



Winters City Council Meeting
City Council Chambers
318 First Street
Tuesday, October 2, 2012

Members of the City Council

*Cecilia Aguiar-Curry, Mayor
Woody Fridae, Mayor Pro-Tempore
Harold Anderson
Wade Cowan
Michael Martin*

*John W. Donlevy, Jr., City Manager
John Wallace, City Attorney
Nanci Mills, City Clerk*

6:00 p.m. – Executive Session

AGENDA

Safe Harbor for Closed Session – Pursuant to Government Code Section 54954.5

Pursuant to Government Code Section 54957 - Public Employee Performance Evaluation – City Attorney

6:30 p.m. – Regular Meeting

AGENDA

(pp. 1-4)

PLEASE NOTE – The numerical order of items on this agenda is for convenience of reference. Items may be taken out of order upon request of the Mayor or Councilmembers. Public comments time may be limited and speakers will be asked to state their name.

Roll Call

Pledge of Allegiance – 1st Grade Waggoner Class

Approval of Agenda

COUNCIL/STAFF COMMENTS

PUBLIC COMMENTS

At this time, any member of the public may address the City Council on matters, which are not listed on this agenda. Citizens should reserve their comments for matter listed on this agenda at the time the item is considered by the Council. An exception is made for members of the public for whom it would create a hardship to stay until their item is heard. Those individuals may address the item after the public has spoken on issues that are not listed on the agenda. Presentations may be limited to accommodate all speakers within the time available. Public comments may also be continued to later in the meeting should the time allotted for public comment expire.

CONSENT CALENDAR

All matters listed under the consent calendar are considered routine and non-controversial, require no discussion and are expected to have unanimous Council support and may be enacted by the City Council in one motion in the form listed below. There will be no separate discussion of these items. However, before the City Council votes on the motion to adopt, members of the City Council, staff, or the public may request that specific items be removed from the Consent Calendar for separate discussion and action. Items(s) removed will be discussed later in the meeting as time permits.

- A. Appointment of Commissioner for the Ten Year Plan to End Homelessness Executive Commission (pp. 5-8)

PRESENTATIONS

Yolo County Housing Soccer Championship Team

DISCUSSION ITEMS

1. Public Hearing to Consider Approval of the Sale of Two Parcels of Land on Grant Avenue between East and Morgan Streets to Cross Development - Purchase and Sale Agreements (pp. 9-20)
2. Resolution 2012-35, A Resolution of the City of Winters Approving an Agreement for Water and Sewer Rate Analysis by NBS and authorizing the City Manager to execute the Agreement (pp.21-30)
3. Resolution 2012-34 A Resolution of the City of Winters Approving Budget Adjustments for Open Purchase Orders as of June 30, 2012 (pp. 31-32)

**CITY OF WINTERS AS SUCCESSOR AGENCY TO THE WINTERS
COMMUNITY DEVELOPMENT AGENCY**

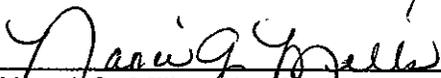
1. Housing Due Diligence Review as Required by AB1484 (pp. 33-48)
-

CITY MANAGER REPORT

INFORMATION ONLY

ADJOURNMENT

I declare under penalty of perjury that the foregoing agenda for the October 2, 2012 regular meeting of the Winters City Council was personally delivered to each Councilmember's mail boxes in City Hall and posted on the outside public bulletin board at City Hall, 318 First Street on September 27, 2012, and made available to the public during normal business hours.



Nancy G. Mills, City Clerk

Questions about this agenda – Please call the City Clerk's Office (530) 795-4910 ext. 101. Agendas and staff reports are available on the city web page www.cityofwinters.org/administrative/admin_council.htm

General Notes: Meeting facilities are accessible to persons with disabilities. To arrange aid or services to modify or accommodate persons with disability to participate in a public meeting, contact the City Clerk.

Staff recommendations are guidelines to the City Council. On any item, the Council may take action, which varies from that recommended by staff.

The city does not transcribe its proceedings. Anyone who desires a verbatim record of this meeting should arrange for attendance by a court reporter or for other acceptable means of recordation. Such arrangements will be at the sole expense of the individual requesting the recordation.

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Any attachments to the agenda that are not available online may be viewed at the City Clerk's Office or locations where the hard copy packet is available.

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City Council agenda packets are available for review or copying at the following locations:

Winters Library – 708 Railroad Avenue

City Clerk's Office – City Hall – 318 First Street

During Council meetings – Right side as you enter the Council Chambers

City Council meetings are televised live on City of Winters Government Channel 20 (available to those who subscribe to cable television) and replayed following the meeting.

Wednesday at 10:00 a.m.

Videotapes of City Council meetings are available for review at the Winters Branch of the Yolo County Library.



**CITY COUNCIL
STAFF REPORT**

TO: Honorable Mayor and Council Members
DATE: October 2, 2012
THROUGH: John W. Donlevy, Jr., City Manager *[Signature]*
FROM: Dan Maguire, Economic Development and Housing Manager *[Signature]*
SUBJECT: Appointment of Commissioner for the Ten Year Plan to End Homelessness Executive Commission

RECOMMENDATIONS:

That the City Council appoint Cecilia Aguiar-Curry, who serves as the current Housing Authority Commissioner, to also serve as the City's appointed Commissioner for the Ten Year Plan to End Homelessness Executive Commission.

BACKGROUND:

In 2010, the City of Winters, along with the cities of Davis, West Sacramento, and Woodland, as well as the County of Yolo adopted the first Ten Year Plan to End Homelessness. Called, "One Piece at a Time," the Plan called for an integrated strategy to end and prevent homelessness in Yolo County. The 2010 – 2020 Plan's goals include:

- Prevention through early, comprehensive assistance to those at risk;
- Housing provision of a wide range of opportunities and services to help people access and maintain affordable housing;
- Supportive Services that would be comprehensive and integrated to help people access and maintain housing and self-sufficiency;
- Implementation that would effectively administer, coordinate and finance implementation of the ten-year plan.

The Plan would be implemented through a variety of mechanisms, which included:

- The Executive Commission
- Action Teams
- Task Forces

- Plan Director

It was envisioned that the Executive Commission would consist of elected representatives one from each city and the county, along with representatives from the unincorporated areas, the Homeless and Poverty Action Coalition (HPAC), faith-based community, business community, consumers and the philanthropic community.

An important part of the Plan's successful implementation included having a Plan Director in place beginning in 2010 who would be engaged to "drive the Plan" and support the work of the Commission and of the Action Teams.

Since adoption of the Plan, the initial Executive Commission was established. Due to financial constraints that have been placed on local governments since the Plan's adoption, it has not been possible to hire a Plan Director to oversee the Plan or to support the work of the Commission and of the Action Teams. As a result, the Executive Commission set up a subcommittee of members to review the organizational structure of the Ten Year Plan Commission and of the implementation process.

The Subcommittee consisted of the President and Vice President of HPAC, Councilmember Mark Johannessen of West Sacramento, Councilmember Tom Stallard of Woodland, and Lisa Baker, Executive Director of Yolo County Housing. That subcommittee met in 2011 to analyze the existing structure and to recommend a revised structure that would implement the adopted and shared vision of the Ten Year Plan to End Homelessness.

The subcommittee identified several challenges in the existing structure. They included:

- Existing Commission is too large and difficult to manage; difficult to obtain a quorum of members to transact business of the Commission;
- Absent the ability to hire a Plan Director, the burden to work with the Action Teams on implementation goals falls onto members of the Commission, which adds tasks to an already busy commission member and takes away from the ability to perform successful oversight of the functions of implementation;
- Finally, the lack of Plan Director puts more burden on existing city and county staff to provide administrative support in an ongoing collaboration just to complete agendas and set up commission meetings;

Subcommittee members reviewed several possible revisions. Due to ongoing funding restrictions, the Shared Services model was clearly a preferable alternative to the existing structure. Within that framework, the subcommittee focused on two (2) distinct changes to how implementation and oversight of the Plan would work:

1. Simpler and More Efficient Executive Commission;
2. Single umbrella organization to assume limited administrative functions, with input from city and county staff on agendas and a revised plan for actualizing the Action Teams.

In searching for a way to effect these changes, subcommittee members focused on how to streamline commission membership and to make meetings more effective. Ultimately, the subcommittee focused on the Housing Authority and on its new governance structure that took effect in early 2012 as one key to resolving these issues.

The Housing Authority currently operates under new governance. In its governance structure, each City appoints an elected representative to serve on the Housing Commission. Similar to the Local Agency Formation Commission (LAFCO), three of the cities' councilmembers sit on the Housing Commission, while the fourth is a rotating alternate. Additionally, the Commission has two (2) at large positions and two commissioners representing their consumer population for a total of seven (7) commissioners.

The Board of Supervisors acts as the Housing Authority's Board of Governors, although the majority of powers of the Authority are delegated to the Housing Commission. The Housing Commission generally meets monthly.

The subcommittee recommended that, for purposes of the Executive Commission for the Ten Year Plan, the four members of the Housing Commission would serve as Commissioners for the Ten Year Plan. The revised 10 Year Plan Executive Commission is comprised of the following:

- Three Housing Commissioners and one alternate of Yolo County Housing;
- One elected member from the County Board of Supervisors;
- One member from HPAC (either the President or Vice President – appointed by the HPAC);
- One member at large appointed by the Executive Commission;
- One formerly homeless member appointed by the Executive Commission.

This, in turn, would trim the Executive Commission to seven members and one alternate. This would make the Commission leaner and more focused, while also making it more likely to achieve a quorum of members.

Secondly, as Yolo County Housing already prepares agenda packets and materials for its Board and possesses the capabilities to provide limited administrative support to a Board, it became clear that Yolo County Housing is in a position to provide "staff" to the Commission, in the form of its Executive Director, for general coordination and to provide Clerk of the Board services under its existing umbrella. In this way, Yolo County Housing will serve as the main "hub" for information and as primary contact for the Plan, track goals and accomplishments for the Commission with the input and assistance of city and county staff.

Tasks and Administrative functions to be assumed by Yolo County Housing:

- Draft Agendas
- Take and Maintain Minutes
- Edit and assist in drafting Staff Reports for the Commission
- Provide communication link between Commission members and City Liaisons
- Distribution of meeting packets and communications
- Room Reservations

- Present the Agenda at meetings
- Additional minor administrative tasks to assist the Commission and implementation of the Ten Year Plan

Within this structure, Executive Commission meetings would be focused and would follow immediately after the Housing Authority's regular meeting so that the majority of Commission members would be able to schedule their time more effectively and attend both meetings back-to-back. The Executive Director of Yolo County Housing will step off the Commission in this structure and instead assume the role of staff to the Commission.

Scheduling, creating and posting of the agendas would be cost effective since they would occur on the same schedule as the existing regular schedule. Due to these factors, the Housing Authority is not seeking funding from members to fulfill these limited duties, thus making this option extremely efficient and cost effective.

The goals and objectives of the Ten Year Plan remain unchanged. The Action Teams for Prevention, Housing, Supportive Services and Implementation would remain unchanged, except that each Team would have a Team Leader that will provide an Action Report to the Committee at the Executive Commission Meetings.

The proposed revisions presented by the subcommittee to the Ten Year Plan to End Homelessness Executive Commission was adopted by the Commission. At this time, the Housing Authority has now completed the transition to its new governance form and completed initial Commission training and is ready to implement the changes proposed by the Commission.

FISCAL IMPACTS:

None. There is no revenue requested and no impact to the General Fund.

CONCLUSION:

Staff recommends that the Council members appoint Cecilia Aguiar-Curry to serve as both the representative to the Housing Commission of Yolo County Housing as well as to the Ten Year Plan to End Homelessness Executive Commission.



**CITY COUNCIL
STAFF REPORT**

TO: Honorable Mayor and Council Members
DATE: October 2, 2012
THROUGH: John W. Donlevy, Jr., City Manager 
FROM: Dan Maguire, Economic Development and Housing Manager 
SUBJECT: City/Cross Development Purchase and Sale Agreements

RECOMMENDATIONS:

Staff recommends that the City Council (1) Hold a Public Hearing regarding Approval of City Sale of Portions of Real Property as follows: Grant Avenue Commercial Property (APN #'s 003-370-028, 003-370-029, and 003-370-030), (2) Approve the Sale of Portions of the Grant Avenue Commercial Property (APN #'s 003-370-028, 003-370-029, & 003-370-030) to Cross Development as outlined in the Letters of Intent from Cross Development, and (3) authorize the City Manager to execute Purchase and Sale Agreements with Cross Development.

BACKGROUND:

In May 2009, the Winters CDA ("Redevelopment Agency") purchased the Grant Avenue lot on the south side of Grant Avenue between East Street and Morgan Street formerly known as Granite Bay Commercial. The CDA subsequently authorized the issuance of an RFP for potential developers to offer proposals for development of the site. Although the CDA did enter into an Exclusive Negotiation Agreement ("ENA") with the Yackzan Group, that ENA did not result in any development on the property.

In March 2011, the City Council adopted Resolution 2011-15 approving a Purchase and Sale Agreement with the Winters CDA with respect to the property. The Resolution laid out the findings for the transfer of this property in consideration of the debt owed to the City by the Winters CDA, and authorized staff to contract with Bartholomew and Associates to have the property appraised to determine fair market value. The appraised value for the 4.5 acre property was determined to be \$980,000 as of the date of the appraisal. This appraised value calculates to approximately \$4.97 per square foot.

The City has continued to pursue commercial development on the property, consistent with the original intent of the acquisition. The Letters of Intent ("LOI") lay out the parameters for the purchase and development of two parcels of the property. The first LOI, dated September 18, 2012 is for the purchase of the eastern most piece of the property, comprised of approximately 44,431 square feet at a sales price of \$266,587.20 (\$6.00 per square foot). This offer price is an increase from the original offer price of \$5.00 per square foot as outlined in the previous Letter of Intent, dated August 29, 2012. The property is being purchased for the development of a Dollar General Store. Dollar General is one of the largest retailers in the U.S., with 10,000 stores in 40 states. They offer customers general merchandise, along with limited food lines.

The second LOI proposes the purchase of the adjacent parcel just west of the first parcel, roughly 37,897 square feet in size at a proposed sale price of \$189,486.00 (\$5.00 per square foot). The developer is in discussions with major retailers to potentially establish a commercial business on this section of the property.

FISCAL IMPACTS:

The City's costs associated with selling the properties are to-be-determined; however, at the proposed sales prices, the City stands to realize \$456,073.20 from the two transactions.

ATTACHMENTS:

- Letter of Intent – September 18, 2012
- Letter of Intent – September 4, 2012
- Cross Development Biography (background)



September 18, 2012

Dan Maguire
Economic Development and Housing Manager
City of Winters
318 First Street
Winters, Ca 95694

Subject: Portion of APN #'s: 003-370-028 and 003-370-029; Winters,, CA: 1.02 acres

Dear Mr. Maguire,

Cross Development, LLC or assigns ("**Purchaser**"), a Texas limited liability company, is interested in purchasing from the City of Winters ("**Seller**") the real property located at a portion of APN #'s 003-370-028 and 003-370-029, Winters, CA (the "**Property**") (see attached exhibit).

Purchaser proposes the following terms:

1. **Purchase Price.** The Purchase Price for the Property shall be \$266,587.20 (\$6.00 psf).
2. **Purchase Contract.** As soon as practicable after execution of this letter, Seller and Purchaser will enter into an agreement prepared by Purchaser's counsel (the "**Purchase Contract**") containing terms substantially similar to those described in this letter, together with such other terms and conditions as are reasonably necessary to complete the transaction as contemplated by the parties. The Purchase Contract shall be governed by the laws of the state where the Property is located.
3. **Due Diligence Period.** Within ten (10) days after execution of the Purchase Contract, Seller will furnish to Purchaser copies of any existing title insurance policy, survey and environmental assessment report pertaining to the Property that Seller may have in Seller's possession. Purchaser, at Purchaser's option and expense during the period commencing on the effective date of the Purchase Contract and ending one hundred and fifty (150) days thereafter (the "**Due Diligence Period**"), will have the right to conduct surveys, audits, tests, examinations, appraisals and inspections of the Property (the "**Due Diligence**")

Cross Development, LLC
5601 Granite Parkway * Suite 260 * Plano, TX 75024 * 214-614-8252 * 214-556-1110
Fax



Purchaser shall have the option to extend the Due Diligence period for thirty (30) days if needed.

4. **Earnest Money Deposit.** Within three (3) days after the effective date of the Purchase Contract, Purchaser shall deposit into an interest-bearing account maintained by TBD title company (the "**Title Company**"), Purchaser's funds in the amount of \$10,000.00 (the "**Deposit**"). Subject to a Seller default, the Deposit shall be non-refundable after the expiration of the Due Diligence Period. The Deposit will be applied to the Purchase Price at Closing (defined below).
5. **Broker's Commissions.** Jason Read with CBRE by separate agreement (collectively, the "**Broker**")
6. **Closing Costs.**
 - (a) **Payment and Proration of Taxes and Expenses.** At the Closing, Seller will pay any sales taxes that may be due as a result of the transaction and all state or local real property conveyance and transfer taxes incurred in connection with the sale. At the Closing, Seller will pay any assessment that is a lien on the Property as of the Closing Date (defined below).
 - (b) **Payment of Closing Costs.** Purchaser shall be responsible for payment of (i) the recording cost of the Deed and other closing documents, (ii) the cost of any endorsements or additional coverages to the Title Policy, (iii) all costs and expenses in connection with its due diligence investigation (iv) the cost of any financing obtained by Purchaser, including all closing costs in connection therewith, (v) an updated survey of the Property, and (vi) one-half (½) of the escrow fees charged by the Title Company. Seller shall be responsible for payment of (i) documentary stamp taxes or other transfer charges in connection with the transfer of the Property, (ii) the base cost of the Owner's Title Policy, and (iii) one-half (½) of the escrow fees charged by Escrow Agent.
7. **Closing.** 30 days after Buyer's receipt of building permit. (the "**Closing Date**")
8. **Delivery of Possession.** At the Closing, Seller will deliver to Purchaser possession of the Property free of any possessory rights of Seller or its agents.
9. **Confidentiality.** This letter shall not be construed as a contract to purchase the Property, but is merely an attempt to confirm the basic business points of a proposed transaction. The parties will endeavor in good faith to negotiate to a mutually acceptable Purchase Contract for execution. Prior to Closing or termination of the Purchase Contract, neither party will disclose the existence or

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Fax



terms of this letter, the Purchase Contract or any of the information about the Property obtained in connection with the proposed transaction to any third party other than those whose knowledge and consent are required for consummation of the transaction.

10. **Financing Contingencies.** There shall be no financing contingencies associated with the Purchase Contract.

If these basic business points are acceptable to you, please acknowledge your acceptance by signing a copy of this letter and return it to the undersigned no later than three (3) business days after the date of this letter

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Rumsey".

Steve Rumsey
Cross Development, LLC

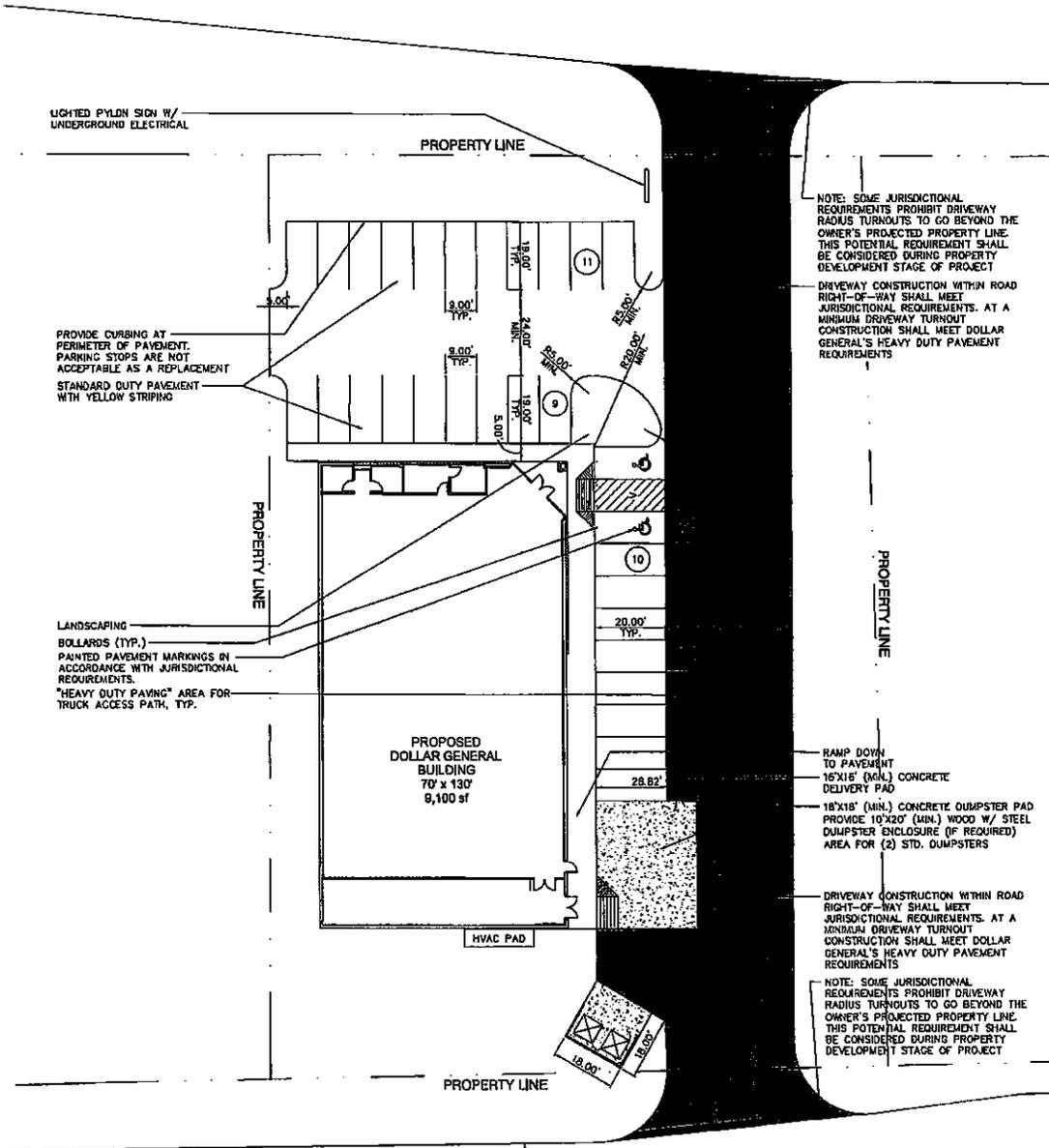
Title: _____
Seller

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Fax



EXHIBIT A
Site Plan

EAST GRANT AVE.



Cross Development, LLC
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Fax



September 4, 2012

Dan Maguire
Economic Development and Housing Manager
City of Winters
318 First Street
Winters, Ca 95694

Subject: Portion of APN #'s: 003-370-028 and 003-370-029; Winters, CA: 0.87 acres
(adjacent to proposed Dollar General)

Dear Mr. Maguire,

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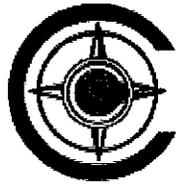
Sincerely,

A handwritten signature in black ink, appearing to read "Steve Rumsey". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Steve Rumsey
Cross Development, LLC

Title: _____
Seller

Cross Development, LLC
5601 Granite Parkway * Suite 260 * Plano, TX 75024 * 214-614-8252 * 214-556-1110
Fax



CROSS

development

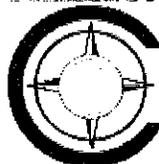
About Us - Dallas, Texas based Cross Development, LLC (Cross) was established as a commercial real estate development company, specializing in commercial retail properties & single tenant triple net properties. Since its inception Cross has quickly built a reputation of success and credibility throughout the commercial real estate industry based on proven results and lasting relationships with tenants, local communities, municipalities and peers within the industry.

Cross achieves excellence in all aspects of commercial development through the combined expertise of its Principal partners and hand picked team. This well rounded team forms the solid foundation which has made Cross a successful development company and has fueled its expansion throughout the United States. CROSS entered the development arena in 2003, initially developing small to mid-sized retail centers strategically located in close proximity to recently completed or planned Wal-Mart Supercenters and other sites such as Target, Lowes, Home Depot and national and regional grocer chains.

Utilizing the market knowledge, skills and experience gained early on in 2006 CROSS expanded its services to include larger developments requiring extensive due diligence, land planning and strategic alliances to carry out the end goal. Additionally, CROSS has selectively targeted stand-alone tenant end-users, facilitating their pad site needs, which has established a base of relationships for which it is quickly being recognized as a preferred developer for build-to-suit product.

Our mission at CROSS development is to deliver exceptional real estate advisory services and solutions for clients purchasing, selling or repositioning commercial assets in targeted communities. CROSS development has proven success not only ascertaining optimal site selection for your business's real estate needs, but also negotiating with land owners to acquire it at a price most cost-effective to you, the end user.

We have completed single tenant developments for Starbucks, Washington Mutual (Cross was the preferred developer in Texas and Atlanta), Kohl's department store, Subway, McDonald's, Jimmy John's, Sonic, Adli food store,



Race Track (national gas station), Guaranty Bank, Wilshire Bank, and Dollar General. We have also complete several shopping centers with national and local retail tenants.

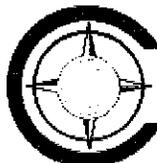


Steve Rumsey founded Cross Development in 2003. He brought to the development company an in depth knowledge of architectural design, construction and cost analysis for retail project development. His past experience enables him to specialize in "Build to Suit" retail development with a focus on the development process from site acquisition to tenant satisfaction and acceptance of a building built to their exact specification.

Steve is responsible for overseeing and directing: architects, engineers, tenant specifications, municipality processes, general contractors and project scheduling to ensure that the construction process runs smoothly, effectively with an on-time delivery of space 100% of the time. Steve's comprehensive construction knowledge and management experience are a vital component of Cross' ability to deliver projects on-time while maintaining the overall quality and integrity of a project. Steve has experience with a wide array of development activities and projects.

Steve has works with clients to incorporate their specifications into projects at an early stage. His experience and understanding of their needs enabled him to strategically implement steps to speed up construction and streamline the development timeline. The end result is the delivery of a better product in less time.

Steve Rumsey
Partner
srumsey@crossdevelopment.net
214-893-4208 Cell
214-614-8140 Office * 214-556-1110 Fax
6617 Village Springs Dr.
Plano, TX 75024





CITY COUNCIL
STAFF REPORT

TO: Honorable Mayor and Councilmembers
DATE: October 2, 2012
THROUGH: John W. Donlevy, Jr., City Manager *JD*
FROM: Shelly A. Gunby, Director of Financial Management *Shelly*
SUBJECT: Resolution 2012-35 Approving an Agreement with NBS for Water and Sewer Rate Analysis

RECOMMENDATION:

Staff recommends that the City Council adopt Resolution 2012-35, A Resolution of the City Council of the City of Winters approving an Agreement for Water and Sewer Rate Analysis by NBS and authorizing the City Manager to execute the agreement.

BACKGROUND:

Staff obtained a Water and Sewer Rate Analysis in 2009 that set the rates to be charged through June 30, 2013. In order to determine the correct rate structure, we need to undergo an analysis of the operations and policies of the water and sewer enterprise funds and develop a 10 year financing plan, similar to the one completed in 2009.

Staff contacted Greg Clumpner, the individual that prepared the last Water and Sewer financing plan and rate setting study, to see if he was interested in working with staff again. Staff felt that utilizing the same individual who was familiar with the rates currently in place and the operations of our enterprise funds would be advantageous in expediting the process.

Mr. Clumpner, formerly with Foresight Consulting, is now with NBS and submitted a proposal at Staff's request. The proposal was for \$25,020.00. Staff is recommending an agreement in the amount of \$27,522.00 (\$25,020.00 plus 10% contingency). This is less than the amount paid for the last rate study.

FISCAL IMPACT:

Staff included the amount for the Rate Analysis in the 2012-2013 Operating Budget adopted in May 2012. Funding from each fund would be \$13,761.00

ATTACHMENTS

Consultant Services Agreement
Resolution 2012-35

RESOLUTION 2012-35

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
WINTERS APPROVING AN WITH NBS FOR WATER AND SEWER
RATE ANALYSIS**

WHEREAS, the City finds it prudent prepare a 10 year financing plan for the Water and Sewer Enterprise Funds in order to properly and fairly set the Water and Sewer Rates; and

WHEREAS, NBS has submitted a proposal to provide consulting services to develop said Financing Plan and calculate the required Water and Sewer Rates;

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Winters hereby approves the contract with NBS in the amount not to exceed \$27,552.00 (which includes a 10% contingency) to prepare a 10 Year Financing Plan for the Water and Sewer Enterprise Funds along with the appropriate Water and Sewer Rates file the and authorizes the City Manager to execute the contract with NBS.

PASSED AND ADOPTED by the City Council, City of Winters, this 2nd day of October 2012 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Cecilia Aguiar-Curry, MAYOR

ATTEST:

Nanci G. Mills, CITY CLERK



**CONSULTANT SERVICES AGREEMENT
AGREEMENT No. _____**

THIS AGREEMENT is made at Winters, California, as of October 2, 2012 by and between the City of Winters ("the CITY") and NBS (CONSULTANT), who agree as follows:

1. **SERVICES.** Subject to the terms and conditions set forth in this Agreement, CONSULTANTS shall provide to the City the Services described in Exhibit "A", which is the CONSULTANT'S Proposal dated September 10, 2012. Consultant shall provide said services at the time, place, and in the manner specified by the Director of Financial Management of the City of Winters and Exhibit "A".

2. **PAYMENT.** The Consultant shall be paid for the actual costs, for all time and materials expended, in accordance with the Schedule of Fees included in Exhibit "B", but in no event shall total compensation exceed Twenty seven five hundred and twenty two dollars (\$27,522.00), without the City's prior written approval. City shall pay consultant for services rendered pursuant to the Agreement and described in Exhibit "A".

3. **FACILITIES AND EQUIPMENT.** CONSULTANT shall, at its sole cost and expense, furnish all facilities and equipment which may be required for furnishing services pursuant to this Agreement.

4. **GENERAL PROVISIONS.** The general provisions set forth in Exhibit "C" are part of this Agreement. In the event of any inconsistency between said general provisions and any other terms or conditions of this Agreement, the other term or condition shall control only insofar as it is inconsistent with general Provisions.

5. **EXHIBITS.** All exhibits referred to therein are attached hereto and are by this reference incorporated herein.

EXECUTED as of day first above-stated.

CITY OF WINTERS
a municipal corporation

By: _____
John W. Donlevy, Jr., City Manager

CONSULTANT

By: _____

ATTEST:

By: _____
Nanci G. Mills, CITY CLERK

Exhibit A

WATER AND SEWER RATE STUDY – SCOPE OF SERVICES For the City of Winters

Introduction and Overview

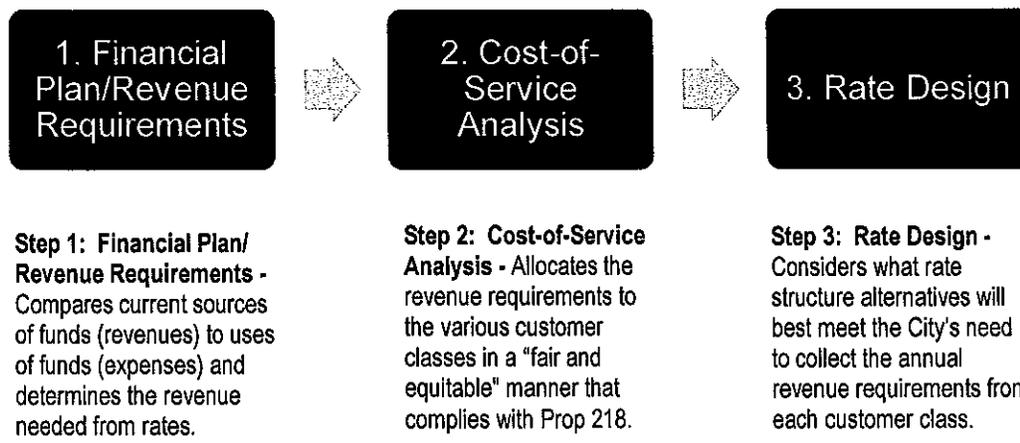
The City of Winters (City) will be updating its water and sewer rate study for the purpose of evaluating the financial plans for the water and sewer utilities and possibly changing its rate structures, including (1) adjusting water tiered rates based on new meter-reading data, and (2) converting residential sewer rates to an average winter water consumption basis. While the City does not have significant capital improvement projects to fund in the near future, it does need a solid financial plan for the next 10 years and would also like to establish rate-related policies. Of particular interest will be policies to help address customers questions and issues, such as school district charges, commercial users, and irrigation customers. Results and recommendations are intended to be implemented by July 2013.

Greg Clumpner, NBS Director of rate and financial services, will be the project manager and direct all rate study tasks and make all presentations. Kim Boehler, NBS financial analyst with 6 years of rate study and financial planning experience, will support Greg with basic analytical services.

Methodology

Our overall approach will ensure that a reasonable set of rate alternatives are developed to meet the water and wastewater revenue requirements in a fair and equitable manner, provide sufficient funding for capital costs, and stabilize the financial management of both the City's water and wastewater utilities. NBS will apply industry standards such as American Water Works Association (AWWA Manual M1) and Water Environment Federation (WEF) cost-of-service methodologies. Figure 1 outlines the basic components NBS will follow in this rate study.

Figure 1. Primary Components of a Rate Study



Task 1 - Data Collection and Development

Task Objectives: *Work closely with City staff to obtain the necessary data.*

Task Deliverables:

- *Data request to City staff, including budgetary data, water consumption, and customer data.*
- *Review of initial data provided.*
- *Discussions with City staff regarding any outstanding data requirements.*

Task 2 – Evaluating Rate Policies and Meetings

Task Objectives: Meetings and policy evaluation as noted in deliverables below. Before proceeding with the rate analysis, NBS will provide strategic planning assistance and help City staff evaluate policies. This may include a Council workshop early on in the study for “brain-storming” the overall rate-related policies and will include a review of the pros and cons of various policies with the ultimate purpose of formal adoption by the Council. Discussion topics include:

- Rate-setting policies regarding fairness, equity and Prop 218 compliance
- Financial management policies, such as target reserve fund levels, maintaining and/or improving the City’s credit rating to position the City for future debt
- Alternatives for funding future capital improvement projects
- Acceptable annual rate increases and overall financial planning concepts
- Strategic planning regarding how to communicate with the public (workshops, meetings with schools, HOA’s, commercial businesses, Chamber of Commerce, etc.)

Task Deliverables:

- One Kick-off meeting with City staff.
- Summary of current City policies (as available) and a list of potential new policies for review.
- Council workshop to address policy related to rate principles and financial management
- Recommended set of policies for formal adoption.
- Two (2) project status meetings with City staff. Meeting notes will include action items identified.
- A presentation of preliminary findings and recommendations to City Council.
- Final presentation to the Council of study results, recommendations and implementation plans.

Task 3 – Water and Sewer Rate Analysis

3.1 - Analysis of Revenue Requirements & Financial Plan

Task Objectives: Prepare a detailed 10-year financial plan that addresses projections of revenues, expenditures, and capital project costs, along with net revenue requirements for both water and sewer utilities. This work will include presenting several alternative rate increases and lay the financial groundwork for the cost of service rate analysis and rate design alternatives.

Task Deliverables:

- 10-year financial projections model.
- Summary of net revenue requirements.
- Projected year-end fund reserves.
- Calculated debt service coverage ratios.
- Recommended reserve fund levels.

3.2 - Cost of Service Analysis

Task Objectives: To equitably allocate water and sewer revenue requirements by customer class. These revenue requirements by customer class will serve as the basis for the rate design in Task 3.3. This task addresses functionalization and allocation of costs to each customer class.

Task Deliverables: Cost of service analysis summary tables, to be incorporated into the financial plan and provided in an appendix to the final report.

3.3 – Rate Design Analysis

Task Objectives: NBS will discuss alternatives to the City’s current rate structure in light of overall rate design goals and objectives. Of particular interest are the allocations between the fixed and variable charges, tiered water rates and residential sewer rates (and possibly converting to average winter water consumption). Comparisons of current monthly customer bills vs. those under recommended rate structures will be developed.

Exhibit B

WATER AND SEWER RATE STUDY – NBS SCHEDULE OF FEES

The table below summarizes the schedule of fees and study budget for this rate study.

NBS PROJECT COST WORKSHEET - Water & Sewer Rate Study				
City of Winters				
Study Tasks	Consultant Labor (Hours)		Grand Totals	
	Project Director/Mngr.	Consultant/Analyst	Consultant Labor (Hours)	Consultant Costs (\$)
<i>Hourly Rate</i>	\$190	\$130		
Sewer Rate Study				
Task 1 – Data Collection and Development	2.0	10.0	12.0	\$1,680
Task 2 – Evaluating Rate Policies and Meetings*				
Meetings (Kick-off, 2 Progress Meetings)	12.0	-	12.0	\$2,280
Board Workshop/Presentations	14.0	-	14.0	\$2,660
Task 3 – Water & Sewer Rate Analysis				
3.1 – Analysis of Rev. Reqts. & Financial Plan	6.0	22.0	28.0	\$4,000
3.2 – Cost of Service Analysis	12.0	38.0	50.0	\$7,220
3.3 – Rate Design Analysis	6.0	16.0	22.0	\$3,220
Task 3 – Prepare Water & Sewer Rate Models	2.0	4.0	6.0	\$900
Task 4 – Prepare a Written Study Report	12.0	6.0	18.0	\$3,060
Project Contingency	-	-	-	\$0
Subtotal	66.0	96.0	162.0	\$25,020
Project Contingency (10%)	-	-	-	\$2,502
LUMP SUM / NOT TO EXCEED COST**	66.0	96.0	162.0	\$27,522

*Additional meetings and/or workshops can be provided as requested by the City at labor rates shown.

** NBS will not charge for travel expenses or other expenses (e.g., mail, photocopies, printing, etc.)

EXHIBIT "C"

GENERAL PROVISIONS

(1) INDEPENDENT CONTRACTOR. At all times during the term of this Agreement, CONSULTANT shall be an independent contractor and shall not be an employee of CITY. CITY shall have the right to control CONSULTANT only insofar as the results of CONSULTANT'S services rendered pursuant to this Agreement; however, CITY shall not have the right to control the means by which CONSULTANT accomplishes services rendered pursuant to this Agreement.

(2) LICENSES; PERMITS; ETC. CONSULTANT represents and warrants to CITY that CONSULTANT has all licenses, permits, qualifications, and approvals of whatsoever nature which are legally required for CONSULTANT to practice CONSULTANT'S profession. CONSULTANT represents and warrants to CITY that CONSULTANT shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement, any licenses, permits, and approvals which are legally required for CONSULTANT to practice his profession.

(3) TIME. CONSULTANT shall devote such services pursuant to this Agreement as may be reasonably necessary for satisfactory performance of CONSULTANT'S obligations pursuant to this Agreement.

(4) INSURANCE.

- (a) WORKER'S COMPENSATION. During the term of this Agreement, CONSULTANT shall fully comply with the terms of the law of California concerning worker's compensation. Said compliance shall include, but not be limited to, maintaining in full force and effect one or more policies of insurance insuring against any liability CONSULTANT may have for worker's compensation.
- (b) GENERAL LIABILITY AND AUTOMOBILE INSURANCE. CONSULTANT shall obtain at its sole cost and keep in full force and effect during the term of this agreement broad form property damage, personal injury, automobile, employer, and comprehensive form liability insurance in the amount of \$2,000,000 per occurrence; provided (1) that the CITY, its officers, agents, employees and volunteers shall be named as additional insured under the policy; and (2) that the policy shall stipulate that this insurance will operate as primary insurance; and that (3) no other insurance effected by the CITY or other names insured will be called upon to cover a loss covered there under; and (4) insurance shall be provided by an, at least, A-7 rated company.
- (c) PROFESSIONAL LIABILITY INSURANCE. During the term of this Agreement, CONSULTANT shall maintain an Errors and Omissions Insurance policy in the amount of not less than \$1,000,000.
- (d) CERTIFICATES OF INSURANCE. CONSULTANT shall file with CITY'S _____ upon the execution of this agreement, certificates of insurance which shall provide that no cancellation, major change in coverage, expiration, or non-renewal will be made during the term of this agreement, without thirty (30) days written notice to the _____ prior to the effective date of such cancellation, or change in coverage.

(5) CONSULTANT NOT AGENT. Except as CITY may specify in writing, CONSULTANT shall have no authority, express or implied, to act on behalf of CITY in any capacity whatsoever as an agent. CONSULTANT shall have no authority, express or implied, pursuant to this Agreement, to bind CITY to any obligation whatsoever.

(6) ASSIGNMENT PROHIBITED. No party to this Agreement may assign any right or obligation pursuant to this Agreement. Any attempted or purported assignment of any right or obligation pursuant to this Agreement shall be void and of no effect.

(7) PERSONNEL. CONSULTANT shall assign only competent personnel to perform services pursuant to this Agreement. In the event that CITY, at its sole discretion, at anytime during the term of this Agreement, desires the removal of any person or persons assigned by CONSULTANT to perform services pursuant to this Agreement, CONSULTANT shall remove any such person immediately upon receiving notice from CITY of the desire of CITY for the removal of such person or persons.

(8) STANDARD OF PERFORMANCE. CONSULTANT shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in which CONSULTANT is engaged in the geographical area in which CONSULTANT practices his profession. CITY pursuant to this Agreement shall be prepared in a substantial, first-class, and workmanlike manner, and conform to the standards of quality normally observed by a person practicing in CONSULTANT'S profession. CITY shall be the sole judge as to whether the product of the CONSULTANT is satisfactory.

(9) CANCELLATION OF AGREEMENT. This Agreement may be canceled at any time by CITY for its convenience upon written notification to CONSULTANT. CONSULTANT shall be entitled to receive full payment for all services performed and all costs incurred to the date of receipt of written notice to cease work on the project. CONSULTANT shall be entitled to no further compensation for work performed after the date of receipt of written notice to cease work. All completed and uncompleted products up to the date of receipt of written notice to cease work shall become the property of the CITY.

(10) PRODUCTS OF CONSULTING. All products of the CONSULTANT resulting from this Agreement shall be the property of the CITY.

(11) INDEMNIFY AND HOLD HARMLESS. CONSULTANT shall indemnify, hold harmless the CITY, its officers, agents and employees from all claims, suits, or actions of every name, kind and description, brought forth on account of injuries to or death of any person or damage to property to the extent arising from or connected with the willful misconduct, negligent acts, errors or omissions, ultra-hazardous activities, activities giving rise to strict liability, or defects in design by the CONSULTANT or any person directly or indirectly employed by or acting as agent for CONSULTANT in the performance of this Agreement, including the concurrent or successive passive negligence of the City, its officers, agents or employees.

It is understood that the duty of CONSULTANT to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code.

Acceptance of insurance certificates and endorsements required under this Agreement does not relieve CONSULTANT from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

(12) PROHIBITED INTERESTS. No employee of the CITY shall have any direct financial interest in this agreement. This agreement shall be voidable at the option of the CITY if this provision is violated.

(13) LOCAL EMPLOYMENT POLICY. The City of Winters desires wherever possible, to hire qualified local residents to work on city projects. Local resident is defined as a person who resides in Yolo County.

The City encourages an active affirmative action program on the part of its contractors, consultants, and developers.

When local projects require, subcontractors, contractors, consultants, and developers will solicit proposals from qualified local firms where possible.

As a way of responding to the provisions of the Davis-Bacon Act and this program, contractor, consultants, and developers will be asked to provide no more frequently than monthly, a report which lists the employee's residence, and ethnic origin.

(14) CONSULTANT NOT PUBLIC OFFICIAL. CONSULTANT is not a "public official" for purposes of Government Code §87200 et seq. CONSULTANT conducts research and arrives at conclusions with respect to his or her rendition of information, advice, recommendation or counsel independent of the control and direction of the CITY or any CITY official, other than normal contract monitoring. In addition, CONSULTANT possesses no authority with respect to any CITY decision beyond the rendition of information, advice, recommendation or counsel.



CITY COUNCIL
STAFF REPORT

TO: Honorable Mayor and Councilmembers
DATE: October 2, 2012
THROUGH: John W. Donlevy, Jr., City Manager *JD*
FROM: Shelly A. Gunby, Director of Financial Management *Shelly*
SUBJECT: Budget Adjustments for Fiscal Year 2012-2013

RECOMMENDATION:

Approve Resolution 2012-34 Approving Budget Adjustments for Fiscal Year 2012-2013 for open purchase orders as of June 30, 2012.

BACKGROUND:

As of June 30, 2012 approximately \$1,846,004.19 in purchase orders that were issued but not all services and/or products have been rendered/received. These amounts were approved in the 2011-2012 budget. Each year, the amount of open purchase orders from the prior year are included as budget adjustments in the current year.

This is an annual budget adjustment to encumber the funds committed at year end for multiple year projects.

FISCAL IMPACT:

None

ATTACHMENTS:

Resolution 2012-34

RESOLUTION 2012-34

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WINTERS AMENDING THE CITY OF WINTERS 2012-2013 ADOPTED OPERATING BUDGET

WHEREAS, On May 15th 2012 the City Council of the City of Winters adopted operating budget for Fiscal Year 2012-2013 and 2013-2014; and

WHEREAS, items budgeted in 2011-2012 had purchase orders issued, but merchandise was not delivered, or projects were incomplete as of June 30, 2012.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Winters that the adopted operating budget for fiscal year 2012-2013 be amended as follows:

Section 1: Increase budgeted expenditures in the following funds and accounts

a. 417-57712-630 Water Mains-Water Impact Fees	229,308.65
b. 418-57812-640 Sewer Mains-Sewer Impact Fees	293,672.00
c. 422-54419-650 Miscellaneous Professional Services-Landfill	7,000.00
d. 411-57312-660 Street Signals-Street Impact Fees	9,882.50
e. 276-54411-650 Park Improvements-North Bank Putah Creek	1,014,713.39
f. 221-54411-660 Architect/Engineering-Gas Tax	24,128.00
g. 276-54411-650 Architect/Engineering-North Bank Putah Creek	70,715.00
h. 289-54411-660 Architect/Engineering-Dry Slough Bridge	159,165.00
i. 294-54422-660 Construction Testing-Streets	37,419.65

PASSED AND ADOPTED by the City Council, City of Winters, this 2nd day of October 2012 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Cecilia Aguiar-Curry, Mayor

ATTEST:

Nanci G. Mills, CITY CLERK



CITY COUNCIL
AS SUCCESSOR AGENCY TO THE DISSOLVED WINTERS
COMMUNITY DEVELOPMENT AGENCY
STAFF REPORT

TO: Honorable Mayor and Councilmembers
DATE: October 2, 2012
THROUGH: John W. Donlevy, Jr., City Manager *JWD*
FROM: Shelly A. Gunby, Director of Financial Management *Shelly*
SUBJECT: Housing Due Diligence Review as Required by AB1484

RECOMMENDATION:

Review the attached Housing Due Diligence Review Report prepared by Moss, Levy and Hartziem, LLP. as required by AB1484.

Hold a public hearing to receive comment on the Due Diligence Report.

BACKGROUND:

AB1484, passed by the California legislature, requires a Housing Due Diligence Report. This report was required to be submitted to the Oversight Board of the Successor Agency to the Dissolved Community Development Agency on or before October 1, 2012. The report was submitted to the Oversight Board on October 1, 2012 and a duly noticed Public Hearing was held.

Due to the extreme short time period for the preparation of the report, we will review the findings in detail prior to holding the public hearing.

FISCAL IMPACT:

None

ATTACHMENTS:

Housing Due Diligence Review

**City of Winters
Yolo County, California**

**Agreed-Upon Procedures -- AB 1484
Low and Moderate Income Housing Fund**

June 30, 2012

**CITY OF WINTERS
YOLO COUNTY, CALIFORNIA
AGREED-UPON PROCEDURES – AB 1484
LOW AND MODERATE INCOME HOUSING FUND
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MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

RONALD A LEVY, CPA
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**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED UPON PROCEDURES ON
THE LOW AND MODERATE INCOME HOUSING FUND**

Oversight Board of the Successor Agency
City of Winters
Winters, California 90270

We have performed the procedures enumerated below solely to assist in ensuring that the Successor Agency of the Redevelopment Agency of the City of Winters is complying with its statutory requirements with respect to AB 1484. Management of the Successor Agency is responsible for the accounting records pertaining to statutory compliance pursuant to Health and Safety Code Section 34179.5.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Procedures Applied

1. Obtain from the Successor Agency a listing of all assets that were transferred from the former Redevelopment Agency to the Successor Agency on February 1, 2012. Agree the amounts on this listing to account balances established in the accounting records of the Successor Agency. Identify in the Agreed-Upon Procedures (AUP) report the amount of the assets transferred to the Successor Agency as of that date.

Result:

The former Redevelopment Agency transferred the total asset amount of \$1,515,878 to the Successor Agency on February 1, 2012. See Attachment A for the listing of all assets that were transferred.

2. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, performed the following procedures:
 - A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former Redevelopment Agency to the City, County, or City and County that formed the Redevelopment Agency for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.

CITY OF WINTERS
AGREED-UPON PROCEDURES OF AB 1484

Result:

No Low and Moderate Income Housing Fund (LMIHF) assets were transferred from the former Redevelopment Agency to the City, County, or City and County that formed the Redevelopment Agency for the period from January 1, 2011 through January 31, 2012.

- B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to the City, County, or City and County that formed the Redevelopment Agency for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.

Result:

No LMIHF assets were transferred from the Successor Agency to the City, County, or City and County that formed the Redevelopment Agency for the period from February 1, 2012 through June 30, 2012.

- C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

Result:

Not applicable. No LMIHF assets were transferred to the City, County, or City and County that formed the Redevelopment Agency for the period.

3. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:

- A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former Redevelopment Agency to any other public agency or to private parties for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.

Result:

No LMIHF assets were transferred from the former Redevelopment Agency to any other public agency or to private parties for the period from January 1, 2011 through January 31, 2012.

- B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to any other public agency or private parties for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report

Result:

No LMIHF assets were transferred from the Successor Agency to any other public agency or to private parties for the period from February 1, 2012 through June 30, 2012.

- C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

CITY OF WINTERS
AGREED-UPON PROCEDURES OF AB 1484

Result:

Not applicable. No LMIHF assets were transferred to any other public agency or to private parties for the period.

4. Perform the following procedures:

- A. Obtain from the Successor Agency a summary of the financial transactions of the Redevelopment Agency and the Successor Agency in the format set forth in the attached schedule for the fiscal periods indicated in the schedule. For purposes of this summary, the financial transactions should be presented using the modified accrual basis of accounting. End of year balances for capital assets (in total) and long-term liabilities (in total) should be presented at the bottom of this summary schedule for information purposes.

Result:

This procedure is required as to the Successor Agency as a whole, it will be addressed in the report associated with all other funds of the Successor Agency (excluding the Low and Moderate Income Housing Fund) that is due on December 15, 2012.

- B. Ascertain that for each period presented, the total of revenues, expenditures, and transfers account fully for the changes in equity from the previous fiscal period.

Result:

This procedure is required as to the Successor Agency as a whole, it will be addressed in the report associated with all other funds of the Successor Agency (excluding the Low and Moderate Income Housing Fund) that is due on December 15, 2012.

- C. Compare amounts in the schedule relevant to the fiscal year ended June 30, 2010 to the state controller's report filed for the Redevelopment Agency for that period.

Result:

This procedure is required as to the Successor Agency as a whole, it will be addressed in the report associated with all other funds of the Successor Agency (excluding the Low and Moderate Income Housing Fund) that is due on December 15, 2012.

- D. Compare amounts in the schedule for the other fiscal periods presented to account balances in the accounting records or other supporting schedules. Describe in the report the type of support provided for each fiscal period.

Result:

This procedure is required as to the Successor Agency as a whole, it will be addressed in the report associated with all other funds of the Successor Agency (excluding the Low and Moderate Income Housing Fund) that is due on December 15, 2012.

5. Obtain from the Successor Agency a listing of all assets of the Low and Moderate Income Housing Fund as of June 30, 2012 for the report that is due October 1, 2012 and a listing of all assets of all other funds of the Successor Agency as of June 30, 2012 (excluding the previously reported assets of the Low and Moderate Income Housing Fund) for the report that is due December 15, 2012. When this procedure is applied to the Low and Moderate Income Housing Fund, the schedule attached as an exhibit will include only those assets of the Low and Moderate Income Housing Fund that were held by the Successor Agency as of June 30, 2012 and will exclude all assets held by the entity that assumed the housing function previously performed by the former Redevelopment Agency. Agree the assets so listed to recorded balances reflected in the accounting records of the Successor Agency. The listings should be attached as an exhibit to the appropriate AUP report.

Result:

We found no exceptions as a result of the procedures performed. See Attachment B.

CITY OF WINTERS
AGREED-UPON PROCEDURES OF AB 1484

6. Obtain from the Successor Agency a listing of asset balances held on June 30, 2012 that are restricted for the following purposes:

A. Unspent bond proceeds:

- i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures, amounts set aside for debt service payments, etc.)
- ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
- iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.

Result:

The Successor Agency had \$1,049,067 in unspent bond proceeds. We traced these unspent proceeds to the general ledger, the Local Agency Investment Fund bank statement, and the Official Statement for the 2007 Tax Allocation Bonds. See Attachment C.

B. Grant proceeds and program income that are restricted by third parties:

- i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
- ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
- iii. Obtain from the Successor Agency a copy of the grant agreement that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.

Result:

The Successor Agency did not have grant proceeds and program income restricted by third parties.

C. Other assets considered to be legally restricted:

- i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
- ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
- iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.

Result:

The Successor Agency did not have other assets restricted by third parties.

D. Attach the above mentioned Successor Agency prepared schedule(s) as an exhibit to the AUP report. For each restriction identified on these schedules, indicate in the report the period of time for which the restrictions are in effect. If the restrictions are in effect until the related assets are expended for their intended purpose, this should be indicated in the report.

Result:

The restriction is in effect until the related assets are expended for their intended purpose.

CITY OF WINTERS
AGREED-UPON PROCEDURES OF AB 1484

7. Perform the following procedures:

- A. Obtain from the Successor Agency a listing of assets as of June 30, 2012 that are **not** liquid or otherwise available for distribution (such as capital assets, land held for resale, long-term receivables, etc.) and ascertain if the values are listed at either purchase cost (based on book value reflected in the accounting records of the Successor Agency) or market value as recently estimated by the Successor Agency.

Result:

The values of non-liquid assets are based on the book value reflected in the accounting records of the Successor Agency. See Attachment D.

- B. If the assets listed at 7(A) are listed at purchase cost, trace the amounts to a previously audited financial statement (or to the accounting records of the Successor Agency) and note any differences.

Result:

We found no exceptions as a result of the procedures performed.

- C. For any differences noted in 7(B), inspect evidence of disposal of the asset and ascertain that the proceeds were deposited into the Successor Agency trust fund. If the differences are due to additions (this generally is not expected to occur), inspect the supporting documentation and note the circumstances.

Result:

We found no exceptions as a result of the procedures performed.

- D. If the assets listed at 7(A) are listed at recently estimated market value, inspect the evidence (if any) supporting the value and note the methodology used. If no evidence is available to support the value and/or methodology, note the lack of evidence.

Result:

Not applicable. The values of non-liquid assets are not listed at estimated market value.

8. Perform the following procedures:

- A. If the Successor Agency believes that asset balances need to be retained to satisfy enforceable obligations, obtain from the Successor Agency an itemized schedule of asset balances (resources) as of June 30, 2012 that are dedicated or restricted for the funding of enforceable obligations and perform the following procedures. The schedule should identify the amount dedicated or restricted, the nature of the dedication or restriction, the specific enforceable obligation to which the dedication or restriction relates, and the language in the legal document that is associated with the enforceable obligation that specifies the dedication of existing asset balances toward payment of that obligation.
- i. Compare all information on the schedule to the legal documents that form the basis for the dedication or restriction of the resource balance in question.
 - ii. Compare all current balances to the amounts reported in the accounting records of the Successor Agency or to an alternative computation.
 - iii. Compare the specified enforceable obligations to those that were included in the final Recognized Obligation Payment Schedule approved by the California Department of Finance.

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8A. (Continued)

- iv. Attach as an exhibit to the report the listing obtained from the Successor Agency. Identify in the report any listed balances for which the Successor Agency was unable to provide appropriate restricting language in the legal document associated with the enforceable obligation.

Result:

No asset balances were retained to satisfy enforceable obligations.

- B. If the Successor Agency believes that future revenues together with balances dedicated or restricted to an enforceable obligation are insufficient to fund future obligation payments and thus retention of current balances is required, obtain from the Successor Agency a schedule of approved enforceable obligations that includes a projection of the annual spending requirements to satisfy each obligation and a projection of the annual revenues available to fund those requirements and perform the following procedures:
 - i. Compare the enforceable obligations to those that were approved by the California Department of Finance. Procedures to accomplish this may include reviewing the letter from the California Department of Finance approving the Recognized Enforceable Obligation Payment Schedules for the six month period from January 1, 2012 through June 30, 2012 and for the six month period July 1, 2012 through December 31, 2012.
 - ii. Compare the forecasted annual spending requirements to the legal document supporting each enforceable obligation.
 - a. Obtain from the Successor Agency its assumptions relating to the forecasted annual spending requirements and disclose in the report major assumptions associated with the projections.
 - iii. For the forecasted annual revenues:
 - a. Obtain from the Successor Agency its assumptions for the forecasted annual revenues and disclose in the report major assumptions associated with the projections.

Result:

The procedure was not considered required as the Successor Agency believes future revenues together with dedicated balances will be sufficient to fund future obligations.

- C. If the Successor Agency believes that projected property tax revenues and other general purpose revenues to be received by the Successor Agency are insufficient to pay bond debt service payments (considering both the timing and amount of the related cash flows), obtain from the Successor Agency a schedule demonstrating this insufficiency and apply the following procedures to the information reflected in that schedule.
 - i. Compare the timing and amounts of bond debt service payments to the related bond debt service schedules in the bond agreement.
 - ii. Obtain the assumptions for the forecasted property tax revenues and disclose major assumptions associated with the projections.
 - iii. Obtain the assumptions for the forecasted other general purpose revenues and disclose major assumptions associated with the projections.

Result:

The procedure was not considered required as the Successor Agency believes future tax revenues will be sufficient to fund future obligations.

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- D. If procedures A, B, or C were performed, calculate the amount of current unrestricted balances necessary for retention in order to meet the enforceable obligations by performing the following procedures:
- i. Combine the amount of identified current dedicated or restricted balances and the amount of forecasted annual revenues to arrive at the amount of total resources available to fund enforceable obligations.
 - ii. Reduce the amount of total resources available by the amount forecasted for the annual spending requirements. A negative result indicates the amount of current unrestricted balances that needs to be retained.
 - iii. Include the calculation in the AUP report.

Result:

Procedures 8A, 8B, and 8C did not apply.

9. If the Successor Agency believes that cash balances as of June 30, 2012 need to be retained to satisfy obligations on the Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2012 through June 30, 2013, obtain a copy of the final ROPS for the period of July 1, 2012 through December 31, 2012 and a copy of the final ROPS for the period January 1, 2013 through June 30, 2013. For each obligation listed on the ROPS, the Successor Agency should add columns identifying (1) any dollar amounts of existing cash that are needed to satisfy that obligation and (2) the Successor Agency's explanation as to why the Successor Agency believes that such balances are needed to satisfy the obligation. Include this schedule as an attachment to the AUP report.

Result:

The Successor Agency does not need to retain cash balances to satisfy obligations on the Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2012 through June 30, 2013.

10. Include (or present) a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities. Amounts included in the calculation should agree to the results of the procedures performed in each section above. The schedule should also include a deduction to recognize amounts already paid to the County Auditor-Controller on July 12, 2012 as directed by the California Department of Finance. The amount of this deduction presented should be agreed to evidence of payment. The attached example summary schedule may be considered for this purpose. Separate schedules should be completed for the Low and Moderate Income Housing Fund and for all other funds combined (excluding the Low and Moderate Income Housing Fund).

Result:

We found no exceptions as a result of the procedures performed. See Attachment D.

11. Obtain a representation letter from Successor Agency management acknowledging their responsibility for the data provided to the practitioner and the data presented in the report or in any attachments to the report. Included in the representations should be an acknowledgment that management is not aware of any transfers (as defined by Section 34179.5) from either the former Redevelopment Agency or the Successor Agency to other parties for the period from January 1, 2011 through June 30, 2012 that have not been properly identified in the AUP report and its related exhibits. Management's refusal to sign the representation letter should be noted in the AUP report as required by attestation standards.

Result:

We found no exceptions as a result of the procedures performed.

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We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertion. Accordingly, we do not express such an opinion.

This report is intended solely for the information of the Oversight Board and Management of the Successor Agency of the Redevelopment Agency of the City of Winters, California State Controller's Office, California Department of Finance, and Yolo County Auditor-Controller, and is not intended to be and should not be used by anyone other than these specified parties.

Miss. Long v. Shady Grove

Culver City, California
September 24, 2012

CITY OF WINTERS
 AGREED-UPON PROCEDURES OF AB 1484
 ATTACHMENT A – ASSET TRANSFER LISTING TO THE SUCCESSOR AGENCY ON FEBRUARY 1, 2012

City of Winters		
RDA		
Asset Transfer Listing - Low and Moderate Income Housing Fund		
February 1, 2012		
	Housing cash with fiscal agent	\$ 96,300
	Housing pooled cash	(213,350)
	Housing notes receivable	179,913
	2004 Housing bond note receivable	150,000
	2007 Housing bond LAIF	1,048,027
	2007 Housing bond pooled cash	87,764
	2007 Housing bond note receivable	39,925
	2007 Housing bond building held for resale	127,299
	Total	\$ 1,515,878

CITY OF WINTERS
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 ATTACHMENT B – ASSET LISTING AS OF JUNE 30, 2012

City of Winters		
RDA		
Asset Listing - Low and Moderate Income Housing Fund		
June 30, 2012		
	Housing notes receivable	\$ 179,913
	Housing interest receivable	932
	2004 Housing bond note receivable	150,000
	2007 Housing bond LAIF	1,049,067
	2007 Housing bond note receivable	39,925
	2007 Housing bond building held for resale	127,299
	Total	\$ 1,547,136

CITY OF WINTERS
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ATTACHMENT C – ASSETS LEGALLY RETRICTED FOR USES SPECIFIED BY DEBT COVENANTS AS OF
JUNE 30, 2012

City of Winters
RDA
Asset Legally Restricted for uses Specified by Debt Covenants - Low and Moderate Income Housing Fund
June 30, 2012

2007 Housing bond LAIF	<u>\$ 1,049,067</u>
Total	<u>\$ 1,049,067</u>

CITY OF WINTERS
 AGREED-UPON PROCEDURES OF AB 1484
 ATTACHMENT D – NON-LIQUID ASSETS AS OF JUNE 30, 2012

City of Winters		
RDA		
Non-Liquid Assets - Low and Moderate Income Housing Fund		
June 30, 2012		
	Housing notes receivable	\$ 179,913
	Housing interest receivable	932
	2004 Housing bond note receivable	150,000
	2007 Housing bond note receivable	39,925
	2007 Housing bond building held for resale	127,299
	Total	\$ 498,069

CITY OF WINTERS
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 ATTACHMENT E – ALLOCATION TO AFFECTED TAXING ENTITIES - LMIHF

SUMMARY OF BALANCES AVAILABLE FOR ALLOCATION TO AFFECTED TAXING ENTITIES	LMIHF	
Total amount of assets held by the successor agency as of June 30, 2012 (procedure 5)	\$ 1,547,136	*
Add the amount of any assets transferred to the city or other parties for which an enforceable obligation with a third party requiring such transfer and obligating the use of the transferred assets did not exist (procedures 2 and 3)	-	
Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments (procedure 6)	(1,049,067)	Note 1 and **
Less assets that are not cash or cash equivalents (e.g., physical assets) - (procedure 7)	(498,069)	***
Less balances that are legally restricted for the funding of an enforceable obligation (net of projected annual revenues available to fund those obligations) - (procedure 8)	-	
Less balances needed to satisfy ROPS for the 2012-13 fiscal year (procedure 9)	-	
Less the amount of payments made on July 12, 2012 to the County Auditor-Controller as directed by the California Department of Finance	-	
Amount to be remitted to county for disbursement to taxing entities	\$ -	
<i>Note that separate computations are required for the Low and Moderate Income Housing Fund held by the Successor Agency and for all other funds held by the Successor Agency.</i>		
NOTES: For each line shown above, an exhibit should be attached showing the composition of the summarized amount.		
If the review finds that there are insufficient funds available to provide the full amount due, the cause of the insufficiency should be demonstrated in a separate schedule.		
Note 1: The Dept. of Finance is questioning the \$1,049,067 unspent debt proceeds. We have asked for a meet and confer on this item.		
* See Attachment B - Asset Listing as of June 30, 2012		
** See Attachment C - Assets Legally Restricted for uses Specified by Debt Covenants as of June 30, 2012		
*** See Attachment D - Non-Liquid Assets as of June 30, 2012		