

# Public Facilities Fee Report

Fiscal Year Ended June 30, 2011



City of Brentwood  
150 City Park Way Brentwood, CA 94513

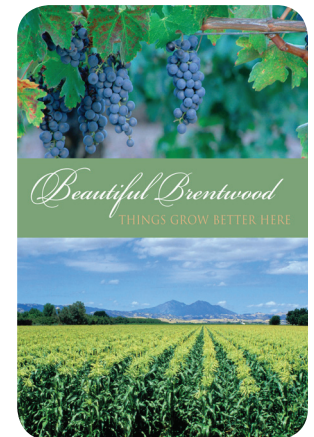


Every year the City selects a theme for the covers of its major financial documents - the Capital Improvement Program (CIP), the Fiscal Model, the Operating Budget, the Cost Allocation Plan, the Comprehensive Annual Financial Report (CAFR) and the Public Facilities Fee Report. *This year each of the covers showcases an aspect of “Beautiful Brentwood.”*

This year the City of Brentwood is one of sixty-five companies chosen by The Bay Area News Group to receive the Top Workplaces Award for 2011. This award recognizes the best places to work in the Bay Area and is based upon feedback from employees.



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*Letter of Transmittal*



December 13, 2011

The Honorable Mayor, Members of the City Council and Citizens of the City of Brentwood  
City of Brentwood  
Brentwood, CA 94513

Dear Mayor, Members of the City Council and Citizens of the City of Brentwood:

California Government Code requires reporting of the usage of public facilities fees. Therefore, in accordance with the provisions of the State of California and Government Code Section 66006(b) and 66001(d), as amended by AB 518 and SB 1693, I hereby submit the Public Facilities Fee Report for the City of Brentwood, California for the fiscal year ended June 30, 2011.

The publication of this Public Facilities Fee Report marks the third time the City has prepared one comprehensive document for meeting the reporting requirements of both California Government Code Section 66006(b) and 66001(d). In December of 2009, we submitted the first comprehensive report and in prior fiscal years, the City had complied with these requirements through the annual submittal of the Comprehensive Annual Financial Report (CAFR), the Five Year Capital Improvement Program (CIP) and the Operating Budget, all of which are on file with the City Clerk and available on the City's web site. This report will be updated and brought to City Council on an annual basis.

Public Facility Fees, otherwise known as development fees, which is charged by a local governmental agency to an applicant in connection with approval of a development project. The purpose of these fees is to defray all or a portion of the cost of public facilities related to the development project. The legal requirements for enactment of a development impact fee program are set forth in Government Code §§ 66000-66025 (the "Mitigation Fee Act"), the bulk of which was adopted as 1987's Assembly Bill (AB) 1600 and thus commonly referred to as "AB 1600 requirements."

The Public Facilities Fee Program has been in effect in Brentwood since fiscal year 1989/90. In June 1989, the City Council adopted Brentwood Municipal Code Section 16 creating and establishing the authority for imposing and charging Public Facility Fees. The City Council adopted



*Letter of Transmittal*

Resolution No. 89-56, establishing and imposing Public Facility Fees be paid at the time of issuance of a building permit for development. The City began collecting these fees in August of 1989. In order to implement the goals and objectives of the master facilities element of the City of Brentwood's General Plan, and to mitigate the impacts upon public facilities caused by new development in the city, a number of public improvements must be constructed. The City Council determined revised development impact fees were needed in order to finance these public improvements and to pay for the new development projects' fair share of the costs of these improvements. On May 20, 1990, the City Council adopted Ordinance No. 471, updating Title 16 of the Brentwood Municipal Code adding Sections 16.010 through 16.180, to meet the goals and objectives of the General Plan.

Fees are collected at the time a building permit is issued for the purpose of mitigating the impacts caused by new development on certain public facilities. However, in January 2009, due to economic and mortgage market challenges, the City Council implemented a temporary program to allow developers to defer certain residential development impact fees from permit issuance to final inspection. This program was assists developers with cash flow concerns, and facilitates the building of homes that otherwise may not have been constructed due to economic factors. The City is assured repayment through the execution and recordation of an agreement to guarantee notice of obligation and fee payment. The program was originally implemented for one year with the option to allow the City Engineer to extend it by an additional six months depending on market conditions. The program has proven to be successful and has been extended to December 31, 2012, with the option to allow the City Engineer to extend the term by an additional six months to June 30, 2013, depending on market conditions.

Facility fees are used to finance the acquisition, construction and improvement of public facilities needed as a result of this new development. A separate fund has been established to account for the impact of new development on each of the following types of public facilities: Water, Roadway, Parks and Trails, Wastewater, Community Facility and Fire.

State law requires the City prepare and make available to the public an annual report for each fund established to account for Public Facility Fees. The report must include the beginning and ending balances by public facility type for the fiscal year, as well as any changes. The report must also present the amount of fees, interest and other income, expenditures and the amount of any required refunds made during the fiscal year.

The City Council must review the annual report at a regularly scheduled public meeting not less than fifteen days after the information is made available to the public. This report was filed with the City Clerk's office and available for public review on November 22, 2011.

Respectfully submitted,



Pamela Ehler  
City Treasurer, Director of Finance and Information Systems

**LEGAL REQUIREMENTS**

**A. REQUIREMENTS FOR DEVELOPMENT IMPACT FEES**

State law (California Government Code Section 66006) requires each local agency that imposes AB1600 development impact fees to prepare an annual report providing specific information about those fees. Within the AB1600 legal requirements, it stipulates that fees imposed on new development have the proper nexus to any project on which they are imposed. In addition, AB1600 imposes certain accounting and reporting requirements with respect to the fees collected. The fees, for accounting purposes, must be segregated from the general funds of the City and from other funds or accounts containing fees collected for other improvements. Interest on each development fee fund or account must be credited to that fund or account and used only for the purposes for which the fees were collected.

Current California Government Code Section 66006(b) requires that for each separate fund the local agency shall, within 180 days after the last day of each fiscal year, make available to the public the information shown below for the most recent fiscal year. The applicable page numbers for each item are provided for reference.

- A brief description of the type of fee in the account or fund. *(See pages 5 to 6)*
- The amount of the fee. *(See page 6)*
- The beginning and ending balance of the account or fund. *(See page 7)*
- The amount of the fees collected and interest earned. *(See pages 7 to 13)*
- An identification of each public improvement on which fees were expended and the amount of expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees. *(See pages 23 to 24)*
- An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement. *(See pages 23 to 24)*
- A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid and the rate of interest that the account or fund will receive on the loan. *(See pages 14 to 21)*
- The amount of refunds made due to sufficient funds being collected to complete financing on incomplete public improvements, and the amount of reallocation of funds made due to administrative costs of refunding unexpended revenues exceeding the amount to be refunded. *(See page 21)*

California Government Code Section 66001(d) requires the local agency make all of the following findings every fifth year with respect to that portion of the account remaining unexpended, whether committed or uncommitted. The applicable page numbers for each item are provided for reference.

**LEGAL REQUIREMENTS** (Continued)

- Identify the purpose to which the fee is to be put. (See pages 23 to 24)
- Demonstrate a reasonable relationship between the fee and purpose for which it is charged.\*\*
- Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements.\*
- Designate the approximate dates on which the funding is expected to be deposited into the appropriate account or fund. \* (See pages 23 to 24)
- In any action imposing a fee as a condition of approval of a development project by a local agency, the local agency shall determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.\*\*

\* See the City's 2011/12 – 2015/16 Capital Improvement Program, adopted on May 24, 2011.

\*\* See the City's Development Fee Program, updated August 1, 2007.

**B. ADDITIONAL NOTES**

The State of California Government Code Section 66002 requires local agencies that have developed a fee program to adopt a CIP indicating the approximate location, size and timing of projects, plus an estimate for the cost of all facilities or improvements to be financed by fees. A formal CIP is recommended, at a minimum, as a five-year plan. The City annually produces a five-year CIP which helps to maintain and update the City's General Plan. The CIP also includes a 10-year projection of development fee revenue and expenditures. Further, it identifies situations where infrastructure is needed to accommodate the planned development.

The CIP relates the City's annual capital expenditures to a long-range plan for public improvements. By relating the plan for public improvements to the City's capacity for funding, and scheduling expenditures over a period of years, the CIP helps maximize the funds available. This type of fiscal management is important during periods, such as the current one, that are typified by budgetary demands exceeding financial resources.

**C. ESTABLISHING A REASONABLE RELATIONSHIP BETWEEN THE FEE AND THE PURPOSE FOR WHICH IT IS CHARGED**

The Public Facilities Fee Program has been in effect in Brentwood since fiscal year 1989/90. The current program, the 2005/06 Development Fee Program, was adopted on September 13, 2005. The program sets forth the relationship between contemplated future development, facilities needed to serve future development and the estimated costs of those improvements based on the current General Plan for build-out.

The City's CIP projects are financed in part by the capital improvement fees outlined in the Development Fee Program. The City's capital improvements provide infrastructure to the residents and businesses in Brentwood in order to keep pace with ongoing development in, and adjacent to, the community. Estimated project costs, and the summary of fee apportionment to each development fee type, are detailed within the Development Fee Program in Appendices F-1 through F-19.



**LEGAL REQUIREMENTS (Continued)**

Information on projects in the Development Fee Program can be found on pages 23-24. The information in these tables include: Current Projects, Project Phase, Construction Estimated Start Date, Construction Estimated Completion Date, Estimated Project Cost and Development Fee information including Budget to Date, Funding to Date and Estimated % Attributable to New Development.

**D. FUNDING OF INFRASTRUCTURE**

The 2011/12 - 2015/16 CIP identifies all funding sources and amounts for individual projects through 2015/16. The CIP is updated annually to reflect the current infrastructure needs of the City. As a CIP project is identified, the project is evaluated to determine the portion of the project that will service existing residents and businesses versus new development. Once the determination of use is made, the percentage of use attributable to new development is then funded by the appropriate development fee, based on the type of project. The percentage of use associated with existing residents or businesses are funded from other appropriate sources as identified on each individual project sheet in the CIP. All future planned infrastructure needs are outlined in the Development Fee program. The funding and commencement dates for projects are adjusted, as needed, to reflect the needs of the community.

**E. CURRENT MAJOR CIP PROJECTS**

Construction is currently underway on a new Civic Center which includes the following projects – New City Hall, New Community Center, Civic Center Parking Facility, City Park and Civic Center Plaza. Currently, the Community Facility Fee fund is paying for 40% of the overall costs associated with the Civic Center projects. In October 2009, the City issued the 2009 Civic Center Project Lease Revenue Bonds to help construct the New City Hall and the New Community Center projects. The Civic Center budget information is shown in the tables on pages 23-24.

***DESCRIPTION OF PUBLIC FACILITY FEES As defined by California Government Code Section 66006(b)***

*Water Facility Fee* – To provide for the expansion of production, storage, transmission, treatment and distribution facilities in the water utility as specified in the City’s Infrastructure Master Plans and Development Fee Program.

*Roadway Facility Fee* – To provide for traffic improvements necessary to accommodate the increase in traffic generated by new development as specified in the City’s General Plan – Circulation Element and the Development Fee Program.

*Parks and Trails Facility Fee* – To provide for the acquisition and development of parks as specified in the City’s Parks, Trails and Recreation Master Plan and Development Fee Program.

*Wastewater Facility Fee* – To provide for the expansion of collection and treatment capacities in the wastewater utility as specified in the City’s Infrastructure Master Plan and Development Fee Program.

**DESCRIPTION OF PUBLIC FACILITY FEES (Continued)**

Community Facility Fee – To provide for the expansion, design and construction of capital facilities as specified in the City’s CIP and Development Fee Program.

Fire Facility Fee – To provide for the expansion, design and construction of fire facilities as set forth in the East Diablo Fire Protection District Financing Plan and Impact Fee Study (January 1998) and the City’s Development Fee Program.

**CURRENT FEE SCHEDULE** - The Development Fee program is reviewed annually in conjunction with the development of the CIP to ensure the Development Fee Program is accounting for all planned future development. The updated Development Fee Program information is then used to determine the amount of fees available for the funding of the proposed CIP projects.

<b>DEVELOPMENT FEE PROGRAM</b>									
<b>General Plan Build Out</b>									
<b>Fee Category</b>	<b>S.F.R.</b>	<b>A.S.R.</b>	<b>M.F.R.</b>	<b>S.H.U.</b>	<b>Office</b>	<b>Commercial</b>	<b>Industrial</b>		
	<b>Per Unit</b>	<b>Per Unit</b>	<b>Per Unit</b>	<b>(1200 SF Max)</b>	<b>Sq. Ft.</b>	<b>Sq. Ft.</b>	<b>Sq. Ft.</b>		
Water Facility	\$ 7,135.87	\$ 5,794.77	\$ 5,600.14	\$ 2,800.07	\$ 1.5387	\$ 1.5387	\$ 0.8905		
Roadway Facility	10,745.97	4,635.52	6,637.22	3,318.61	6.7043	4.3664	4.6300		
Parks and Trails Facility	7,198.70	4,698.10	5,430.60	2,715.30	-	-	-		
Wastewater Facility	4,260.78	2,817.98	3,240.62	1,620.31	1.2788	1.0394	0.5467		
Community Facility	3,660.20	2,426.01	2,787.54	1,393.77	0.4935	0.4935	0.3427		
Fire Fee Faciltiy	780.98	780.98	780.98	780.98	0.1538	0.1538	0.1538		
Administration	574.71	354.78	412.66	206.33	0.1744	0.1295	0.1116		
<b>Total Fees</b>	<b>\$ 34,357.21</b>	<b>\$ 21,508.14</b>	<b>\$ 24,889.76</b>	<b>\$ 12,835.37</b>	<b>\$ 10.34</b>	<b>\$ 7.72</b>	<b>\$ 6.68</b>		

S.F.R.-Single Family Residence. A.S.R.-Active Senior Residence. M.F.R.-Multi-Family Residence  
 S.H.U.- Secondary Housing Unit up to 1200 SF - Over 1200 SF City Engineer will calculate fee

**FUND BALANCES** – Fund balances and the amount of fees collected and interest earned, as defined by California Govt. Code Sec. 66006(b), is shown on pages 7 to 13.

**City of Brentwood**  
**Financial Summary Report**

**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For Year Ended June 30, 2011**

Description	<b>Development Impact Fees</b>					
	<b>Water Facility</b>	<b>Roadway Facility</b>	<b>Parks and Trails Facility</b>	<b>Wastewater Facility</b>	<b>Community Facility</b>	<b>Fire Facility</b>
<b>REVENUES</b>						
Fees	\$ 573,286	\$ 1,198,245	\$ 682,738	\$ 336,016	\$ 421,464	\$ 84,502
Interest	68,323	117,062	24,956	263,082	226,506	13,557
Other revenues	-	149,053	75,000	-	-	1,000
<b>Total Revenues</b>	<u>641,609</u>	<u>1,464,360</u>	<u>782,694</u>	<u>599,098</u>	<u>647,970</u>	<u>99,059</u>
<b>EXPENDITURES</b>						
Expenditures	970,694	2,217,085	746,002	2,141,692	1,096,006	600
<b>Total Expenditures</b>	<u>970,694</u>	<u>2,217,085</u>	<u>746,002</u>	<u>2,141,692</u>	<u>1,096,006</u>	<u>600</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(329,085)	(752,725)	36,692	(1,542,594)	(448,036)	98,459
<b>Fund Balance, Beginning of Year</b>	<u>(11,522,970)</u>	<u>3,026,317</u>	<u>(2,586,984)</u>	<u>(3,008,936)</u>	<u>1,015,650</u>	<u>932,947</u>
<b>Fund Balance, End of Year</b>	<u>\$ (11,852,055) <sup>(1)</sup></u>	<u>\$ 2,273,592</u>	<u>\$ (2,550,292) <sup>(2)</sup></u>	<u>\$ (4,551,530) <sup>(3)</sup></u>	<u>\$ 567,614</u>	<u>\$ 1,031,406 <sup>(4)</sup></u>

**Notes:**

- (1) The Water Facility Fee Fund reports a negative fund balance as a result of bonds payable, in the amount of \$15,935,500, associated with the Surface Water Treatment Facility.
- (2) The Parks and Trails Facility Fee Fund reports a negative fund balance due to project timing issues which are expected to be corrected once development activity increases. Several CIP projects have been funded in advance on the basis of fees being collected in ensuing years. This type of fiscal management is mandatory to support the infrastructure needed to accommodate the planned development.
- (3) The Wastewater Facility Fee Fund reports a negative fund balance as a result of notes payable, in the amount of \$13,751,534, associated with the Wastewater Treatment Plant Expansion.
- (4) The Fire Facility Fee Fund reports being held beyond the five-year as described by AB1600. These funds will be expended on the two remaining Fire stations once the economic and housing markets recover.

**City of Brentwood**  
**Water Facility Fee Fund**

***Statement of Revenues, Expenditures and Changes in Fund Balance***  
***For Last Five Fiscal Years***

<u>Description</u>	<u>FY 2006/07</u>	<u>FY 2007/08</u>	<u>FY 2008/09</u>	<u>FY 2009/10</u>	<u>FY 2010/11</u>
<b>REVENUES</b>					
Fees	\$ 6,261,705	\$ 1,461,279	\$ 474,505	\$ 538,846	\$ 573,286
Interest	348,394	318,594	141,587	104,661	68,323
Other revenues	-	149,840	-	-	-
<b>Total Revenues</b>	<u>6,610,099</u>	<u>1,929,713</u>	<u>616,092</u>	<u>643,507</u>	<u>641,609</u>
<b>EXPENDITURES</b>					
Expenditures	(1,733,922) <sup>(1)</sup>	(4,683,984) <sup>(2)</sup>	13,853,688 <sup>(3)</sup>	513,744	970,694
<b>Total Expenditures</b>	<u>(1,733,922)</u>	<u>(4,683,984)</u>	<u>13,853,688</u>	<u>513,744</u>	<u>970,694</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>					
	8,344,021	6,613,697	(13,237,596)	129,763	(329,085)
<b>Fund Balance, Beginning of Year</b>	<u>(13,372,855)</u>	<u>(5,028,834)</u>	<u>1,584,863</u>	<u>(11,652,733)</u>	<u>(11,522,970)</u>
<b>Fund Balance, End of Year</b>	<u>\$ (5,028,834) <sup>(4)</sup></u>	<u>\$ 1,584,863</u>	<u>\$ (11,652,733) <sup>(5)</sup></u>	<u>\$ (11,522,970) <sup>(5)</sup></u>	<u>\$ (11,852,055) <sup>(5)</sup></u>

**Five Year Revenue Test Using First In First Out Method**

Available Revenue Current Year <sup>(6)</sup>	\$ -	\$ 1,584,863	\$ -	\$ -	\$ -
Available Revenue Prior Fiscal Year (2-yr Old Funds)	-	-	-	-	-
Available Revenue Prior Fiscal Year (3-yr Old Funds)	-	-	-	-	-
Available Revenue Prior Fiscal Year (4-yr Old Funds)	-	-	-	-	-
Available Revenue Prior Fiscal Year (5-yr Old Funds)	-	-	-	-	-
Available Revenue Greater than Five Prior Fiscal Years	-	-	-	-	-
<b>Total Revenue Available</b>	<u>\$ -</u>	<u>\$ 1,584,863</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Result: Five Year Revenue test met in accordance with Government Code 66001.

**Notes:**

- (1) Water expenditures for FY 2006/07 include a reduction of expense of \$5,903,921 which reflect the benefits of reallocating 60% of the liability for the connection fees within CCWD's Los Vaqueros Service area.
- (2) Water expenditures for FY 2007/08 include a reduction in expenses of \$3,633,182 which reflect the benefits of reallocating the remaining 40% of the liability for the connection fees.
- (3) Water expenditures for FY 2008/09 reflect the transfer of bond proceeds associated with the new Surface Water Treatment Facility.
- (4) The Water Facility Fee Fund's negative fund balance is due to amounts owed to CCWD under an agreement relating to the Los Vaqueros Service Area. In FY 2006/07 it was \$3.6M.
- (5) The Water Facility Fee Fund reports a negative fund balance for FY 08/09, 09/10 & 10/11 as a result of bonds payable, in the amount of \$15,935,500, associated with the Surface Water Treatment Facility.
- (6) In using the revenue and expenditure reports to determine whether the fees have been spent within five years of collection, the total expenditures and operating transfers out over the five year period must be added together, and that total must be subtracted from the earliest fund balance plus any operating transfer for that year. In a number of instances, this calculation shows that not only have fees collected five years ago been spent, but fees collected in ensuing years have also been spent; therefore, a negative fund balance is reported.

**City of Brentwood**  
**Roadway Facility Fee Fund**

**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For Last Five Fiscal Years**

<u>Description</u>	<u>FY 2006/07</u>	<u>FY 2007/08</u>	<u>FY 2008/09</u>	<u>FY 2009/10</u>	<u>FY 2010/11</u>
<b>REVENUES</b>					
Fees	\$ 6,417,366	\$ 3,183,042	\$ 598,918	\$ 1,110,861	\$ 1,198,245
Interest	434,894	510,001	452,357	218,557	117,062
Other revenues	344,451	1,434,214	717,018	439,624	149,053
<b>Total Revenues</b>	<u>7,196,711</u>	<u>5,127,257</u>	<u>1,768,293</u>	<u>1,769,042</u>	<u>1,464,360</u>
<b>EXPENDITURES</b>					
Expenditures	10,058,979	(469,065) <sup>(2)</sup>	(36,480) <sup>(2)</sup>	1,305,091	2,217,085
<b>Total Expenditures</b>	<u>10,058,979</u>	<u>(469,065)</u>	<u>(36,480)</u>	<u>1,305,091</u>	<u>2,217,085</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(2,862,268)	5,596,322	1,804,773	463,951	(752,725)
<b>Fund Balance, Beginning of Year</b>	<u>(1,976,461)</u>	<u>(4,838,729)</u>	<u>757,593</u>	<u>2,562,366</u>	<u>3,026,317</u>
<b>Fund Balance, End of Year</b>	<u>\$ (4,838,729) <sup>(1)</sup></u>	<u>\$ 757,593</u>	<u>\$ 2,562,366</u>	<u>\$ 3,026,317</u>	<u>\$ 2,273,592</u>

**Five Year Revenue Test Using First In First Out Method**

Available Revenue Current Year <sup>(3)</sup>	\$ -	\$ 757,593	\$ 1,804,773	\$ 1,769,042	\$ 1,464,360
Available Revenue Prior Fiscal Year (2-yr Old Funds)	-	-	757,593	1,257,275	809,232
Available Revenue Prior Fiscal Year (3-yr Old Funds)	-	-	-	-	-
Available Revenue Prior Fiscal Year (4-yr Old Funds)	-	-	-	-	-
Available Revenue Prior Fiscal Year (5-yr Old Funds)	-	-	-	-	-
Available Revenue Greater than Five Prior Fiscal Years	-	-	-	-	-
<b>Total Revenue Available</b>	<u>\$ -</u>	<u>\$ 757,593</u>	<u>\$ 2,562,366</u>	<u>\$ 3,026,317</u>	<u>\$ 2,273,592</u>

Result: Five Year Revenue test met in accordance with Government Code 66001.

**Notes:**

- (1) The Roadway Facility Fee Fund reports a negative fund balance in FY 2006/07 due to timing issues which were corrected during the next fiscal year. Several CIP projects have been funded in advance on the basis of fees being collected in ensuing years. This type of fiscal management is mandatory to support the infrastructure needed to accommodate the planned development.
- (2) Expenditures for FY 2007/08 and 2008/09 include a reduction in expenses associated with the closure of CIP projects being completed under budget.
- (3) In using the revenue and expenditure reports to determine whether the fees have been spent within five years of collection, the total expenditures and operating transfers out over the five year period must be added together, and that total must be subtracted from the earliest fund balance plus any operating transfer for that year. In a number of instances, this calculation shows that not only have fees collected five years ago been spent, but fees collected in ensuing years have also been spent; therefore, a negative fund balance is reported.



**City of Brentwood**  
**Parks and Trails Facility Fee Fund**

**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For Last Five Fiscal Years**

<u>Description</u>	<u>FY 2006/07</u>	<u>FY 2007/08</u>	<u>FY 2008/09</u>	<u>FY 2009/10</u>	<u>FY 2010/11</u>
<b>REVENUES</b>					
Fees	\$ 2,702,402	\$ 729,184	\$ 41,586	\$ 502,200	\$ 682,738
Interest	241,916	130,119	-	38,539	24,956
Other revenues	100,112	86,283	-	-	75,000
<b>Total Revenues</b>	<u>3,044,430</u>	<u>945,586</u>	<u>41,586</u>	<u>540,739</u>	<u>782,694</u>
<b>EXPENDITURES</b>					
Expenditures	2,078,527	2,868,797	(68,646) <sup>(2)</sup>	2,521,685 <sup>(3)</sup>	746,002
<b>Total Expenditures</b>	<u>2,078,527</u>	<u>2,868,797</u>	<u>(68,646)</u>	<u>2,521,685</u>	<u>746,002</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	965,903	(1,923,211)	110,232	(1,980,946)	36,692
<b>Fund Balance, Beginning of Year</b>	<u>241,038</u>	<u>1,206,941</u>	<u>(716,270)</u>	<u>(606,038)</u>	<u>(2,586,984)</u>
<b>Fund Balance, End of Year</b>	<u>\$ 1,206,941</u>	<u>\$ (716,270) <sup>(1)</sup></u>	<u>\$ (606,038) <sup>(1)</sup></u>	<u>\$ (2,586,984) <sup>(1)</sup></u>	<u>\$ (2,550,292) <sup>(1)</sup></u>

**Five Year Revenue Test Using First In First Out Method**

Available Revenue Current Year <sup>(4)</sup>	\$ 1,206,941	\$ -	\$ -	\$ -	\$ -
Available Revenue Prior Fiscal Year (2-yr Old Funds)	-	-	-	-	-
Available Revenue Prior Fiscal Year (3-yr Old Funds)	-	-	-	-	-
Available Revenue Prior Fiscal Year (4-yr Old Funds)	-	-	-	-	-
Available Revenue Prior Fiscal Year (5-yr Old Funds)	-	-	-	-	-
Available Revenue Greater than Five Prior Fiscal Years	-	-	-	-	-
<b>Total Revenue Available</b>	<u>\$ 1,206,941</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Result: Five Year Revenue test met in accordance with Government Code 66001.

**Notes:**

- (1) The Parks and Trails Facility Fee Fund reports a negative fund balance in FY 2007/08, 2008/09, 2009/10 and 2010/11 due to timing issues which are expected to be corrected once development activity increases. Several CIP projects have been funded in advance on the basis of fees being collected in ensuing years. This type of fiscal management is mandatory to support the infrastructure needed to accommodate the planned development.
- (2) Expenditures for FY 2008/09 include a reduction in expenses associated with the closure of CIP projects being completed under budget.
- (3) In 2009/10, the Parks and Trails Facility paid \$1,366,574 to the Liberty Union High School District for the Pool and Gym per the Heritage High School Joint Use Agreement.
- (4) In using the revenue and expenditure reports to determine whether the fees have been spent within five years of collection, the total expenditures and operating transfers out over the five year period must be added together, and that total must be subtracted from the earliest fund balance plus any operating transfer for that year. In a number of instances, this calculation shows that not only have fees collected five years ago been spent, but fees collected in ensuing years have also been spent; therefore, a negative fund balance is reported.

**City of Brentwood**  
**Wastewater Facility Fee Fund**

**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For Last Five Fiscal Years**

<u>Description</u>	<u>FY 2006/07</u>	<u>FY 2007/08</u>	<u>FY 2008/09</u>	<u>FY 2009/10</u>	<u>FY 2010/11</u>
<b>REVENUES</b>					
Fees	\$ 2,382,955	\$ 928,267	\$ 226,982	\$ 485,189	\$ 336,016
Interest	1,006,111	1,123,682	902,615	410,012	263,082
Other revenues	-	15,116	-	3,820	-
<b>Total Revenues</b>	<u>3,389,066</u>	<u>2,067,065</u>	<u>1,129,597</u>	<u>899,021</u>	<u>599,098</u>
<b>EXPENDITURES</b>					
Expenditures	2,620,042	1,148,569	2,947,741	883,421	2,141,692
<b>Total Expenditures</b>	<u>2,620,042</u>	<u>1,148,569</u>	<u>2,947,741</u>	<u>883,421</u>	<u>2,141,692</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	769,024	918,496	(1,818,144)	15,600	(1,542,594)
<b>Fund Balance, Beginning of Year</b>	<u>(2,893,912)</u>	<u>(2,124,888)</u>	<u>(1,206,392)</u>	<u>(3,024,536)</u>	<u>(3,008,936)</u>
<b>Fund Balance, End of Year</b>	<u>\$ (2,124,888) <sup>(1)</sup></u>	<u>\$ (1,206,392) <sup>(1)</sup></u>	<u>\$ (3,024,536) <sup>(1)</sup></u>	<u>\$ (3,008,936) <sup>(1)</sup></u>	<u>\$ (4,551,530) <sup>(1)</sup></u>

**Five Year Revenue Test Using First In First Out Method**

Available Revenue Current Year <sup>(2)</sup>	\$ -	\$ -	\$ -	\$ -	\$ -
Available Revenue Prior Fiscal Year (2-yr Old Funds)	-	-	-	-	-
Available Revenue Prior Fiscal Year (3-yr Old Funds)	-	-	-	-	-
Available Revenue Prior Fiscal Year (4-yr Old Funds)	-	-	-	-	-
Available Revenue Prior Fiscal Year (5-yr Old Funds)	-	-	-	-	-
Available Revenue Greater than Five Prior Fiscal Years	-	-	-	-	-
<b>Total Revenue Available</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Result: Five Year Revenue test met in accordance with Government Code 66001.

**Notes:**

(1) The Wastewater Facility Fee Fund reports a negative fund balance as a result of the notes payable associated with the Wastewater Treatment Plant Expansion. The liability by fiscal year was: \$17.7M in FY 2006/07; \$16.7M in FY 2007/08; \$15.8M in FY 2008/09; \$14.8M in FY 2009/10 and \$13.8M in FY 2010/11.

(2) In using the revenue and expenditure reports to determine whether the fees have been spent within five years of collection, the total expenditures and operating transfers out over the five year period must be added together, and that total must be subtracted from the earliest fund balance plus any operating transfer for that year. In a number of instances, this calculation shows that not only have fees collected five years ago been spent, but fees collected in ensuing years have also been spent; therefore, a negative fund balance is reported.

**City of Brentwood**  
**Community Facility Fee Fund**

**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For Last Five Fiscal Years**

<u>Description</u>	<u>FY 2006/07</u>	<u>FY 2007/08</u>	<u>FY 2008/09</u>	<u>FY 2009/10</u>	<u>FY 2010/11</u>
<b>REVENUES</b>					
Fees	\$ 1,414,819	\$ 639,841	\$ 38,625	\$ 416,639	\$ 421,464
Interest	36,279	16,470	73,946	124,215	226,506
Other revenues	210,717	15,759	24,393	-	-
<b>Total Revenues</b>	<u>1,661,815</u>	<u>672,070</u>	<u>136,964</u>	<u>540,854</u>	<u>647,970</u>
<b>EXPENDITURES</b>					
Expenditures	4,044,965	433,091	171,838	(332,806) <sup>(2)</sup>	1,096,006
<b>Total Expenditures</b>	<u>4,044,965</u>	<u>433,091</u>	<u>171,838</u>	<u>(332,806)</u>	<u>1,096,006</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(2,383,150)	238,979	(34,874)	873,660	(448,036)
<b>Fund Balance, Beginning of Year</b>	<u>2,321,035</u>	<u>(62,115)</u>	<u>176,864</u>	<u>141,990</u>	<u>1,015,650</u>
<b>Fund Balance, End of Year</b>	<u>\$ (62,115) <sup>(1)</sup></u>	<u>\$ 176,864</u>	<u>\$ 141,990</u>	<u>\$ 1,015,650</u>	<u>\$ 567,614</u>

**Five Year Revenue Test Using First In First Out Method**

Available Revenue Current Year <sup>(3)</sup>	\$ -	\$ 176,864	\$ 136,964	\$ 873,660	\$ 567,614
Available Revenue Prior Fiscal Year (2-yr Old Funds)	-	-	5,026	136,964	-
Available Revenue Prior Fiscal Year (3-yr Old Funds)	-	-	-	5,026	-
Available Revenue Prior Fiscal Year (4-yr Old Funds)	-	-	-	-	-
Available Revenue Prior Fiscal Year (5-yr Old Funds)	-	-	-	-	-
Available Revenue Greater than Five Prior Fiscal Years	-	-	-	-	-
<b>Total Revenue Available</b>	<u>\$ -</u>	<u>\$ 176,864</u>	<u>\$ 141,990</u>	<u>\$ 1,015,650</u>	<u>\$ 567,614</u>

Result: Five Year Revenue test met in accordance with Government Code 66001.

**Notes:**

- (1) The Community Facility Fee Fund reports a negative balance in FY 2006/07 due to timing issues which were corrected in FY 2007/08 using development revenue. Several CIP projects have been funded in advance on the basis of fees being collected in ensuing years. This type of fiscal management is mandatory to support the infrastructure needed to accommodate the planned development.
- (2) Expenditures for FY 2009/10 include a reduction in expenses associated with the closure of CIP projects being completed under budget.
- (3) In using the revenue and expenditure reports to determine whether the fees have been spent within five years of collection, the total expenditures and operating transfers out over the five year period must be added together, and that total must be subtracted from the earliest fund balance plus any operating transfer for that year. In a number of instances, this calculation shows that not only have fees collected five years ago been spent, but fees collected in ensuing years have also been spent; therefore, a negative fund balance is reported.

**City of Brentwood**  
**Fire Facility Fee Fund**

**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For Last Five Fiscal Years**

<u>Description</u>	<u>FY 2006/07</u>	<u>FY 2007/08</u>	<u>FY 2008/09</u>	<u>FY 2009/10</u>	<u>FY 2010/11</u>
<b>REVENUES</b>					
Fees	\$ 403,337	\$ 178,187	\$ 27,891	\$ 103,969	\$ 84,502
Interest	44,129	40,464	38,829	21,199	13,557
Other revenues	-	-	-	-	1,000
<b>Total Revenues</b>	<u>447,466</u>	<u>218,651</u>	<u>66,720</u>	<u>125,168</u>	<u>99,059</u>
<b>EXPENDITURES</b>					
Expenditures	1,491,335	685,746	716	797	600
<b>Total Expenditures</b>	<u>1,491,335</u>	<u>685,746</u>	<u>716</u>	<u>797</u>	<u>600</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(1,043,869)	(467,095)	66,004	124,371	98,459
<b>Fund Balance, Beginning of Year</b>	<u>2,253,536</u>	<u>1,209,667</u>	<u>742,572</u>	<u>808,576</u>	<u>932,947</u>
<b>Fund Balance, End of Year</b>	<u>\$ 1,209,667</u>	<u>\$ 742,572</u>	<u>\$ 808,576</u>	<u>\$ 932,947 <sup>(1)</sup></u>	<u>\$ 1,031,406 <sup>(1)</sup></u>

**Five Year Revenue Test Using First In First Out Method**

Available Revenue Current Year <sup>(2)</sup>	\$ 447,466	\$ 218,651	\$ 66,720	\$ 125,168	\$ 99,059
Available Revenue Prior Fiscal Year (2-yr Old Funds)	762,201	447,466	218,651	66,720	125,168
Available Revenue Prior Fiscal Year (3-yr Old Funds)	-	76,455	447,466	218,651	66,720
Available Revenue Prior Fiscal Year (4-yr Old Funds)	-	-	75,739	447,466	218,651
Available Revenue Prior Fiscal Year (5-yr Old Funds)	-	-	-	74,942 <sup>(3)</sup>	447,466 <sup>(3)</sup>
Available Revenue Greater than Five Prior Fiscal Years	-	-	-	-	74,342 <sup>(3)</sup>
<b>Total Revenue Available</b>	<u>\$ 1,209,667</u>	<u>\$ 742,572</u>	<u>\$ 808,576</u>	<u>\$ 932,947</u>	<u>\$ 1,031,406</u>

Result: Five Year Revenue test met in accordance with Government Code 66001.

**Notes:**

- (1) The Fire Facility Fee Fund reports a fund balance of \$932,947 in FY 2009/10 and \$1,031,406 in FY 2010/11. Currently, there are two Fire Station CIP projects that will expend the remaining fund balance in upcoming fiscal years.
- (2) In using the revenue and expenditure reports to determine whether the fees have been spent within five years of collection, the total expenditures and operating transfers out over the five year period must be added together, and that total must be subtracted from the earliest fund balance plus any operating transfer for that year. In a number of instances, this calculation shows that not only have fees collected five years ago been spent, but fees collected in ensuing years have also been spent; therefore, a negative fund balance is reported.
- (3) The Fire Facility Fee Fund reports being held beyond the five-year as described by AB1600. These funds will be expended on the two remaining Fire stations once the economic and housing markets recover.

**NOTES TO THE PUBLIC FACILITIES FEE REPORT** – The Notes address two items required by California Government Code Section 66006(b). First, Notes 1 to 4 provide information on any interfund transfer or loan made from a development fee account or fund, including the public improvement on which the transferred or loaned fees will be expended. In the case of an interfund loan, the date on which the loan will be repaid and the rate of interest the account or fund will receive on the loan is also provided. Second, Note 5 provides information on the amount of refunds made due to sufficient funds being collected to complete financing on incomplete public improvements, and the amount of reallocation of funds made due to administrative costs of refunding unexpended revenues exceeding the amount to be refunded.

**NOTE # 1 – BONDS**

**A. 2008 WATER REVENUE BONDS**

On November 13, 2008, the City issued \$45,530,000 in Water Revenue Bonds associated with the construction of the Surface Water Treatment Facility, with interest rates ranging from 4.5 to 5.5 percent, due July 1, 2038. The City has pledged future water customer revenues, net of specified operating expenses, through 2038 to repay the Water Revenue Bonds. The Water Facility Fee is responsible for 35% of the debt service attributable to this bond. The Water Enterprise will cover the first three years of debt service and the facility fee will begin to pay debt service in 2012/13. As of June 30, 2011, the Water Facility Fee Fund’s gross repayment obligation, including interest, totaled \$33,727,255. During FY 2010/11, the facility fee made no payments on the obligation. Future payments for these bonds are as follows:

<b>Year Ending</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
<b>June 30</b>			
2012	\$ -	\$ -	\$ -
2013	293,849	1,066,774	1,360,623
2014	308,096	1,050,909	1,359,005
2015	322,343	1,032,427	1,354,770
2016	338,371	1,013,090	1,351,462
2017-2021	1,992,828	4,709,649	6,702,477
2022-2026	2,607,239	3,969,224	6,576,462
2027-2031	3,410,425	3,008,642	6,419,067
2032-2036	4,486,089	1,713,752	6,199,841
2037-2038	2,176,261	227,288	2,403,549
<b>Total</b>	<b>\$ 15,935,500</b>	<b>\$ 17,791,755</b>	<b>\$ 33,727,255</b>



**NOTE # 1 – BONDS (Continued)**

**B. CIP 2001 REVENUE BONDS (ROADWAY)**

On September 27, 2001, the Brentwood Infrastructure Financing Authority issued \$32,080,000 in Brentwood Capital Improvement Revenue Bonds, Series 2001. A portion of the original bond issuance, \$5,940,000, is attributable to the refinance of the 1996 Roadway Bonds. Proceeds from the 1996 bonds were used to fund a portion of Balfour Road; Oak Street; O’Hara Avenue; Sand Creek Road; Lone Tree Way; Griffith Lane; the Walnut Boulevard extension and the Sand Creek Road extension. Total annual debt service payments, including interest at 3.0 percent to 5.375 percent, range from \$399,706 to \$413,038. During FY 2010/11, the Roadway Facility Fee paid \$387,670 in principal and interest payments on the obligation. Future payments for these bonds are as follows:

<b>Year Ending</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
<b>June 30</b>			
2012	\$ 195,000	\$ 216,134	\$ 411,134
2013	205,000	207,756	412,756
2014	210,000	198,675	408,675
2015	220,000	189,000	409,000
2016	230,000	178,875	408,875
2017-2021	1,330,000	710,038	2,040,038
2022-2026	1,710,000	320,750	2,030,750
2027	395,000	9,875	404,875
<b>Total</b>	<b>\$ 4,495,000</b>	<b>\$ 2,031,103</b>	<b>\$ 6,526,103</b>

**NOTE # 2 – NOTES PAYABLE**

**A. STATE WATER RESOURCES LOAN (WASTEWATER)**

In December 2000, the City entered into a loan contract with the State of California’s State Water Resources Control Board for the purpose of financing the Wastewater Treatment Plant 5MGD Expansion project. Under the terms of the contract, the City has agreed to repay the State \$45,580,886 in exchange for receiving \$37,983,920 in proceeds used to fund the project. The difference between the repayment obligation and proceeds amounted to \$7,596,966 upon issue and represents in-substance interest on the outstanding balance. This in-substance interest amount has been recorded as a discount on debt at an imputed yield of 1.81% per year and is being amortized over the remaining life of the contract. The loan was originally split 60% new development and 40% existing. The first two payments were paid 100% by the Wastewater Facility Fee Fund, and the current balance has been revised to reflect those payments. The facility fund is now responsible for 56%. As of June 30, 2011, the Wastewater Facility Fee Fund’s gross repayment obligation totaled \$15,274,996 net of the unamortized discount of \$1,523,462. During FY 2010/11, the facility fee repaid \$1,018,216 on the obligation and amortized \$235,504 of the discount which was reported as interest expense.

<b>Year Ending</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
<b>June 30</b>			
2012	\$ 1,036,596	\$ 226,941	\$ 1,263,537
2013	1,055,308	209,834	1,265,142
2014	1,074,357	192,419	1,266,776
2015	1,093,750	174,689	1,268,439
2016	1,113,494	156,638	1,270,132
2017-2021	5,876,319	500,828	6,377,147
2022-2023	2,501,711	62,113	2,563,824
<b>Total</b>	<b>\$ 13,751,534</b>	<b>\$ 1,523,462</b>	<b>\$ 15,274,996</b>

**NOTE # 3 – DEFERRED IMPACT FEES**

**A. SILENT SECOND**

In April of 2002, the City established the Police Officer Recruitment Incentive Program (Silent Second). Under this program, the City defers a portion of the development infrastructure fees on a single family home for an officer who purchases a new home in the City of Brentwood. The facility fee funds receive payment for these deferred development fees at a rate of 5% of the original deferral amount per year over 20 years. The General Fund is obligated to make the annual 5% payments unless the officer’s employment with the City is terminated prior to full repayment of the deferred facility fees, at which time the remaining balance is immediately due and payable by the officer. The program is now closed to new applicants and will terminate once all of the existing loans have been paid. As of June 30, 2011, the gross repayment obligation to the Water Facility Fee Fund totaled \$174,925. During FY 2010/11, the Water Facility Fee Fund received \$25,025 in payments on deferred fees and issued zero new deferred fee agreements.

<u>Receivable Fund</u>	<u>Balance June 30, 2010</u>	<u>New Loans</u>	<u>Payoffs</u>	<u>Balance June 30, 2011</u>
Water Facility Fee	\$ 199,950	\$ -	\$ (25,025)	\$ 174,925
<b>Total</b>	<u>\$ 199,950</u>	<u>\$ -</u>	<u>\$ (25,025)</u>	<u>\$ 174,925</u>

**NOTE # 3 – DEFERRED IMPACT FEES (Continued)**

**B. SAND CREEK SHOPPING CENTER**

On May 8, 2001, the City entered into a Deferred Fee agreement with the Sand Creek Crossing Shopping Center, in the amount of \$1,530,029, for the payment of development fees associated with Master Plan Public Infrastructure Facility Improvements. These improvements consisted of the widening of Sand Creek Road and San Jose Avenue; the modification and installation of traffic signals; the improvements to storm drainage and the extension of water lines for Zone 1 and Zone 2. Under this agreement, the City is obligated to pay a portion of the development fees associated with this project. As of June 30, 2011, the City’s gross repayment obligation totaled \$968,223. This loan is scheduled to be repaid in 2018/19, with annual payments of \$120,974. The interest rate is set at the monthly Local Agency Investment Fund rate for the life of the loan.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Roadway Facility Fee	Economic Development Fund	\$ 638,984
Wastewater Facility Fee	Economic Development Fund	329,239
	<b>Total</b>	<b>\$ 968,223</b>

**C. HOUSING ENTERPRISE**

The Housing Enterprise deferred development fees related to the construction of housing units which became rental units for the City’s Housing Program. During FY 2010/11, the Housing Enterprise made payments in the amount of \$33,000 on the obligation. Currently, the Housing rental program is anticipating the sale of these units; therefore, as the units are sold, the development fees will be paid in full.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Water Facility Fee	Housing Enterprise	\$ 45,516
Roadway Facility Fee	Housing Enterprise	97,069
Parks and Trails Facility Fee	Housing Enterprise	51,371
Wastewater Facility Fee	Housing Enterprise	2,331
	<b>Total</b>	<b>\$ 196,287</b>

**NOTE # 3 – DEFERRED IMPACT FEES (Continued)**

**D. COMMERCIAL, OFFICE & INDUSTRIAL**

In 2000, the City enacted a Deferred Fee Payment Program for development fees associated with commercial, office and industrial development. This program allows for the deferral of a portion of the Water, Roadway, Wastewater, Community Facility and Fire Facility Fees. Highlights of the plan include payment of 10% of development fees at permit issuance with the remaining balance, including administrative and interest charges set at 4%, collected as a special assessment on the developer’s property tax bill. In 2009 the program’s repayment schedule was changed from ten years to five years. Currently, there are two outstanding agreements.

<u>Developer</u>	<u>Receivable Fund</u>	<u>Principal Outstanding</u>
Lone Tree Brentwood, LLC	Water Facility Fee	\$ 110,003
Lone Tree Brentwood, LLC	Roadway Facility Fee	66,479
Lone Tree Brentwood, LLC	Wastewater Facility Fee	74,307
Lone Tree Brentwood, LLC	Community Facility Fee	35,281
Lone Tree Brentwood, LLC	Fire Facility Fee	6,706
Sand Creek Business Center, L.P.	Roadway Facility Fee	55,257
	<b>Total</b>	<u><u>\$ 348,033</u></u>



**NOTE # 3 – DEFERRED IMPACT FEES (Continued)**

**E. RESIDENTIAL**

In January of 2009, the City enacted a Deferred Fee Payment Program for development fees associated with residential development. This program allows for the deferral of the Water, Roadway, Parks and Trails, Wastewater and Community Facility development fees. This Council Approved program was implemented for one year with the option to allow the City Engineer to extend it by an additional six months depending on market conditions. In December 2009, staff reviewed the effectiveness of the program and determined that it was successful overall. Given the success of the program, and the continued slowdown in the economy and housing market, the City Engineer extended the program by six months to July 27, 2010. Based on the success of this program, and since the economic and housing markets have not recovered, in June of 2010 this program was extended through fiscal year to June 30, 2011, with the option to allow the City Engineer to extend the term by an additional six months to December 31, 2011, depending on market conditions. In June 2011 the City Engineer extended this program to December 31, 2011. During the 2010/11 fiscal year, fees associated with 57 units were deferred, 93 deferred units were paid and 13 units remain outstanding. The outstanding fees are listed below.

<u>Developer</u>	<u>Receivable Fund</u>	<u>Principal Outstanding</u>
Discovery Builders Sub #8601 and 8954	Water Facility Fee	\$ 56,220
Discovery Builders Sub #8601 and 8954	Roadway Facility Fee	2,861
Discovery Builders Sub #8601 and 8954	Parks and Trails Facility Fee	6,982
Discovery Builders Sub #8601 and 8954	Wastewater Facility Fee	50,315
Discovery Builders Sub #8601 and 8954	Community Facility Fee	47,583
	<b>Total</b>	<u><u>\$ 163,961</u></u>

**NOTE # 4 – DEVELOPMENT REIMBURSEMENTS**

**A. DEVELOPMENT REIMBURSEMENTS**

The Subdivision Map Act requires the City enter into a reimbursement agreement when a developer constructs excess improvements. Per the reimbursement agreement, the City shall reduce the facility fees collected from the developer, in the form of facility fee credits, for the costs associated with the design, financing, construction and installation of the excess improvements. The value of credits does not increase for inflation nor do they accrue interest. The total value of the credits payable is \$27,288,345. A total of \$1,751,946 was used as credits during FY 2010/11. Any remaining credits may be transferred by the developers to other projects located elsewhere in the City. Occasionally, credits may exceed the fees attributable to a development. In these limited situations, the reimbursement agreement requires the City to make annual installments from like development facility fee funds and no other. Currently, there are two outstanding agreements.

<u>Developer</u>	<u>Payable Fund</u>	<u>Credits Outstanding</u>
Braddock & Logan	Roadway Facility Fee	\$ 140,337
Braddock & Logan	Parks and Trails Facility Fee	12,250
William Lyon Homes	Water Facility Fee	328,479
	<b>Total</b>	<b>\$ 481,066</b>

**NOTE # 5 – REFUNDS PAYABLE** As defined by California Government. Code Section 66006(b)

**A. REFUNDS OF DEVELOPER FEES**

When the City no longer needs the funds for the purposes collected, or if the City fails to make required findings or perform certain administrative tasks prescribed by AB1600, the City may be required to refund, on a prorated basis, to owners of the properties upon which the fees for the improvement were imposed, the monies collected for that project and any interest earned on those funds. At this time, all fees being collected pursuant to the Developer Fee Program have been earmarked for current or future capital projects necessary to maintain the current levels of service within existing service areas to serve new development.

***DEVELOPMENT FEE PROJECT IDENTIFICATION*** - California Government Code Sections 66006 and 66001 require the City to make certain findings and meet reporting requirements on the uses of development fees.

The following table, on pages 23-24, illustrates several of the reporting requirements defined in the Legal Requirements section on pages 3-5.

- An identification of each public improvement on which fees were expended and the amount of expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.
- An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement.
- Identify the purpose to which the fee is to be put.
- Designate the approximate dates on which the funding is expected to be deposited into the appropriate account or fund.

All of the current projects including all funding sources and approximate dates on funding can be found in the 2011/12 – 2015/16 Capital Improvement Program budget. Any projects identified as “Future” in the Project Phase column can be found in the Development Fee Program.

City of Brentwood

Development Fee Project Identification

As of June 30, 2011

Project Number	Current Projects	Project Phase <sup>(1)</sup>	Construction		Estimated Project Cost	Development Fees		
			Estimated Start Date	Estimated Completion Date		Budget To Date <sup>(2)</sup>	Funding To Date <sup>(2)</sup>	Estimated % Attributable to New Development
<b>Water Facility Fee</b>								
	Brentwood Boulevard Sewer and Water Main	Future	2011	2014	\$ 3,620,000	\$ 10,000	\$ -	50%
37197	Development Services	Construction	2009	2012	450,000	97,290	97,290	22%
31640	John Muir Parkway Extension / Foothill Drive - Phase I	Construction	2010	2012	4,223,000	285,000	136,800	7%
31683	John Muir Parkway Extension - Phase II	Construction	2010	2012	3,911,250	150,000	150,000	4%
56381	RBWTP Maintenance and Capital Upgrades	Construction	2010	2012	570,000	62,421	62,421	11%
	RBWTP Expansion	Future	2020	2020	36,720,000	25,704,000	-	70%
	Raw Water Conveyance System	Future	2020	2020	12,390,000	-	-	100%
56320	Underground Water System Corrosion Mitigation	Construction	2004	2012	200,000	120,058	120,058	60%
56280	Water System Connections / Regulating	Design	2010	2012	569,915	569,915	569,915	100%
56380	Zone I Equalization Storage Reservoirs	Preliminary	2012	2016	3,372,605	17,605	11,505	1%
<b>Total Water Facility Fee</b>					<b>\$ 66,026,770</b>	<b>\$ 27,016,289</b>	<b>\$ 1,147,989</b>	
<b>Roadway Facility Fee</b>								
	American Avenue Improvements - Phase II	Future	2014	2015	\$ 498,133	\$ -	\$ -	100%
31600	Brentwood Boulevard / Guthrie Lane Traffic Signal	Future	2014	2015	240,000	5,400	-	2%
31620	Brentwood Boulevard Widening North - Phase I	Preliminary	2010	2014	6,850,000	350,000	100,000	5%
	Brentwood Boulevard Widening North - Phase II	Future	2013	2016	9,270,000	270,000	-	3%
	Brentwood Boulevard Widening North - Phase III	Future	2015	2016	7,500,000	-	-	100%
	Brentwood Boulevard Widening South	Future	2015	2016	4,500,000	-	-	100%
	CCWD Los Vaqueros Water Line Relocation	Future	2012	2013	215,000	215,000	-	100%
31500	City Wide Traffic Signal Interconnect Program	Design	2008	2013	274,000	274,000	224,000	100%
52220	Community Beautification	Construction	2004	2016	3,914,215	1,151,537	1,151,537	29%
37197	Development Services	Construction	2009	2012	450,000	146,520	146,520	33%
31640	John Muir Parkway Extension / Foothill Drive - Phase I	Construction	2010	2012	4,223,000	2,148,797	2,016,997	51%
31683	John Muir Parkway Extension - Phase II	Construction	2010	2012	3,911,250	-	-	0%
31340	Lone Tree Way - Union Pacific Undercrossing	Future	2011	2016	18,752,489	18,752,489	3,598,957	100%
	Oak Street and Garin Parkway Signal Installation	Future	2014	2015	300,000	-	-	0%
31684	Sand Creek Road Widening - Phase II	Construction	2010	2012	914,994	256,729	256,729	28%
31320	Signal Modifications and Upgrades	Construction	2001	2014	538,000	442,000	308,000	82%
<b>Total Roadway Facility Fee</b>					<b>\$ 62,351,081</b>	<b>\$ 24,012,472</b>	<b>\$ 7,802,740</b>	
<b>Parks and Trails Facility Fee</b>								
	BUSD Joint Use Facility	Future	2020	2020	\$ 1,500,000	\$ -	\$ -	100%
	CCWD Trail	Future	2012	2013	161,283	161,283	-	100%
37197	Development Services	Construction	2009	2012	450,000	98,145	98,145	22%
	Empire Avenue Elementary School / Park - Phase II	Preliminary	2012	2013	745,396	-	-	100%
	Sand Creek Park - Phase II	Future	2012	2015	3,556,000	-	-	100%
<b>Sub-Total Parks and Trails Facility Fee</b>					<b>\$ 6,412,679</b>	<b>\$ 259,428</b>	<b>\$ 98,145</b>	

<sup>(1)</sup> Any projects identified as "Future" in the Project Phase column can be found in the Development Fee Program and may not have a current adopted CIP Budget.

<sup>(2)</sup> These columns only reflect the Current Funding to Date and Budget to Date amounts for the Development Fees. Please refer to the 2011/12 - 2015/16 Capital Improvement Program for information on additional funding sources.

City of Brentwood

Development Fee Project Identification

As of June 30, 2011

Project Number	Current Projects	Project Phase <sup>(1)</sup>	Construction		Estimated Project Cost	Development Fees		
			Estimated Start Date	Estimated Completion Date		Budget To Date <sup>(2)</sup>	Funding To Date <sup>(2)</sup>	Estimated % Attributable to New Development
<b>Parks and Trails Facility Fee (Continued)</b>								
52408	Summerset Commons	Design	2010	2012	1,400,000	300,000	300,000	21%
	Sunset Park Soccer Field Expansion / Upgrade	Future	2012	2016	5,528,864	-	-	100%
52120	Trail Expansions and Improvements	Construction	2004	2015	1,284,228	141,346	141,346	96%
	Veterans Park Element - Phase II	Future	2012	2013	150,000	-	-	100%
	Windsor Way Park Expansion	Future	2012	2013	127,437	-	-	100%
<b>Sub-Total Parks and Trails Facility Fee</b>					<b>\$ 8,490,529</b>	<b>\$ 441,346</b>	<b>\$ 441,346</b>	
<b>Total Parks and Trails Facility Fee</b>					<b>\$ 14,903,208</b>	<b>\$ 700,774</b>	<b>\$ 539,491</b>	
<b>Wastewater Facility Fee</b>								
	Brentwood Boulevard Sewer and Water Main	Future	2011	2014	\$ 3,620,000	\$ 10,000	\$ -	50%
37197	Development Services	Construction	2009	2012	450,000	58,095	58,095	13%
31640	John Muir Parkway Extension / Foothill Drive - Phase I	Construction	2010	2012	4,223,000	305,000	168,000	7%
31683	John Muir Parkway Extension - Phase II	Construction	2010	2012	3,911,250	120,000	120,000	3%
59160	Non-Potable Water Distribution System - Phase II	Construction	2009	2013	5,129,400	5,129,400	3,107,400	100%
59170	Non-Potable Water Distribution System - Phase III	Preliminary	2011	2016	14,302,000	2,000	2,000	0%
59180	Wastewater Treatment Plant - Solids System Expansion	Construction	2010	2012	4,433,218	2,659,931	2,659,931	60%
59140	Wastewater Treatment Plant Expansion - Phase II	Preliminary	2012	2016	46,852,500	32,796,750	174,500	70%
<b>Total Wastewater Facility Fee</b>					<b>\$ 82,921,368</b>	<b>\$ 41,081,176</b>	<b>\$ 6,289,926</b>	
<b>Community Facility Fee</b>								
37207	City Wide Sign / Identification Program	Preliminary	2010	2013	\$ 180,000	\$ 145,000	\$ 95,000	81%
37193	Civic Center Plaza	Construction	2009	2012	1,115,035	1,115,035	1,115,035	100%
37197	Development Services	Construction	2009	2012	450,000	49,950	49,950	11%
	Permanent Library	Future	2020	2020	10,000,000	-	-	100%
37206	Maintenance Service Center - Phase II	Design	2010	2014	12,904,480	254,480	254,480	2%
37205	New City Hall	Construction	2009	2012	28,170,125	11,300,000	11,300,000	40%
<b>Total Community Facility Fee</b>					<b>\$ 52,819,640</b>	<b>\$ 12,864,465</b>	<b>\$ 12,814,465</b>	
<b>Fire Facility Fee</b>								
<sup>(3)</sup> 37030	Fire Station #53 (Shady Willow)	Design	2010	2016	\$ 4,564,400	\$ 4,564,400	\$ 2,558,978	100%
<b>Total Fire Facility Fee</b>					<b>\$ 4,564,400</b>	<b>\$ 4,564,400</b>	<b>\$ 2,558,978</b>	
<b>Total Project Funding</b>					<b>\$ 283,586,467</b>	<b>\$ 110,239,576</b>	<b>\$ 31,153,589</b>	

<sup>(1)</sup> Any projects identified as "Future" in the Project Phase column can be found in the Development Fee Program and may not have a current adopted CIP Budget.

<sup>(2)</sup> These columns only reflect the Current Funding to Date and Budget to Date amounts for the Development Fees. Please refer to the 2011/12 - 2015/16 Capital Improvement Program for information on additional funding sources.

<sup>(3)</sup> The Fire Facility Fee Fund reports being held beyond the five-year as described by AB1600. These funds will be expended on the two remaining Fire stations once the economic and housing markets recover.



## RESOLUTION NO. 2011-174

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BRENTWOOD, MAKING CERTAIN FINDINGS AND DETERMINATIONS RELATED TO, AND ACCEPTING, THE 2010/11 PUBLIC FACILITIES FEE REPORT FOR THE AB1600 DEVELOPMENT FEES, AS REQUIRED BY CALIFORNIA GOVERNMENT CODE SECTION 66006(b) AND CALIFORNIA GOVERNMENT CODE SECTION 66001(d).**

**WHEREAS**, on September 13, 2005 the City Council approved Resolution 2005-222 adopting the 2005/06 Development Fee Program to fund public facilities; and

**WHEREAS**, on December 14, 2010, the City Council approved Resolution 2010-175 making certain findings, and determinations related to, and accepting the 2009/10 Public Facilities Fee Report for the AB1600 Development Fees, as required by California Government Code Section 66006(b) and California Government Code Section 66001(d); and

**WHEREAS**, on May 24, 2011, the City Council approved Resolution 2011-76 adopting the 2011/12 – 2015/16 Capital Improvement Program Budget; and

**WHEREAS**, on November 8, 2011, the City Council approved Resolution 2011-158 approving and authorizing the extension of the temporary deferral of certain Residential Development Impact Fees and authorizing the City Manager or designee to execute a Residential Fee Deferral Agreement and all necessary documents with developers upon deferral request; and

**WHEREAS**, on December 13, 2011, the City Council will receive the Independent Auditors Report and Comprehensive Annual Financial Report for Fiscal Year 2010/11; and

**WHEREAS**, in accordance with California Government Code Section 66006(a), the City has established and maintained a separate capital facilities fund and maintained such separate capital facilities funds in a manner to avoid any commingling of the fees with other revenues and funds of the City, except for temporary investments, and has expended those fees solely for the purpose for which the fee was collected; and

**WHEREAS**, California Government Code Section 66006(b)(1) provides that the City shall make available to the public within one hundred eighty (180) days after the last day of each fiscal year a report; and

**WHEREAS**, California Government Code Section 66001(d) provides that for the fifth fiscal year following the first deposit into the account, and every five years thereafter, the City shall make findings with respect to that portion of the fund remaining unexpended, whether committed or uncommitted; and

**WHEREAS**, when findings are required by California Government Code Section 66001(d), they shall be made in connection with the public information required by California Government Code Section 66006(b); and

**WHEREAS**, California Government Code Section 66006(b)(2) requires that the governing body of the City review the information made available to the public at a regularly scheduled public meeting not less than 15 days after the information is made available to the public; and

**WHEREAS**, the City has complied with all of the foregoing provisions.

### **NOW, THEREFORE BE IT RESOLVED**

**Section 1.** That the City Council does hereby find and determine that the foregoing recitals and determinations are true and correct.

**Section 2.** That the City Council of the City of Brentwood at a public meeting has reviewed the following information pursuant to California Government Code Section 66006(b)(1), as is required by California Government Code Section 66006(b)(2), including:

- (A) A brief description of the type of fee in the account or fund;
- (B) The amount of the fee;
- (C) The beginning and ending balance of the account or fund;
- (D) The amount of fees collected and the interest earned;
- (E) An identification of each public improvement on which fees were expended and the amount of the expenditure on each improvement, including the total percentage of the cost of the public improvement that was funded with fees;
- (F) An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in Section 66001(a)(2), and the public improvement remains incomplete;
- (G) A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive on the loan; and
- (H) The amount of refunds made pursuant to Section 66001(e) and any allocations pursuant to Section 66001(f).

**Section 3.** That the City Council of the City of Brentwood at a public meeting has reviewed the proposed findings, as required by California Government Code Section 66001(d), including:

- (1) Identify the purpose to which the fees is to be put;
- (2) Demonstrate a reasonable relationship between the fee and the purpose for which it is charged;
- (3) Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements; and
- (4) Designate the approximate dates on which the funding referred to in paragraph (3) is expected to be deposited into the appropriate account or fund.
- (5) In any action imposing a fee as a condition of approval of a development project by a local agency, the local agency shall determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

**Section 4.** That the City Council of the City of Brentwood hereby determines that all reportable fees, collections and expenditures have been received, deposited, invested and expended in compliance with the relevant sections of the California Government Code and all other applicable laws for the fiscal year 2010/11.

**Section 5.** That the City Council of the City of Brentwood hereby determines that no refunds and allocations of reportable fees, as required by California Government Code Section 66001, are deemed payable at this time.

**Section 6.** That the City Council of the City of Brentwood hereby determines that the City is in compliance with California Government Code Section 66000, *et seq.*, relative to receipt, deposit, investment, expenditure or refund of Reportable Fees received and expended relative to City Facilities for new development for the fiscal year 2010/11.

**PASSED, APPROVED AND ADOPTED** by the City Council of the City of Brentwood at a regular meeting held on the 13<sup>th</sup> day of December 2011, by the following vote:

**AYES:** Barr, Brockman, Bryant, Stonebarger, Taylor

**NOES:**

**ABSENT:**

**ABSTAIN:**

*Robert Taylor*  
Robert Taylor  
Mayor

ATTEST:

*Margaret Wimberly*  
Margaret Wimberly, CMC  
City Clerk