEETING OF THE CITY OF DEL REY OAKS CITY COUNCIL
CONVENED AT 6:00 P.M. ON TUESDAY, MARCH 26, 2013 IN THE
CHARLES BENSON MEMORIAL HALL, CITY HALL**

Present: Council Member Ventimiglia, Clark, Cecilio, Allion, Mayor Edelen
Absent: None

Also present: City Attorney Callihan, City Manager Dawson and Deputy City Clerk Carvalho

Meeting came to order at 6:00 p.m. and roll call was taken.

PLEDGE OF ALLEGIANCE: Led by Sergeant Bourquin

City Attorney Callihan: Requested to add the Waste Management item because this item was last minute and needs to be heard by their scheduled meeting.

Motion to approve: Council Member Allion

Seconded: Council Member Cecilio

Public Comment: None

Motion passed: 5-0

PUBLIC COMMENT:

June Stein: Announced Distractive Driving Awareness Month, as of the 18th of April the State of California has had 224 fatalities caused from distracted driving this year. 2 years and 9 months ago her daughter was in a crash caused by a distracted driver. Reminded everyone that Driving is a privilege!

CONSENT AGENDA:

A. Minutes

1. March 26, 2013, City Council Meeting
2. March 13, 2013, Regular Planning Commission Meeting - Draft

B. Monthly Reports:

1. Claims, March 2013
2. Financials, March 2013 vs. March 2012
3. Fire Department Response Report, March 2013
4. Police Activity Report, March 2013

C. MISCELLANOUS:

1. California Department of Justice 2012 Crime Statistics for the City of Del Rey Oaks

Motion to approve: Council Member Clark

Seconded: Council Member Ventimiglia

Public Comment: None

Motion passed: 5-0

OLD BUSINESS: None

NEW BUSINESS:

The Council considered **ITEM 6.A.** Consider Covenant Agreement with 1060/1064 Via Verde for a Fence; Iraj Rezai, Homeowner - *Action Item*

(Council Members Allion and Ventimiglia stepped down due to proximity to the project address)

City Attorney Callihan: Stated there is a Staff report in packet. History: Heard at Planning Commission meeting a couple of months ago, the homeowner is required to have insurance to indemnify the City of Del Rey Oaks. Error in agreement, the changes needed are clerical but retaining wall should be changed to fence.

Council Member Clark: Project is beautiful. What happens with future homeowners?

City Attorney Callihan: This is filed with the deed and transfers with the home.

Iraj Rezai: Trying to make the place as beautiful as possible. Hoping there is no problem with this. Put pillars in front and for safety reasons wants to put a fence between pillars.

Public Comment:

June Stein: Feels it is absolutely beautiful and beautiful landscaping!

Mayor Edelen: This house has been an eyesore for a very long time so this new owner has done a wonderful job.

Motion to approve: Council Member Clark

Seconded: Council Member Cecilio

Public Comment: No further comments

Motion passed: 3-0

(Council Members Allion and Ventimiglia returned to the dais)

The Council Considered **ITEM 6.B.** Resolution 2013-01, A Resolution Confirming the City of Del Rey Oaks Participation in the Community Choice Aggregation (CCA) Project Development Advisory Committee (PDAC) – *Action Item*

City Manager Dawson: Community Choice Aggregation allows local government to pool their energy to choose clean, environmental energy to hopefully lower greenhouse gas emissions and allow the City Manager to serve on the committee. This gives him power to allow PGE to look at residential numbers and form a recommendation for this committee.

Council Member Allion: First CCA was in Santa Rosa.

City Manager Dawson: Marin County did this and eventually all the county's joined because it was a good idea. It was not without controversy but for our jurisdiction it is number gathering at this point.

Council Member Allion: Monterey Board of Supervisors heard this too but he doesn't know the outcome of their meeting.

City Manager Dawson: Also doesn't know what the outcome was but it was probably to appoint members from board to this committee.

Council Member Allion: His understanding of this is that it could be of great benefit to Monterey County.

City Manager Dawson: Asking council to approve

Motion to approve: Council Member Ventimiglia

Seconded: Council Member Cark

Public Comment: None

Motion passed: 5-0

The Council considered **ITEM 6.C., Discuss Options for Use of Former Golf Driving Range – Discussion Item**

Mayor Edelen: Decided to make the Golf Driving range a talking point

Gary Walter - "Reclaim for the Future" is a program where they reclaim wood and metal for use in the schools. They are looking at the utility shed on the former golf driving range to store the materials and allow these kids to have a place to work.

Jim Dijari - Shop teacher for Trinity Christian High School. Passed around one of the items the kids made. He explained that most of these kids started with no knowledge and now have learned great skills showing some of the projects they made.

Jack Paquin - Spoke for his daughter who couldn't be there. His daughter's name is Alissa Paquin who wrote a letter about why she really wants to have this program in DRO which he read aloud.

Ann Marie - Woodshop program teacher Washington Middle School in Salinas: Has a \$200 a year budget and this program is what helps. Students spoke about why they like this program and why they like to do woodworking.

Fred Rubin - Instructor PG high school. In particular with our economy Gary Walter has made this program work and the reclaimed program is what keeps it going. Ft. Ord has been dismantled. He used a reclaimed wood frame and turned it into a useful product that he can sell and help fund the program and it gives him a break from regular scholastics. It takes a lot of planning to do a project before you actually make these products.

Tanner Burke - Salinas High School student and talked about his cutting board, wine rack and how much time and planning it takes to make something.

Tom Lamar - He has worked with metal and now he's been able to get reclaimed steel and welding materials.

Gary Walter - In a state competition out of all the students 12 were from our area and he introduced a former student, Sam.

Sam - He said that shop was the reason he went to school! During school breaks it would be great to have a wood shop for kids to go to. This builds the community. He has met a lot of people that are still available to help him. Sam's father said woodshop allowed him to be

successful. Salinas High now ties in wood shop to math. The woodshop students score higher in math than non-woodshop. He said that anything Gary does he's successful at. He's worked with kids in all aspects of education. He stated that if this is possible this would be a great thing for the peninsula.

Gary Walter - 3 schools have closed their woodshops and right now they are in 12 schools on the peninsula. The program is to supply these kids a place to go with supervision and learn these skills.

Mayor Edelen: Thanked him for a very professional presentation by Mr. Walter, the adults and the students.

Council Member Allion: Are you working with the Waste Management District?

Gary Walter - Not at this moment but does know some people out there. They are somewhat limited in the manpower and students and teachers do help by volunteering.

Council Member Cecilio: He's known Gary for a very long time. Thinks this presentation was great and what these kids do is amazing.

Council Member Clark: She agrees! She hopes they bring more music back into the schools too.

Council Member Ventimiglia: Didn't like high school either and did wood working during high school. Are you a non-profit 501.3.C?

Gary Walter - Yes but don't have a tax ID number yet.

Council Member Ventimiglia: How many students would there be?

Gary Walter - Would not be more than 4 or 5 students at one time.

Council Member Ventimiglia: Who carries the liability?

Gary Walter - We have our own insurance.

Council Member Ventimiglia: How big is the building?

Gary Walter - 1250 sq ft.

Council Member Ventimiglia: How would power etc be paid for?

Gary Walter - The building has power but if need be extra lines could be run in.

Public Comment:

George Jaksha: Retired prototype machinist for Navy Postgraduate School and wants to say he'll volunteer.

Pat Lintell: As a resident can't think of anything that would be better than something for children. Very important to start something and carry it through. Would be honored to be part of it all.

Mayor Edelen: Very early stage but does appreciate Mr. Walter and the young men and women for coming in. Asked if there was anything further regarding the former golf driving range?

Council Member Ventimiglia: Thinks that was wonderful! Hopes City Manager Dawson can work something out.

Council Member Allion: Intriguing idea and is interested in what people will think. Is that building in good shape?

City Manager Dawson: Needs some work but doable.

The Council considered the urgency item requested by City Attorney Callihan regarding the Waste Management District.

William Merry: Waste Management District

City Manager Dawson: Council Member Allion is a board member of the district and knows a lot about this. Basically it's time to go out for RFP's to get some ideas about combining services to save the community some money. Because of state laws there are all kinds of regulations, storm water, recycling etc. So this is about the franchise fees and getting the best deal for DRO. They have hired the Hilton's to educate us in going through this program. This is a 10 year agreement with most likely 5 year extensions. This is important because we require haulers to have environmentally friendly trucks, and some cities want beach cleanup.

Council Member Allion: City Manager Dawson did an outstanding job of explaining the process! He introduced William Merry.

William Merry: Council Woman Clark was on the board and Council Member Allion is the Vice Chair now. He stated this is one of the largest contracts the district holds. They contract with Waste Management (WM) to be the hauler. At the end of this process we will have the best product you can have. With AB32 the greenhouse gas emissions bill there are requirements for such things as green trucks. This document is requesting proposals for collections services and other cities can add other services as needed. Here to answer questions. Will be taking this document to the board of directors in May and they will consider comments made by agencies. They will have 3-4 months to submit their bids and then the city will decide who they contract with.

Council Member Allion: This has been a long process. A draft of this model franchise agreement has been around for a year and a half. Monterey was resistant to begin with but over time it just makes sense. It's a shopping list that we can pick and choose what we, the citizens of DRO need.

Council Member Ventimiglia: Is Monterey still independent with Monterey disposal?

William Merry: They are not actively involved but are part of the advisory committee.

Council Member Ventimiglia: Understands we are going out for a waste hauler and then there could be extras for add-ons. It could get convoluted with add-ons. In the RFP it should have these add-ons.

William Merry: They have discussed this and the consensus is that this bid document is stripped down to the bare necessity, garbage, recycle and green waste. Once that bid is there then the negotiation for add-ons begins, such as battery pickup, street sweeping, etc.

Council Member Ventimiglia: So basically the base contract will be for everyone then each individual city will negotiate the add-ons.

Council Member Allion: They will come back with a price list.

Mayor Edelen: We have a good service already. Hoping the cost of the service will go down. Hopes that the results will be a lesser price.

William Merry: Statistically the rates do go down but can't make any guarantees to this. It's against the law to dump batteries in the landfill. The state did this with no plan on how to do this.

City Manager Dawson: What we get is a franchise fee, and if our rates go down our franchise fees go down.

Council Member Ventimiglia: In 20 years the collection has changed so dramatically.

Council Member Clark: So if we go with the basics which would be down and then the add-ons would bring it back up which will keep our franchise agreement about the same.

City Manager Dawson: They will have to ask the council for any rate increases.

Council Member Ventimiglia: Is there a way the percentage can go up each year?

City Manager Dawson: It's a catch 22.

Motion to pass: *Council Member Ventimiglia*

Seconded: *Council Member Clark*

Public Comment: *None*

Vote passed: *5-0*

William Merry: Thanked the City Manager and Council Member Allion for their participation.

STAFF REPORT:

City Manager Dawson: Wanted to draw your attention to the correspondence from Seaside Fire offering hands on training for the council and department heads. Listed all the meetings attended this month such as Monterey convention, MBASIA, Emergency comm. committee. Had a meeting with the auditors and will be at next month's meeting. Talked about letter from Chief Vicki Myers about the gun buyback program. Also a letter of commendation for Officer Olmos and announced that the 29th is Dennis's (Council Member Allion's) birthday.

COUNCIL REPORTS:

Council Member Allion: Listed all the agency meetings he attended. Went to Pasadena for the League of CA Cities and learned things like the explanation for the triple flip.

Council Member Cecilio: Apologized for missing last two City Council meetings. Did attend all his committee meetings.

Vice Mayor Clark: Attended MST and drastic cuts will be made to 68% of routes. MST will lose 7 million a year. They have been working with the state unions to try and solve this problem. Attended the RTA (regional taxi authority) stating MST is in the hole with this program.

Council Member Ventimiglia: Attended meetings for AMBAG and they need a meeting with City Manager. Have concerns with community growth. Concerned that they say we will have 1900 people in 2020 and doesn't feel this is accurate. What is the potential growth out to 2020?

City Manager Dawson: Zero, all the growth is accounted for in FORA which is included in the plan.

Council Member Ventimiglia: Community Human Services retreat coming up and will attend a portion of it. May 18th Monterey Councilman Hoffa brought up they will have a seminar at MPC on what to do with the homeless population. Did attend the ice cream social and it was very fun.

Mayors Edelen: The money we owe MST was the same as all the other cities and MST went back and adjusted the fee schedule. Attended CALCOG and the briefing was the money is drying up for transportation. Announced all meetings attended.

The Mayor announced the correspondence in the packet and the items to be heard in closed session.

7:40 p.m.: Adjourned from regular meeting.

7:42 p.m.: Convened into Closed Session

8:03 p.m.: Adjourned from Closed Session and reported the following:
Information and direction were given to staff, no action was taken.

8:05 p.m.: Adjourned meeting to next scheduled meeting date.

Next meeting: Tuesday, May 28, 2013 at 6:00 P.M.

Approved:

Signature _____ Date _____

April 5, 2013

-NOTICE-

NOTICE IS HEREBY GIVEN THAT THE REGULAR
DEL REY OAKS PLANNING COMMISSION
MEETING:

WEDNESDAY, APRIL 10, 2013 AT 6:00 P.M.

**HAS BEEN CANCELLED DUE TO A LACK OF
ITEMS TO BE HEARD**

THE NEXT REGULAR SCHEDULED PLANNING
COMMISSION MEETING WILL BE HELD ON:

WEDNESDAY, MAY 8, 2013 AT 6:00 P.M.
CHARLIE BENSON MEMORIAL HALL, 650 CANYON
DEL REY ROAD, DEL REY OAKS

KAREN MINAMI
Deputy City Clerk

CITY OF DEL REY OAKS
Claims Report
 April 2013

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Amount</u>
AFLAC				
4/11/2013	13520	AFLAC	APRIL 2013 EMPLOYEE PAID PREMIUM I...	281.80
4/23/2013	13548	AFLAC	MAY 2013 EMPLOYEE PAID PREMIUM IN...	281.80
Total AFLAC				563.60
AMERICAN LOCK & KEY				
4/23/2013	13549	AMERICAN LOC...	LOCKS AND KEYS-inv. 15848	63.20
Total AMERICAN LOCK & KEY				63.20
ANDY & ME UPHOLSTERY				
4/23/2013	13550	ANDY & ME UP...	REPAIR OF BACK SEAT ON #80 INV. 13247	175.00
Total ANDY & ME UPHOLSTERY				175.00
AT&T CAL NET 2				
4/11/2013	13521	AT&T CAL NET 2	PHONE 1/19/13-2/18/13	218.51
4/23/2013	13551	AT&T CAL NET 2	PHONE 2/19/13-3/18/13	218.31
Total AT&T CAL NET 2				436.82
BAY SERVICE AUTOMOTIVE				
4/23/2013	13552	BAY SERVICE A...		603.03
Total BAY SERVICE AUTOMOTIVE				603.03
CALIFORNIA-AMERICAN WATER				
4/11/2013	13522	CALIFORNIA-A...	1/21/13-2/21/13 WATER	337.89
Total CALIFORNIA-AMERICAN WATER				337.89
CARVALHO, KIMBERLY R				
4/12/2013	13544	CARVALHO, KL...	Wellness	174.73
Total CARVALHO, KIMBERLY R				174.73
CITY OF SALINAS, ATTORNEY SERVICES				
4/11/2013	13523	CITY OF SALINA...	JAN 2013 CITY ATTORNEY SERVICES-INV...	1,034.46
4/23/2013	13553	CITY OF SALINA...	FEB 2013 CITY ATTORNEY SERVICES-IN...	1,035.08
Total CITY OF SALINAS, ATTORNEY SERVICES				2,069.54
CO-POWER				
4/23/2013	13554	CO-POWER	MAY. 13 DELTA DENTAL PREMIUM INV. ...	1,953.28
Total CO-POWER				1,953.28
COMCAST HIGH SPEED INTERNET				
4/11/2013	13524	COMCAST HIGH...	INTERNET 2/10-3/9/13	91.18
4/23/2013	13555	COMCAST HIGH...	INTERNET 3/10-4/9/13	86.43
Total COMCAST HIGH SPEED INTERNET				177.61
CREEGAN & D'ANGELO				
4/11/2013	13525	CREEGAN & D'A...	MRSWMP MANAGEMENT COMMITTEE A...	652.00
4/23/2013	13556	CREEGAN & D'A...	MRSWMP MANAGEMENT COMMITTEE A...	1,960.00
Total CREEGAN & D'ANGELO				2,612.00
David Nguyen, Officer				
4/12/2013	13545	David Nguyen, Of...		82.00
Total David Nguyen, Officer				82.00
DENNIS G. ALLION				
4/12/2013	13546	DENNIS G. ALLI...	REIMBURSE FOR LODGING AT LEAGUE ...	200.00
Total DENNIS G. ALLION				200.00
ENTERSECT CORPORATION				
4/11/2013	13526	ENTERSECT CO...	POLICE ONLINE SERVICE-FEB 2013 INV. ...	79.00
4/23/2013	13557	ENTERSECT CO...	POLICE ONLINE SERVICE-MARCH 2013 L...	79.00
Total ENTERSECT CORPORATION				158.00
FIRST AMERICAN REAL ESTATE SOLUTIONS				
4/11/2013	13527	FIRST AMERICA...	METRO SCAN- ADDRESS SERVICE-FEB 13	104.17
4/23/2013	13558	FIRST AMERICA...	METRO SCAN- ADDRESS SERVICE-MARC...	104.17
Total FIRST AMERICAN REAL ESTATE SOLUTIONS				208.34

CITY OF DEL REY OAKS

Claims Report

April 2013

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Amount</u>
FIRST CHOICE SERVICES				
4/23/2013	13559	FIRST CHOICE S...	Coffee and condiments FEB 13	114.00
Total FIRST CHOICE SERVICES				114.00
FLORENCE NEWTON				
4/11/2013	13528	FLORENCE NE...	REFUND OF PARK FEE-BAD WEATHER	50.00
Total FLORENCE NEWTON				50.00
FORD MOTOR CREDIT COMPANY				
4/23/2013	13560	FORD MOTOR C...	PD UNIT #64 LEASE SCHEDULE 7687905	3,070.45
Total FORD MOTOR CREDIT COMPANY				3,070.45
GLOBALSTAR USA				
4/11/2013	13529	GLOBALSTAR U...	SATELITE PHONE 2/16-3/15/13	43.87
4/23/2013	13561	GLOBALSTAR U...	SATELITE PHONE 3/16/13-4/17/13	43.87
Total GLOBALSTAR USA				87.74
HOME DEPOT CRC				
4/11/2013	13530	HOME DEPOT C...	ACCT. # 6035 3220 0248 6219 SUPPLIES AN...	1,286.94
Total HOME DEPOT CRC				1,286.94
I.M.P.A.C.GOVERNM'T SER				
4/11/2013	13531	I.M.P.A.C.GOVE...	ACCT. 4246044555649924- MARCH 2013	764.88
Total I.M.P.A.C.GOVERNM'T SER				764.88
IE SOLUTIONS				
4/23/2013	13562	IE SOLUTIONS		75.00
Total IE SOLUTIONS				75.00
JAMES DE CHALK				
4/11/2013	13532	JAMES DE CHALK	FEB 2013	300.00
Total JAMES DE CHALK				300.00
KELLY-MOORE PAINT CO.INC				
4/11/2013	13533	KELLY-MOORE ...	SUPPLIES JAN 2013	178.99
4/23/2013	13563	KELLY-MOORE ...		89.18
Total KELLY-MOORE PAINT CO.INC				268.17
LAVARATO & DARLING, INC.				
4/11/2013	13534	LAVARATO & D...	AUDITOR CITYDRO INV 5281	2,672.00
Total LAVARATO & DARLING, INC.				2,672.00
MONTEREY BAY TECHNOLOGIES				
4/11/2013	13535	MONTEREY BA...	IT SERVICES RETAINER FOR JAN 2013	350.00
4/23/2013	13564	MONTEREY BA...	IT SERVICES RETAINER FOR FEB 2013	350.00
Total MONTEREY BAY TECHNOLOGIES				700.00
MRWPCA				
4/23/2013	13565	MRWPCA	SERVICE PERIOD 1/13-2/28/13	37.14
Total MRWPCA				37.14
NEWTON BROS. TIRE AND AUTO SERVICE				
4/23/2013	13566	NEWTON BROS....	INV. 166314 #80 NEW TIRES	1,491.49
Total NEWTON BROS. TIRE AND AUTO SERVICE				1,491.49
NEXTEL COMMUNICATION				
4/11/2013	13536	NEXTEL COMM...	NEXTEL RADIO- PW/PD/CM 1/12/13-2/11/13	566.57
4/23/2013	13567	NEXTEL COMM...	NEXTEL RADIO- PW/PD/CM 2/12/13-3/11/13	413.79
Total NEXTEL COMMUNICATION				980.36
OFFICE DEPOT				
4/11/2013	13537	OFFICE DEPOT		274.11
4/23/2013	13568	OFFICE DEPOT		564.80
Total OFFICE DEPOT				838.91
OFFICE EQUIPMENT FINANCE SERVICES				
4/11/2013	13538	OFFICE EQUIPM...	LEASE PAYMENT FOR COPIER-INV. 22408...	234.88

CITY OF DEL REY OAKS

Claims Report

April 2013

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Amount</u>
4/23/2013	13569	OFFICE EQUIPM...	LEASE PAYMENT FOR COPIER-INV. 22621...	270.11
Total OFFICE EQUIPMENT FINANCE SERVICES				504.99
ORCHARD SUPPLY				
4/11/2013	13539	ORCHARD SUPP...	SUPPLIES FEB 2013	45.32
Total ORCHARD SUPPLY				45.32
P.E.R.S.-HEALTH				
4/23/2013	13570	P.E.R.S.-HEALTH	HEALTH PREMIUM MAY 13	13,806.84
Total P.E.R.S.-HEALTH				13,806.84
PENINSULA WELDING SUPPLY				
4/23/2013	13571	PENINSULA WE...		34.40
Total PENINSULA WELDING SUPPLY				34.40
PERS				
4/23/2013	13572	PERS	Payroll 8-2012-1	8,729.09
Total PERS				8,729.09
PERS - 457 PLAN				
4/15/2013	13547	PERS - 457 PLAN	13921465/492 & 13959320/325 & 13990183/1...	5,250.00
Total PERS - 457 PLAN				5,250.00
PG&E				
4/11/2013	13540	PG&E		4,619.92
Total PG&E				4,619.92
PG&E-GJM&218				
4/11/2013	13541	PG&E-GJM&218	6817283169-2	92.90
4/23/2013	13573	PG&E-GJM&218	6817283169-2	43.00
Total PG&E-GJM&218				135.90
PITNEY BOWES-QTLY INV				
4/23/2013	13574	PITNEY BOWES-...	postage machine rental invoice #5427068-MR13	192.69
Total PITNEY BOWES-QTLY INV				192.69
PNC Equipment Finance				
4/23/2013	13575	PNC Equipment F...	PD RADIO LEASE INV. #4341490 (QUART...	5,497.70
Total PNC Equipment Finance				5,497.70
PURE WATER				
4/23/2013	13576	PURE WATER	DRINKING WATER JAN 2013 INV. 220184	30.72
Total PURE WATER				30.72
QuickBooks Payroll Service				
4/12/2013		QuickBooks Payro...	Fee for 11 direct deposit(s) at \$1.45 each	15.95
4/12/2013		QuickBooks Payro...	Fee for 11 employee(s) paid	16.50
4/12/2013		QuickBooks Payro...	Monthly processing fee for Apr 2013	79.00
4/12/2013		QuickBooks Payro...	No state fee for CA for Apr 2013	
4/12/2013		QuickBooks Payro...	Created by Payroll Service on 04/11/2013	4,455.00
4/12/2013		QuickBooks Payro...	Created by Payroll Service on 04/11/2013	504.54
4/12/2013		QuickBooks Payro...	Created by Payroll Service on 04/11/2013	504.54
4/12/2013		QuickBooks Payro...	Created by Payroll Service on 04/11/2013	1,446.08
4/12/2013		QuickBooks Payro...	Created by Payroll Service on 04/11/2013	347.96
4/12/2013		QuickBooks Payro...	Created by Payroll Service on 04/11/2013	26,225.41
4/19/2013		QuickBooks Payro...	Fee for 1 direct deposit(s) at \$1.45 each	1.45
4/19/2013		QuickBooks Payro...	Fee for 1 employee(s) paid	1.50
4/19/2013		QuickBooks Payro...	Created by Payroll Service on 04/18/2013	184.00
4/19/2013		QuickBooks Payro...	Created by Payroll Service on 04/18/2013	26.42
4/19/2013		QuickBooks Payro...	Created by Payroll Service on 04/18/2013	26.42
4/19/2013		QuickBooks Payro...	Created by Payroll Service on 04/18/2013	33.89
4/19/2013		QuickBooks Payro...	Created by Payroll Service on 04/18/2013	18.22
4/19/2013		QuickBooks Payro...	Created by Payroll Service on 04/18/2013	1,523.20
4/19/2013		QuickBooks Payro...	Fee for 1 direct deposit(s) at \$1.45 each	1.45
4/19/2013		QuickBooks Payro...	Fee for 1 employee(s) paid	1.50
4/19/2013		QuickBooks Payro...	Created by Payroll Service on 04/18/2013	70.00
4/19/2013		QuickBooks Payro...	Created by Payroll Service on 04/18/2013	15.09

CITY OF DEL REY OAKS
Claims Report
 April 2013

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Amount</u>
4/19/2013		QuickBooks Payro...	Created by Payroll Service on 04/18/2013	15.09
4/19/2013		QuickBooks Payro...	Created by Payroll Service on 04/18/2013	12.55
4/19/2013		QuickBooks Payro...	Created by Payroll Service on 04/18/2013	10.41
4/19/2013		QuickBooks Payro...	Created by Payroll Service on 04/18/2013	932.94
4/29/2013		QuickBooks Payro...	Fee for 12 direct deposit(s) at \$1.45 each	17.40
4/29/2013		QuickBooks Payro...	Fee for 18 employee(s) paid	27.00
4/29/2013		QuickBooks Payro...	Created by Payroll Service on 04/25/2013	0.60
4/29/2013		QuickBooks Payro...	Created by Payroll Service on 04/25/2013	4,489.35
4/29/2013		QuickBooks Payro...	Created by Payroll Service on 04/25/2013	521.72
4/29/2013		QuickBooks Payro...	Created by Payroll Service on 04/25/2013	521.72
4/29/2013		QuickBooks Payro...	Created by Payroll Service on 04/25/2013	91.36
4/29/2013		QuickBooks Payro...	Created by Payroll Service on 04/25/2013	91.36
4/29/2013		QuickBooks Payro...	Created by Payroll Service on 04/25/2013	1,474.49
4/29/2013		QuickBooks Payro...	Created by Payroll Service on 04/25/2013	359.80
4/29/2013		QuickBooks Payro...	Created by Payroll Service on 04/25/2013	26,287.98
Total QuickBooks Payroll Service				70,351.89
RYAN RANCH PRINTERS				
4/23/2013	13577	RYAN RANCH P...	BUSINESS CARD MASTER INV. 13922	108.25
Total RYAN RANCH PRINTERS				108.25
SANTA BARBARA BANK CHARGES				
4/30/2013	EFT043013	SANTA BARBA...		117.59
Total SANTA BARBARA BANK CHARGES				117.59
SHELL OIL COMPANY				
4/11/2013	13542	SHELL OIL COM...	C.M. FUEL MARCH 2013	269.01
Total SHELL OIL COMPANY				269.01
SHRED-IT				
4/23/2013	13578	SHRED-IT	SHREDDING SERVICE-9401421392	55.13
Total SHRED-IT				55.13
SPCA OF MONTEREY COUNTY				
4/23/2013	13579	SPCA OF MONT...	OCT 2012 ANIMAL SERVICES	480.00
Total SPCA OF MONTEREY COUNTY				480.00
STAPLES				
4/23/2013	13580	STAPLES	OFFICE SUPPLIES	37.39
Total STAPLES				37.39
STAR SPORTS				
4/23/2013	13581	STAR SPORTS	INV. 513036	252.04
Total STAR SPORTS				252.04
TERMINIX				
4/23/2013	13582	TERMINIX	6099531	61.00
Total TERMINIX				61.00
THE HERALD				
4/23/2013	13583	THE HERALD	PLANNING COMMISSION VACANCY NOT...	159.84
Total THE HERALD				159.84
UNITED SITE SERVICES				
4/23/2013	13584	UNITED SITE SE...	PORTABLE TOILET FOR PARK 1/4/13-1/3...	111.61
Total UNITED SITE SERVICES				111.61
VSP				
4/11/2013	13543	VSP	VISION SERVICE PLAN APRIL 2013	146.98
Total VSP				146.98
TOTAL				133,550.42

CITY OF DEL REY OAKS
FISCAL YEAR 2012/2013 BUDGET VS ACTUAL
10 Months Ended Apr 30, 2013

	Actual Total FY 2012-2013	Budget FY2012-2013	% of Amount Budget
Revenue			
PROPERTY TAXES			
P/T-SECURED	\$ 331,715.37	\$ 330,100.00	100%
P/T-UNITARY TAX	\$ 6,156.36	\$ 6,100.00	101%
P/T-UNSECURED	\$ 13,079.59	\$ 13,500.00	97%
P/T-SB813	\$ 4,765.11	\$ 4,200.00	113%
P/T-PRIOR SECURED	\$ 5,677.49	\$ 10,000.00	57%
PROPERTY TAX - VLF	\$ 110,011.00	\$ 112,000.00	98%
P/T-INT/PENAL	\$ 180.46	\$ 200.00	90%
P/T - ADMINISTRATIVE FEE	\$ (5,261.00)	\$ (7,145.00)	74%
TOTAL PROPERTY TAXES	466,324.38	468,955.00	99%
OTHER TAXES			
SALES TAX	\$ 200,514.31	\$ 280,000.00	72%
SALES TAX IN LIEU - 3-FLIP	\$ 81,440.53	\$ 85,000.00	96%
Sales Tax - Add On	\$ 302,302.53	\$ 445,000.00	68%
COP MONIES	\$ 75,000.00	\$ 100,000.00	75%
PROPERTY TRANSFER TAX	\$ 4,236.37	\$ 3,500.00	121%
GAS FRANCHISES	\$ 4,477.35	\$ 5,000.00	90%
ELECTRIC FRANCHISES	\$ 15,685.72	\$ 17,500.00	90%
GARBAGE FRANCHISES	\$ 25,783.79	\$ 43,500.00	59%
CABLE TV FRANCHISES	\$ 18,601.10	\$ 22,000.00	85%
WATER FRANCHISES	\$ 12,017.75	\$ 9,000.00	134%
SEWER IMPACT	\$ 8,297.98	\$ 9,000.00	92%
TOTAL OTHER TAXES	748,357.43	1,019,500.00	73%
LICENSES & PERMITS			
BUSINESS LICENSES	\$ 184,824.66	\$ 172,000.00	107%
BUILDING PERMITS	\$ 12,599.63	\$ 20,000.00	63%
PLAN CHECK FEES	\$ 8,675.02	\$ 7,500.00	116%
STREET OPENING PERMITS FEES	\$ 1,670.00	\$ 500.00	334%
PLUMBING PERMITS	\$ 920.00	\$ 1,000.00	92%
ELECTRICAL PERMITS	\$ 745.00	\$ 1,000.00	75%
SB 1473 STATE SURCHG ON PERMITS	\$ 29.44	\$ -	
ENVIRON ASSESS FEES/PERMIT	0.00	100.00	0%
OTHER LICENSES/PERMITS	\$ 482.43	\$ 500.00	96%
TOTAL LICENSES & PERMITS	209,946.18	202,600.00	104%
FINES & FORFEITURES			
VEHICLE CODE FINES	10,681.91	17,500.00	61.04 %
TOTAL FINES & FOREITURES	10,681.91	17,500.00	61%
INTEREST EARNED			
INTEREST EARNED	\$ 99.04	\$ 800.00	12%
TOTAL INTEREST EARNED	99.04	800.00	12%

CITY OF DEL REY OAKS
FISCAL YEAR 2012/2013 BUDGET VS ACTUAL
10 Months Ended Apr 30, 2013

OTHER AGENCY REVENUE			
MOTOR VEHICLE LICENSE FEE(MVLF)	\$ 847.79	\$ 3,500.00	24%
VEHICLE LICENSE COLLECTION	\$ -	\$ 800.00	0%
HOPTR	1,147.90	1,200.00	96%
PROP 172	\$ 8,610.59	\$ 9,000.00	96%
GRANTS	\$ 13,785.67	\$ 8,000.00	172%
TRAFFIC CONGESTION RELIEF-AB438	0.00	4,500.00	0.00 %
POLICE GRANTS OTHER AGENCIES	\$ 1,875.00	\$ -	
TOTAL OTHER AGENCY REVENUE	26,266.95	27,000.00	97%
CURRENT SERVICES			
MISC REVENUE	\$ 414.37	\$ -	
USE PERMITS	8,245.00	4,500.00	183.22 %
MAPS/PUBLICATIONS	\$ 180.00	\$ 450.00	40%
RENTAL INCOME	\$ -	\$ 45,000.00	0%
POLICE REPORTS	\$ 965.00	\$ 1,200.00	80%
PROPERTY INSPECTIONS	\$ 2,700.00	\$ 2,000.00	135%
POLICE SERVICES	\$ 21,515.00	\$ 21,000.00	102%
PUBLIC EVENTS	\$ 55,600.00	\$ 58,000.00	96%
MISCELLANEOUS SERVICES	\$ 21,479.52	\$ 12,500.00	172%
PD DONATIONS	\$ 3,944.41	\$ 5,000.00	79%
TOTAL CURRENT SERVICES	115,043.30	149,650.00	77%
PARKS/RECREATION			
PARK RENTAL	\$ 4,439.92	\$ 5,000.00	89%
RV RENTAL PARKS	\$ 26,765.00	\$ 25,000.00	107%
TOTAL PARKS & RECREATION	31,204.92	30,000.00	104%
OTHER			
GAS TAX 2107	\$ 8,190.44	\$ 8,000.00	102%
GAS TAX 2103	12,266.92	12,000.00	102.22 %
GAS TAX 2106	\$ 6,131.33	\$ 7,000.00	88%
GAS TAX 2107.5	\$ 1,000.00	\$ 2,000.00	50%
GAS TAX 2105	\$ 5,286.15	\$ 8,000.00	66%
TOTAL OTHER	32,874.84	37,000.00	89%
Total Revenue	\$ 1,640,798.95	1,953,005.00	84%

CITY OF DEL REY OAKS
FISCAL YEAR 2012/2013 BUDGET VS ACTUAL

10 Months Ended Apr 30, 2013

Expenditures			
Payroll & Benefits			
OVERTIME	\$ 16,574.45	\$ 25,000.00	66%
PAYROLL	\$ 605,874.97	\$ 793,851.00	76%
COUNCIL MEMBER STIPEND	\$ 5,000.00	\$ 6,000.00	83%
RESERVES PAYROLL	\$ 18,455.77	\$ 25,000.00	74%
PERS	\$ 122,122.09	\$ 185,000.00	66%
MEDICARE	\$ 10,696.93	\$ 14,000.00	76%
DENTAL EXPENSE	\$ 19,404.74	\$ 18,000.00	108%
HEALTH INS	\$ 132,688.75	\$ 160,000.00	83%
VISION INS	\$ 1,494.48	\$ 2,500.00	60%
WORKERS COMP	\$ 215,282.80	\$ 175,000.00	123%
WELLNESS PROGRAM	\$ 5,233.00	\$ 5,500.00	95%
UNIFORM ALLOWANCE	\$ 5,750.00	\$ 8,000.00	72%
TOTAL PAYROLL & BENEFITS	\$ 1,158,577.98	\$ 1,417,851.00	82%
Payroll Expenses			
Payroll Expenses	\$ 2,122.62	\$ 1,951.00	109%
TOTAL PAYROLL EXPENSES	\$ 2,122.62	\$ 1,951.00	109%
Bank Service Charges			
Bank Service Charges	\$ 1,646.72	\$ 2,000.00	82%
TOTAL BANK SERVICE CHARGES	\$ 1,646.72	\$ 2,000.00	82%
SUPPLIES			
MATERIALS/SUPPLY	\$ 17,419.68	\$ 21,500.00	81%
OFFICE SUPPLIES	\$ 8,127.44	\$ 12,000.00	68%
SPECIAL SUPPLY POLICE	\$ 28,443.86	\$ 32,500.00	88%
TOTAL SUPPLIES	\$ 53,990.98	\$ 66,000.00	82%
UTILITIES & SERVICES			
REPAIR/MAINTENANCE	\$ 42,627.38	\$ 25,000.00	171%
STREET SWEEPING	\$ 12,161.62	\$ 6,000.00	203%
GABILAN CREW	\$ 2,201.14	\$ 7,500.00	29%
UTILITIES/PGE	\$ 9,008.83	\$ 10,000.00	90%
UTILITIES/WATER	\$ 5,141.43	\$ 3,500.00	147%
TELEPHONE / INTERNET	\$ 8,910.70	\$ 12,000.00	74%
WEBSITE DESIGN & MAINTENANCE	\$ 791.25	\$ 1,500.00	53%
POSTAGE / SHIPPING	\$ 2,517.50	\$ 3,500.00	72%
TRAVEL/CONFERENCE	\$ 8,346.20	\$ 9,000.00	93%
MEMBER/DUES/CONTRIBUTIONS	\$ 16,947.93	\$ 20,000.00	85%
AD/PROMOTION CITY CNCL	\$ 2,019.00	\$ 3,500.00	58%
LEGAL ADVERT NON-DEPT	\$ 1,110.76	\$ 215.00	517%
MEETING CITY CNCL	\$ 528.25	\$ 952.00	55%
BOOK/PERIODICAL	\$ 60.51	\$ 140.00	43%
TOTAL UTILITIES & SERVICES	\$ 112,372.50	\$ 102,807.00	109%

CITY OF DEL REY OAKS
FISCAL YEAR 2012/2013 BUDGET VS ACTUAL
10 Months Ended Apr 30, 2013

OUTSIDE SERVICES			
TRAINING POLICE	\$ 2,691.76	\$ 10,000.00	27%
OTHER PERMITS PW/ENGR	4,874.47	6,500.00	74.99 %
LIABILITY/PROP NON-DPT	\$ 3,029.68	\$ 20,000.00	15%
CONTRACTUAL AUDIT	\$ 35,412.50	\$ 25,000.00	142%
DATA PROCESSING	\$ 5,805.97	\$ 3,850.00	151%
CONTRACTUAL SVCS PLANNING	\$ 12,280.27	\$ 9,000.00	136%
CONTRACTUAL SVCS - LEGAL	\$ 19,296.00	\$ 12,000.00	161%
CONTRL RETAINER LEGAL	\$ 9,650.19	\$ 12,000.00	80%
JANITORIAL FUND	\$ 3,600.00	\$ 3,250.00	111%
RADIO DISPATCH POLICE	\$ 41,379.00	\$ 45,000.00	92%
COMM HUM SERV NON-DEPT	\$ -	\$ 3,200.00	0%
TOTAL OUTSIDE SERVICES	\$ 138,019.84	\$ 149,800.00	92%
AUTO OPERATION			
AUTO OPS - SUPPLIES / EQUIP	\$ 570.41	\$ 1,100.00	52%
AUTO OPS - FUEL	\$ 23,381.20	\$ 27,500.00	85%
AUTO REPAIR/MAINTENANCE	\$ 14,892.90	\$ 9,000.00	165%
AUTO LEASE PAYMENTS	\$ 11,733.97	\$ 9,200.00	128%
TOTAL AUTO OPERATION	\$ 50,578.48	\$ 46,800.00	108%
POLICE AND FIRE			
FUND JAIL & PRISONER	\$ 400.00	\$ 1,250.00	32%
ACJIS SYSTEM POLICE	\$ 3,393.67	\$ 5,405.00	63%
ANIMAL REGULATION FIRE	\$ 4,271.04	\$ 3,000.00	142%
FIRE SEASIDE	\$ 171,490.26	\$ 130,000.00	132%
TOTAL POLICE & FIRE	\$ 179,554.97	\$ 139,655.00	129%
STREETS & STORM WATER			
S.M.I.P.	\$ 154.75	\$ 51.00	303%
SB 1473	\$ 59.60	\$ -	
STREET LIGHTING	\$ 12,497.40	\$ 16,000.00	78%
STORM WATER PROJECT - PHASE 4	9,090.00	8,500.00	106.94 %
TOTAL STREETS & STORM WATER	21,801.75	24,551.00	89%
TOTAL EXPENDITURES	\$ 1,718,665.84	\$ 1,951,415.00	88%
Total Revenue	\$ 1,640,798.95		
Total Expenditures	\$ 1,718,665.84		
Total Operating Revenue Less Expenditures this fiscal year to date	\$ (77,866.89)		

CITY OF DEL REY OAKS
 CASH FUNDS BALANCE REPORT
 AS OF APRIL 30, 2013

CITY OF DEL REY OAKS		
CASH BALANCES AS OF APRIL 30, 2013		
	1000 · GENERAL CHECKING	\$264,682.50
	1008 · LAIF CITY - 246	\$75,050.62
	1011 · DEV - BRANDENBURG	\$40,935.92
	Total City Checking/Savings	\$380,669.04
	GRAND TOTAL CASH BALANCES	\$380,669.04

CITY OF DEL REY OAKS
FISCAL YEAR 2011/2012 BUDGET VS ACTUAL
10 Months Ended Apr 30, 2012

	Actual Total FY 2011-2012	Budget FY2011-2012	% of Amount Budget
Revenue			
PROPERTY TAXES			
P/T-SECURED	\$ 327,967.74	\$ 341,618.00	96%
P/T-UNITARY TAX	\$ 6,169.53	\$ 5,666.00	109%
P/T-UNSECURED	\$ 13,486.13	\$ 13,736.00	98%
P/T-SB813	\$ 4,205.18	\$ 2,850.00	148%
P/T-PRIOR SECURED	\$ 11,707.55	\$ 16,652.00	70%
PROPERTY TAX - VLF	\$ 110,922.00	\$ 115,208.00	96%
P/T-INT/PENAL	\$ 191.52	\$ 176.00	109%
P/T - ADMINISTRATIVE FEE	\$ (7,137.00)	\$ (7,946.00)	90%
TOTAL PROPERTY TAXES	467,512.65	487,960.00	95.81 %
OTHER TAXES			
SALES TAX	\$ 204,151.85	\$ 275,468.00	74%
SALES TAX IN LIEU - 3-FLIP	\$ 84,772.94	\$ 80,969.00	105%
Sales Tax - Add On	\$ 327,152.15	\$ 446,166.00	73%
COP MONIES	\$ 75,000.00	\$ 100,000.00	75%
PROPERTY TRANSFER TAX	\$ 2,963.67	\$ 3,360.00	88%
GAS FRANCHISES	\$ 601.60	\$ 4,944.00	12%
ELECTRIC FRANCHISES	\$ 17,370.90	\$ 16,497.00	105%
GARBAGE FRANCHISES	\$ 42,909.63	\$ 40,467.00	106%
CABLE TV FRANCHISES	\$ 17,938.86	\$ 24,212.00	74%
WATER FRANCHISES	\$ 9,004.19	\$ 7,873.00	114%
SEWER IMPACT	\$ -	\$ 8,615.00	0%
TOTAL OTHER TAXES	781,865.79	1,008,571.00	77.52 %
LICENSES & PERMITS			
BUSINESS LICENSES	\$ 170,156.73	\$ 174,397.00	98%
BUILDING PERMITS	\$ 18,309.01	\$ 8,288.00	221%
PLAN CHECK FEES	\$ 5,694.01	\$ 3,715.00	153%
STREET OPENING PERMITS FEES	\$ 400.00	\$ 630.00	63%
PLUMBING PERMITS	\$ 500.00	\$ 1,764.00	28%
ELECTRICAL PERMITS	\$ 600.00	\$ 735.00	82%
SB 1473 STATE SURCHG ON PERMITS	\$ 71.50	\$ -	
OTHER LICENSES/PERMITS	\$ 188.73	\$ 500.00	38%
TOTAL LICENSES & PERMITS	195,919.98	190,029.00	103.10 %
FINES & FORFEITURES			
VEHICLE CODE FINES	\$ 11,650.88	\$ 17,073.00	68%
TOTAL FINES & FOREITURES	11,650.88	17,073.00	68.24 %
INTEREST EARNED			
INTEREST EARNED	\$ 774.55	\$ 2,755.00	28%
TOTAL INTEREST EARNED	774.55	2,755.00	28.11 %

CITY OF DEL REY OAKS
FISCAL YEAR 2011/2012 BUDGET VS ACTUAL
10 Months Ended Apr 30, 2012

OTHER AGENCY REVENUE			
MOTOR VEHICLE LICENSE FEE(MVLF)	\$ 3,487.71	\$ 5,106.00	68%
HOPTR	\$ 1,177.66	\$ 1,276.00	92%
PROP 172	\$ 9,025.37	\$ 6,410.00	141%
GRANTS	\$ -	\$ 8,000.00	0%
TRAFFIC CONGESTION RELIEF-AB438	\$ -	\$ 4,337.00	0%
POLICE GRANTS OTHER AGENCIES	\$ -	\$ 8,400.00	0%
TOTAL OTHER AGENCY REVENUE	13,690.74	33,529.00	40.83 %
CURRENT SERVICES			
USE PERMITS	\$ 3,780.00	\$ 4,436.00	85%
MAPS/PUBLICATIONS	\$ 440.00	\$ 163.00	270%
RENTAL INCOME	\$ 1,701.00	\$ 9,824.00	17%
POLICE REPORTS	\$ 1,241.00	\$ 854.00	145%
PROPERTY INSPECTIONS	\$ 1,500.00	\$ 1,995.00	75%
POLICE SERVICES	\$ 21,482.70	\$ 15,398.00	140%
PUBLIC EVENTS	\$ 57,250.00	\$ 47,544.00	120%
MISCELLANEOUS SERVICES	\$ 12,359.85	\$ 7,545.00	164%
PD DONATIONS	\$ 8,857.81	\$ 5,250.00	169%
TOTAL CURRENT SERVICES	108,612.36	93,009.00	116.78 %
PARKS/RECREATION			
PARK RENTAL	\$ 2,670.00	\$ 5,460.00	49%
RV RENTAL PARKS	\$ 24,897.50	\$ 25,846.00	96%
TOTAL PARKS & RECREATION	27,567.50	31,306.00	88.06 %
OTHER			
GAS TAX 2107	\$ 7,464.22	\$ 18,864.00	40%
GAS TAX 2106	\$ 6,165.35	\$ 7,618.00	81%
GAS TAX 2107.5	\$ 2,001.86	\$ 1,050.00	191%
GAS TAX 2105	\$ 5,785.83	\$ 7,960.00	73%
TOTAL OTHER	21,417.26	35,492.00	60.34 %
Total Revenue	\$ 1,629,011.71	1,899,724.00	86%

CITY OF DEL REY OAKS
FISCAL YEAR 2011/2012 BUDGET VS ACTUAL
10 Months Ended Apr 30, 2012

Expenditures					
Payroll & Benefits					
OVERTIME	\$	11,956.37	\$	20,000.00	60%
PAYROLL	\$	716,629.66	\$	843,528.00	85%
COUNCIL MEMBER STIPEND	\$	5,000.00	\$	6,000.00	83%
RESERVES PAYROLL	\$	22,229.53	\$	30,000.00	74%
PERS	\$	117,477.07	\$	157,260.00	75%
MEDICARE	\$	11,135.51	\$	12,000.00	93%
DENTAL EXPENSE	\$	20,359.51	\$	29,019.00	70%
HEALTH INS	\$	130,784.98	\$	165,864.00	79%
VISION INS	\$	1,778.52	\$	1,581.00	112%
WORKERS COMP	\$	157,222.70	\$	175,000.00	90%
WELLNESS PROGRAM	\$	4,107.94	\$	8,000.00	51%
UNIFORM ALLOWANCE	\$	5,750.00	\$	5,500.00	105%
TOTAL PAYROLL & BENEFITS	\$	1,204,431.79	\$	1,453,752.00	83%
Payroll Expenses					
Payroll Expenses	\$	1,607.44	\$	1,951.00	82%
TOTAL PAYROLL EXPENSES	\$	1,607.44	\$	1,951.00	82%
Bank Service Charges					
Bank Service Charges	\$	2,379.76	\$	1,583.00	150%
TOTAL BANK SERVICE CHARGES	\$	2,379.76	\$	1,583.00	150%
SUPPLIES					
MATERIALS/SUPPLY	\$	12,697.16	\$	21,500.00	59%
AMMUNITION (PD Donation Pd for most)	\$	16,964.92	\$	5,000.00	339%
OFFICE SUPPLIES		9,604.23		12,000.00	80.04 %
SPECIAL SUPPLY POLICE	\$	11,889.66	\$	5,000.00	238%
TOTAL SUPPLIES	\$	51,155.97	\$	43,500.00	118%
UTILITIES & SERVICES					
REPAIR/MAINTENANCE	\$	22,267.52	\$	24,315.00	92%
STREET SWEEPING	\$	5,013.38	\$	-	
GABILAN CREW	\$	4,276.94	\$	2,052.00	208%
UTILITIES/PGE	\$	9,464.22	\$	7,252.00	131%
UTILITIES/WATER	\$	3,177.36	\$	2,470.00	129%
TELEPHONE / INTERNET	\$	8,838.64	\$	13,791.00	64%
WEBSITE DESIGN & MAINTENANCE	\$	760.00	\$	4,500.00	17%
POSTAGE / SHIPPING	\$	2,867.25	\$	1,837.00	156%
TRAVEL/CONFERENCE	\$	7,950.84	\$	11,298.00	70%
MEMBER/DUES/CONTRIBUTIONS	\$	13,826.08	\$	9,573.00	144%
AD/PROMOTION CITY CNCL	\$	2,969.30	\$	2,111.00	141%
LEGAL ADVERT NON-DEPT	\$	119.00	\$	215.00	55%
MEETING CITY CNCL	\$	334.32	\$	952.00	35%
BOOK/PERIODICAL	\$	30.31	\$	140.00	22%
TOTAL UTILITIES & SERVICES	\$	81,895.16	\$	80,506.00	102%

CITY OF DEL REY OAKS
FISCAL YEAR 2011/2012 BUDGET VS ACTUAL
10 Months Ended Apr 30, 2012

OUTSIDE SERVICES			
TRAINING POLICE	\$ 11,209.14	\$ 8,632.00	130%
OTHER PERMITS PW/ENGR	\$ 3,900.00	\$ 3,735.00	104%
LIABILITY/PROP NON-DPT	\$ 6,754.40	\$ 25,000.00	27%
CONTRACTUAL AUDIT	\$ 28,684.86	\$ 25,000.00	115%
DATA PROCESSING	\$ 5,691.58	\$ 3,850.00	148%
CONTRACTUAL SVCS PLANNING	\$ 11,237.00	\$ 2,500.00	449%
CONTRACTUAL SVCS - LEGAL	\$ 4,510.75	\$ 9,992.00	45%
CONTRL RETAINER LEGAL	\$ 10,642.72	\$ 10,360.00	103%
JANITORIAL FUND	\$ 2,850.00	\$ 3,250.00	88%
RADIO DISPATCH POLICE	\$ 40,106.00	\$ 38,260.00	105%
COMM HUM SERV NON-DEPT	\$ 6,200.00	\$ 3,057.00	203%
TOTAL OUTSIDE SERVICES	\$ 131,786.45	\$ 133,636.00	99%
AUTO OPERATION			
AUTO OPS - SUPPLIES / EQUIP	\$ 415.16	\$ 1,160.00	36%
AUTO OPS - FUEL	\$ 24,386.71	\$ 18,393.00	133%
AUTO REPAIR/MAINTENANCE	\$ 16,370.80	\$ 9,357.00	175%
AUTO LEASE PAYMENTS	\$ 12,469.06	\$ 12,250.00	102%
TOTAL AUTO OPERATION	\$ 53,641.73	\$ 41,160.00	130%
POLICE AND FIRE			
FUND JAIL & PRISONER	\$ 1,086.34	\$ 1,238.00	88%
ACJIS SYSTEM POLICE	\$ 2,814.95	\$ 5,405.00	52%
ANIMAL REGULATION FIRE	\$ 2,307.60	\$ 2,724.00	85%
FIRE SEASIDE	\$ 125,643.00	\$ 116,000.00	108%
TOTAL POLICE & FIRE	\$ 131,851.89	\$ 125,367.00	105%
STREETS & STORM WATER			
S.M.I.P.	\$ 99.44	\$ 51.00	195%
SB 1473	\$ 27.90	\$ -	
STREET LIGHTING	\$ 12,762.23	\$ 14,163.00	90%
STORM WATER PROJECT - PHASE 4	\$ 9,788.00	\$ 5,480.00	178.61 %
TOTAL STREETS & STORM WATER	\$ 22,677.57	\$ 19,694.00	115%
TOTAL EXPENDITURES	\$ 1,681,427.76	\$ 1,901,149.00	88%
Total Revenue	\$ 1,629,011.71		
Total Expenditures	\$ 1,681,427.76		
Total Operating Revenue Less Expenditures this fiscal year to date	\$ (52,416.05)		

**CITY OF DEL REY OAKS
CASH FUNDS BALANCE REPORT
AS OF APRIL 30, 2012**

CITY OF DEL REY OAKS		
CASH BALANCES AS OF APRIL 30, 2012		
	1000 · GENERAL CHECKING	\$231,160.44
	1008 · LAIF CITY - 246	\$135,050.62
	Total City Checking/Savings	\$366,211.06
FORMER REDEVELOPMENT AGENCY		
CASH BALANCES AS OF APRIL 30, 2012		
	10-1001 · GENERAL CHECKING	\$0.00
	10-1003 · DUFFY EIR/CEQA CHECKING	\$0.00
	10-1002 · LAIF RDA ACCOUNT	\$414.00
	Total RDA Checking/Savings	\$414.00
GRAND TOTAL CASH BALANCES		\$366,625.06



FIRE DEPARTMENT

1635 Broadway Avenue
Seaside, CA 93955

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

May 1, 2013

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 April 1, 2013 through April 30, 2013.

The City of Del Rey Oaks will be billed for the following incident numbers:

Incident #
13-000638
13-000726
13-000773
13-000800

There are a total of four (4) fire calls for the month of April. If you have any questions, please contact me.

Sincerely,

A handwritten signature in cursive script that reads "M. Failauga".

Melissa Failauga
Office Assistant
CC: File

Seaside Fire Department

Incident List by Alarm Date/Time

Alarm Date Between {04/01/2013} And {04/30/2013}
and District = "029 "

Incident-Exp#	Alm Date	Alm Time	Location	Incident Type
13-0000638-000	04/01/2013	13:39:22	815 CANYON DEL REY BLVD /	321 EMS call, excluding vehicle
13-0000659-000	04/04/2013	14:13:20	1099 ROSITA RD /Del Rey O	321 EMS call, excluding vehicle
13-0000667-000	04/06/2013	10:33:53	1101 ROSITA RD /Del Rey O	744 Detector activation, no fire
13-0000707-000	04/10/2013	22:44:11	815 CANYON DEL REY BLVD /	321 EMS call, excluding vehicle
13-0000726-000	04/13/2013	17:19:09	CANYON DEL REY BLVD & WOR	321 EMS call, excluding vehicle
13-0000766-000	04/19/2013	07:20:42	31 QUENDALE AVE /Del Rey	743 Smoke detector activation, n
13-0000773-000	04/19/2013	19:40:43	114 CARLTON DR /Del Rey O	321 EMS call, excluding vehicle
13-0000800-000	04/23/2013	09:03:42	13 SAUCITO AVE	321 EMS call, excluding vehicle
13-0000821-000	04/27/2013	11:36:23	939 VIA VERDE RD /Del Rey	321 EMS call, excluding vehicle
13-0000840-000	04/30/2013	02:53:07	24 SAUCITO AVE /Del Rey O	522 Water or steam leak

Total Incident Count ~~10~~ 4 calls total



Del Rey Oaks Police Department
 Monthly Report of Activity
 APRIL- 2013
 Completed By: Ron Langford, COP

ARRESTS:

YEAR TO DATE

<i>Felony Arrests</i>	02	
<i>Misdemeanor Arrests</i>	05	
<i>Warrant Arrests (OJ)</i>		
TOTAL ARRESTS	07	22

ASSAULTS:

YEAR TO DATE

<i>Simple Assault</i>		
<i>Domestic Violence</i>		
<i>Weapon Involved</i>		
TOTAL ASSAULTS	00	01

REPORTS FILED:

07	50
-----------	-----------

TRAFFIC ACCIDENTS:

<i>Non-Injury Accidents</i>		
<i>Injury Accidents</i>		
TOTAL ACCIDENTS	00	06

BURGLARIES:

<i>Residential</i>		
<i>Commercial</i>	01	
<i>From Locked Vehicle</i>		
<i>Other</i>		
TOTAL BURGLARIES	01	02

TOWED & STORED VEHICLES:

00	02
-----------	-----------

GRAND & PETTY THEFTS:

<i>Residential</i>		
<i>Commercial</i>		
<i>Shoplifting</i>	01	
<i>From Motor Vehicle</i>		
<i>Other</i>		
TOTAL THEFTS	01	05

ALARMS:

<i>Residential</i>		
<i>Commercial</i>		
TOTAL ALARMS	00	00

DUI ENFORCEMENT:

03	05

CITATIONS ISSUED:

<i>Traffic Citations Issued</i>	49	
<i>Parking Citations Issued</i>		
<i>Admin Citations Issued</i>		
TOTAL CITATION ISSUED	49	121

AGREEMENT FOR CITY ATTORNEY SERVICES

This Agreement for City Attorney Services ("Agreement") is entered into this 27th day of April 2010, by and between the **City of Salinas**, a California Charter City and municipal corporation hereinafter referred to as "Salinas," and the **City of Del Rey Oaks**, a California municipal corporation hereinafter referred to as "Del Rey Oaks."

RECITALS

WHEREAS, Del Rey Oaks desires to retain Salinas to provide general legal services as more particularly described herein; and

WHEREAS, Salinas is specially trained, experienced, and competent to perform the general legal services which will be required by this Agreement and is willing to render such services on the following terms and conditions.

NOW, THEREFORE, in mutual consideration of the covenants, terms, and conditions set forth herein, Salinas and Del Rey Oaks agree as follows:

TERMS

1. **Scope of Services.** Del Rey Oaks retains Salinas to advise, counsel, and represent it as City Attorney with respect to the provision of general legal services which shall include the following:
 - a. Attendance at all regularly scheduled and special meetings of the Del Rey Oaks City Council. Attend other board and commission meetings, or other meetings, on request of the City Manager, subject to Salinas's availability;
 - b. Advise the City Council, commissions, committees, boards, city staff, and other city officials on all legal matters pertaining to City business;
 - c. Prepare, review, and approve as to form, contracts, agreements, resolutions, ordinances, agendas and all other standard City documents;
 - d. Prepare such written and oral legal opinions as shall, from time to time, be requested by the City;
 - e. Be available for telephone consultation with Del Rey Oaks staff, as needed on legal matters which are within their area of operation;
 - f. Represent and advise Del Rey Oaks on pending and potential litigation, as requested by Del Rey Oaks. Notwithstanding the foregoing, it is expressly understood that Salinas shall not be responsible for any pending litigation matter(s) handled by attorneys previously or otherwise

employed by Del Rey Oaks unless and until Salinas has specifically appeared in the matter(s) as attorney of record on behalf of Del Rey Oaks;

g. Perform all work related to advising staff on, and prosecuting, all violations of City's municipal code;

h. Supervise outside legal services, if any; and

i. Perform such other routine legal services as are required, from time to time, by the City Council or the City Manager.

Salinas will keep Del Rey Oaks informed as to the progress and status of all pending matters in accordance with such procedures as may be established by Salinas and Del Rey Oaks from time to time.

Del Rey Oaks specifically reserves the right to retain, at its sole option, other legal counsel for litigation and other specialized legal matters including, but not limited to, the activities of the Redevelopment Agency. This reservation of rights does not preclude Del Rey Oaks or its Redevelopment Agency from assigning these matters to Salinas as part of the scope of duties under this Section.

2. **Term.** This Agreement shall commence on April __, 2010, and shall continue in full force and effect for a period of twelve (12) months terminating on April __, 2011, unless terminated sooner or unless extended in writing by the parties. This Agreement may be terminated by either party with or without cause at any time upon written notice to the other party.

3. **City Attorney Assignment.** Christopher A. Callihan shall be assigned as the City Attorney. Vanessa W. Vallarta shall be assigned as the Assistant City Attorney and shall serve in Callihan's absence. Salinas will exercise its discretion to utilize whichever attorney(s) and staff it determines to be best suited to the provision of legal services under this Agreement, and shall provide such services in an economically efficient manner.

4. **Del Rey Oaks Designated Representative.** Del Rey Oaks designates its City Manager as its representative under this Agreement. All legal services shall be coordinated under the direction of the City Manager.

5. **Compensation.**

a. **Non-Refundable Retainer.** A non-refundable annual retainer of \$12,000 is payable to Salinas by Del Rey Oaks at the rate of \$1,000 per calendar month for regular legal services provided by Salinas to Del Rey Oaks. It is anticipated that such retainer shall cover regular legal services up to ten (10) hours of time spent by Salinas per calendar month.

b. **Base Compensation.** Legal services, beyond the general legal services to be provided at the rate of ten (10) hours per month, shall be billed at the rate of \$90.00 per hour. Legal representation at the rate of \$90.00 per hour would include, for example, review of criminal citations, filing of misdemeanor complaints, representation in and appearances on criminal proceedings from arraignment through trial, and representation and appearances on *Pitchess* motions, *Murgia* motions, and Penal Code §1538.5 pre-trial motions. Complex litigation matters will be billed a rate of \$150.00 per hour. Salinas will keep track of its time to the nearest 1/10th of an hour with a minimum charge of .12 hours for services provided.

c. **Costs.** Salinas may incur various costs and expenses in performing legal services under this Agreement. Salinas will be reimbursed by Del Rey Oaks for such expenses based on Salinas's direct costs. For example, mileage would be reimbursed at the standard rate and reproduction of documents would be reimbursed at the rate set by the Salinas City Council, currently \$0.15 per page. Salinas will not charge for telephone charges. Additional costs and expenses incurred on Del Rey Oaks' behalf may include investigation costs, notary and certification expenses, deposition and reporting expense, expert witness expense, messengers, and computer legal research services.

d. **Billing and Invoices.** Salinas will submit an invoice on a monthly basis to the City Manager accounting for Salinas's time spent and costs incurred, any amounts applied from deposits, any current balance owed, a reasonably detailed description of services performed, and any costs and expenses for reimbursement.

Payment shall be made by Del Rey Oaks within thirty (30) days of receipt of the statement. Upon an early termination of this Agreement, Salinas shall be entitled to compensation and reimbursement of costs incurred, up to the date of termination.

6. **Independent Contractor.** It is expressly understood and agreed by both parties that Salinas, while engaged in carrying out and complying with any of the terms and conditions of this Agreement, is an independent contractor and not an employee of Del Rey Oaks.

7. **Assignment.** It is recognized by the parties hereto that a substantial inducement to Del Rey Oaks for entering into this Agreement was, and is, the professional reputation and competence of Salinas. This Agreement is personal to Salinas and shall not be assigned by it without express written approval of Del Rey Oaks.

8. **Insurance.** For services provided by Salinas to Del Rey Oaks pursuant to this Agreement Del Rey Oaks shall provide and maintain errors and omissions/professional liability insurance coverage, including errors and omissions coverage written on a claims made basis in an amount not less than one million dollars (\$1,000,000) per claim. Such insurance requirements may be met by one or more policies of self-insurance.

9. Restrictions on Future Representation. In addition to proscriptions regarding conflict of interest imposed on attorneys by the Business and Professions Code and by the California Rules of Professional Conduct, or other applicable law, Salinas represents that it shall not, after the termination of their service to Del Rey Oaks, appear before any Council, commission, committee, or agency of Del Rey Oaks in relation to any case, proceeding, or application or contract in which they participated during the period of their service, or which was under active consideration, nor any other matter for a period of one year from the date of termination of their employment.

10. Conflicts. Salinas has no present or contemplated employment which is adverse to Del Rey Oaks. If a potential conflict of interest arises in Salinas's representation of Salinas and Del Rey Oaks, unless such conflict is only speculative or minor, Salinas shall seek waivers from each with regard to such representation. However, if an actual conflict exists, Salinas would withdraw from representing Del Rey Oaks in the matter, would be allowed to represent the City of Salinas, and would assist Del Rey Oaks in obtaining outside special counsel.

11. Dispute Resolution. If any dispute or disagreement arises between Salinas and Del Rey Oaks as to any matter relating to this Agreement, including but not limited to the scope of services, the performance of the respective responsibilities of Salinas and Del Rey Oaks, the quality of the services rendered, and the billing of such services, Salinas and Del Rey Oaks agree to confer and attempt to resolve the matter informally. If the parties cannot agree, they agree that they will refer the dispute or resolution to mediation to the fullest extent permitted by law. The parties are aware that mediation is a voluntary process and pledge to cooperate fully and fairly with the mediator in an attempt to reach a mutually satisfactory compromise of any dispute or disagreement. The mediator shall be chosen by mutual agreement of the parties, and mediation shall commence as agreed by the parties. Any agreement reached by the mediation shall be reduced to writing, be signed by the parties, and be binding on them. This provision for mediation is an effort to protect, preserve, and respect the requisites of a productive attorney-client relationship, but shall be without prejudice to either party pursuing its other lawful remedies.

12. Records and Reports. Salinas shall keep such books and records as shall be necessary to perform the services required by this Agreement and to enable Del Rey Oaks to evaluate the performance of the required services. Del Rey Oaks shall have full and free access to such books and records that deal specifically with the services performed by Salinas for Del Rey Oaks at all reasonable times, including the right to inspect, copy, audit, and make summaries and transcripts from such records.

All reports, records, documents, and other materials prepared by Salinas in the performance of this Agreement shall be the property of Del Rey Oaks and shall be delivered to Del Rey Oaks upon request by Del Rey Oaks or upon termination of this Agreement. Salinas shall have no claim for further or additional compensation as a result of the exercise by Del Rey Oaks of its full rights of ownership of the documents and material hereunder. Salinas may retain copies of such documents

for its own use. Except as may otherwise be required under the law, no report, record, document, or other material prepared by Salinas in the performance of services under this Agreement shall be released publicly without prior written approval of Del Rey Oaks.

13. Integration and Agreement. This Agreement represents the entire understanding of Salinas and Del Rey Oaks as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters contained herein. This Agreement may not be modified or altered except by amendment in writing signed by both parties.

14. Jurisdiction. This Agreement shall be administered and interpreted under the laws of the State of California. Jurisdiction of litigation arising from this Agreement shall be in the State of California, in the County of Monterey.

15. Severability. If any part of this Agreement is found to be in conflict with applicable laws, such part shall be inoperative, null and void insofar as it is in conflict with said laws, but the remainder of the Agreement shall continue to be in full force and effect.

16. Notices.

a. Written notices to Salinas hereunder shall, until further notice by Salinas, be addressed to:

City Attorney
Attn: Christopher A. Callihan, Esq.
City of Salinas
200 Lincoln Avenue
Salinas, California 93901

b. Written notices to Del Rey Oaks shall, until further notice by Del Rey Oaks, be addressed to:

City Manager
Attn: Daniel Dawson
City of Del Rey Oaks
650 Canyon Del Rey Road
Del Rey Oaks, California 93940

c. The execution of any such notices by the City Attorney of Salinas shall be effective as to Del Rey Oaks as if it were by resolution or order of the City Council, and Del Rey Oaks shall not question the authority of the City Attorney to execute any such notice.

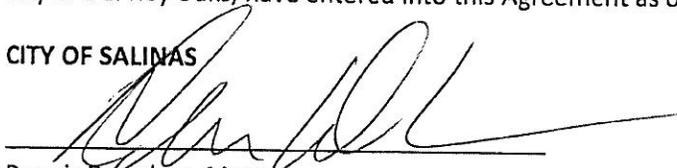
d. All such notices shall either be delivered personally to the other party's designee named above, or shall be deposited in the United States Mail, properly addressed as aforesaid, postage fully prepaid, and shall be effective the day following such deposit in the mail.

17. Nondiscrimination. During the performance of this Agreement, Salinas and Del Rey Oaks shall not discriminate against any employee or applicant for employment because of race, color, religion, ancestry, creed, sex, national origin, familial status, sexual orientation, age (over 40 years) or disability. Salinas shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, ancestry, creed, sex, national origin, familial status, sexual orientation, age (over 40 years) or disability.

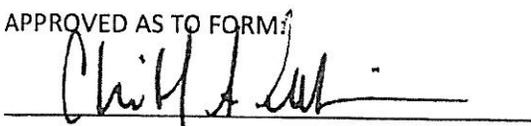
18. Joint Representation. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against any party. No presumptions or rules of interpretation based upon the identity of the party preparing or drafting the Agreement, or any part thereof, shall be applicable or invoked.

IN WITNESS WHEREOF, the undersigned, as authorized representatives of the City of Salinas and of the City of Del Rey Oaks, have entered into this Agreement as of the date first written above.

CITY OF SALINAS


Dennis Donohue, Mayor

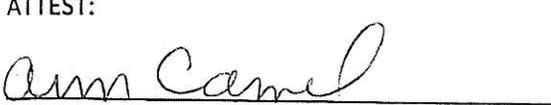
APPROVED AS TO FORM:


Vanessa W. Vallarta, City Attorney

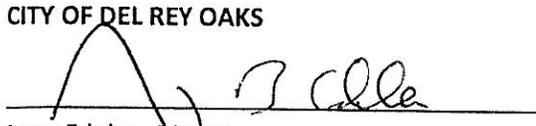
By

Christopher A. Callihan, Sr. Deputy City Attorney

ATTEST:


Ann Camel, City Clerk

CITY OF DEL REY OAKS


Jerry Edelen, Mayor

ATTEST:



Daniel Dawson, City Manager/City Clerk

AGREEMENT FOR CITY ATTORNEY SERVICES

ADDENDUM NO. 2

This Addendum to the Agreement for City Attorney Services is entered into this 28th day of May 2013, by and between the City of Salinas, a California charter city and municipal corporation hereinafter referred to as "Salinas," and the City of Del Rey Oaks, a California municipal corporation hereinafter referred to as "Del Rey Oaks." Each Salinas and Del Rey Oaks may individually be referred to herein as a "Party" and may collectively be referred to herein as "the Parties."

RECITALS

WHEREAS, Salinas and Del Rey Oaks first entered into an Agreement for City Attorney Services (the "Original Agreement") on April 13, 2010; and

WHEREAS, Salinas and Del Rey Oaks previously entered into addenda to the Original Agreement to, in part, extend the Original Agreement; and

WHEREAS, Salinas and Del Rey Oaks desire to continue the relationship established under the Original Agreement, as amended by the subsequent addenda.

NOW, THEREFORE, in mutual consideration of the covenants, terms, and conditions set forth in the Original Agreement, in Addendum No. 1, and in this Addendum No. 2, the Parties agree as follows:

TERMS

1. Salinas shall provide City Attorney Services to Del Rey Oaks, as set forth in the Original Agreement, as the same has been amended, commencing as of April 14, 2012 and continuing through June 30, 2014.

2. **Original Agreement.** All of the other covenants, terms, and conditions of the Original Agreement not otherwise amended or revised in subsequent addenda thereto shall remain in full force and effect through the extended term as set forth herein and shall be incorporated herein by reference.

IN WITNESS WHEREOF, the undersigned, as authorized representatives of the City of Salinas and of the City of Del Rey Oaks have entered into this Addendum No. 2 as of the date first written above.

CITY OF SALINAS

Vanessa W. Vallarta, City Attorney

CITY OF DEL REY OAKS

Daniel Dawson, City Manager

FINANCIAL STATEMENTS
with
INDEPENDENT AUDITOR'S REPORT
YEAR ENDING JUNE 30, 2012

City of Del Rey Oaks, California

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INDEPENDENT AUDITOR'S REPORT

MEMBER OF AICPA DIVISION FOR CPA FIRMS - PRIVATE COMPANIES PRACTICE SECTION

Honorable Mayor
and Members of the City Council
City of Del Rey Oaks, California

We have audited the accompanying financial statements of governmental activities, each major fund, and the aggregate remaining fund information of the City of Del Rey Oaks, California as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of management of the City of Del Rey Oaks, California. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Del Rey Oaks, as of June 30, 2012, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The City of Del Rey Oaks has not presented management's discussion and analysis which is not required to be part of the basic financial statements.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 23 through 24, the CALPERS schedule of funding on page 25 and the schedule of funding for post-employment benefits other than pensions on page 25, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Del Rey Oaks financial statements as a whole. The introductory section, combining individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Lavorato & Darling, Inc.
Lavorato & Darling

Salinas, California

April 18, 2013

City of Del Rey Oaks, California
Government-Wide Financial Statements
Statement of Net Assets
As of June 30, 2012

See Independent Auditors' Report

	Governmental Activities
Assets	
Cash & Equivalents	\$ 193,886
Investments	135,464
Receivables	125,757
Receivable from Other Governments	94,101
Notes Receivable	285,688
Noncurrent Assets:	
Receivable from Developer	1,077,742
Capital Assets, Not Being Depreciated	11,879,700
Capital Assets, Net of Depreciation	341,064
Total Assets	14,133,402
Liabilities	
Accounts Payable	799,681
Accrued Interest Payable	461
Deposit	50,000
Deferred Revenue	1,302,340
Noncurrent Liabilities:	
Due within One Year	6,669
Due in More Than One Year	77,552
Total Liabilities	2,236,703
Net Assets	
Restricted for:	
Invested in Capital Assets, Net of Related Debt	12,182,047
Housing Program	25,000
Unrestricted	(310,348)
Total Net Assets	11,896,699
Total Liabilities and Net Assets	\$ 14,133,402

The accompanying notes are an integral part of these financial statements.

City of Del Rey Oaks, California
Government-Wide Financial Statements
Statement of Activities
For the Year Ended June 30, 2012

See Independent Auditors' Report

	<u>Expenses</u>	<u>Program Revenues</u> Charges for Services	<u>Operating Grants and Contributions</u>	<u>Net (Expenses) Revenue</u>
Functions/Programs:				
Governmental Activities:				
General Government	\$ 762,929	\$ 365,480	\$ 13,786	\$ (383,663)
Public Safety	1,137,943	36,904	100,000	(1,001,039)
Public Works	132,742	-	-	(132,742)
Parks	73,178	33,928	-	(39,250)
Community Development	20,611	-	-	(20,611)
Interest on Long Term Debt	1,011	-	-	(1,011)
Total Governmental Activities	<u>\$ 2,128,414</u>	<u>\$ 436,312</u>	<u>\$ 113,786</u>	<u>\$ (1,578,316)</u>
General Revenues:				
Taxes				
Property Taxes				\$ 474,585
Sales Taxes				646,506
Franchise Taxes				94,019
Gas Taxes				45,969
Investment Earnings				907
Other Revenue				106,474
Total General Revenues				<u>1,368,460</u>
Change in Net Assets				<u>(209,856)</u>
Net Assets, Beginning of the Year				11,197,769
Reclassification of Federal\JER LongTerm Amount Due				908,786
				<u>12,106,555</u>
Net Assets, End of the Year				<u>\$ 11,896,699</u>

The accompanying notes are an integral part of these financial statements.

**City of Del Rey Oaks, California
Government Funds Financial Statements**

See Independent Auditors' Report

General Fund -

The General Fund is used to account for the City's primary services (public safety, public works, parks, etc.) and is the primary operating unit of the City.

Capital Projects Fund -

The Capital Projects Fund is used to account for financial resources to be used for administrative expenditures related to redevelopment projects and for the acquisition or construction of major capital facilities and infrastructure improvements.

Other Government Funds -

Other governmental funds are non-major funds and are used to account for the revenues from traffic safety, gas tax and economic and community development loans.

The accompanying notes are an integral part of these financial statements.

City of Del Rey Oaks, California
Balance Sheet
Governmental Funds
As of June 30, 2012

See Independent Auditors' Report

Assets	Major Funds		Non-Major	Total
	General	Capital Projects	Governmental Funds	
Cash & Equivalents	\$ 168,886	\$ 0	\$ 25,000	\$ 193,886
Investments	135,051	413	-	135,464
Receivables	51,589	-	76,846	128,435
Receivable from Other Governments	91,423	-	-	91,423
Notes Receivable	214,188	-	71,500	285,688
Due from Other Funds	539,683	-	-	539,683
Total Assets	<u>1,200,820</u>	<u>413</u>	<u>173,346</u>	<u>1,374,579</u>
Liabilities				
Accounts Payable	540,820	161,383	-	702,203
Due to Other Funds	-	539,683	-	539,683
Deferred Revenue	146,608	-	71,500	218,108
Total Liabilities	<u>687,428</u>	<u>701,066</u>	<u>71,500</u>	<u>1,459,994</u>
Net Assets				
Reserve for:				
Long Term Receivables	285,688	-	-	285,688
Housing Program	-	-	25,000	25,000
Unreserved, Reported in:				
General Fund	227,704	-	-	227,704
Capital Projects Fund (Deficit)	-	(700,653)	-	(700,653)
Special Revenue Fund	-	-	76,846	76,846
Total Fund Balances (Deficit)	<u>513,392</u>	<u>(700,653)</u>	<u>101,846</u>	<u>(85,415)</u>
Total Liabilities & Fund Balances	<u>\$ 1,200,820</u>	<u>\$ 413</u>	<u>\$ 173,346</u>	<u>\$ 1,374,579</u>

The accompanying notes are an integral part of these financial statements.

City of Del Rey Oaks, California
Reconciliation of the Balance Sheet of Government Funds
To the Government-Wide Statements of Net Assets
For the Fiscal Year Ended June 30, 2012
See Independent Auditors' Report

Total Fund Balances (Deficit) - Total Government Funds (page 6) \$ (85,415)

Amounts reported in the governmental activities column in the statement of net assets are different because of the following:

Capital Assets

Capital assets used in governmental funds are not current financial resources and therefore are not reported in the Balance Sheet of Government Funds. 12,220,764

Deferred Revenue

Certain revenues in the governmental funds are deferred because the revenues are not collected within the prescribed time period after fiscal year-end. However the revenues are included on the accrual basis used in the government-wide statements. 71,500

Developer Transactions

The City, the Redevelopment Agency, and a developer entered into an option agreement for the sales of City owned real estate that included several borrowing and lending agreements between the parties. Since these transactions do not include repayment in the current period, they are not reported in the governmental funds balance sheet, but are included in the statement of net assets as follows:

Loan Receivable from Developer	1,077,742
Deferred Revenue of Developer	(1,155,732)
Deposit Received from Developer	(50,000)

Long Term Obligations

Long term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet. These are the obligations at year end.

Capital Leases	\$ 23,712	
Accrued Interest	461	
Compensated Absences	22,309	
Other Post Employment Benefits	38,200	
Long-term Payables	97,478	(182,160)
		<u>\$ 11,896,699</u>

The accompanying notes are an integral part of these financial statements.

City of Del Rey Oaks, California
Government-Wide Financial Statements
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2012

See Independent Auditors' Report

	<u>Major Funds</u>		<u>Non-Major</u>	<u>Total</u>
	<u>General</u>	<u>Capital Projects</u>	<u>Governmental Funds</u>	
Revenues				
Property Taxes	\$ 474,585	-	-	\$ 474,585
Sales Taxes	646,506	-	-	646,506
Franchise Taxes	94,019	-	-	94,019
Other Taxes	8,200	-	-	8,200
Licenses and Permits	205,522	-	-	205,522
Fines and Forfeitures	-	-	15,634	15,634
Investment Earnings	907	-	-	907
Revenue from Other Agencies	171,483	-	64,599	236,082
Use of Property - Parks	33,928	-	-	33,928
Other Revenue	203,149	-	-	203,149
Total Revenues	<u>1,838,299</u>	<u>-</u>	<u>80,233</u>	<u>1,918,532</u>
Expenditures				
Current:				
General Government	686,026	38,722	-	724,748
Public Safety	1,156,878	-	-	1,156,878
Public Works	136,131	-	-	136,131
Parks	89,035	-	-	89,035
Community Development	-	20,611	-	20,611
Debt Service	1,011	-	-	1,011
Total Expenditures	<u>2,069,081</u>	<u>59,333</u>	<u>-</u>	<u>2,128,414</u>
Revenues Over (Under) Expenditures	<u>(230,782)</u>	<u>(59,333)</u>	<u>80,233</u>	<u>(209,882)</u>
Other Financing Sources (Uses)				
Transfers In	18,341	-	-	18,341
Transfers Out	-	-	(18,341)	(18,341)
Net Change in Fund Balances	<u>(212,441)</u>	<u>(59,333)</u>	<u>61,892</u>	<u>(209,882)</u>
Fund Balances:				
Beginning of the Year	725,833	(641,320)	39,954	124,467
Fund Balances, End of Fiscal Year	<u>\$ 513,392</u>	<u>\$ (700,653)</u>	<u>\$ 101,846</u>	<u>\$ (85,415)</u>

The accompanying notes are an integral part of these financial statements.

City of Del Rey Oaks, California
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Government Funds to
The Government-Wide Statement of Activities
For the Year Ended June 30, 2012
See Independent Auditors' Report

Change in Fund Balances (Page 8)	\$ (209,882)
	<hr/>
Change in Net Assets of Governmental Activities (page 4)	<u>\$ (209,882)</u>

The accompanying notes are an integral part of these financial statements.

City of Del Rey Oaks, California
Notes to Financial Statements
June 30, 2012

1. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with Generally Accepted Accounting Principles (US GAAP). A summary of the City of Del Rey Oaks, California's accounting policies is as follows:

Reporting Entity

The City of Del Rey Oaks (the City), California, was incorporated as a general law city on September 3, 1953, under the laws of the State of California. The City operates under a city council - manager form of government and provides a wide range of municipal services. As required by generally accepted accounting principles these financial statements present the City (the primary government) and its component units, entities for which the City is considered to be financially accountable.

As required by US GAAP, these financial statements present the City and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities are in substance, part of the government's operation, so data from these units are combined with data of the primary government. The following entity is a blended component unit:

Redevelopment Agency of the City of Del Rey Oaks (the Agency) -

The Redevelopment Agency of the City of Del Rey Oaks was established on January 26, 1999 by the City of Del Rey Oaks pursuant to Community Redevelopment Law of California (Health and Safety Code Section 33000 et. seq.). The Agency, which is a component unit of the City, was established to carry out various redevelopment projects within the City. On December 29, 2011, the California Supreme Court upheld Assembly Bill IX 26 that provided for the dissolution of all redevelopment agencies in the State of California as of February 1, 2012. Upon the dissolution of the Agency, the assets, liabilities and fund balances were transferred to the Successor Agency of the Del Rey Oaks Redevelopment Agency.

Basis of Presentation and Accounting

The accompanying financial statements have been prepared assuming the City will continue as a going concern. For the last several years, the City's Capital Project Fund has struggled to balance its revenues and expenditures. The deficit is expected to be eliminated from future tax increment revenues. Additionally, the economic downturn has had a dramatic negative impact to the City's revenues. For the long term, the City believes additional revenues will be generated by new development. However, during this year, the City will address the growing structural deficit by prioritizing service levels, optimizing cost recovery and reviewing all opportunities to increase revenues. The City believes that success in increasing revenues and controlling cost is achievable, and that available cash and cash equivalents will provide adequate liquidity to fund the City's operations through at least June 30, 2013. The financial statements do not include any adjustments to reflect the future effects in the recoverability and classification of assets or the amounts and classification of liabilities that might result from the possible inability of the City to continue as a going concern.

Government and Fund Financial Statements

The basic financial statements include both government-wide and fund financial statements. The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the primary government and its component units. The effect of interfund activity has been removed from these statements.

The Statements of Net Assets presents the City's assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories.

Invested in capital assets, net of related debt.

This category consists of capital assets net of accumulated depreciation and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.

Restricted net assets.

Restricted net assets result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The City has no restrictions imposed by enabling legislation.

Unrestricted net assets.

These are net assets not meeting the definition of the two preceding categories. Unrestricted net assets often have constraints on resources imposed by management which can be removed or modified.

Separate fund based financial statements are provided for governmental funds. The City has no proprietary or fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. The non major funds are combined in a column in the fund financial statements.

The government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the major individual funds. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

See Independent Auditors' Report

City of Del Rey Oaks, California
Notes to Financial Statements
June 30, 2012

1. Summary of Significant Accounting Policies (continued)

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenue to be available if collected within 60 days of the end of the current fiscal period with the following exceptions: 1) Revenue received as part of the Accounting for Local Revenue Realignment Adopted in the 2004-2005 State of California Budget. These revenues are considered available if collected within seven months of the end of the current fiscal period; and 2) Grant revenues availability period is generally considered to be one year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences and claims and judgments, are recognized only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources. Ad valorem, franchise and sales tax revenues are recognized under the susceptible to accrual concept. Investment earnings are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance.

There are, however, essentially two types of revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

The City reports the following major governmental funds:

General Fund

The general fund accounts for the City's primary services (public safety, public works, parks, etc.) and is the primary operating unit of the City.

Capital Projects Fund

The capital projects fund accounts for financial resources to be used for administrative expenditures related to redevelopment projects and for the acquisition or construction of major capital facilities and infrastructure improvements.

Budgeting

The City legally adopts an annual budget for the Capital Projects Fund, in conformance with Health and Safety Code Section 33606 and for the General Fund and Other Governmental Funds. The City adopts the budget before June 30 for each ensuing fiscal year.

Budgets submitted to the Council include both proposed appropriations and the means of financing them. A mid-year budget review is performed and the budget is amended by passage of a resolution. Additional appropriations or interfund transfers not included in the amended budget resolution must be approved by the City Council.

All budgets have been prepared on a basis consistent with generally accepted accounting principles, which is the basis of accounting as used to reflect actual revenue and expenditures. Appropriations lapse at fiscal year end and then are rebudgeted for the coming fiscal year. Encumbrance accounting is not used.

Cash, Cash Equivalents and Investments

The City follows the practice of pooling cash and investments of all funds. Investments of the pooled cash consist of deposits with the Local Agency Investment Fund and are accounted for at fair market value. Interest earned as a result of pooling is distributed to the appropriate funds utilizing a formula based on the average daily balance of cash of each fund. The City considers highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

See Independent Auditors' Report

City of Del Rey Oaks, California
Notes to Financial Statements
June 30, 2012

1. Summary of Significant Accounting Policies (continued)

Receivables and Payables

Property, sales, use and utility users taxes related to the current fiscal year are accrued as revenue and accounts receivable and considered available if received within 60 days of year end. Federal and State grants are considered receivable and accrued as revenue when reimbursable costs are incurred under the accrual basis of accounting in the governmental-wide statement of net assets.

The amount recognized as revenue under the modified accrual basis of accounting is limited to the amount that is deemed measurable and available. The City considers these taxes available if they are received during the period when settlement of prior fiscal year accounts payable and payroll charges normally occur.

Allowance for Uncollectible Accounts Receivable

Management has elected to record bad debts using the direct write-off method. Accounting principles generally accepted in the United States of America require that the allowance method be used to reflect bad debts. However, the effect of the use of the direct write-off method is not materially different from the results that would have been obtained had the allowance method been followed.

Economic and Community Development Loans

These receivables are deferred repayment loans under the City's housing and economic development programs. The program consists of long term deferred payment loans of grant funds from the State which were reported as grant revenues in the year received, and expenditures in the year the loans were made. A deferred loan is required to be repaid in full only if the secured property is sold or transferred. Prior to the sale or transfer no payment is required. Principal and interest payments which are receivable at year end are offset by an equal amount of deferred revenue. Such payments will be recognized as revenue when received.

Capital Assets

Capital assets are defined as property, facilities, equipment and infrastructure (roads, sidewalks, drainage systems, lighting systems, etc.) Capital assets are reported in the government-wide financial statements. These assets are valued at historical cost or estimated historical cost if purchased or constructed. Donated assets are valued at their estimated fair value on the date received.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of assets are not capitalized. Major outlays for capital assets and improvements are capitalized.

The City's policy has set the following capitalization threshold for capitalizing assets at the following levels:

Equipment	\$	5,000.00
Facilities and Improvements	\$	25,000.00

Property, improvements, facilities and equipment of the primary government, as well as the component unit, are depreciated using the straight-line method over the following estimated useful lives:

Assets

Buildings	40 Years
Improvements	5-20 Years
Equipment	5-10 Years
Vehicles	8 Years
Furniture & Fixtures	10 Years

Compensated Absences

Unused vacation may be accumulated up to 160 hours and is paid at the time of termination from City employment. Vacation is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Post-Employment Benefits

In addition to pension benefits described in Note 9, the City provides post-employment medical benefits, pursuant to the California Public Employee's Medical and Hospital Care Act (PEMHCA), paying the PEMHCA minimum but on a 20 year phase-in basis for employees retiring directly from the City.

City of Del Rey Oaks, California
Notes to Financial Statements
June 30, 2012

1. Summary of Significant Accounting Policies (continued)

Deferred Revenue

In governmental funds deferred revenue arises when revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise, in governmental funds, when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures (unearned). In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, revenue is recognized. Deferred revenues in the governmental funds amounted to the following at June 30, 2012

	June 30, 2012
Housing & Economic Development Programs Deferred Loans	\$ 285,688
Prepaid Business Licenses	146,608
	\$ 432,296

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Compensated absences are considered due after one year.

Fund Equity

In the government fund financial statements, reservations of fund balance represent amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. In the government-wide financial statements, restrictions of net assets are limited to outside third-party restrictions.

Use of Restricted Resources

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources, as they are needed.

Property Tax Levy, Collection and Maximum Rates

The State of California (State) Constitution Article 13 provides for a maximum general property tax rate statewide of \$1 per \$100 of assessed value. Assessed value is calculated at 100% of market value as defined by the above referenced Article 13. The State Legislature has determined the method of distribution of receipts from the \$1 tax levy among counties, cities, schools and other districts. Counties, cities and school districts may levy such additional tax as is necessary to provide for voter approved debt service.

The County of Monterey assesses properties, bills for and collects property taxes, as follows:

	Secured	Unsecured
Valuation Dates	January 1	January 1
Lien/Levy Dates	July 1	July 1
Due Dates	50% on November 1 50% on February 1	July 1
Delinquent as of	December 10 (for November April 10 (for February)	August 31

The term "Unsecured" refers to taxes on personal property other than land and buildings. These taxes are secured by liens on the property being taxed.

Property tax revenues are recorded in governmental funds as receivables and deferred revenues at the time the tax levy is billed. Current year revenues are those collected within the current period or soon enough thereafter to pay current liabilities, generally within sixty days of year-end.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported. Actual results could differ from those estimates.

See Independent Auditors' Report

City of Del Rey Oaks, California
Notes to Financial Statements
June 30, 2012

1. Summary of Significant Accounting Policies (continued)

Accounting Pronouncements

In July of 2004, the GASB issued Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions, with required implementation by the City during the 2009-2010 fiscal year. The new statement significantly changes the way state and local governments report their "other post employment benefits" to the public. As a result of GASB 45, state and local governments are required to (1) recognize the cost of these benefits in periods when the related services are rendered to the employer, (2) provide information about the actuarial accrued liabilities for promised benefits associated with past services and to what extent those benefits have been funded, (3) and provide information useful in assessing potential demands on the employer's cash flow.

In March 2009, the GASB issued Statement No 54, Fund Balance Reporting and Governmental Fund Type Definitions, which initially distinguishes fund balance between amounts that are considered nonspendable, such as fund balance associated with long-term notes receivable or inventory, and other amounts that are classified as spendable based on the relative strength of the constraints that control the purposes for which specific amounts can be spent. Beginning with the most binding constraints, fund balance amounts will be reported in the following classifications:

- * Restricted - amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- * Committed - amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority.
- * Assigned - amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.
- * Unassigned - the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

The new standard also clarifies the definitions of individual governmental fund types. It also specifies how economic stabilization or "rainy day" amounts should be reported. Because of the specific nature of these accounts, the statement considers stabilization amounts as specific purpose.

2. Deposits and Investments.

Investments

The City's investments consist of deposits in the State Treasurer's Local Agency Investment Fund (LAIF). LAIF is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investments in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Investments consisted of funds held in the Local Agency Investment Fund in the amounts of:

	June 30, 2012
Funds held by the Local Agency Investment Fund	\$ 135,464

Investment Policy

Cash balances from all funds are combined and invested to the extent possible, pursuant to the City Council approved "Statement of Investment Policy". The following represents types of investments authorized by the City Council:

Types of Investments	Maximum Amount	Maximum Maturity
Local Agency Investment Fund	No Limit Set	Not Applicable

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the sensitivity of the fair value of the City's investments to market interest rate fluctuations is provided by the following table that show the maturity date of each investment.

Investment Type	Fair Value	Investment Maturity
Local Agency Investment Fund	\$ 135,464	6-12 Months

See Independent Auditors' Report

City of Del Rey Oaks, California
Notes to Financial Statements
June 30, 2012

2. Deposits and Investments (continued)

Concentration of Credit Risk

The investment policy of the City contains no limitation on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. 100% of the City's investments at year end are in LAIF.

Custodial Credit Risk-Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Local Agency Investment Fund managed by the State Treasurer, representing 100% of the City's investment portfolio, is not rated.

The City has a deposit policy that complies with California Government Code Section 53638 (Public Deposit Act). The following are the City's carrying amounts of demand deposits (checking accounts):

	June 30, 2012
Demand Deposits (Checking Accounts)	\$ 193,886

Bank account balances per the bank statements differ from the amounts reported in these financial statements. The differences are due to checks outstanding and deposits in transit recorded on the books but not yet cleared by the bank due to timing differences. The maximum amount insured by the Federal Depository Insurance Company (FDIC) is currently \$250,000. Amounts in excess of the \$250,000 FDIC insurance is collateralized in accordance with the California Government Code requirements by securities held by the pledging financial institution in the City's name. The fair value of the pledged securities must equal at least 110% of the City's demand deposits.

3. Receivables

Receivables for the government's individual major funds and non-major funds in the aggregate, reported on the government-wide statements, consist of the following:

	June 30, 2012			
Receivables:	General	Capital Projects	Other Governmental Funds	Total
Franchise	\$ 7,024	-	-	\$ 7,024
Developer Fees	-	1,077,742	-	1,077,742
Grants	38,786	-	-	38,786
Interest	99	-	-	99
Other	79,848	-	-	79,848
Total Receivables	\$ 125,757	\$ 1,077,742	-	\$ 1,203,499
Receivables from Other Governments:				
Gas Tax	-	-	5,668	5,668
Fines	-	-	4,132	4,132
Sales Taxes	17,601	-	-	17,601
Transaction Taxes	66,700	-	-	66,700
Total Receivables from Other Governments	\$ 84,301	-	\$ 9,800	\$ 94,101

See Independent Auditors' Report

City of Del Rey Oaks, California
Notes to Financial Statements
June 30, 2012

4. Notes Receivable

The City has outstanding loan balances from interest free loans, which were made for rehabilitation and emergency repairs of older housing located within the City. These loans were provided by a grant from the State of California, Department of Housing and Community Development. Repayment of the loans is deferred until the homeowners sell their property. The balance of the loans is:

	June 30, 2012
Community Development Block Grant Loans Receivable	\$ 71,500

5. Receivable from Developer

In July 2003, the City's Redevelopment Agency entered into an Agreement to Negotiate Exclusively (ANE) with Federal/JER Associates I, LLC for the development of the Agency's land. As part of that agreement, the developer agreed to deposit funds to reimburse the City's Redevelopment Agency for all legal, consulting fees and staff overhead costs incurred as part of the negotiation process.

In February 2007, the City's Redevelopment Agency entered into agreements with the developer to deposit funds for the Agency for the costs of environmental and permit approval consulting services.

The agreements were subsequently amended to revise time schedules, repayment and loan provisions. In February 2009, the City's Redevelopment Agency notified the developer of default. Upon the dissolution of the Agency, the loan receivable due from the developer was transferred to the Successor Agency. Due to the default and economic conditions, the City of Del Rey may not be able to collect the loan receivable due from the developer, a portion of which is recorded as deferred revenue in the government-wide statement of net assets as follows:

	Due from Developer	Deferred Revenue
Receivable from Developer	\$ 1,077,742	\$ 1,155,732

6. Capital Assets

Capital assets activity for the year ended:

	Balance June 30, 2011	Additions	Adjustments/ Retirements	Balance June 30, 2012
<i>Capital assets not being depreciated</i>				
Land	\$ 11,879,700	-	-	\$ 11,879,700
<i>Capital assets being depreciated</i>				
Buildings and Improvements	576,025	-	-	576,025
Furniture, Equipment and Vehicles	431,956	23,712	(24,009)	431,659
	1,007,981	23,712	(24,009)	1,007,684
Less: Accumulated Depreciation	644,872	45,757	(24,009)	666,620
Net Depreciable Capital Assets	363,109	(22,045)	-	341,064
Net Capital Assets	\$ 12,242,809	\$ (22,045)	-	\$ 12,220,764

Depreciation expense was charged to functions/programs of the primary government as follows:

General Government	\$ 3,827
Public Safety	18,934
Public Works	3,389
Parks	15,857
	\$ 42,007

City of Del Rey Oaks, California
Notes to Financial Statements
June 30, 2012

7. Long Term Debt

Capital Leases

The City has noncancelable capital lease agreements with Ford Motor Credit Company to finance the acquisition of vehicles. The leases qualify as capital leases. Cost of the assets acquired under the leases are included in "Capital Assets Being Depreciated". The terms of the leases are as follows:

*Ford Crown Victoria - Principal and interest payments of \$4,331.76 with interest at 6.3% are to be made bi-annually beginning August 21, 2012 and continuing until February 21, 2015.

Long Term Payables

Long-term payables include amounts advanced by creditor consultants to finance planning costs incurred with the formation of the Redevelopment Agency. These consultants agreed to defer payment of their fees until such time as the Redevelopment Agency receives payment for sales of Agency-owned property or receipt of tax increment revenue.

General long-term debt balances for fiscal years ended June 30 are as follows:

	Balance <u>June 30, 2011</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>June 30, 2012</u>
<i>Notes & Capital Leases:</i>				
Capital Leases	11,458	23,712	(11,458)	23,712
Total Notes & Capital Leases	<u>11,458</u>	<u>23,712</u>	<u>(11,458)</u>	<u>23,712</u>
<i>Other Liabilities:</i>				
Compensated Absences	22,309	-	-	22,309
Post-Employment Health Care Obligations	38,200	-	-	38,200
Total Other Liabilities	<u>60,509</u>	<u>-</u>	<u>-</u>	<u>60,509</u>
Total	<u>\$ 71,967</u>	<u>\$ 23,712</u>	<u>\$ (11,458)</u>	<u>\$ 84,221</u>

In prior years, the General Fund has been used to liquidate compensated absences.

Annual capital lease debt service requirements to maturity are as follows:

Fiscal Year Ended June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 7,668	\$ 995	\$ 8,663
2014	7,773	890	8,663
2015	<u>8,271</u>	<u>392</u>	<u>8,663</u>
	<u>\$ 23,712</u>	<u>\$ 2,277</u>	<u>\$ 25,989</u>

See Independent Auditors' Report

City of Del Rey Oaks, California
Notes to Financial Statements
June 30, 2012

8. Operating Lease

The City as lessee with U.S. Bank, entered into an operating lease on September 10, 2009 , for a Digital Color Imaging System. The City is to pay \$216.98 per month for 60 months under the agreement. The City does not intend to purchase the system at the end of the lease. Future minimum rental payments due by the City under the lease at June 30, 2012 are as follows:

2013	\$	2,604
2014		2,604
2015		868
		\$ 6,076

9. Interfund Transfers

At fiscal year end, June 30, interfund receivables and payables consist of:

June 30, 2012

Fund	Interfund Receivable	Interfund Payable
General	\$ 539,683	\$ 0
Capital Projects	0	539,683
	\$ 539,683	\$ 539,683

Due to/from other funds at the fiscal year end represent advances from the City to the Redevelopment Agency (Agency) to pay various consultants and to cover the Agency's share of administrative expenses. The Agency pays various rates of interest on these advances based on the LAIF interest rate at the time of the advance. Upon the dissolution of the Agency, advances from the City Redevelopment Agency to cover the agency share of expenses were transferred to the Successor Agency of the Del Rey Oaks Redevelopment Agency. Repayment of the loan is expected to be made from future incremental property tax revenues as land within the Agency project area is developed. Consequently a future debt repayment schedule cannot be determined.

Transfers between funds during the years were as follows:

June 30, 2012

Fund	Transfers In	Transfers Out
General	\$ 0	\$ 0
Other Governmental Funds:		
General	\$ 18,341	\$ 0
Capital Projects	0	(18,341)
	\$ 18,341	\$ (18,341)

Transfers are made from Other Governmental Funds to cover expenditures for traffic safety and street purposes.

See Independent Auditors' Report

City of Del Rey Oaks, California
Notes to Financial Statements
June 30, 2012

10. Fund Balance Deficit

The Capital Projects Fund had a fund balance deficit. These deficits are expected to be eliminated through future tax increment revenues. The City believes that success in increasing revenues and controlling costs is achievable and that available cash and cash equivalents will provide adequate liquidity to fund the City's operations.

	June 30, 2012
Fund Balance Deficit	\$ (700,653)

11. Pension Plan

The City contributes to the California Public Employees Retirement System (CalPERS), a cost sharing multiple-employer public employee defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and their beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute. CalPERS issues a publicly available annual financial report that includes financial statements and required supplementary information of the City. That report may be obtained from their executive office located at 400 P Street, Sacramento, California 95814.

Funding Policy and Pension Costs

Participants are required to contribute 7% of their annual covered salary. Of this 7%, the City has agreed to pay 5%. The City is required to contribute at an actuarially determined rate recommended by CalPERS actuaries and actuarial consultants and adopted by the CalPERS Board of Administration. The employer contribution rate was 25.398% for public safety personnel and 7.276% for other covered employees for fiscal year ended June 30, 2012. The City's contributions to CalPERS for the current and two prior fiscal years ended June 30, were as follows:

2012	\$	187,178
2011	\$	206,238
2010	\$	172,457

The City has made the required contributions for each year.

The City has less than 100 active members, therefore, it is required to participate in a risk pool. The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents the risk pool multi year trend information about whether the actuarial values of the plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

12. Post Employment Benefits Other than Pensions (OPEB)

Plan Description

The City provides medical benefits through the CalPERS health care program, pursuant to the Public Employees' Medical and Hospital Care Act (PEMHCA). The CalPERS PEMHCA Plan is a defined contribution, multiple employer health care plan providing benefits to active and retired employees. The healthcare plan is administered by CalPERS. Copies of the CalPERS annual financial report may be obtained from the Executive Office, 400 P Street, Sacramento, Ca. 95814.

Funding Policy

PEMCHA determines the amount contributed by the City towards retiree health insurance. The mandatory employer contribution for active and retiree health insurance is increased annually in accordance with PEMHCA regulations. Beginning in calendar year 2011, the contribution amount began increasing by the consumer price index increase. At fiscal year end, June 30, the following expenditures were recognized for post-employment health insurance contributions on a pay-as-you-go basis.

	June 30, 2012
Net OPEB Obligation	\$ 38,200

The City is required to record the annual required contributions of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an on-going basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

See Independent Auditors' Report

City of Del Rey Oaks, California
Notes to Financial Statements
June 30, 2012

12. Post Employment Benefits Other than Pensions (OPEB)

Annual OPEB Costs and Net OPEB Obligation

For the fiscal year ended June 30, 2012, the City contributed \$38,200 for pay-as-you-go premiums to the Plan.

The components of the City's annual OPEB costs for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation for the year ended June 30,2012 is as follows:

	<u>June 30, 2012</u>
Annual Required Contribution (ARC)	<u>\$ 38,200</u>

Funding Status and Funding Progress

As of the June 30, 2010 fiscal year end, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits as well as the unfunded actuarial accrued liability (UAAL) was \$238,600. The covered payroll (annual payroll of active employees covered by the plan) was \$846,300 and the ratio of the UAAL to the covered payroll was 28.2%. The plan has no segregated assets.

If the City elected to fully fund the annual required contribution through an irrevocable trust (at an average investment return of 7.75%), the decrease in the annual contribution would be \$18,300.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates about the future. The Schedule of Funding Progress, presented as Required Supplementary Information following the notes to the financial statements, present multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used included techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2012 actuarial valuation the actuarial costs method used the Entry Age Normal (EAN) cost method. Under the EAN cost method, the plan's normal cost is developed as a level percent of payroll throughout the participants' working lifetime. Entry age is based on current age minus years of service. The Actuarial Accrued Liability (AAL) is the cumulative value on the valuation date of prior normal cost. For the retirees, the AAL is the present value of all projected benefits. The unfunded AAL is being amortized on a level dollar closed 30 year basis, as a level percent of payroll with a remaining amortization period at June 30, 2012 for 30 years. GASB 34 requires stating the interest rate to represent the underlying expected return for the source of funds used to pay benefits. The actuarial methods and assumptions included a 4.25% interest rate representing the long term expected rate of return on the City's pooled investments. Annual inflation was assumed to increase 3% per annum and the aggregate payroll assumed to increase 3.25% per annum. The study used assumptions for the salary merit and longevity increases, and demographic assumptions such as mortality withdrawal, and disability based on CalPERS 1997-2002 Experience Study.

13. Risk Management

The City is exposed to various risks of loss related to torts, thefts, damage and destruction of assets, errors and omissions, injuries to workers and natural disasters. The City has insurance to cover these risks from a combination of commercial insurance purchased from independent third parties and participation in the Monterey Bay Area Self Insurance Authority (MBASIA), which is a public entity risk pool. There have not been any significant reductions in insurance coverage as compared to the previous year. Settled claims from these risks have not exceeded commercial coverage for the past three fiscal years.

MBASIA was formed under a joint powers agreement (JPA) pursuant to California Government Code Section 6500 et seq. effective July 1, 1982. MBASIA is administered by a Board of Directors consisting of thirteen members appointed by the cities participating. The Board controls the operations of the JPA, including selection of management and approval of operating budgets, independent of any influence by member cities beyond their representation on the Board. Each member city pays a premium commensurate with the amount of predicted losses and shares surpluses and deficits proportionate to their participation in the JPA.

See Independent Auditors' Report

City of Del Rey Oaks, California
Notes to Financial Statements
June 30, 2012

14. Transaction Tax

The citizens of Del Rey Oaks passed a 1.0% transaction and use tax measure, which became operative on April 1, 2007. The tax which is administered by the State Board of Equalization, and was set to expire on April 1, 2012. The 1% transaction and use tax was extended, November 2011, for a five year period and is set to expire April 1, 2017 or at any sooner date as determined by subsequent ordinance of the City. The City received the following in fiscal years ended:

	<u>June 30, 2012</u>
1.0% Transaction and Use Taxes Collected	<u>\$ 379,888</u>

15. Commitments

Federal/JER Associates I, LLC agreed to take over the repayment obligation of the Redevelopment Agency to FORA beginning July 15, 2008. The developer did not make the July 15, 2008 or the July 15, 2009 payments and is in default of the agreement. The Redevelopment Agency made both payments.

The Redevelopment Agency entered into an agreement with FORA to make monthly payments of \$21,858.87 (principal and interest) for the repayment of the Pollution Legal Liability insurance. Upon the dissolution of the Agency, repayment of the Pollution Legal Liability insurance were transferred to the Successor Agency of the Del Rey Oaks Redevelopment Agency.

16. Contingent Liabilities

The City is subject to litigation arising from the normal course of business. Federal Del Rey Associates and Federal/JER Associates (collectively, "Federal") have filed a cross-complaint against the City and the Redevelopment Agency, as described in Note 5 - Receivable from Developer. The City will continue to incur legal expenses. Future legal costs at this point cannot be determined.

17. Reclassification

In July 2003 the City/Agency entered into an agreement to negotiate exclusively with Federal\FER Associates,LLC for the development of Agency owned land. In February 2009 the developer Federal\JER Associates, LLC defaulted on the option agreement terms. The city's management has determined that the debt obligation of Fereral\JER Association, in the amount of \$908,786.00 will not be realized; and that notes payable to Federa\ JER, an obligation of the city in the amount \$ 891,924.60 will no longer need to be paid. These items have been reclassified to offset each other with the balance being reclassified to uncollectible debt.

18. Proposition 1A Securitization Program

Under the provisions of Proposition 1A and as part of the 2009-10 state budget package passed by the California State Legislature on July 28, 2009, the State of California borrowed eight percent (8%) of the amount of property tax revenues, including those property taxes associated with the in-lieu motor vehicle license fee, the triple-flip in lieu of sales tax and supplemental property tax, apportioned to cities, counties and special districts (excluding redevelopment agencies). The State is required to repay this borrowing plus interest by June 30, 2013.

After repayment of this initial borrowing, the California Legislature may consider only one additional borrowing within a 10-year period. The amount of this borrowing pertaining to the City of Del Rey Oaks was \$50,723.

REQUIRED

SUPPLEMENTARY INFORMATION

City of Del Rey Oaks, California
Schedule of Revenues, Expenditures and Changes in Fund Balance,
Budget and Actual - General
For the Year Ended June 30, 2012

See Independent Auditors' Report

	Actual	Budgeted Amounts		Over/(Under) Budget
		Original	Final	
Resources (Inflows):				
Property Taxes	\$ 474,585	\$ 487,960	\$ 487,960	\$ (13,375)
Sales Tax	646,506	782,191	802,603	(156,097)
Franchise Taxes	94,019	97,353	97,353	(3,334)
Other Taxes	8,200	8,615	8,615	(415)
Licenses and Permits	205,522	190,029	190,029	15,493
Fines, Forfeits and Penalties	15,634	17,073	17,073	(1,439)
Investment Earnings	907	2,755	2,755	(1,848)
Revenue from Other Agencies	236,081	160,621	160,621	75,460
Use of Property - Parks	33,928	31,306	31,306	2,622
Other Revenue	181,321	101,409	101,409	79,912
Total Resources	<u>1,896,703</u>	<u>1,879,312</u>	<u>1,899,724</u>	<u>(3,021)</u>
Charges and Appropriations (Outflows):				
Current:				
Salaries and Benefits	1,502,020	1,417,103	1,455,703	46,317
Supplies	81,914	43,500	43,500	38,414
Utilities and Services	110,625	80,526	80,506	30,119
Outside Services	145,706	133,636	133,636	12,070
Vehicle Operations	55,602	41,160	41,160	14,442
Police & Fire	136,733	125,367	125,367	11,366
Streets	27,431	19,643	19,694	7,737
Other Expenditures	1,980	1,583	1,583	397
Capital Outlay	23,712	-	-	23,712
Total Charges	<u>2,085,723</u>	<u>1,862,518</u>	<u>1,901,149</u>	<u>184,574</u>
Excess of Revenues Over (Under) Expenditures	<u>(189,020)</u>	<u>16,794</u>	<u>(1,425)</u>	<u>(187,595)</u>
Net Change in Fund Balance	<u>\$ (189,020)</u>	<u>\$ 16,794</u>	<u>\$ (1,425)</u>	<u>\$ (187,595)</u>

The accompanying notes are an integral part of these financial statements.

City of Del Rey Oaks, California
Notes to Required Supplementary Information
For the Year Ended June 30, 2012

See Independent Auditors' Report

1. Budgetary Data

The City Council adopts an annual legal budget, which covers the General Fund and RDA Fund. All appropriations lapse at fiscal year end and then are rebudgeted for the coming fiscal year. Encumbrance accounting is not used. The budgets are prepared on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles.

A mid-year budget review is performed and the budget is amended by passage of a resolution. Additional appropriations or interfund transfers not included in the amended budget resolution must be approved by the City Council.

Per GASB Statement No. 34, only the general fund and major special revenue fund budgets are to be presented in required supplementary information.

The accompanying notes are an integral part of these financial statements.

City of Del Rey Oaks, California
REQUIRED SUPPLEMENT INFORMATION
FOR THE YEAR ENDING JUNE 30, 2012

Since the City has less than 100 active members in each plan, it is required by CalPERS to participate in a risk pool. Therefore, no required supplementary information is required to be reported in this report regarding the funding status of the plan, however the City believes this information is particularly useful to users of this financial statement report because it displays the unfunded status of the plan. The following actuarial valuation reports the activity of the risk pool as a whole, and not the specific activity of individual members such as the City of Del Rey Oaks.

Miscellaneous 2% at 55 Risk Pool

Actuarial Valuation Date	(a) Actuarial Accrued Liability (AAL) Entry Age	(b) Actuarial Value of Assets	(a-b) Unfunded AAL (UAAL)	(b/a) Funded Ratio	(c) Covered Payroll	((a-b)/c) UAAL as a Percentage of Covered Payroll
6/30/09	\$ 582,841,869	\$553,953,526	\$ 28,888,343	95.0	\$ 184,319,666	15.7
6/30/10	\$ 624,423,437	\$594,492,164	\$ 29,931,273	95.2	\$ 186,777,830	16.0
6/30/11	\$ 682,375,804	\$639,237,247	\$ 43,138,557	93.7	\$ 193,877,169	22.3

Safety Plan 2% at 55 Risk Pool

Actuarial Valuation Date	(a) Actuarial Accrued Liability (AAL) Entry Age	(b) Actuarial Value of Assets	(a-b) Unfunded AAL (UAAL)	(b/a) Funded Ratio	(c) Covered Payroll	((a-b)/c) UAAL as a Percentage of Covered Payroll
6/30/09	\$ 73,625,106	\$ 63,095,026	\$ 10,530,080	85.7	\$ 21,879,598	48.1
6/30/10	\$ 80,550,533	\$ 69,069,025	\$ 11,481,508	85.8	\$ 21,754,150	52.8
6/30/11	\$ 87,234,077	\$ 84,508,206	\$ 12,725,871	85.4	\$ 21,957,452	58.0

Postemployment Health Insurance Benefits Plan
Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Accrued Liability (AAL) Entry Age	(b) Actuarial Value of Assets	(a-b) Unfunded AAL (UAAL)	(b/a) Funded Ratio	(c) Covered Payroll	((a-b)/c) UAAL as a Percentage of Covered Payroll
6/30/10	\$ 238,600		\$ 238,600		\$ 846,300	48.1

Note: Fiscal year 2010 was the year of implementation of GASB No. 45 and the City elected to implement prospectively.



NOTICE IS HEREBY GIVEN that the Del Rey Oaks City Council is currently receiving applications for 4 vacant seats on the Planning Commission. The term will expire June 2017. In order to be appointed, a person must be a registered voter in the City.

The application form may be obtained at Del Rey Oaks City Hall, City Clerk's Office between the hours of 8:00 A.M. and 5:00 P.M. or on the City website www.delreyoaks.org under forms and downloads. Applications must be completed and received by the City Clerk no later than 12:00 P.M., Tuesday, May 21, 2013.

Review of applications and the appointment will be done at the Regular City Council Meeting on Tuesday, May 28, 2013, at 6:00 P.M. Applicants should be available at the meeting.

If any member of the public has questions regarding the process, they should contact the City Clerk or City Manager at 394-8511, or stop by the Del Rey Oaks City Hall, 650 Canyon Del Rey Road, Del Rey Oaks, CA.



RECEIVED
MAY 06 2013
CITY OF DEL REY OAKS
CITY CLERK

CITY OF DEL REY OAKS APPLICATION FOR APPOINTMENT

Return completed application to City Hall, 650 Canyon Del Rey Road
Phone (831)394-8511 Fax (831)394-6421 www.delreyoaks.org

OFFICE TO WHICH YOU WISH TO BE APPOINTED: Planning Commissioner

NAME: John Gaglioti

ADDRESS: 864 Portola Dr. PHONE: 928-607-1691

OCCUPATION: Engineer / Renewable Energy Developer

WORK ADDRESS: 421 SW 6th Ave, Portland , OR 97204

HOW LONG HAVE YOU BEEN A RESIDENT OF DEL REY OAKS: 24 years spanning 1967 to present

PREVIOUS SERVICE TO THE CITY: None

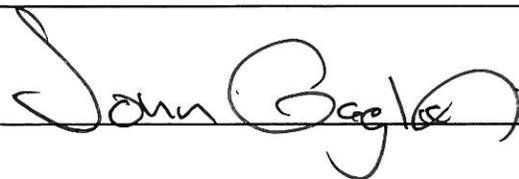
EXPERIENCE RELATED TO THE APPOINTMENT: 12 years of utility scale renewable energy development:
Large project siting; municipal, state and federal permitting; CEQA and NEPA; resource assessment;
Project scheduling and costing; Community outreach and public relations

WHY DO YOU WISH TO BE APPOINTED: Del Rey Oaks is facing pivotal decisions regarding the old Ford Ord
property and the vacant driving range. Our family are third generation DRO residents and I have a
vested interest in keeping our city safe, livable and fiscally sound. The planning commission is a large part to that end.

AS FAR AS YOU KNOW, WHAT WILL BE EXPECTED OF YOU IF YOU ARE APPOINTED:
Primary role: Part of commission to review plans and proposals and make recommendations to City Council
Secondary Role: Assist City Council in defining and planning of the growth of the City.

REFERENCES (OPTIONAL):

NAME	ADDRESS	PHONE
Dave Potter,	Monterey Courthouse 1200 Aguajito Rd., Ste. 1 Monterey, CA 93940,	(831)647-7755
Denise Duffy ,	947 Cass St. Suite 5 Monterey, CA. 93940,	(831) 373-4341 Ext 13

SIGNATURE:  DATE: 5/5/13

JOHN GAGLIOTI

864 Portola Drive, Del Rey Oaks, CA. 93940 ▪ 928.607.1691 ▪ John.Gaglioti@elpower.com

Renewable energy developer with 12 years of utility-scale development experience. Expertise includes:

- Wind and Solar Development Lifecycle from Prospecting to Project In-service
 - Real Estate Transactions, Acquisition, Purchase and Lease
 - Environmental, Geotechnical, Civil, Cultural and Meteorological Process Management
 - Power Purchase and Asset Sales
 - Project Economics and Modeling
 - WECC Transmission, Feasibility & System Impact Studies, CAISO GIP
 - CEQA and NEPA Document Generation and Entitlement
 - Landowner Relationship Management
 - GIS Analysis and Cartography
 - Resource Analysis
-

EXPERIENCE

ELEMENT POWER, LLC

2009 to Present

Senior Project Developer

Developed majority of Element Power's California portfolio of over 1000MWac of solar PV projects

- Currently managing Element Power's 280 MW California Flats Solar project
- Identified viable sites through analysis of transmission, power markets, land use, species and counties
- Negotiated and closed over 40 real estate transactions, 20,000 acres of private and public land
- Successfully entitled sites through CEQA and NEPA process utilizing teams of external consultants
- Prepared 10 CAISO, SCE, PG&E, and IID interconnection requests
- Supported origination efforts and PPA negotiations
- Contributed to policies regarding avian, threatened species and land use regulations and memoranda
- Fundamental in the creation of corporate solar development processes, frameworks, and real estate instruments
- Conducted diligence on asset acquisitions and prepared project materials for asset sale

CALIFORNIA FLATS SOLAR FARM

Main Liaison between Element Power and the Hearst Corporation in the development of Monterey County's first utility scale solar farm

- Prepared the winning proposal for development rights for California Flats Solar utilizing local residency, knowledge and contacts
- Negotiated form and option to lease 4,000 acres of private land within the historic Jack Ranch
- Built team of expert consultants working on neighboring solar projects mixed with local professionals with decades of successful development experience in Monterey County
- Critical to the public outreach and messaging by leveraging lifelong network of influential friends, media contacts and elected officials

WINDFINDERS, INC.

2002 to 2009

Founder, President & CEO

Founded Windfinders, Inc. in Flagstaff, Arizona. The firm was among the first to support early stage wind development in Arizona. Windfinders was a member of the Arizona Wind Working Group which, with the National Renewable Energy Laboratory (NREL), developed the Arizona Wind Map. In addition, Windfinders supported Northern Arizona University's Arizona State Land Wind Assessment. The firm expanded to include solar services in 2008.

Successfully sold the development capabilities of Windfinders in 2009 to Element Power. The company subsequently rebranded as GroundWork Renewables, Inc. (www.grndwork.com) and continues as the premiere consultancy in field meteorological services.

DRY LAKE WIND FARM

Key role in development of Arizona's first wind farm, the 128MW project was constructed by Iberdrola Renewables.

- Obtained site control of 10,000 acres of private land in eastern Arizona for wind farm development
- Brokered sale of development rights and project assets to PPM Energy, now Iberdrola Renewables, Inc.
- Obtained the first ever 35 year county Special Use Permit for a wind farm
- Obtained the first ever BLM programmatic wind EIS (PEIS)
- Secured two separate transmission queue positions
- Sited, permitted and installed meteorological towers
- Assisted avian, geotechnical, cultural and civil contractors through NEPA and county technical studies

SOLAR ENERGY SITE PROSPECTING & FIELD ENGINEERING

Provided services to support the advancement of clients' projects in the Southwest US.

- Managed team of land agents to find sites and initiate site control negotiation
- Performed competition studies of target solar development areas
- Analyzed transmission queue filings to determine constrained points of interconnection
- Developed observational solar resource assessment program

WIND ENERGY PROSPECTING & FIELD ENGINEERING

Performed wind energy services to support clients' projects in the Southwest US.

- Managed field services to support the feasibility, entitlement and interconnection of WECC wind projects
- Performed sodar-based wind assessments for wind developers, universities and Native American tribes
- Co-authored a technical paper, *Empirical approach for determining Turbulence Intensity using Doppler Sodar*, with Dr. Earl Duque, Northern Arizona University (NAU)
- Presented technical poster at the American Wind Energy Association (AWEA) conference in 2005
- Performed early stage development of the Sunshine Wind Park including management of landowner's resource, sale of project assets and transfer of site control to a wind developer

ARIZONA STATE LANDS WIND ASSESSMENT PROGRAM

Co-authored with Dr. Tom Acker of Northern Arizona University (NAU), a successfully funded Department of Energy (DOE) grant to assess the wind resource over lands owned by the State of Arizona.

- Sited, permitted and installed met towers
- Collected, maintained and reported wind resource data to AZ State Energy Office

PROXICOM, INC

1997 to 2001

Lead Technology Consultant

Delivered enterprise websites for clients that included ExxonMobil, Piaggio S.p.A (Italy), and Iberdrola (Madrid)

PRICEWATERHOUSECOOPERS, LLP

1995 to 1997

Software Developer

Big 5 and Fortune 500 consulting experience as SAP developer for clients that included ExxonMobil and Intel

EDUCATION

NORTHERN ARIZONA UNIVERSITY

2002

Masters of Engineering, Mechanical Engineering

CALIFORNIA POLYTECHNIC UNIVERSITY

1995

Bachelor of Science, Mechanical Engineering

MILITARY

UNITED STATES NAVY

1986 - 1990

Navy Diver • E-5 *Enlisted Rank* • Honorably Discharged

INTERESTS AND ACTIVITIES

Aviator, surfer, cyclist and ocean swimmer, husband and father. Love travel and have work experience in Italy and Spain.



RECEIVED
MAY 02 2013
CITY OF DEL REY OAKS
CLERK

CITY OF DEL REY OAKS
APPLICATION FOR APPOINTMENT

Return completed application to City Hall, 650 Canyon Del Rey Road
Phone (831)394-8511 Fax (831)394-6421 www.delreyoaks.org

OFFICE TO WHICH YOU WISH TO BE APPOINTED: Planning Commissioner

NAME: Louise Goetzelt

ADDRESS: 532 Pheasant Ridge Rd PHONE: 717-4469

OCCUPATION: Retired (US Army, CW5)

WORK ADDRESS: N/A

HOW LONG HAVE YOU BEEN A RESIDENT OF DEL REY OAKS: 20 years*

PREVIOUS SERVICE TO THE CITY: _____

EXPERIENCE RELATED TO THE APPOINTMENT: I have been a registered voter/resident of DRO since Oct 1992.

Due to military service, I was stationed elsewhere 1995 - 2012. During that time I was actively involved with the communities/condo associations where I lived/owned. I was a felony investigator for over 30 years for the Army

WHY DO YOU WISH TO BE APPOINTED: I feel it is important to balance our natural resources with the needs of people (residents, employers/jobs, and visitors). City planning is a vital aspect to achieving this balance.

As an experienced investigator, I look beyond the surface and seek in-depth information on matters of concern.

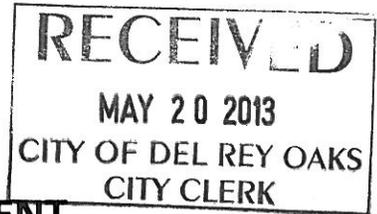
AS FAR AS YOU KNOW, WHAT WILL BE EXPECTED OF YOU IF YOU ARE APPOINTED:

To review and provide recommendation to city leaders on matters concerning construction; building and land use; as well as infrastructure. Also provide in-put on requests for business licenses and issues.

REFERENCES (OPTIONAL):		
NAME	ADDRESS	PHONE
Duane P. Peterson	835 McBrian Ripon, CA	209-599-9760

SIGNATURE: Louise Goetzelt DATE: 1 May 2013

Digitally signed by Louise Goetzelt
DN: cn=Louise Goetzelt, o=ou, email=goetzelt@comcast.net, c=US
Date: 2013.05.01 13:57:53 -0700



CITY OF DEL REY OAKS
APPLICATION FOR APPOINTMENT

Return completed application to City Hall, 650 Canyon Del Rey Road
Phone (831)394-8511 Fax (831)394-6421 www.delreyoaks.org

OFFICE TO WHICH YOU WISH TO BE APPOINTED: Planning Commissioner

NAME: Glenn M. Hayworth

ADDRESS: 4 Carlton Drive, Del Rey Oaks, CA 93940 PHONE: 831-394-0890

OCCUPATION: Auto Dealer Parts Department Manager

WORK ADDRESS: 1 Geary Plaza, Seaside, CA 93955

HOW LONG HAVE YOU BEEN A RESIDENT OF DEL REY OAKS: More than 20 years

PREVIOUS SERVICE TO THE CITY: Planning Commisioner

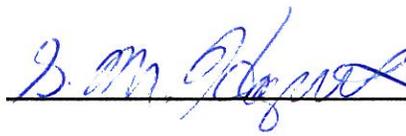
EXPERIENCE RELATED TO THE APPOINTMENT: Previous service as Planning Commisioner for the city of Del Rey Oaks

WHY DO YOU WISH TO BE APPOINTED: Continue my service to the city that I grew up in. To help maintain continuity in the commission and keep Del Rey Oaks what we all have come to think of as Del Rey Oaks.

AS FAR AS YOU KNOW, WHAT WILL BE EXPECTED OF YOU IF YOU ARE APPOINTED:
Keeping up with ordinances and training. Study packets for monthly meetings. Meetings as needed as well as visiting sites of proposed projects.

REFERENCES (OPTIONAL):

NAME	ADDRESS	PHONE
George Jaksha,	1060 Paloma Road, Del Rey Oaks, CA 93940	831-394-1968
Karen Minami,	339 Hannon Ave., Monterey, CA	831-372-0860
Mary Pounds,	11 Greenock Place, Del Rey Oaks, CA 93940,	831-394-8288

SIGNATURE:  DATE: 5-19-13



CITY OF DEL REY OAKS
APPLICATION FOR APPOINTMENT

RECEIVED
APR 23 2013
CITY OF DEL REY OAKS
CITY CLERK

Return completed application to City Hall, 650 Canyon Del Rey Road
Phone (831)394-8511 Fax (831)394-6421 www.delreyoaks.org

OFFICE TO WHICH YOU WISH TO BE APPOINTED: Planning Commissioner

NAME: George Jaksha

ADDRESS: 1000 Paloma Rd PHONE: 394-1968

OCCUPATION: Retired Federal Civil Service

WORK ADDRESS: /

HOW LONG HAVE YOU BEEN A RESIDENT OF DEL REY OAKS: 57 yrs.

PREVIOUS SERVICE TO THE CITY: Planning Commissioner

EXPERIENCE RELATED TO THE APPOINTMENT: served as a commissioner before and chair of the Del Rey Oaks Citizens Action Group

WHY DO YOU WISH TO BE APPOINTED: I feel that I still have a lot to give to the city.

AS FAR AS YOU KNOW, WHAT WILL BE EXPECTED OF YOU IF YOU ARE APPOINTED:
Yes, I know what is expected

REFERENCES (OPTIONAL):

NAME	ADDRESS	PHONE
Mike Ventimiglia	10 Alta Circle	596-0657
Kristin Clark	988 Via Verde	394-6958
JEFF CECILIO	14 CARLTON DR	393-0488

SIGNATURE: [Signature] DATE: 4/23/13



CITY OF DEL REY OAKS
APPLICATION FOR APPOINTMENT

RECEIVED
MAY 20 2013
CITY OF DEL REY OAKS
CITY CLERK

Return completed application to City Hall, 650 Canyon Del Rey Road
Phone (831)394-8511 Fax (831)394-6421 www.delreyoaks.org

OFFICE TO WHICH YOU WISH TO BE APPOINTED: Planning Commissioner

NAME: Scott Larson

ADDRESS: 965 Portola Drive PHONE: 831.394.0892

OCCUPATION: Entrepreneur

WORK ADDRESS: 2 Harris Ct. B2

HOW LONG HAVE YOU BEEN A RESIDENT OF DEL REY OAKS: 13 Years

PREVIOUS SERVICE TO THE CITY: 4 years on the Planning Commission

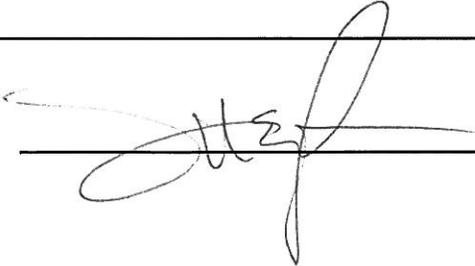
EXPERIENCE RELATED TO THE APPOINTMENT: 4 years on the Planning Commission

WHY DO YOU WISH TO BE APPOINTED: I see the changes in the city of Del Rey Oaks coming in the next years in relation to the 365 acres of FORA. I wish to continue my service as this comes into Development.

AS FAR AS YOU KNOW, WHAT WILL BE EXPECTED OF YOU IF YOU ARE APPOINTED:
Per my prior 4 years, I expect the position will be similiar with more demanding time as development in FORA becomes more primary.

REFERENCES (OPTIONAL):

NAME	ADDRESS	PHONE
<u>Jeff Cecilio</u>	<u>74 Carlton, DRO</u>	<u>831.915.3473</u>
<u>Daniel Dawson</u>	<u>City Hall, DRO</u>	<u>831.394.8511</u>

SIGNATURE:  DATE: 5.20.13



RECEIVED
APR 30 2013
CITY OF DEL REY OAKS
CITY CLERK

CITY OF DEL REY OAKS APPLICATION FOR APPOINTMENT

Return completed application to City Hall, 650 Canyon Del Rey Road
Phone (831)394-8511 Fax (831)394-6421 www.delreyoaks.org

OFFICE TO WHICH YOU WISH TO BE APPOINTED: Planning Commissioner

NAME: Helaine Tregenza

ADDRESS: 1101 Rosita Rd., Del Rey Oaks PHONE: 831-595-4570

OCCUPATION: Director of Marketing & Special Events/Museum of Monterey

WORK ADDRESS: 5 Custom House Plaza, Monterey, CA 93940

HOW LONG HAVE YOU BEEN A RESIDENT OF DEL REY OAKS: 11 years

PREVIOUS SERVICE TO THE CITY: _____

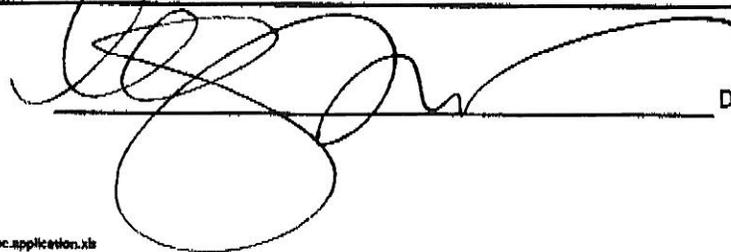
EXPERIENCE RELATED TO THE APPOINTMENT: currently serve on two non-profit boards

WHY DO YOU WISH TO BE APPOINTED: to play a meaningful role in my community

AS FAR AS YOU KNOW, WHAT WILL BE EXPECTED OF YOU IF YOU ARE APPOINTED:
Works with citizens and community leaders to build a consensus on how the City should grow, both in the short and long term.

REFERENCES (OPTIONAL):

NAME	ADDRESS	PHONE
Jane Bednar	310 Monroe St, Monterey	831-595-4570
George Jaksha	Paloma, Del Rey Oaks	831-394-1968
Mary Chamberlin	25750 Carmel Knolls Drive, Carmel	831-624-0830

SIGNATURE:  DATE: 4/30/13



RECEIVED
MAY 16 2013
CITY OF DEL REY OAKS
CITY CLERK

CITY OF DEL REY OAKS APPLICATION FOR APPOINTMENT

Return completed application to City Hall, 650 Canyon Del Rey Road
Phone (831)394-8511 Fax (831)394-6421 www.delreyoaks.org

OFFICE TO WHICH YOU WISH TO BE APPOINTED: Planning Commissioner

NAME: Gale H. Weir

ADDRESS: 114 Carlton Drive PHONE: 831-394-5211

OCCUPATION: retired

WORK ADDRESS: None

HOW LONG HAVE YOU BEEN A RESIDENT OF DEL REY OAKS: 40 years

PREVIOUS SERVICE TO THE CITY: I have served on the Planning Commission for over 15 years; I am currently vice chair of the commission.

EXPERIENCE RELATED TO THE APPOINTMENT: Many (over 40) years ago, I served with a group to deter the Fairgrounds to our city.

WHY DO YOU WISH TO BE APPOINTED: I feel my experience and dedication to the city qualify me for a continuation of my service.

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

Monthly meetings; studying the packet prior to the meetings; participation in meetings other than PC meetings (e.g. FORA)

REFERENCES (OPTIONAL):	NAME	ADDRESS	PHONE

SIGNATURE: Gale H. Weir DATE: 4/21/13

BOARD OF DIRECTORS

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GENERAL MANAGER/
DISTRICT ENGINEER

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ASST. GENERAL MANAGER

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SENIOR ENGINEER

ROBERT WELLINGTON
COUNSEL

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Home of the Last Chance Mercantile

MEMORANDUM

DATE April 19, 2013
TO: Del Rey Oaks City Council
FROM: Dennis Allion
SUBJECT: Highlights of April 19, 2013 Regular Board Meeting

The highlights of the meeting are as follows:

- 1) Under the consent agenda, the Board approved the purchase of a Clark Forklift from K-Lift Company of Salinas, CA, for a total price of \$58,232, and declared the old 1996 CAT Forklift as surplus and authorized its sale to the highest bidder. Also under consent, the Board accepted a report on the outcome of the grant applications that were submitted to the California Energy Commission, and although the proposals were not selected for funding, the District's ranking among top applicants and highest within several scoring criteria suggested good potential for increased competitiveness in the future.
- 2) Following Board discussion, the General Manager was authorized to issue a Request for Proposals for Operation and Maintenance (O&M) Services for the Landfill Gas (LFG) to Energy Power Plant. District staff has identified several firms that are qualified to provide this service, and plans return to the Board with a recommendation this summer.
- 3) General Manager reported on recent discussions held regarding LFG Utilization and the options that staff is considering. The top two options are to continue to increase the amount of renewable electricity generated for sale on the grid, or for sale "over the fence" to the proposed CalAm Regional Water Project.
- 4) The General Manager reported that the District had sent three letters supporting extended producer responsibility (EPR) bills for the disposal of sharps (AB 403 - Stone), household batteries (AB 488 - Williams), and pharmaceuticals (SB 727 - Jackson). EPR will assist in alleviating some of the financial burden placed on local government to properly manage these types of wastes.
- 5) Public Education and Recycling Coordinator reported that the District's new Anaerobic Digester (AD) project is up and running and producing 100 kilowatts of power, which is sold "over the fence" to the Monterey Regional Water Pollution Control Agency, providing 10% of the power needs for the regional wastewater treatment plant. The feed stock for the AD project is food scraps. Additionally, he reported that the District has a new revised website (www.mrwmd.org) and has provided many tours and presentations during the first quarter of 2013.
- 6) General Manager provided the Board with a summary of the April 11, 2013 meeting of the Monterey County Integrated Waste Management Task Force. Attendance of member agency (i.e., City) staff continues to be a challenge and more outreach will be conducted prior to the next meeting to encourage attendance. At the meeting, discussion was held on the plastic bag ordinance (ban) and there were many suggestions with regard to the litter aspects of the bag ban. It was suggested that this be a topic for the next District Litter Abatement Task Force meeting.

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

Dennis Allion, Vice Chair
Monterey Regional Waste Management District

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