Written materials relating to an item on this agenda that are distributed to the legislative bodies within 72 hours before the item is to be considered at its regularly scheduled meeting will be made available for public inspection at the City Clerk's Office, 300 West Third Street 4th Floor during customary business hours. Agenda reports are also on the City of Oxnard web site at www.oxnard.org.

AGENDA
OXNARD CITY COUNCIL
FINANCE AND GOVERNANCE COMMITTEE

Council Chambers, 305 West Third Street
December 10, 2024
Regular Meeting - 5:00 to 6:30 PM

Zoom details to call-in for public comment during a meeting:

1. Dial Phone Number: (888) 475-4499
2. Enter Meeting ID: 830 5566 2144
3. Passcode: 977283

If you wish to speak during public comments or a particular item on the agenda, please sign-on by following the zoom call-in steps listed above. Once the presiding officer calls for public speakers, press *9 to raise your hand to inform the City Clerk you would like to speak during the public speaking section for that particular item on the agenda, while in the zoom waiting room. Press *6 when asked to unmute. Listen to the instructions provided virtually on the phone while on hold in the zoom waiting room. Please note that there is a slight time delay when viewing the meeting via television.

IN ACCORDANCE WITH ASSEMBLY BILL 2449, MEMBERS OF THE LEGISLATIVE BODY MAY MEET IN-PERSON OR REMOTELY. TO PARTICIPATE REMOTELY VISIT WWW.OXNARD.ORG.

To find out how you may provide public comment, please refer to the instructions below or at **www.https://www.oxnard.org/city-meetings/**.

The public may view the meeting from home on Spectrum channel 10, Frontier channel 35, or YouTube at Youtube.com/oxnardnews. Video recordings of the meeting are typically available online following the meeting at the City's website at www.oxnard.org/city-meetings.

*Please see the link for the Measure M pre-recorded presentation video for each item listed on this agenda.

YOU MAY PARTICIPATE IN THE MEETING IN THE FOLLOWING WAYS:

1. ATTEND THE MEETING AT THE LOCATION LISTED ABOVE: Submit a speaker card to the City Clerk.

2. EMAIL COMMENTS OR SIGN UP TO SPEAK REMOTELY BEFORE THE MEETING

   a. Submit a request to speak remotely by 3 p.m. on the day of the meeting by using the form available at **www.oxnard.org/citymeetings**.
   b. Submit an email to **cityclerk@oxnard.org** by 3 p.m. on the day of the meeting (indicate the agenda item number in the subject line). All email correspondence will be forwarded to the legislative body prior to the start of the meeting and made part of the legislative record.
   c. Contact the City Clerk's Office at (805) 385-7803 to submit your request.

3. PROVIDING PUBLIC COMMENTS REMOTELY DURING THE MEETING

   a. Follow Zoom details listed above.

In compliance with the Americans with Disabilities Act, if you require special assistance to participate in a meeting, please contact the City Clerk's Office at 385-7803. Notice at least 72 hours prior to the meeting will enable the City to reasonably arrange for your accessibility to the meeting.

Agenda Item Time Estimates include: (Minutes for Presentation + Council Discussion + Public Comment)

b. Public comments on agenda items will be taken following the announcement of the item. After the item is announced, members of the public may register or otherwise be recognized for the purpose of providing public comment.

Please review the Zoom instructions on the registration page to help ensure there are no technical difficulties during your comments and help you understand public comment procedures using Zoom. Detailed participation instructions can be found at www.oxnard.org/city-meetings.

In the event of a disruption which prevents a legislative body of the City of Oxnard from broadcasting a meeting using a call-in option or internet-based service option, or in the event of a disruption within the City's control which prevents members of the public from offering public comment using the call-in option or internet-based service option, the legislative body shall take no further action on items appearing on a meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. However, if any of the broadcast options are disrupted, but any of the other broadcast options is still available to the public, the legislative body may take further action on items appearing on a meeting agenda without waiting for the disrupted broadcast option(s) to be restored.

A. ROLL CALL, POSTING OF AGENDA, FLAG SALUTE

Consideration of Teleconference Participation pursuant to Assembly Bill 2449.

B. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

A person may address the legislative body only on matters not appearing on the agenda and within the subject matter jurisdiction of the legislative body. Speaker requests shall be submitted as set forth on the first page of this agenda. Speakers are limited to three minutes. After 30 minutes, if all speakers have not had the opportunity to speak, the remaining speakers will be given an opportunity to speak prior to adjournment of the meeting. The legislative body cannot enter into a detailed discussion or take action on any items presented during public comments at this time. Such items may only be referred to the City Manager/Executive Director/Secretary for administrative action or scheduled on a subsequent agenda for discussion. Persons wishing to speak on public hearing items should do so at the time of the hearing.

C. CONSENT AGENDA

1. City Clerk Department

SUBJECT: Approval of Minutes.

RECOMMENDATION: That the Finance & Governance Committee approve the minutes of the November 26, 2024 regular meeting as presented.

Contact: Rose Chaparro, (805) 385-7805

D. REPORTS

1. Public Works Department

SUBJECT: AD 2000-1 Improvement Fund Account Closeout and Budget Appropriation. (10 minutes)

RECOMMENDATION: The Finance and Governance Committee recommend that the City Council authorize a budget appropriation in the amount of $16,500 within account Fund 500, Subfund 50503801, for the cost of administering the Improvement Fund closeout and completing a final arbitrage rebate yield calculation; AND, approve, via resolution, a Declaration of Surplus, one of the following three options regarding the close-out and disposition of the Limited Obligation Improvement Bonds (the "Bonds") Account associated with the Oxnard Boulevard/Highway 101 Interchange project and approving the Closeout Report:

1) Credit the assessment levy in FY 2025-26; or
2) Call bonds ahead of schedule in FY 2025-26 and direct staff to provide annual levy credits (STAFF RECOMMENDED); or
3) Call bonds ahead of schedule in FY 2025-26 and direct staff to continue to collect in excess with

the intention of authorizing additional annual bond calls, thereby reducing the outstanding principal and interest.

Please click the following link to view the required Measure M pre-recorded presentation video: https://youtu.be/Qo46QYqROmQ
Contact: Michael Wolfe, (805) 385-8055

2. Finance Department
SUBJECT: Update on the Financial Corrective Action Plan (FCAP) For Closing Past Audit Findings. (10 minutes)
RECOMMENDATION: That the Finance and Governance Committee receive an update on the Financial Corrective Action Plan (FCAP) for closing past audit findings and recommend staff forward the presentation to City Council.

Please click the following link to view the required Measure M pre-recorded presentation video: https://youtu.be/qhviZhYJvM4
Contact: Javier Chagoyen-Lazaro, (805) 200-5400

E. ITEMS FOR FUTURE AGENDAS

F. ADJOURNMENT

CITY OF OXNARD CALIFORNIA

FINANCE AND GOVERNANCE COMMITTEE
AGENDA REPORT

CONSENT AGENDA
AGENDA ITEM NO. C.1

DATE: December 10, 2024

TO: Finance & Governance Committee

FROM: Rose Chaparro, City Clerk, (805) 385-7805, rose.chaparro@oxnard.org

SUBJECT: Approval of Minutes.

RECOMMENDATION

That the Finance & Governance Committee approve the minutes of the November 26, 2024 regular meeting as presented.

BACKGROUND

Approval of Minutes.

STRATEGIC PRIORITIES

This agenda item is a routine operational item.

FINANCIAL IMPACT

There is no financial impact.

Prepared by: Rose Chaparro, City Clerk

ATTACHMENTS

1. MINUTES 11 26 2024 Finance & Governance

MINUTES
OXNARD CITY COUNCIL
FINANCE AND GOVERNANCE COMMITTEE
Regular Meeting
November 26, 2024

A. ROLL CALL, POSTING OF AGENDA, FLAG SALUTE

At 5:00 p.m., Chair John C. Zaragoza called to order the regular meeting of the Oxnard City Council Finance and Governance Committee in the City Hall Council Chambers at 305 W. Third Street, Oxnard, California. The Assistant City Clerk called the roll and announced the posting of the agenda. Chair John C. Zaragoza, Member Gabriela Basua, and Member Gabriel (Gabe) Teran were present in person.

Consideration of Teleconference Participation pursuant to Assembly Bill 2449.

B. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA (None received.)

C. CONSENT AGENDA

1. City Clerk Department
SUBJECT: Approval of Minutes.
RECOMMENDATION: That the Finance & Governance Committee approve the minutes of the November 12, 2024 regular meeting as presented.

It was moved by Member Teran, seconded by Member Basua, to approve the Information/Consent item as presented. VOTE: Basua, Teran, and Zaragoza voted in favor; the motion passed 3-0.

D. REPORTS

1. City Manager Department
SUBJECT: Accept a grant from the California State Department of Water Resources in the amount of $1,000,000 for the Santa Clara River Levee 3 Construction Project.
RECOMMENDATION: That the Finance and Governance Committee recommends that the City Council:

   1. Adopt a Resolution authorizing the City of Oxnard to enter into Agreement No. 4600015992 with the State of California Department of Water Resources to receive funds for the Santa Clara River Levee Construction Project and authorizing the City Manager or designee to execute the agreement on behalf of the City;
   2. Accept a grant from the California State Department of Water Resources in the amount of $1,000,000 for the Santa Clara River Levee Construction

Project; and

3. Authorize the City Manager or designee to execute the grant agreement and submit financial reports, grant claims, and approve the necessary budget appropriations for the use of the grant funds.

Adam Smith, Project Manager presented and answered the Committee's questions. No public comments were received. Discussion ensued among the Committee and staff.

It was moved by Member Basua, seconded by Member Teran, to approve the recommended action as presented. VOTE: Basua and Teran voted in favor; the motion carried 2-0. Chair Zaragoza recused due to owning property near the project location.

E. ITEMS FOR FUTURE AGENDAS

Member Teran requested from staff to provide an update on the process of contracting external auditors.

F. ADJOURNMENT

There being no further business on the agenda, and without objection, Chair Zaragoza adjourned the meeting at 5:11 p.m.

ROSE CHAPARRO	JOHN C. ZARAGOZA
City Clerk	Chair

CITY OF OXNARD CALIFORNIA

CITY COUNCIL AGENDA REPORT

REPORTS
AGENDA ITEM NO. D.1

DATE: December 10, 2024

TO: Finance and Governance Committee

FROM: Michael Wolfe, Public Works Director, (805) 385-8055, michael.wolfe@oxnard.org

SUBJECT: AD 2000-1 Improvement Fund Account Closeout and Budget Appropriation. (10 minutes)

RECOMMENDATION

The Finance and Governance Committee recommend that the City Council authorize a budget appropriation in the amount of $16,500 within account Fund 500, Subfund 50503801, for the cost of administering the Improvement Fund closeout and completing a final arbitrage rebate yield calculation; AND, approve, via resolution, a Declaration of Surplus, one of the following three options regarding the close-out and disposition of the Limited Obligation Improvement Bonds (the "Bonds") Account associated with the Oxnard Boulevard/Highway 101 Interchange project and approving the Closeout Report:

1) Credit the assessment levy in FY 2025-26; or
2) Call bonds ahead of schedule in FY 2025-26 and direct staff to provide annual levy credits (STAFF RECOMMENDED); or
3) Call bonds ahead of schedule in FY 2025-26 and direct staff to continue to collect in excess with the intention of authorizing additional annual bond calls, thereby reducing the outstanding principal and interest.

Please click the following link to view the required Measure M pre-recorded presentation video: https://youtu.be/Qo46QYqROmQ

BACKGROUND

AD 2000-1 Oxnard Blvd/Hwy 101 Interchange is an Integrated Financing District (referred to as an Assessment District) formed under the California Streets and Highways Code Municipal Improvement Act of 1913 by the Oxnard City Council on December 19, 2000. The Bonds were issued on August 14, 2003, under the Improvement Bond Act of 1915. The District was formed for the purpose of financing the construction of the interchange improvements including an eight-lane overcrossing to connect Oxnard Boulevard over U.S. Highway 101, northbound and southbound on and off ramps for U.S. Highway 101, widening U.S. Highway 101, traffic signals, landscaping and irrigation, decorative lighting, railings, sidewalks, curbs and gutters, pedestrian and bicycle paths, and other appurtenant work.

This project was funded with the issuance of a limited obligation improvement bond in the total amount of $2,335,000. This included specific funds deposited for the purpose of constructing these improvements in an "Improvement Fund" account with an original amount of $2,106,242.50. Construction of this interchange was completed in 2015. After completion, but no sooner than August 14, 2005, the remaining amount in the Improvement Fund account of $182,375.06 was authorized to be distributed in a manner consistent with the Bond Indenture and California Streets and Highways Code Section 10427.

DISCUSSION

After the completion of major infrastructure projects that were funded through bond proceeds, it is not uncommon for some unspent funding to remain within the improvement fund accounts. Typically, these fund accounts are closed out shortly after the completion of the project, so that they do not present the possibility of incurring arbitrage. Arbitrage is the act of making a profit by purchasing something at a lower price and selling it at a higher price. Therefore, arbitrage rules exist to prevent municipalities from issuing bonds for the sole purpose of profit and investment opportunities.

As presented above, in addition to approving the cost of administering the close-out process, staff is recommending the City Council take one or a combination of the following three options regarding the closeout and disposition of the Improvement Fund account for AD 2000-1. The attached report (Improvement Fund Closeout Analysis Preliminary Report For: Assessment District No. 2000-1 (Oxnard Boulevard/Highway 101 Interchange) prepared by Special Districts Consultant, NBS, thoroughly details each option for the remaining $182,375.06 as well as the potential financial impact of each choice. All figures presented in the report are estimated as they are based on necessary assumptions to generate the expected bond payoff amount and schedule. The following table of "Pros" and "Cons" discusses the effects of each option if recommended in its entirety to the City Council.

OPTION	**PRO**	**CON**
1. Credit the assessment levy for FY 2025-26	• FY 2025-26 assessment levy would be reduced by approximately 93.5%. Property owners in the district would only be responsible for their share of approximately $13,000 for FY 2025-26. • Would allow for the earliest property owner savings. • Can fully commit all remaining funds ($182,375.06)	• FY 2025-26 assessment levy would be substantially lower for only one year, potentially misleading property owners into believing future levy amounts will be the same. • Would not result in long-term principal and interest savings. • Would only provide a fiscal benefit to property owners in FY 2024-25.
2. Call bonds to reduce the principal and interest and provide an annual levy credit (STAFF RECOMMENDED)	• Would reduce annual assessments with a levy credit each year for the remaining life of the bonds. • Total savings to property owners estimated at approximately $238,213 for the remaining life of the bond. • Can fully commit all remaining funds ($182,375.06) • Would provide a benefit (savings) to the greatest possible number of property owners as savings would be realized every year until the bond is paid.	• Would not result in highest long-term principal and interest savings.
3. Call bonds to reduce the principal and interest, levy in excess, and perform annual bond calls	• Would provide the greatest financial relief to property owners only if they owned property the entire time after the bond call until the bond is fully paid (early). • Would reduce the overall remaining life of the bond by 1 to 2 years. • Total savings to property owners estimated at approximately $340,343.62. • Can fully commit all remaining funds ($182,375.06)	• Would not provide annual savings to property owners as the assessment amounts would remain the same. • Savings would only be realized by property owners who own at the time of the final bond payment. • Total savings would not be realized for 7 to 8 years. (est.) • Could incur additional administrative expenses to perform annual bond calls depending upon Trustee fees.

Since the remaining unspent funds are relatively low, staff suggests only selecting one of the three options above. However, City Council has the authority to use multiple combinations of the three options for the disposition of the funds, but the impacts of the choices would be minimal, while requiring additional time and resources of staff and consultants to formulate. In the event that the Committee chooses to recommend a combination of options, staff will need to return to the Committee with the exact calculations requested. Two example options have been provided below to inform the Committee of what can be recommended and how it may affect the District's property owners.

1. **Application of a 50% Improvement Fund surplus levy credit and a 50% surplus March 2025 bond call with no excess collections.** - This option would include no excess collections in future years, resulting in an annual levy credit in the amount of the difference between the principal and interest to be billed from the original lien schedule, and the principal and interest due based on the savings from the March 2025 bond call.

   The levy in FY 2025-26 would be reduced to approximately 37% of the original principal and interest scheduled due to the levy credit and debt variance. Subsequent years would result in a levy reduced to an average of 90% of the annual principal and interest due from the original lien schedule. Total savings through FY 2032-33 would be approximately $212,413. All property owners between FY 2025-26 and the bond maturity would see some savings on their annual property tax bill. However, total savings would be less than if the entire amount was applied to the bond principal (Option 2 above).

2. **Application of a 50% Improvement Fund surplus levy credit and a 50% surplus March 2025 bond call with excess collections.** - This option would include excess collections in future years, allowing for additional annual bond calls and maximum savings over the life of the assessment. The accumulated overpayments would be used to call bonds ahead of schedule, resulting in an early retirement of the debt. Property owner savings would be realized in FY 2025-26 and in FY 2031-32, but levies between those times would remain the same as in previous years.

   The levy in FY 2025-26 would be reduced to approximately 47% of the original principal and interest scheduled due to the one-time 50% surplus levy credit. Subsequent years would result in levies at 100% of the original scheduled principal and interest, except that the final year of assessment billing would occur in 2031, providing a final levy of approximately 63% of the originally scheduled lien amount, and 100% savings of the final scheduled lien amount due in 2032. Total savings through FY 2032-33 would be approximately $324,194. However, total savings would be less than if the entire amount was applied to the bond principal and if excess levies were applied (Option 3 above).

Due to the complexity of these options and their limited impact on overall savings in exchange for a limited single-year levy credit, staff are not recommending this methodology over Option 2 listed in the Recommendation.

Finally, this process is generally triggered after a Notice of Completion is issued at the end of the project. However, in this case, CalTrans was the lead agency responsible for the construction of the project. CalTrans completed the project in 2013 and via Relinquishment Agreement #07-4870, transferred portions of the improvements to the City. The Relinquishment Agreement does not mention the improvements funded by the bonds as specifically completed by Caltrans, however, it is inferred that the improvements were complete at the time the City acquired the "facilities" in 2013 and the reason why the City did not file a standard Notice of Completion.

When this item is brought to the City Council, it will include a resolution for the Declaration of Surplus reflecting the Finance and Governance Committee's recommended option regarding the close-out and disposition of the Bonds Account.

STRATEGIC PRIORITIES

This agenda item supports the Infrastructure and Natural Resources strategy. The purpose of the Infrastructure and Natural Resources strategy is to preserve and improve our roads, utilities, parks, trees, water supply and natural resources through effective planning, prioritization, and an equitable and efficient use of available funding.

FINANCIAL IMPACT

The estimated surplus in the Improvement Fund as of December 15, 2024, is projected to be $182,375.06 after costs associated with closeout have been paid and interest earnings accounted for. The financial impact of this closeout is dependent upon the action of the City Council and will be consistent with the results as detailed in the attached report (Attachment 1).

Impacts based on Staff Recommendation in Assessment District Fund 500, Subfund 50503801:

Options	Amount
Current Balance	$182,375.06
Option 2- Call bonds to reduce the principal and interest and provide an annual levy credit	-$165,875.06
Budget appropriation for $16,500 in Assessment District	-$16,500
Balance	$0

COMMITTEE OUTCOME

Prepared by: Steve Howlett, Assistant Public Works Director, Anthony Miller, Interim Special Districts Manager

ATTACHMENTS
1. AD 2000-1 Improvement Fund Closeout Analysis Report
2. 2013-2-20 Highway 1 Relinquishment Agreement 07-4870
3. 2022-4-6 Freeway Maintenance Agreement 9552-22-PW
4. Presentation

CITY OF OXNARD

Improvement Fund Closeout Analysis Preliminary Report For:

Assessment District No. 2000-1

(Oxnard Boulevard/Highway 101 Interchange)

Prepared by:

NBS
helping communities fund tomorrow

nbsgov.com

Corporate Headquarters
32605 Temecula Parkway, Suite 100
Temecula, CA 92592
Toll free: 800.676.7516

TABLE OF CONTENTS

1. EXECUTIVE SUMMARY

1.1 Assessment District AD 2000-1

The City of Oxnard (the "City") established Assessment District No. 2000-1 (Oxnard Boulevard/Highway 101 Interchange) (the "District") in 2000 to finance freeway interchange improvements at Oxnard Boulevard. The District is part of a coordinated financing solution to provide approximately $113.5 million of infrastructure improvements known as the Vineyard Avenue-Johnson Drive Freeway Improvement Project. The improvements consist of the following four major components: (a) a new 12-lane bridge on Highway 101 over the Santa Clara River; (b) extra lanes to Highway 101 between Vineyard Avenue and Montalvo railroad spur crossing; (c) an elevated rail grade crossing at Johnson Drive; and (d) a freeway interchange at Oxnard Boulevard.

1.2 The Bonds

On August 14, 2003, the City issued its $2,335,000 Assessment District No. 2000-1 Limited Obligation Improvement Bonds ("the Bonds") to finance a portion of the costs of certain freeway interchange and other road improvements of special benefit to property within the District, to pay the costs related to the issuance of the Bonds, and to make a deposit to the Reserve Fund for the Bonds. The complete description of authorized improvements is described in the Engineer's report for the District dated December 2000. The Bonds were issued pursuant to the Improvement Bond Act of 1915, being Division 10 of the California streets and Highways Code ("the Act") and are secured by the unpaid assessments within the District.

The Bonds are scheduled to mature on September 2, 2033. Ahead of the retirement of all debt, a surplus remains in the Improvement Fund. The City retained NBS to review and prepare a District Closeout Analysis Report (the "Closeout Report") for the Improvement Fund. This Closeout Report summarizes the recommendations for the disposition of the remaining funds in accordance with applicable laws.

1.2.1 SURPLUS IMPROVEMENT FUNDS

Per Section 19 Part C of the Bond Indenture of the Bonds, once the improvements funded by the Bonds have been completed, but no sooner than August 14, 2005, any surplus shall be utilized or distributed in writing by the City and authorized by the Act. Following a review of the City's Improvement Fund balance as of September 30, 2024, the remaining balance is to be declared as surplus funds and disposed of pursuant to Section 10427 of the Streets and Highways Code. The application of these funds, net of all expenses and anticipated costs, shall be determined by the recommendations of the City's Finance and Governance Committee, and approved by the City Council.

1.2.2 DELINQUENCY

As a part of the closeout, NBS also conducted an analysis of the assessment payments to determine any District delinquencies. Per Ventura County's property tax records, three property owners remain delinquent in the payment of the 2023/24 assessments for the District, for a total before penalties and fees of $798.58.

1.2.3 ARBITRAGE LIABILITY

Per the City's 2024 arbitrage rebate yield liability calculation completed by NHA Advisors, no arbitrage rebate liability or yield restriction liability is due for the computation period of July 1, 2021 – June 30, 2024. The City will require an additional computation for prior periods and the final computation period of July 1, 2024 – through fund closeout, which at this time is estimated to be December 15, 2024. The costs associated with the computation still required are shown in the Funds Analysis in Section 2 of this report.

Prior to any disposition of surplus Improvement funds, a negative arbitrage rebate liability and negative yield restriction liability should be confirmed by the City based on the final computation report. If any liability is due, the City should transfer from the surplus Improvement funds the amount of the liability to the Rebate Fund for immediate payment to the IRS. If remaining surplus funds remain, they may be used in the manner previously determined by the outcome of this Closeout Report and as approved by the City Council.

1.2.4 PROPERTY OWNER PREPAYMENTS

Per the City's records, no property owners in the District have prepaid their assessment lien.

2. FUNDS ANALYSIS

The following table shows the fund analysis prepared for the District. The analysis reflects the September 30, 2024 Improvement Fund balance for the Bonds and the projected surplus balance for disposition.

Improvement Fund	
Pursuant to Section 10427 of the California Streets and Highways Code	
Improvement Fund Balance as of 09/30/2024	**$198,863.28**
Expenditures:	
NBS Fee for Improvement Fund Closeout	($10,500.00)
NHA Fee for Final Improvement Fund Arbitrage Computation	(6,000.00)
Revenues:	
Estimated Interest Earnings 10/1/2024 - 12/15/2024	$11.78
Ending Disposition/Surplus Balance	**$182,375.06**

3. DISPOSITION OF IMPROVEMENT FUNDS

3.1 California Streets and Highways Code Section 10427

Pursuant to Section 10427 of the California Streets and Highways Code, "*any surplus in the Improvement Fund shall be used for one or more of the following purposes:*

(1) For transfer to the general fund of the city, provided that the amount transferred shall not exceed the lesser of one thousand dollars ($1,000) or five percent of the total amount expended from the Improvement Fund.

(2) As a credit upon the assessment and any supplemental assessment.

(3) For maintenance of the improvement.

(4) To call bonds, thereby reducing outstanding assessments and subsequent assessment installments."

3.2 Assessment Levy Credit or Refund

The City may apply a one-time credit to the assessment levy in an amount up to the surplus in the Improvement Fund. The surplus funds may be transferred to the Redemption Fund of the Bonds and used to pay debt service. The transfer to the Redemption Fund would cover the one-time credit issued to property owners, resulting in one-time savings to property owners within the District.

Alternatively, the surplus funds may be issued as refund checks to each property owner. The proportionate share of each parcel's assessment lien would be used to calculate the refund per parcel. Any administrative costs and expenses should be considered with this option and reduced from the total surplus to be refunded.

3.2.1 ASSESSMENT LEVY CREDIT OR REFUND FINANCIAL IMPACT

An assessment levy credit in an amount up to the full surplus would effectively reduce the 2025/26 levy by approximately 93.5% of the full fiscal year assessment for all 330 property owners over 350 parcels. The approximate savings by property owner lien amount are shown in the table below.

TABLE 1. ASSESSMENT LEVY CREDIT POTENTIAL OWNER SAVINGS

Lien %	Range of Savings	Count of Parcels	Total Savings
< 0.25%	< $500.00	329	$55,122.24
0.26 - 0.75	500.01 - 999.99	1	531.15
0.76- 2.99	1,000.00 - 4,999.99	7	15,076.84
3.00 - 6.99	5,000.00 - 14,999.99	11	91,481.54
> 7.00%	> 15,000.00	1	20,163.23
Totals:		**350**	**$182,375.00**

The approximate remaining levy total for Fiscal Year 2025/26 with a full surplus levy credit of $182,375 would be $13,000 with the scheduled debt service collection and assuming similar administrative and Trustee costs as that of 2024/25.

Refund checks would result in similar savings to property owners less any administrative costs incurred with processing and issuing the refund checks.

Either option would allow for the soonest property owner savings but would not result in long-term principal and interest savings.

3.3 Bond Call

The City may use the surplus funds in the Improvement Fund to call bonds ahead of schedule in $5,000 increments. The surplus funds would be transferred to the Redemption Fund to be used in a bond call. The call would result in reduced debt service payments due.

3.3.1 BOND CALL FINANCIAL IMPACT (WITH ANNUAL CREDITS)

If a bond call is performed with surplus funds and assessment revenues are not collected in excess of debt service payments, property owners would receive annual savings by receiving an annual levy credit in the amount of the difference between the assessment liens of the property owners and the actual debt service due. The approximate savings by property owner lien amount through the maturity of the bonds is estimated in the table below.

TABLE 2. BOND CALL WITH ANNUAL CREDITS POTENTIAL OWNER SAVINGS

Lien %	Range of Savings	Count of Parcels	Total Savings
< 0.25%	< $500.00	329	$71,423.62
0.26 - 0.75	500.01 - 999.99	2	1,269.36
0.76- 2.99	1,000.00 - 4,999.99	7	19,692.97
3.00 - 6.49	5,000.00 - 14,999.99	9	87,612.26
> 6.50%	> 15,000.00	3	58,215.15
Totals:		**350**	**$238,213.36**

The total property owner principal and interest savings is estimated to be $238,213 with a single bond call in March 2025 with annual levy credits. This option would spread savings to property owners over the remaining life of the bonds.

3.3.2 BOND CALL FINANCIAL IMPACT (EXCESS COLLECTIONS)

If a bond call is performed to utilize the surplus funds, assessment revenues may be collected in excess of debt service payments according to the existing assessment liens. This would allow for additional bonds to be called as the additional surplus accrues, each year in $5,000 increments. The District may then ultimately retire the debt early and save property owners 1-2 years of assessment payments, depending on the number of years in advance of original maturity (September 2033) the Bonds are redeemed. The approximate savings by property owner lien amount through the maturity of the bonds is estimated in the table below.

TABLE 3. BOND CALL WITH EXCESS COLLECTIONS POTENTIAL OWNER SAVINGS

Lien %	Range of Savings	Count of Parcels	Total Savings
< 0.25%	< $500.00	329	$102,045.38
0.26 - 0.75	500.01 - 999.99	2	1,813.57
0.76- 1.99	1,000.00 - 4,999.99	6	21,214.61
2.00 - 4.99	5,000.00 - 14,999.99	8	94,412.74
> 5.00%	> 15,000.00	5	120,857.32
Totals:		**350**	**$340,343.62**

Because this option would compound principal and interest savings with additional bond calls over time, this option would yield the highest savings to property owners but would not be realized for approximately 7-8 years when the bonds were redeemed in full.

3.4 Top Owners by Assessment Lien

For contextual purposes, the top owners in the District by assessment lien are listed in the table below. These owners stand to receive the largest proportion of total savings from the potential options of a one-time levy credit or refund, one-time bond call with levy credits, or multiple bonds calls.

TABLE 4. TOP DISTRICT PROPERTY OWNERS BY ASSESSMENT LIEN PERCENTAGE

Owner Name	Percent of Total Lien
OXNARD CRFL PARTNERS LLC	34.65%
CRFL FAMILY APARTMENTS LP	7.58%
WAGON WHEEL JUNCTION 15 LLC	7.51%
OXNARD TOWN SQUARE 12 LLC	5.23%
OXNARD TOWN SQUARE 13 LLC	5.09%
PK PLACE LLC	4.55%
MAYFAIR LLC	4.00%
Other	31.38%
Total:	**100.00%**

4. NOTICE OF COMPLETION

In 2013, the California Department of Transportation ("Caltrans") and the City of Oxnard (the "City") entered into an agreement by which the "facilities", identified in part as the Highway 101 and Oxnard Boulevard interchange and its improvements, were relinquished to the City from Caltrans. The Relinquishment Agreement provides that the "facilities" were "in a state of good repair", and the City holds that at that time, the improvements related to the Assessment District 2000-1 Bonds (the "Bonds") had been completed in full. The City did not file a notice of completion of the improvements described in the Assessment Engineer's report related to the Bonds, but declares them complete as of the execution of the Relinquishment Agreement with Caltrans.

5. RESOLUTION

The following pages contain the Resolution Declaring Surplus, Ordering Disposition of the Surplus, and Approving the Closeout Report to be passed by the City Council.

6. LEVY AND COLLECTION SUMMARY

The following pages provide a summary of the levies and collections for the District.

City of Oxnard
Delinquency Summary Report
As of: 10/18/2024

District	Due Date	Billed Amount	Paid Amount	Delinquent Amount	Delinquent Amount %	Billed Installments	Paid Installments	Delinquent Installments	Delinquent Installments %
2000-1 - A.D. 2000-1 Oxnard Blvd/Highway 101 Interchange									
	08/01/2003 Billing:								
	12/10/2003	$87,974.70	$87,974.70	$0.00	0.00%	22	22	0	0.00%
	04/10/2004	$87,974.70	$87,974.70	$0.00	0.00%	22	22	0	0.00%
	Subtotal:	**$175,949.40**	**$175,949.40**	**$0.00**	**0.00%**	**44**	**44**	**0**	**0.00%**
	08/01/2004 Billing:								
	12/10/2004	$89,312.96	$89,312.96	$0.00	0.00%	22	22	0	0.00%
	04/10/2005	$89,312.96	$89,312.96	$0.00	0.00%	22	22	0	0.00%
	Subtotal:	**$178,625.92**	**$178,625.92**	**$0.00**	**0.00%**	**44**	**44**	**0**	**0.00%**
	08/01/2005 Billing:								
	12/10/2005	$91,375.46	$91,375.46	$0.00	0.00%	22	22	0	0.00%
	04/10/2006	$91,375.46	$91,375.46	$0.00	0.00%	22	22	0	0.00%
	Subtotal:	**$182,750.92**	**$182,750.92**	**$0.00**	**0.00%**	**44**	**44**	**0**	**0.00%**
	08/01/2006 Billing:								
	12/10/2006	$92,571.20	$92,571.20	$0.00	0.00%	22	22	0	0.00%
	04/10/2007	$92,571.20	$92,571.20	$0.00	0.00%	22	22	0	0.00%
	Subtotal:	**$185,142.40**	**$185,142.40**	**$0.00**	**0.00%**	**44**	**44**	**0**	**0.00%**
	08/01/2007 Billing:								
	12/10/2007	$89,798.76	$89,798.76	$0.00	0.00%	22	22	0	0.00%
	04/10/2008	$89,798.76	$89,798.76	$0.00	0.00%	22	22	0	0.00%
	Subtotal:	**$179,597.52**	**$179,597.52**	**$0.00**	**0.00%**	**44**	**44**	**0**	**0.00%**
	08/01/2008 Billing:								
	12/10/2008	$90,645.45	$90,645.45	$0.00	0.00%	22	22	0	0.00%
	04/10/2009	$90,645.45	$90,645.45	$0.00	0.00%	22	22	0	0.00%
	Subtotal:	**$181,290.90**	**$181,290.90**	**$0.00**	**0.00%**	**44**	**44**	**0**	**0.00%**
	08/01/2009 Billing:								
	12/10/2009	$92,929.94	$92,929.94	$0.00	0.00%	22	22	0	0.00%
	04/10/2010	$92,929.94	$92,929.94	$0.00	0.00%	22	22	0	0.00%
	Subtotal:	**$185,859.88**	**$185,859.88**	**$0.00**	**0.00%**	**44**	**44**	**0**	**0.00%**

City of Oxnard

Delinquency Summary Report

As of: 10/18/2024

District	Due Date	Billed Amount	Paid Amount	Delinquent Amount	Delinquent Amount %	Billed Installments	Paid Installments	Delinquent Installments	Delinquent Installments %
2000-1 - A.D. 2000-1 Oxnard Blvd/Highway 101 Interchange									
08/01/2010 Billing:									
	12/10/2010	$91,823.08	$91,823.08	$0.00	0.00%	22	22	0	0.00%
	04/10/2011	$91,823.08	$91,823.08	$0.00	0.00%	22	22	0	0.00%
	Subtotal:	**$183,646.16**	**$183,646.16**	**$0.00**	**0.00%**	**44**	**44**	**0**	**0.00%**
08/01/2011 Billing:									
	12/10/2011	$92,173.94	$92,173.94	$0.00	0.00%	22	22	0	0.00%
	04/10/2012	$92,173.94	$92,173.94	$0.00	0.00%	22	22	0	0.00%
	Subtotal:	**$184,347.88**	**$184,347.88**	**$0.00**	**0.00%**	**44**	**44**	**0**	**0.00%**
08/01/2012 Billing:									
	12/10/2012	$90,984.54	$90,984.54	$0.00	0.00%	22	22	0	0.00%
	04/10/2013	$90,984.54	$90,984.54	$0.00	0.00%	22	22	0	0.00%
	Subtotal:	**$181,969.08**	**$181,969.08**	**$0.00**	**0.00%**	**44**	**44**	**0**	**0.00%**
08/01/2013 Billing:									
	12/10/2013	$91,494.45	$91,494.45	$0.00	0.00%	30	30	0	0.00%
	04/10/2014	$91,494.45	$91,494.45	$0.00	0.00%	30	30	0	0.00%
	Subtotal:	**$182,988.90**	**$182,988.90**	**$0.00**	**0.00%**	**60**	**60**	**0**	**0.00%**
08/01/2014 Billing:									
	12/10/2014	$90,061.94	$90,061.94	$0.00	0.00%	30	30	0	0.00%
	04/10/2015	$90,061.94	$90,061.94	$0.00	0.00%	30	30	0	0.00%
	Subtotal:	**$180,123.88**	**$180,123.88**	**$0.00**	**0.00%**	**60**	**60**	**0**	**0.00%**
08/01/2015 Billing:									
	12/10/2015	$91,081.39	$91,081.39	$0.00	0.00%	30	30	0	0.00%
	04/10/2016	$91,081.39	$91,081.39	$0.00	0.00%	30	30	0	0.00%
	Subtotal:	**$182,162.78**	**$182,162.78**	**$0.00**	**0.00%**	**60**	**60**	**0**	**0.00%**
08/01/2016 Billing:									
	12/10/2016	$89,908.90	$89,908.90	$0.00	0.00%	30	30	0	0.00%
	04/10/2017	$89,908.90	$89,908.90	$0.00	0.00%	30	30	0	0.00%
	Subtotal:	**$179,817.80**	**$179,817.80**	**$0.00**	**0.00%**	**60**	**60**	**0**	**0.00%**

City of Oxnard
Delinquency Summary Report
As of: 10/18/2024

District	Due Date	Billed Amount	Paid Amount	Delinquent Amount	Delinquent Amount %	Billed Installments	Paid Installments	Delinquent Installments	Delinquent Installments %
2000-1 - A.D. 2000-1 Oxnard Blvd/Highway 101 Interchange									
	08/01/2017 Billing:								
	12/10/2017	$90,369.47	$90,369.47	$0.00	0.00%	100	100	0	0.00%
	04/10/2018	$90,369.47	$90,369.47	$0.00	0.00%	100	100	0	0.00%
	Subtotal:	**$180,738.94**	**$180,738.94**	**$0.00**	**0.00%**	**200**	**200**	**0**	**0.00%**
	08/01/2018 Billing:								
	12/10/2018	$90,975.70	$90,975.70	$0.00	0.00%	175	175	0	0.00%
	04/10/2019	$90,975.70	$90,975.70	$0.00	0.00%	175	175	0	0.00%
	Subtotal:	**$181,951.40**	**$181,951.40**	**$0.00**	**0.00%**	**350**	**350**	**0**	**0.00%**
	08/01/2019 Billing:								
	12/10/2019	$92,600.08	$92,600.08	$0.00	0.00%	175	175	0	0.00%
	04/10/2020	$92,600.08	$92,600.08	$0.00	0.00%	175	175	0	0.00%
	Subtotal:	**$185,200.16**	**$185,200.16**	**$0.00**	**0.00%**	**350**	**350**	**0**	**0.00%**
	08/01/2020 Billing:								
	12/10/2020	$92,945.38	$92,945.38	$0.00	0.00%	199	199	0	0.00%
	04/10/2021	$92,945.38	$92,945.38	$0.00	0.00%	199	199	0	0.00%
	Subtotal:	**$185,890.76**	**$185,890.76**	**$0.00**	**0.00%**	**398**	**398**	**0**	**0.00%**
	08/01/2021 Billing:								
	12/10/2021	$92,766.21	$92,766.21	$0.00	0.00%	235	235	0	0.00%
	04/10/2022	$92,766.21	$92,766.21	$0.00	0.00%	235	235	0	0.00%
	Subtotal:	**$185,532.42**	**$185,532.42**	**$0.00**	**0.00%**	**470**	**470**	**0**	**0.00%**
	08/01/2022 Billing:								
	12/10/2022	$92,711.47	$92,711.47	$0.00	0.00%	269	269	0	0.00%
	04/10/2023	$92,711.47	$92,711.47	$0.00	0.00%	269	269	0	0.00%
	Subtotal:	**$185,422.94**	**$185,422.94**	**$0.00**	**0.00%**	**538**	**538**	**0**	**0.00%**
	08/01/2023 Billing:								
	12/10/2023	$96,237.75	$95,838.46	$399.29	0.41%	326	323	3	0.92%
	04/10/2024	$96,237.75	$95,559.24	$678.51	0.71%	326	320	6	1.84%
	Subtotal:	**$192,475.50**	**$191,397.70**	**$1,077.80**	**0.56%**	**652**	**643**	**9**	**1.38%**

City of Oxnard

Delinquency Summary Report

As of: 10/18/2024

District	Due Date	Billed Amount	Paid Amount	Delinquent Amount	Delinquent Amount %	Billed Installments	Paid Installments	Delinquent Installments	Delinquent Installments %
2000-1 - A.D. 2000-1 Oxnard Blvd/Highway 101 Interchange									
2000-1	**Total:**	**$3,841,485.54**	**$3,840,407.74**	**$1,077.80**	**0.03%**	**3,638**	**3,629**	**9**	**0.25%**

07-VEN-1-PM 15.1/21.1
07-VEN-34-PM 4.3/6.3
07-VEN-232-PM 0.0/0.4
Relinquishment of Route 1, 34 & 232
07223 – 4T6500

District Agreement No. 07-4870

RELINQUISHMENT AGREEMENT

This Agreement, entered into effective on FEBRUARY 20, 2013, is between the STATE OF CALIFORNIA, acting by and through its Department of Transportation, referred to herein as "CALTRANS", and the

CITY OF OXNARD, a body politic and a municipal corporation of the State of California, referred to herein as "CITY".

RECITALS

1. CALTRANS and CITY, pursuant to Streets and Highways Code (SHC) sections 73, 301, 334 and 532, are authorized to enter into a Cooperative Agreement in order to relinquish to CITY a portion of a State Highway within CITY's jurisdiction. SB 1366 (2008) amended SHC sections 301, 334 and 532.

2. CALTRANS intends to relinquish to CITY that portion of State Route 1 (SR 1) from Pleasant Valley Road to State Route 101, State Route 34 (SR 34) from Oxnard Boulevard (SR 1) to Rice Avenue and State Route 232 (SR 232) from Oxnard Boulevard to State Route 101 as shown in Exhibit A and Exhibit B, attached to and made a part of this Agreement, together referred to hereinafter as "RELINQUISHED FACILITIES". This relinquishment is based on SB 1366. CITY is willing to accept said RELINQUISHED FACILITIES upon approval by the California Transportation Commission (CTC) of a Resolution of Relinquishment and CALTRANS's recording of said Resolution in the County Recorder's Office.

3. CALTRANS and CITY agree that RELINQUISHED FACILITIES are currently in a state of good repair. CALTRANS and CITY have negotiated an understanding that CITY will accept and assume full maintenance, ownership, responsibility, control and liability in perpetuity over the RELINQUISHED FACILITIES in exchange for the payment of $1,000,000 or some other allocation made by CTC deemed to be in the best interest for CALTRANS.

4. Funds may not be available at the time of the CTC's Resolution of Relinquishment due to budgetary constraints. However, CALTRANS will make requests for allocation of $1,000,000 to CITY by the CTC when the funds become available.

5. The parties hereto intend to define herein the terms and conditions under which RELINQUISHED FACILITIES are to be accomplished.

SECTION I

CITY AGREES:

1. Execution of this Agreement constitutes CITY's waiver of CALTRANS's obligation to provide ninety (90) days prior notice of CALTRANS's "Intention to Relinquish" as set forth in Streets and Highways Code section 73.

2. To accept that allocation, determined by the CTC to be in the best interest of CALTRANS, as CALTRANS's only payment obligation for this RELINQUISHED FACILITIES.

3. Even if funds are not available with CALTRANS at the time of resolution of

relinquishment by CTC, to accept RELINQUISHED FACILITIES immediately upon recordation of CTC's Resolution in the County Recorder's Office and defer the receipt of payment for RELINQUISHED FACILITIES to a date when funding becomes available.

4. To accept ownership, including all of CALTRANS's current obligations, rights, title and interest in RELINQUISHED FACILITIES upon recordation of the CTC's Resolution of Relinquishment in the County Recorder's Office and to thereafter operate, maintain, and be liable for RELINQUISHED FACILITIES at no additional cost to CALTRANS.

5. To accept RELINQUISHED FACILITIES in their current environmental condition and setting, including, but not limited to, the presence of hazardous materials as described in the Memorandum issued by Department of Transportation, OEECS-Hazardous Waste Branch, on February 14, 2013 titled Hazardous Waste Assessment. CITY has received and reviewed a copy of the above-referenced Memorandum. Upon recordation of the CTC's Resolution of Relinquishment in the County Recorder's Office, CALTRANS will not be responsible for any present or future remediation of said hazardous materials.

6. Upon recordation of the CTC's Resolution of Relinquishment in the County Recorder's Office, CITY agrees to make all necessary changes of ownership of utility accounts with the utility companies applicable to RELINQUISHED FACILITIES, as shown on Exhibit C, attached to and made a part of this Agreement.

SECTION II

CALTRANS AGREES:

1. To relinquish, upon the approval of the CTC's Resolution of Relinquishment, the RELINQUISHED FACILITIES.

2. Funds may not be available at the time of the CTC's Resolution of Relinquishment due to budgetary constraints and therefore CALTRANS will make requests for allocation of $ 1,000,000 to CITY by the CTC when the funds become available with the expectation that CTC will determine that this or some other allocation is in the best interest of CALTRANS.

3. To submit the CTC Resolution of Relinquishment to the County Recorder's Office for recording.

4. To pay CITY, within thirty (30) days of approval of funding by CTC, the amount of $ 1,000,000 or any other allocation approved by the CTC. The payment of those funds will represent CALTRANS's only payment obligation for the purpose of the RELINQUISHED FACILITIES.

5. Thereafter, upon CITY's specific request, to transfer to CITY within sixty (60) days of such request, copies of available CALTRANS records and files for RELINQUISHED

FACILITIES, such as plans, survey data and right of way information.

6. Upon recordation of the CTC's Resolution of Relinquishment in the County Recorder's Office, CITY agrees to make all necessary changes of ownership of utility accounts with the utility companies applicable to RELINQUISHED FACILITIES, as shown on Exhibit C, attached to and made a part of this Agreement.

SECTION III

IT IS MUTUALLY AGREED:

1. All obligations of CALTRANS under the terms of this Agreement are subject to the appropriation of resources by the Legislature, State Budget Act authority, and the allocation of any funds by the CTC.

2. CITY shall fully defend, indemnify and save harmless CALTRANS and all its officers and employees from all claims, suits or actions related to environmental theories or assertions of liability, including, but not limited to, claims or lawsuits related to the presence of hazardous materials as described in the Memorandum issued by Department of Transportation, OEECS-Hazardous Waste Branch, on February 14, 2013 titled Hazardous Waste Assessment, provided that the actions, events, injuries, damages, or losses giving rise to any claims, suits or actions occurred on or arise after the date of the recordation of the CTC's Resolution of Relinquishment.

3. CALTRANS shall fully defend, indemnify and save harmless CITY and all its officers and employees from all claims, suits or actions related to environmental theories or assertions of liability, including, but not limited to, claims or lawsuits related to the presence of hazardous materials as described in the Memorandum issued by Department of Transportation, OEECS-Hazardous Waste Branch, on February 14, 2013 titled Hazardous Waste Assessment, provided that the actions, events, injuries, damages, or losses giving rise to any claims, suits or actions occurred or arose before the date of recordation of the CTC's Resolution of Relinquishment.

4. Neither CALTRANS nor any officer or employee thereof is responsible for any injury, damage or liability occurring by reason of anything done or omitted to be done by CITY and/or its agents under or in connection with any work, authority or jurisdiction conferred upon CITY under this Agreement. It is understood and agreed that CITY, to the extent permitted by law, will defend, indemnify and save harmless CALTRANS and all its officers and employees from all claims, suits or actions of every name, kind and description brought forth under, but not limited to, tortious, contractual, inverse condemnation or other theories or assertions of liability occurring by reason of anything done or omitted to be done by CITY and/or its agents under this Agreement.

5. Neither CITY nor any officer or employee thereof is responsible for any injury, damage or liability occurring by reason of anything done or omitted to be done by CALTRANS and/or its agents under or in connection with any work, authority or jurisdiction conferred upon CALTRANS under this Agreement. It is understood and agreed that CALTRANS will defend, indemnify and save harmless CITY and all its officers and employees from all claims, suits or actions of every name, kind and description brought forth under, but not limited to, tortious, contractual, inverse condemnation or other theories or assertions of liability occurring by reason of anything done or omitted to be done by CALTRANS and/or its agents under this Agreement.

6. No alteration of the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto and no oral understanding or agreement not incorporated herein shall be binding on any of the parties hereto.

7. This Agreement shall terminate upon recordation of the CTC's Resolution of Relinquishment for RELINQUISHED FACILITIES in the County Recorder's Office and payment by CALTRANS of $ 1,000,000 or any other allocation by CTC to CITY, except for those provisions which relate to indemnification, ownership, operation, and maintenance, which shall remain in effect until terminated or modified in writing by mutual agreement.

SIGNATURES

PARTIES declare that:

1. Each PARTY is an authorized legal entity under California state law.
2. Each PARTY has the authority to enter into this agreement.
3. The people signing this agreement have the authority to do so on behalf of their public agencies.

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

By: ______________________
MICHAEL MILES
District Director

APPROVED AS TO FORM AND PROCEDURE:

____
Attorney
Department of Transportation

CERTIFIRED AS TO FUNDS

____
PAUL T. KWONG,
District Budget Manager

CERTIFIED AS TO FINANCIAL TERMS AND POLICIES:

____
Accounting Administrator

CITY OF OXNARD

By: ______________________
TIMOTHY B. FLYNN
Mayor

Attest: ______________________
DANIEL MARTINEZ
City Clerk

APPROVED AS TO FORM AND PROCEDURE:

____
ALAN HOLMBERG
City Attorney

EXHIBIT "A" – Proposed Relinquishment – SR 1, 34 and 232

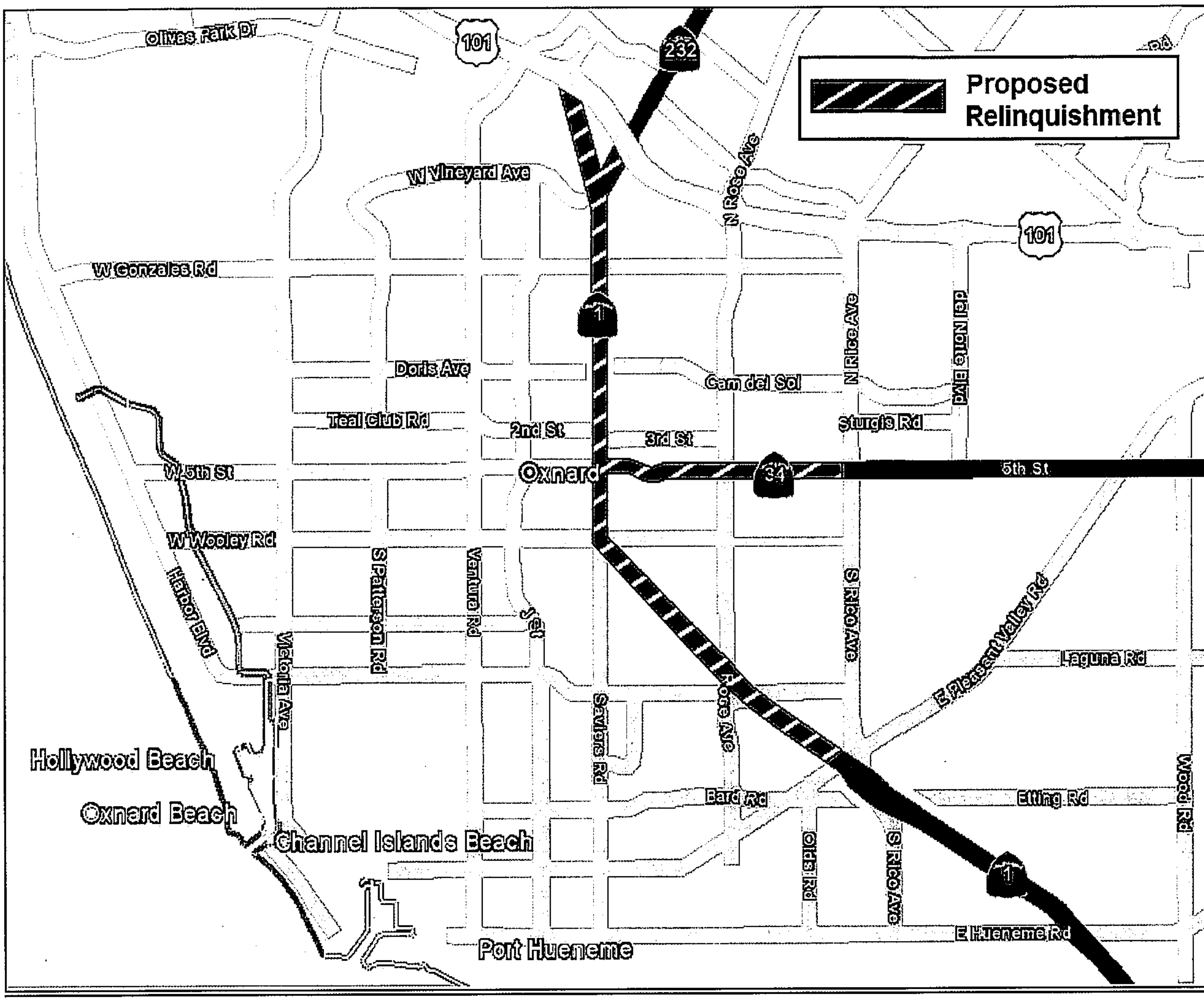


Exhibit "A"

EXHIBIT "B" – Relinquishment Map – SR 1

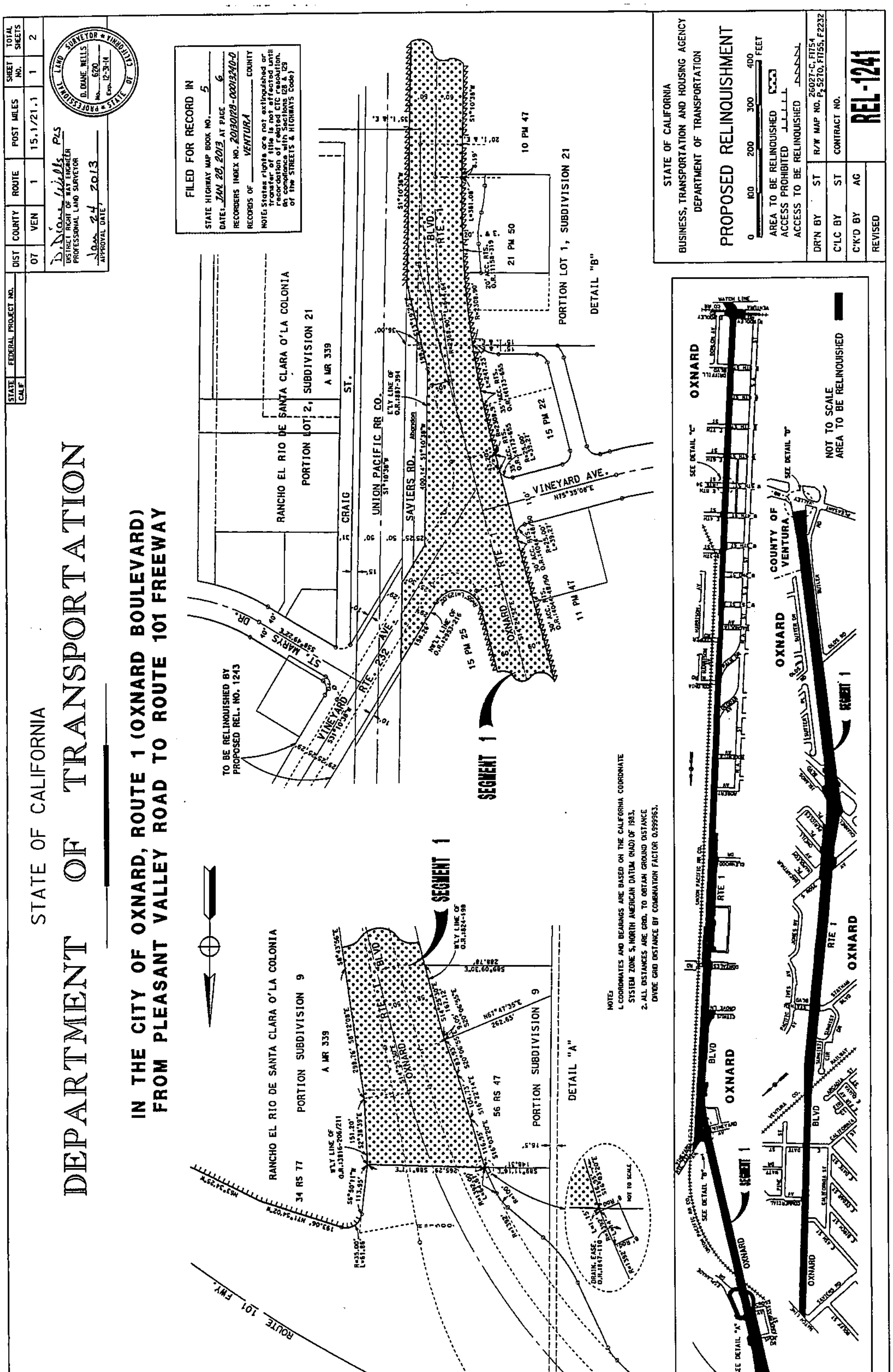


EXHIBIT "B" – Relinquishment Map – SR 1

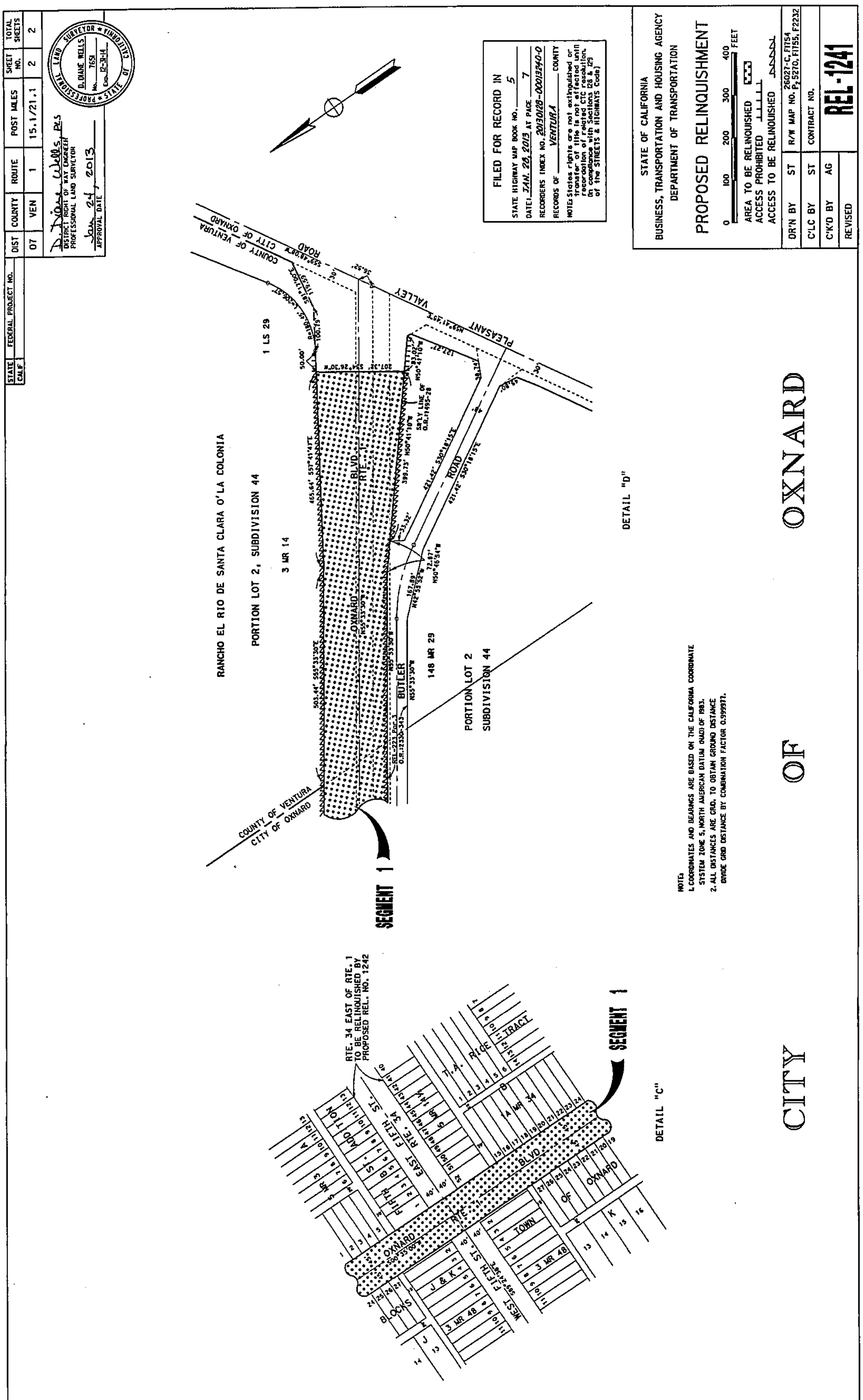


EXHIBIT "B" – Relinquishment Map – SR 34

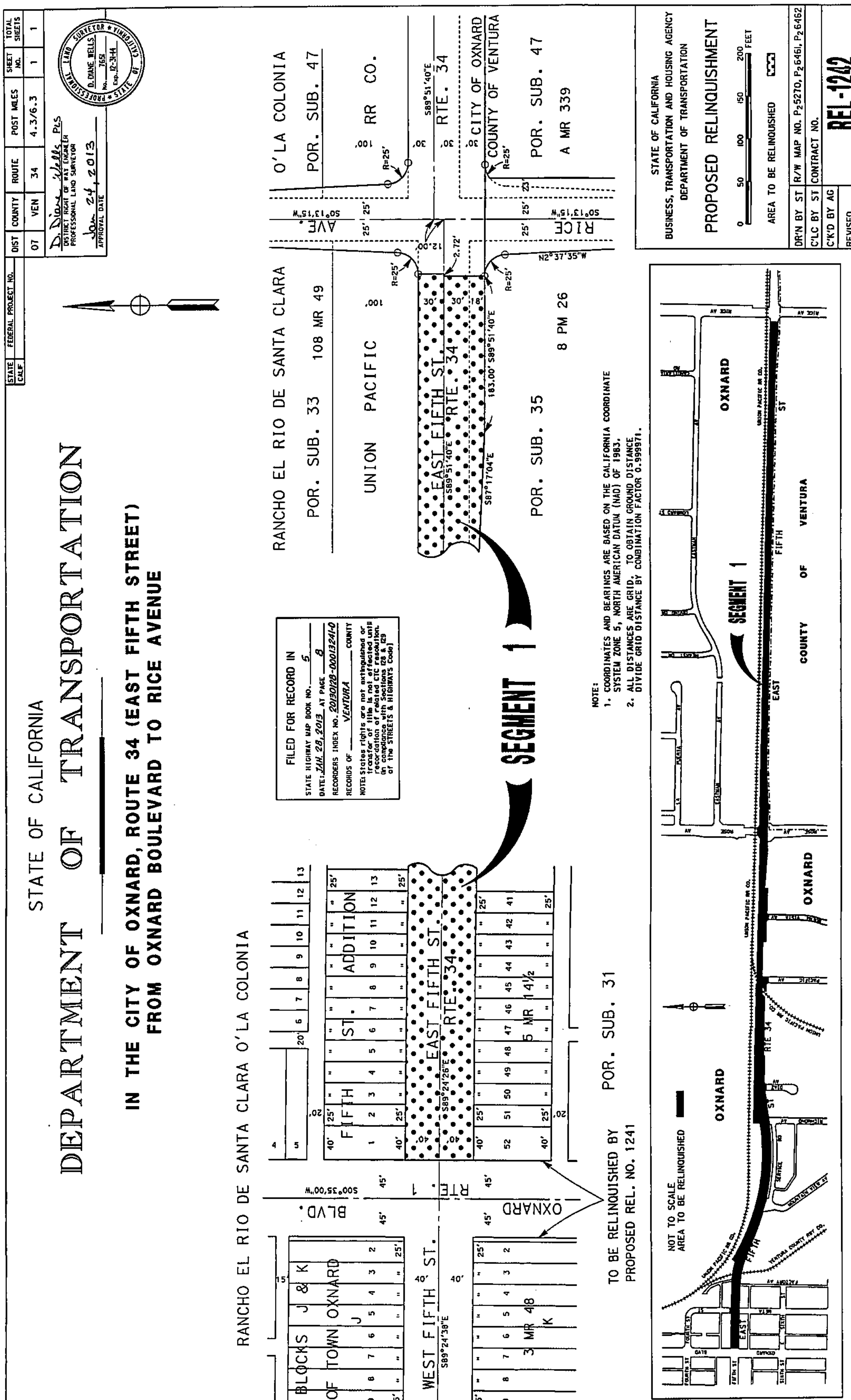


Exhibit "B"
3 of 4

EXHIBIT "B" – Relinquishment Map – SR 232

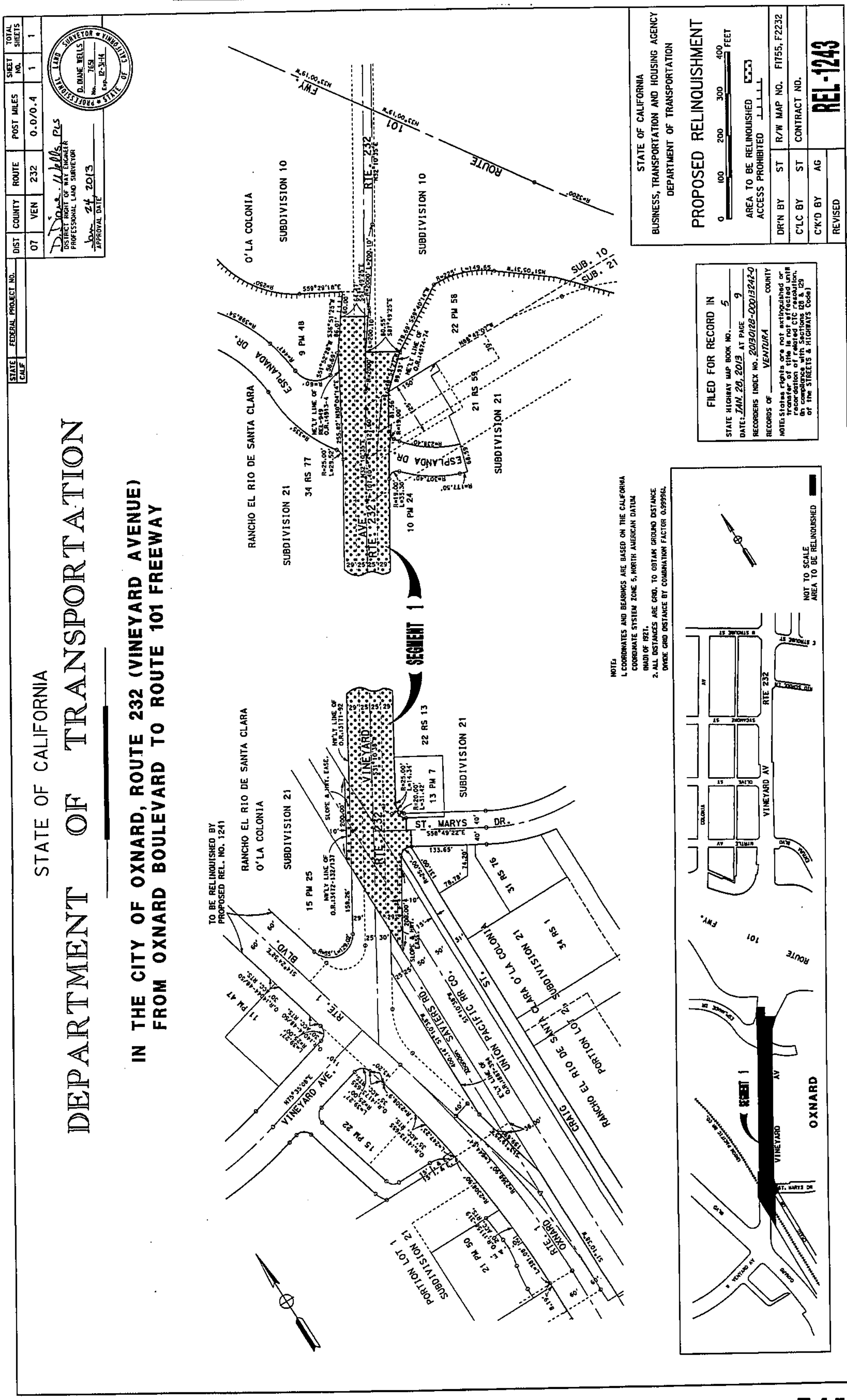


Exhibit "B"
4 of 4

EXHIBIT "C"
Relinquishment of Traffic Signals on State Route 1
From State to the City of Oxnard
Effective the date of recording of Relinquishment No 1241

Rte	PM	Location	Service Address	CT E#	Type of Equip	Meter #	Acct. #
1	16.123	Oxnard Bl.@Rose Av.	Rose Av @ Oxnard	E1390	Signal	8-917888	Oxnard
1	16.710	Oxnard Bl.@ Statham Bl Rose Av.	1993 S.Oxnard Bl.	E0707	Signal	203-3957	Oxnard
1	17.020	Oxnard Bl. @ Date St	518 1/2 E.Date	E0853	Signal	53-95322	Oxnard
1	17.660	Oxnard Bl. @Savier/Wooley	117 1/2 Wooley Rd.	E0099	Signal	3-119307	Oxnard
1	17.660	Oxnard Bl. @Savier/Wooley		EM130	Signal	3-119307	Oxnard
1	17.980	Oxnard Bl. @ Seventh	109 1/2 w 7th	E0105	Signal	53-93443	Oxnard
1	18.070	Oxnard Bl. @ Sixth St	109 1/2 w 6th St	E0639	Signal	203-6501	Oxnard
1	18.150	Oxnard Bl. @ Fifth St	445 1/2 S. Oxnard Bl	E0104	Signal	203-11226	Oxnard
1	18.260	Oxnard Bl. @ Fourth St	129 1/2 w 4th St	E0319	Signal	203-6500	Oxnard
1	18.440	Oxnard Bl. @ Second St	115 1/2 w 2nd	E1238	Signal	203-6704	Oxnard
1	18.520	Oxnard Bl. @ First St.	114 1/2 w 1st	E0102	Signal	53-88781	Oxnard
1	18.600	Oxnard Bl. @ Cooper	213 1/2 N. Oxnard Bl	E0937	Signal	53-89568	Oxnard
1	18.760	Oxnard Bl.@ Colonia Rd	114 1/2 E. Colonia Rd	E0101	Signal	3-120632	Oxnard
1	19.100	Oxnard Bl. @ Robert Av	831 1/2 N. Oxnard Bl	E1318	Signal	53-102919	Oxnard
1	19.310	Oxnard Bl. @ Glenwood Dr	111 1/2 W Glenwood Dr	E1144	Signal	53-102907	P-12712-M
1	19.620	Oxnard Bl. @ Gonzales Rd	103 1/2 w. Gonzales Rd	E0106	Signal	8-559634	P-01809-M
1	19.820	Oxnard Bl. @ Citrus Grove Ln	Oxnard Bl/Citrus	E1157	Signal	53-97148	Oxnard
1	20.110	Oxnard Bl. @ Vineyard Av	Hwy 1/Vineyard	E0100	Signal	3-111998	Oxnard
1	20.600	Oxnard Bl. @ El Rio UP		CT	Pump	D115-000861	D115-000861
1	20.751	Oxnard Bl. @ Explanade Dr	2636 1/2 N. Wagon Wheel Rd	E1501	Signal	308-638503	Oxnard

Note:
A copy of this Cooperative Agreement and its subsequent Relinquishment document will be forwarded to the Utility Company in order to transfer electrical accounts listed in this exhibit.

Exhibit "C"
1 of 3

EXHIBIT "C"
Relinquishment of Traffic Signals on State Route 34
From State to the City of Oxnard
Effective the date of recording of Relinquishment No 1242

Rte	PM	Location	Service Address	CT E#	Type of Equip	Meter #	Acct. #
34	4.371	E Fifth St @ Meta St	480 1/2 Meta St.	E1524	Signal	308-699949	Oxnard
34	5.310	E Fifth St @ Rose Av	1800 W. 5th St.	E0321	Signal	8-977413	Oxnard

Note:
A copy of this Cooperative Agreement and its subsequent Relinquishment document will be forwarded to the Utility Company in order to transfer electrical accounts listed in this exhibit.

Exhibit "C"
2 of 3

EXHIBIT "C"
Relinquishment of Traffic Signals on State Route 232
From State to the City of Oxnard
Effective the date of recording of Relinquishment No 1243

Rte	PM	Location	Service Address	CT E#	Type of Equip	Meter #	Acct. #
232	0.270	Vineyard @ Explanade Dr		E0974	Signal	308-881985	P-10829-M

Note:
A copy of this Cooperative Agreement and its subsequent Relinquishment document will be forwarded to the Utility Company in order to transfer electrical accounts listed in this exhibit.

FREEWAY MAINTENANCE AGREEMENT
WITH
CITY OF OXNARD

THIS AGREEMENT is made effective this 6th day of April, 2022 by and between the State of California, acting by and through the Department of Transportation, hereinafter referred to as "STATE" and the CITY of Oxnard; hereinafter referred to as "CITY" and collectively referred to as "PARTIES".

SECTION I

RECITALS

1. On February 3, 1969, March 10, 1970, January 26, 1971 Freeway Agreements were executed between CITY and STATE, wherein the PARTIES consented to certain adjustments of the local street and road system required for the development of that portion of STATE Highway Route (SR) 1, 34, and 101, declared a freeway, within the jurisdictional limits of the CITY.

2. Recent adjustments to said freeway have now been completed, or are nearing completion, and the PARTIES hereto mutually desire to identify the maintenance responsibilities of the CITY for areas lying within those modified freeway limits.

3. There are existing Freeway Maintenance Agreements, with CITY dated; July 18, 2006 and March 3, 2009. This Agreement is meant to replace or supersede the earlier Freeway Maintenance Agreements.

NOW THEREFORE IT IS AGREED:

SECTION II

AGREEMENT

1. PARTIES agree this Agreement shall supersede in its entirety the said Freeway Maintenance Agreement executed by PARTIES on July 18, 2006 and March 3, 2009.

2. Pursuant to Section 5 of the Freeway Agreements, CITY has resumed or will resume control and maintenance over each of the relocated or reconstructed CITY roads, frontage roads, and other STATE constructed local roads, except for any portion which is adopted by STATE as a part of the freeway proper.

3. The degree or extent of maintenance work to be performed, and the standards, therefore, shall be in accordance with the provisions of Section 27 of the Streets and Highways Code and the then current edition of the State Maintenance Manual.

4. CITY agrees to continue their control and maintenance of each of the affected relocated or reconstructed CITY streets and roads as shown on that attached hereto, Exhibit A and B and made a part hereof by this reference.

5. When another planned future improvement has been constructed and/or a minor revision has been effected within the limits of the freeway herein described which will affect the PARTIES' maintenance responsibility as described herein, and there is mutual agreement on a change in the maintenance responsibilities between PARTIES, the PARTIES can revise the Exhibit A and B by a mutual written-execution of each of the exhibits.

6. CITY must obtain the necessary Encroachment Permits from STATE's District 07 Encroachment Permit Office prior to entering STATE right of way to perform CITY's maintenance responsibilities. This permit will be issued at no cost to CITY.

7. VEHICULAR OVERCROSSINGS

   7.1. CITY will maintain, at CITY expense, the deck wearing surface and structural drainage system (and shall perform such work as may be necessary to ensure an impervious and/or otherwise suitable surface) and all portions of the structure above the bridge deck, including, but without limitation, lighting installations, as well as all traffic service facilities (sidewalks, signs, pavement markings, bridge rails, fibers, etc.) that may be required for the benefit or control of traffic using that overcrossing.

   7.2. As directed by section 92.6 of the Streets and Highways Code, at locations determined by STATE, screening shall be placed on STATE freeway overpasses on which pedestrians are allowed. All screens installed under this program will be maintained by STATE, at STATE expense.

8. PEDESTRIAN/BICYCLE OVERCROSSINGS (non-vehicular) constructed as a permitted encroachment within STATE's right of way. CITY is solely responsible for, but not limited to, the structural adequacy, lighting, fencing, guard railing, drainage facilities, graffiti removal, sweeping and debris removal, signing, and striping, slope paving and delineation. CITY will maintain, at CITY expense, a safe facility for pedestrian and bicycle use along the entire length of the structure and the public use of the STATE highway beneath, by providing structure inspection, and structure maintenance.

9. VEHICULAR AND PEDESTRIAN UNDERCROSSINGS

   9.1. CITY will maintain the CITY paved roadway sections, including the traveled way, shoulders, curbs, sidewalks, wall surfaces (including eliminating graffiti), drainage installations, lighting installations and traffic service facilities, and fiber that may be required for the benefit or control of traffic using that undercrossing.

9.2 CITY will request STATE's District Encroachment Permit Engineer to issue the necessary Encroachment Permit for any proposed change in minimum vertical clearances between CITY roadway surface and the structure that results from modifications to the roadway (except when said modifications are made by STATE). If the planned modifications will result in a reduction in the minimum clearance within the traveled way, an estimate of the clearance reduction must be provided to STATE's Transportation Permit Engineer prior to starting work. Upon completion of that work, a vertical clearance diagram will be furnished to STATE's Transportation Permit Engineer that shows revised minimum clearances for all affected movements of traffic, both at the edges of the traveled way and at points of minimum clearance within the traveled way.

10.WALLS, SOUNDWALLS, AND COLUMNS – CITY is responsible for debris removal, cleaning, and painting to keep CITY's side of any wall structure or column free of debris, dirt, and graffiti.

11. LANDSCAPED AREAS CITY/COUNTY is responsible for the maintenance of any plantings or other types of roadside improvements of PROJECT lying outside of the fenced area restricting walk-on access to the freeway.

12.INTERCHANGE OPERATION - It is STATE's responsibility to provide efficient operation of freeway interchanges, including ramp connections to local streets and roads.

13.ELECTRICALLY OPERATED TRAFFIC CONTROL DEVICES

13.1. The cost of installation, operation, maintenance, repairs, replacement and energy costs of safety lighting, traffic signals or other necessary electrically operated traffic control devices placed at interchanges and at ramp connections to CITY streets and roads of SR 1, 34, 101 shall be shared by the PARTIES through an "Electrical Cost Sharing Agreement". There is an existing "Agreement of Sharing Cost for State Highway Electrical Facilities with the State of California" dated; August 1, 1986.

13.2. Timing of traffic signals, which shall be coordinated with CITY to the extent that no conflict is created with freeway operations, shall be the sole responsibility of STATE.

14.BICYCLE PATHS, LANES, AND CYCLE TRACKS constructed as permitted encroachments within STATE's right of way, CITY is solely responsible for all permitted improvements, including but not limited to the delineation, fencing, guard railing, drainage facilities, slope and structural adequacy. CITY will maintain, at CITY expense, a safe facility for bicycle travel along the entire length of the path/lane/cycle track by providing sweeping and debris removal when necessary; and all signing and striping, and pavement markings required for the direction and operation of that non-motorized facility.

15.CITY is solely responsible to inspect and maintain the entire structure of flood wall/berm and flood protection system constructed as permitted encroachments over and near old Wagon Wheel, including but not limited to, landscape and irrigation, drainage devices and fencing, and slope stabilization. CITY is responsible to keep the flood wall and berm free of dirt and graffiti.

16.LEGAL RELATIONS AND RESPONSIBILITIES

16.1. Nothing within the provisions of this Agreement is intended to create duties or obligations to or rights in third parties not PARTIES to this Agreement or to affect the legal liability of a PARTY to the Agreement by imposing any standard of care with respect to the operation and maintenance of STATE highways and local facilities different from the standard of care imposed by law.

16.2. Neither CITY nor any officer or employee thereof is responsible for any injury, damage or liability occurring by reason of anything done or omitted to be done by STATE, under or in connection with any work, authority or jurisdiction conferred upon STATE arising under this Agreement. It is understood and agreed that STATE shall fully defend, indemnify and save harmless CITY and their officers and employees from all claims, suits or actions of every name, kind and description brought forth under, including, but not limited to, tortuous, contractual, inverse condemnation and other theories or assertions of liability occurring by reason of anything done or omitted to be done by STATE under this Agreement.

16.3. Neither STATE nor any officer or employee thereof is responsible for any injury, damage or liability occurring by reason of anything done or omitted to be done by CITY under or in connection with any work, authority or jurisdiction conferred upon CITY and arising under this Agreement. It is understood and agreed that CITY shall fully defend, indemnify and save harmless STATE and all of its officers and employees from all claims, suits or actions of every name, kind and description brought forth under, including, but not limited to, tortuous, contractual, inverse condemnation or other theories or assertions of liability occurring by reason of anything done or omitted to be done by CITY under this Agreement.

17.PREVAILING WAGES:

17.1. <u>Labor Code Compliance-</u> If the work performed under this Agreement is done under contract and falls within the Labor Code section 1720(a)(1) definition of a "public works" in that it is construction, alteration, demolition, installation, or repair; or maintenance work under Labor Code section 1771. CITY must conform to the provisions of Labor Code sections 1720 through 1815, and all applicable provisions of California Code of Regulations found in Title 8, Chapter 8, Subchapter 3, Articles 1-7. CITY agrees to include prevailing wage requirements in its contracts for public works. Work performed by CITY's own forces is exempt from the Labor Code's Prevailing Wage requirements.

17.2. Requirements in Subcontracts - CITY shall require its contractors to include prevailing wage requirements in all subcontracts when the work to be performed by the subcontractor under this Agreement is a "public works" as defined in Labor Code Section 1720(a)(1) and Labor Code Section 1771. Subcontracts shall include all prevailing wage requirements set forth in CITY's contracts.

17.3. SELF-INSURED - CITY is self-insured. CITY agrees to deliver evidence of self-insured coverage providing general liability insurance, coverage of bodily injury liability and property damage liability, naming STATE, its officers, agents and employees as the additional insured in an amount of $1 million per occurrence and $2 million in aggregate and $5 million in excess. Coverage shall be evidenced by a certification of self-insurance letter ("Letter of Self-Insurance"), satisfactory to STATE, certifying that CITY meets the coverage requirements of this section. This Letter of Self-Insurance shall also identify the Agreement location as depicted in EXHIBIT A. CITY shall deliver to STATE the Letter of Self-Insurance with a signed copy of this AGREEMENT. A copy of the executed Letter of Self-Insurance shall be attached hereto and incorporate as Exhibit B.

17.4. SELF-INSURED using Contractor - If the work performed under this AGREEMENT is done by CITY 's contractor(s), CITY shall require its contractor(s) to maintain in force, during the term of this AGREEMENT, a policy of general liability insurance, including coverage of bodily injury liability and property damage liability, naming STATE, its officers, agents and employees as the additional insured in an amount of $1 million per occurrence and $2 million in aggregate and $5 million in excess. Coverage shall be evidenced by a certificate of insurance in a form satisfactory to the STATE that shall be delivered to the STATE with a signed copy of this Agreement.

18. TERMINATION - This Agreement may be terminated by timely mutual written consent by PARTIES, and CITY's failure to comply with the provisions of this Agreement may be grounds for a Notice of Termination by STATE.

19. TERM OF AGREEMENT - This Agreement shall become effective on the date first shown on its face sheet and shall remain in full force and effect until amended or terminated at any time upon mutual consent of the PARTIES or until terminated by STATE for cause.

PARTIES are empowered by Streets and Highways Code Section 114 and 130 to enter into this Agreement and have delegated to the undersigned the authority to execute this Agreement on behalf of the respective agencies and covenants to have followed all the necessary legal requirements to validly execute this Agreement.

IN WITNESS WHEREOF, PARTIES hereto have set their hands and seals the day and year first above written.

THE CITY OF OXNARD

By: ______________________
Mayor

Initiated and Approved

By: ______________________
City Manager

ATTEST

By: ______________________
for City Clerk

By: ______________________
City Attorney

STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION

By: ______________________
Godson Okereke
Deputy District Director
Maintenance District 7

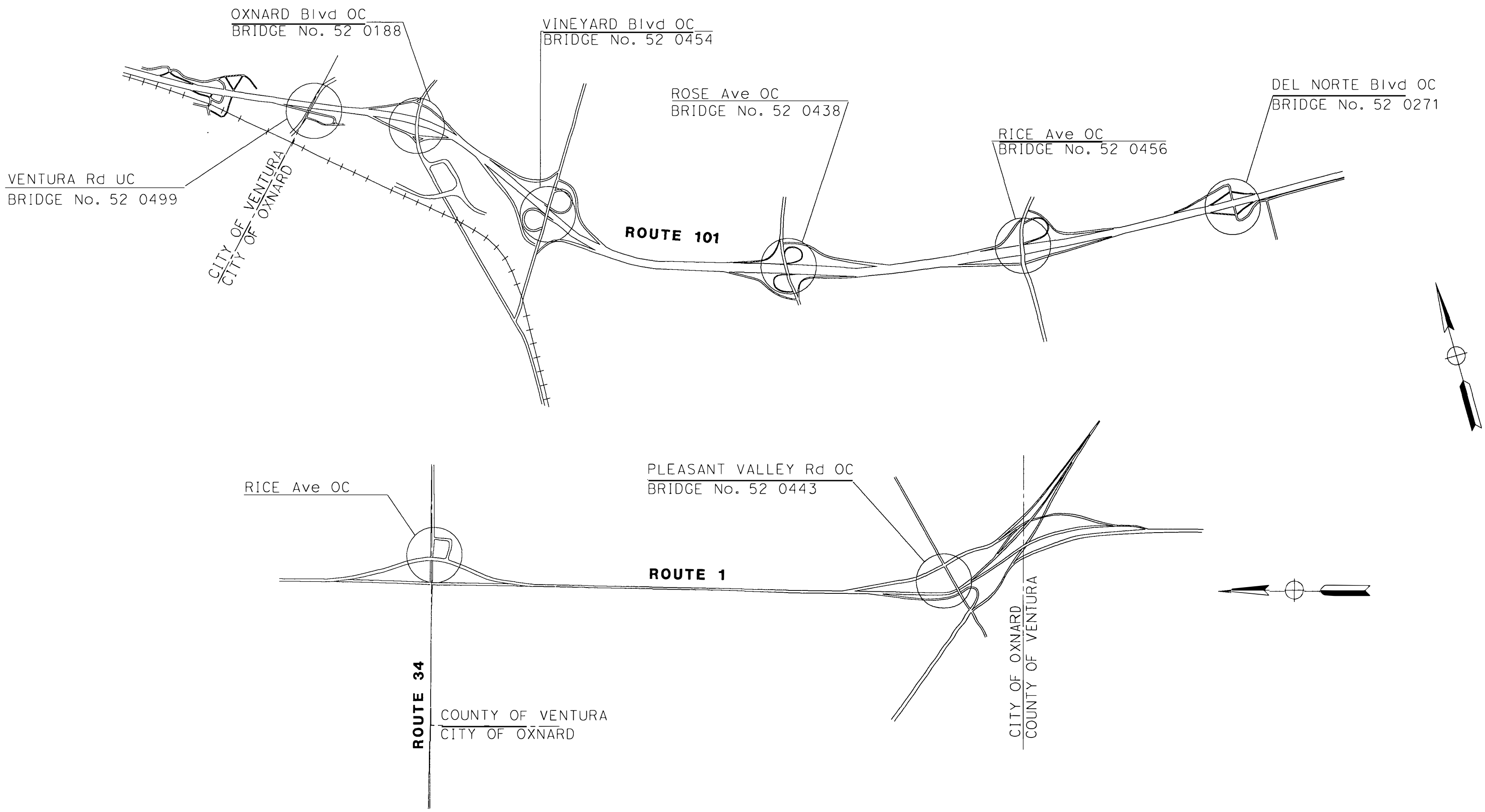
EXHIBIT A

(Plan map identifying the applicable STATE Routes (Freeway proper) and CITY road(s) and facilities)

DIST	COUNTY	ROUTE	POST MILES	SHEET No.	TOTAL SHEETS
07	VEN	1, 34, 101	VARIES	1	9

LEGEND:

—— - —— CITY'S JURISDICTION LINITS



TITLE SHEET

EXHIBIT "A"

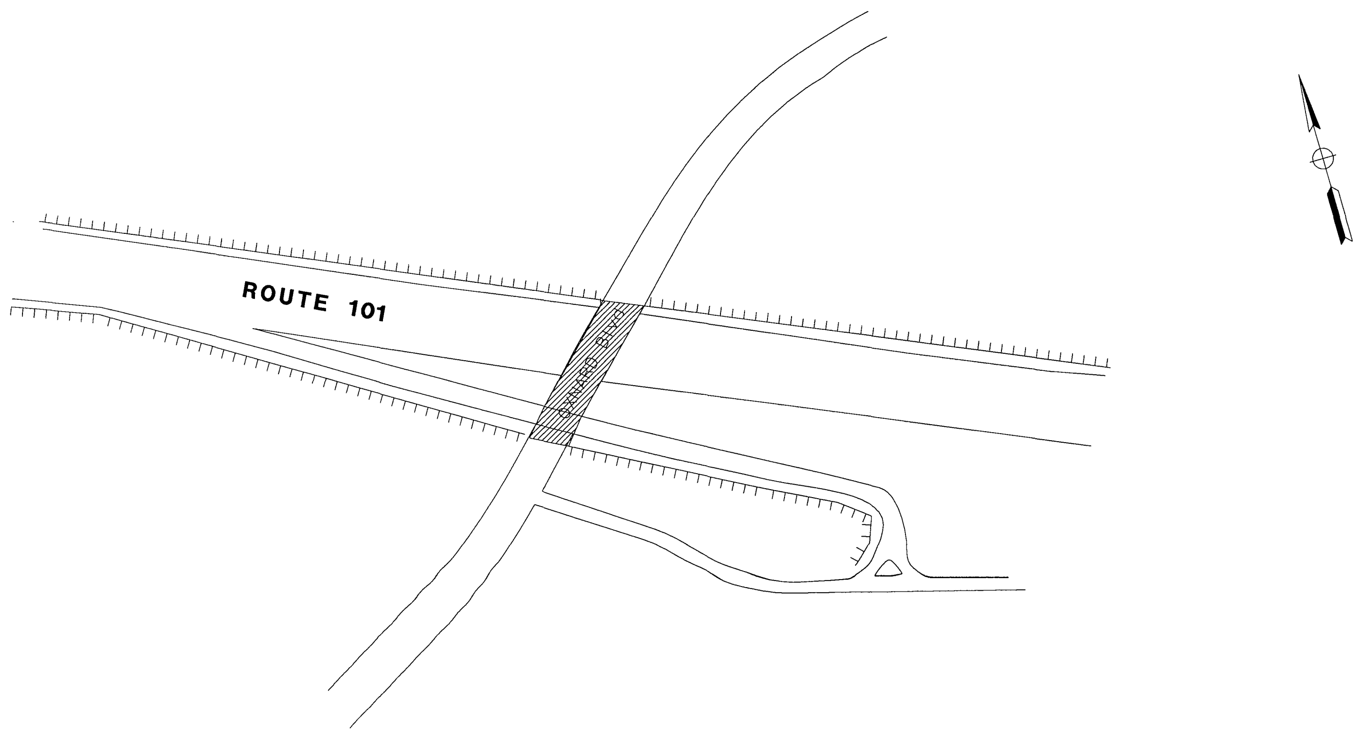
NO SCALE

DIST	COUNTY	ROUTE	POST MILES	SHEET No.	TOTAL SHEETS
07	VEN	101	23.7	7	9

LEGEND:

CITY IS RESPONSIBLE TO MAINTAIN AT CITY'S EXPENSE

STATE'S RIGHT OF WAY LIMITS



VENTURA ROAD UNDERCROSSING
BRIDGE NUMBER 52 0499

EXHIBIT "A"

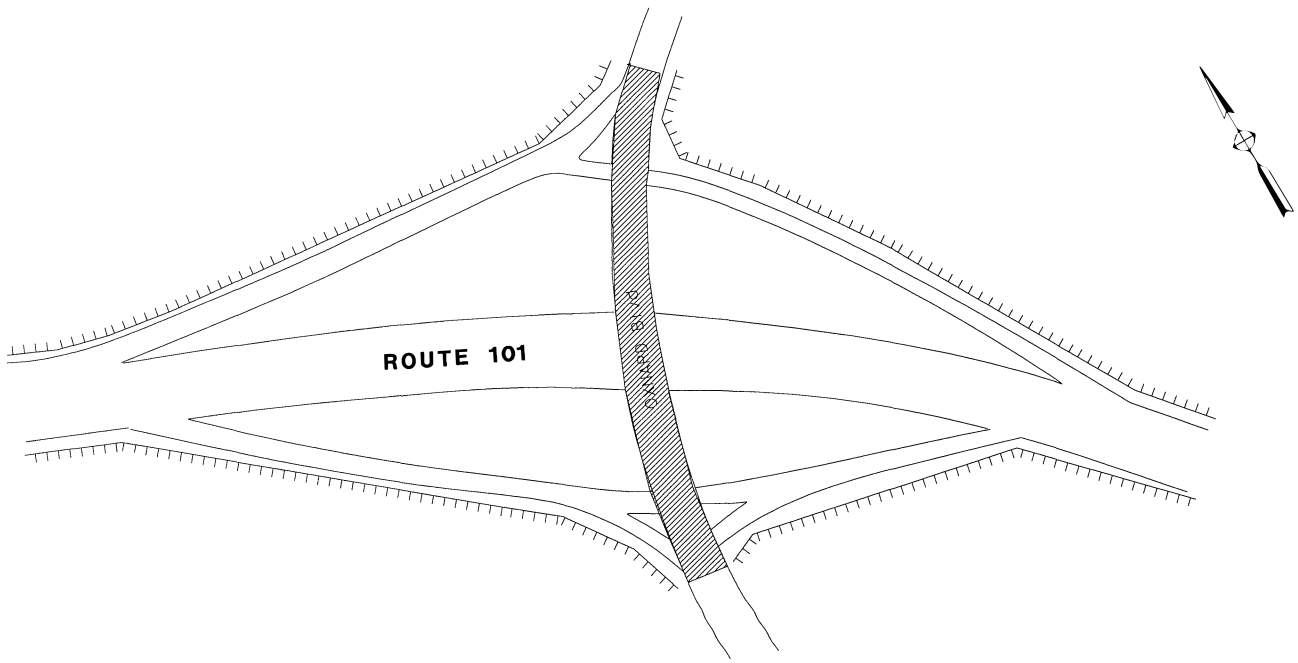
NO SCALE

DIST	COUNTY	ROUTE	POST MILES	SHEET No.	TOTAL SHEETS
07	VEN	101	22.0	6	9

LEGEND:

CITY IS RESPONSIBLE TO MAINTAIN AT CITY'S EXPENSE

STATE'S RIGHT OF WAY LIMITS



OXNARD BOULEVARD OVERCROSSING

BRIDGE NUMBER 52 0188

EXHIBIT "A"

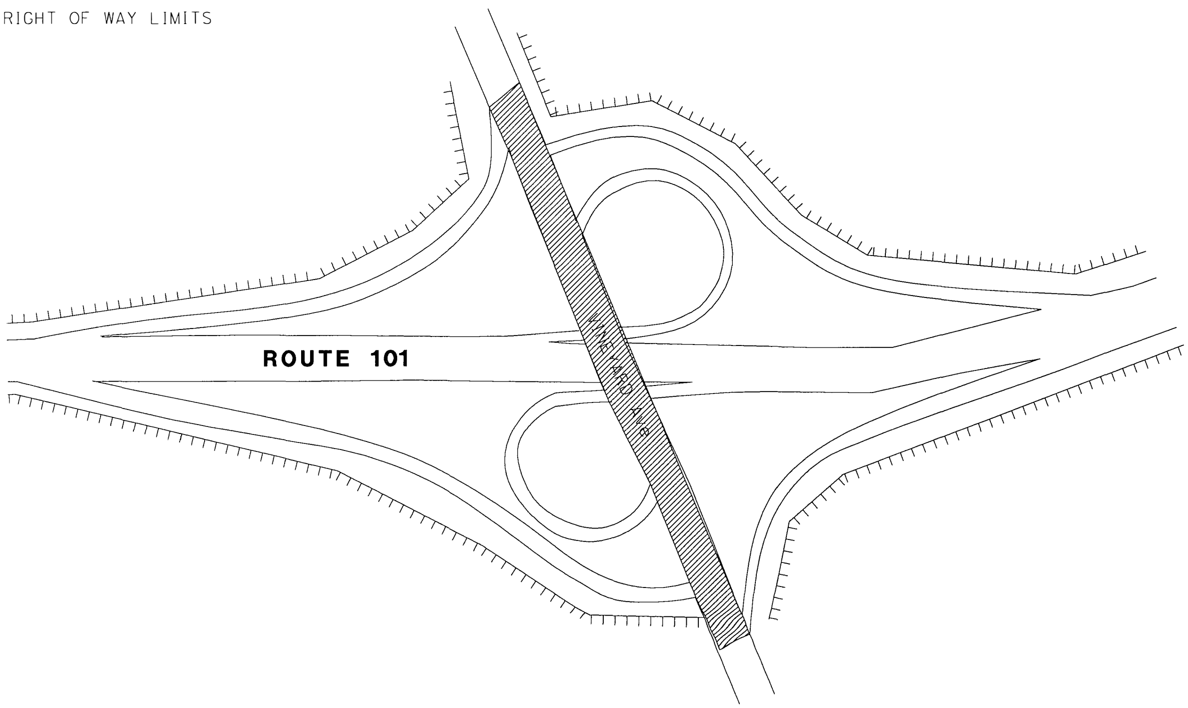
NO SCALE

DIST	COUNTY	ROUTE	POST MILES	SHEET No.	TOTAL SHEETS
07	LA	101	21.98	5	9

LEGEND:

CITY IS RESPONSIBLE TO MAINTAIN AT CITY'S EXPENSE

STATE'S RIGHT OF WAY LIMITS



VINEYARD AVENUE OVERCROSSING
BRIDGE NUMBER 52 0454

EXHIBIT "A"

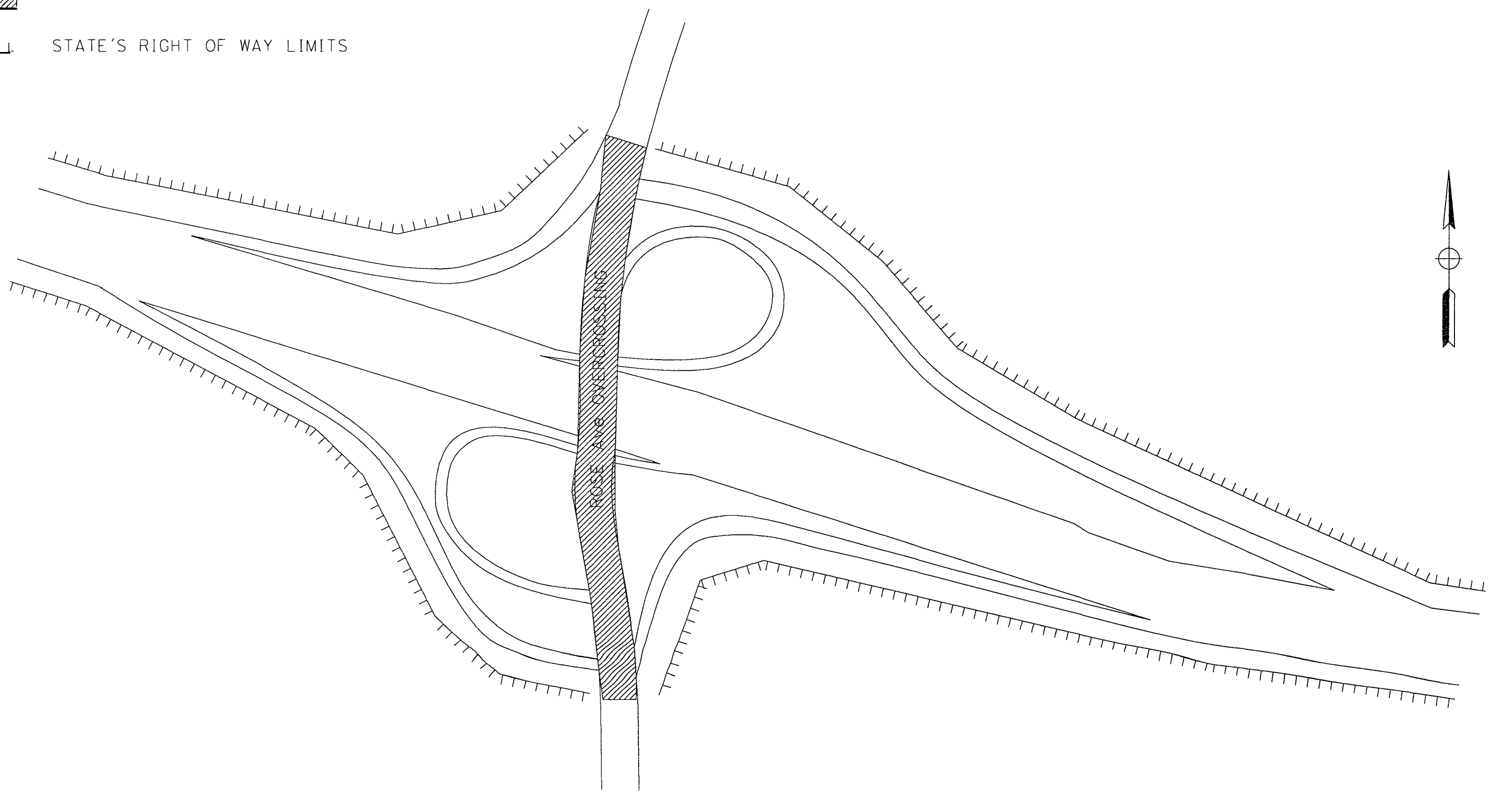
NO SCALE

DIST	COUNTY	ROUTE	POST MILES	SHEET No.	TOTAL SHEETS
07	VEN	101	21.01	4	9

LEGEND:

CITY IS RESPONSIBLE TO MAINTAIN AT CITY'S EXPENSE

STATE'S RIGHT OF WAY LIMITS



ROSE AVENUE OVERCROSSING
BRIDGE NUMBER 52 0438

EXHIBIT "A"

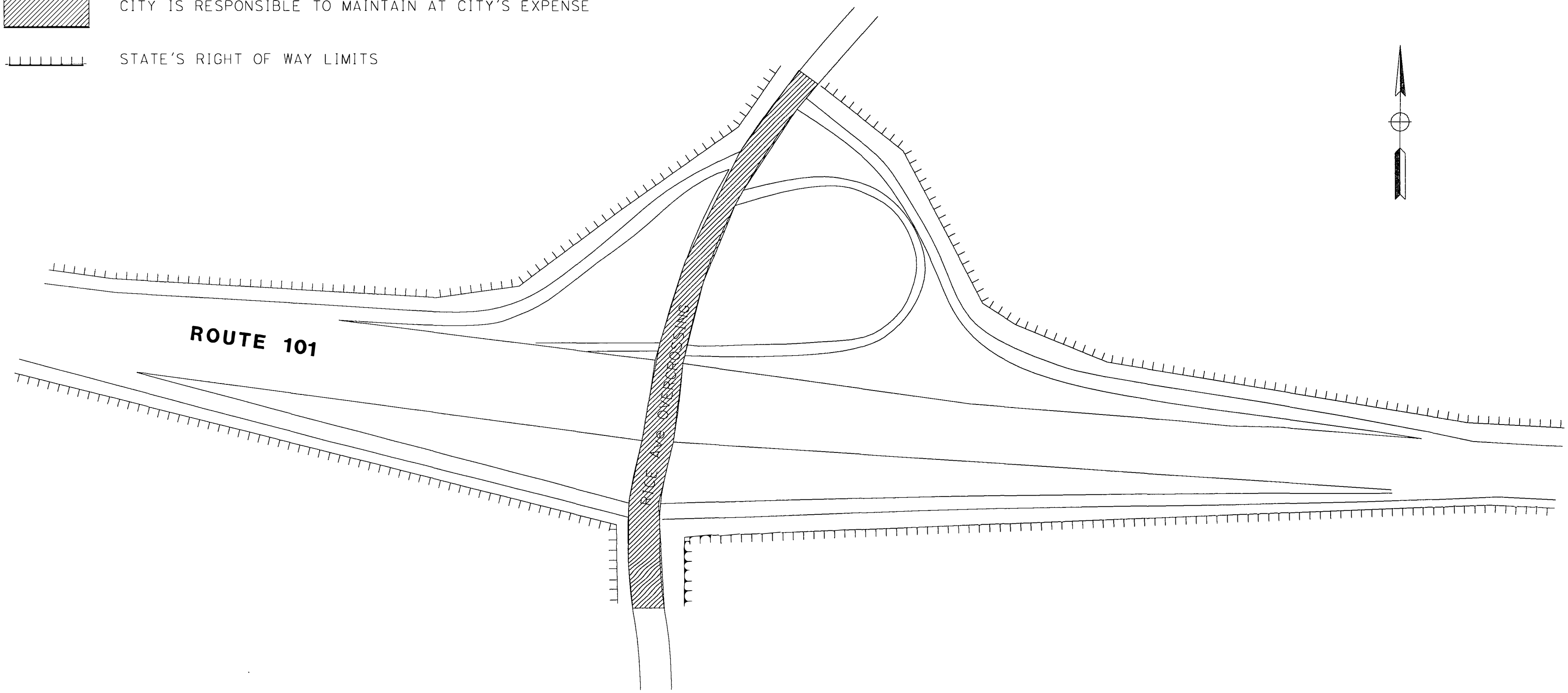
NO SCALE

DIST	COUNTY	ROUTE	POST MILES	SHEET No.	TOTAL SHEETS
07	VEN	101	20.08	3	9

LEGEND:

CITY IS RESPONSIBLE TO MAINTAIN AT CITY'S EXPENSE

STATE'S RIGHT OF WAY LIMITS



RICE AVENUE OVERCROSSING
BRIDGE NUMBER 52 0456

EXHIBIT "A"

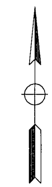
NO SCALE

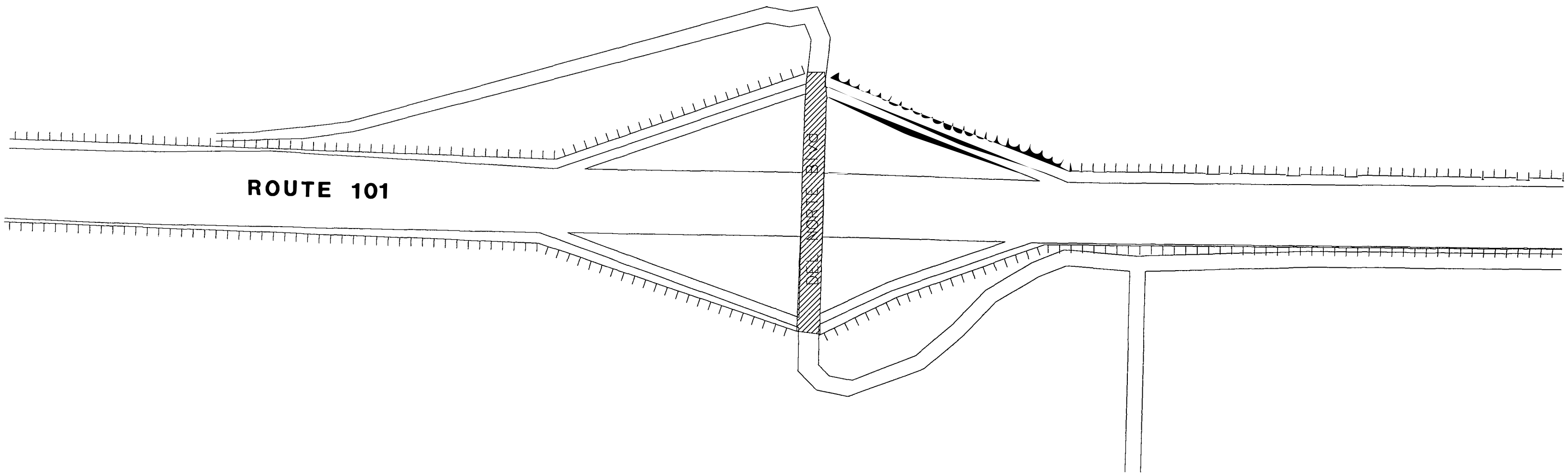
DIST	COUNTY	ROUTE	POST MILES	SHEET No.	TOTAL SHEETS
07	VEN	101	19.17	2	9

LEGEND:

CITY IS RESPONSIBLE TO MAINTAIN AT CITY'S EXPENSE

STATE'S RIGHT OF WAY LIMITS





DEL NORTE BOULEVARD OVERCROSSING
BRIDGE NUMBER 52 0271

EXHIBIT "A"

NO SCALE

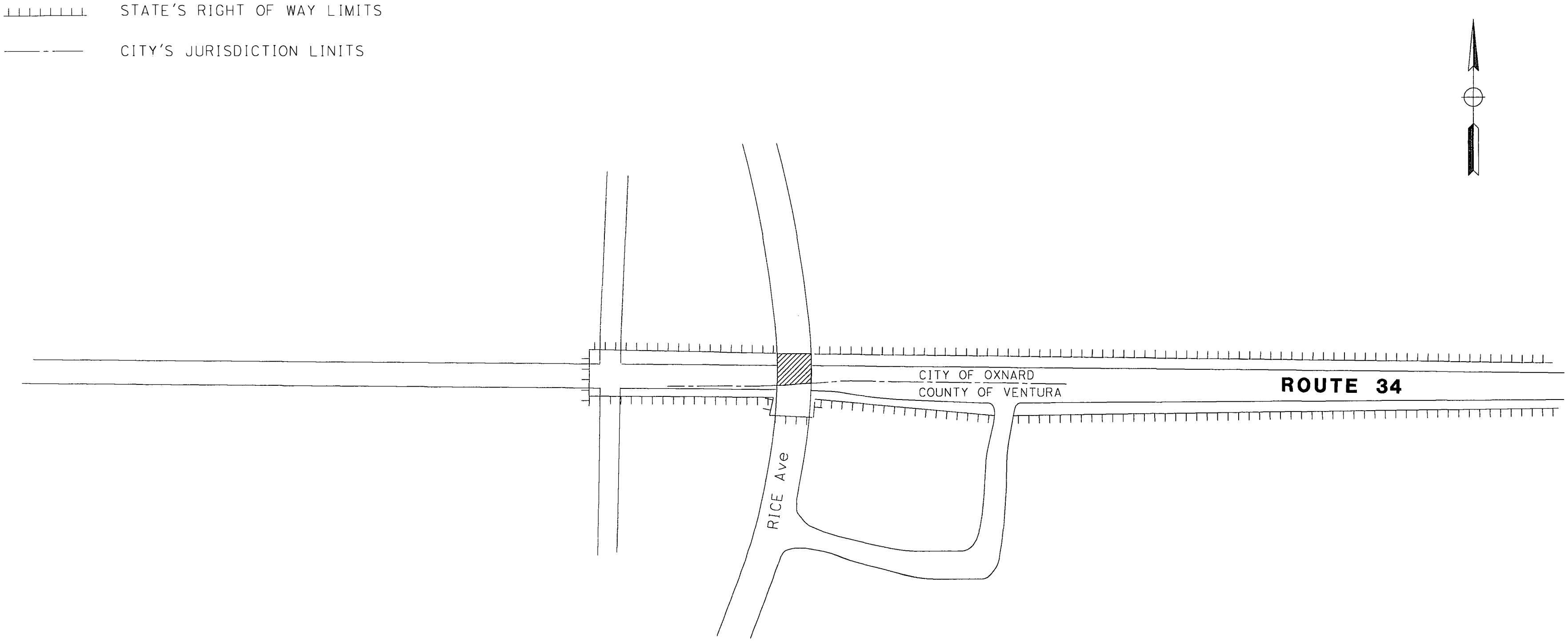
DIST	COUNTY	ROUTE	POST MILES	SHEET No.	TOTAL SHEETS
07	VEN	34	6.4	8	9

LEGEND:

CITY IS RESPONSIBLE TO MAINTAIN AT CITY'S EXPENSE

STATE'S RIGHT OF WAY LIMITS

CITY'S JURISDICTION LINITS



RICE AVENUE OVERCROSSING

EXHIBIT "A"

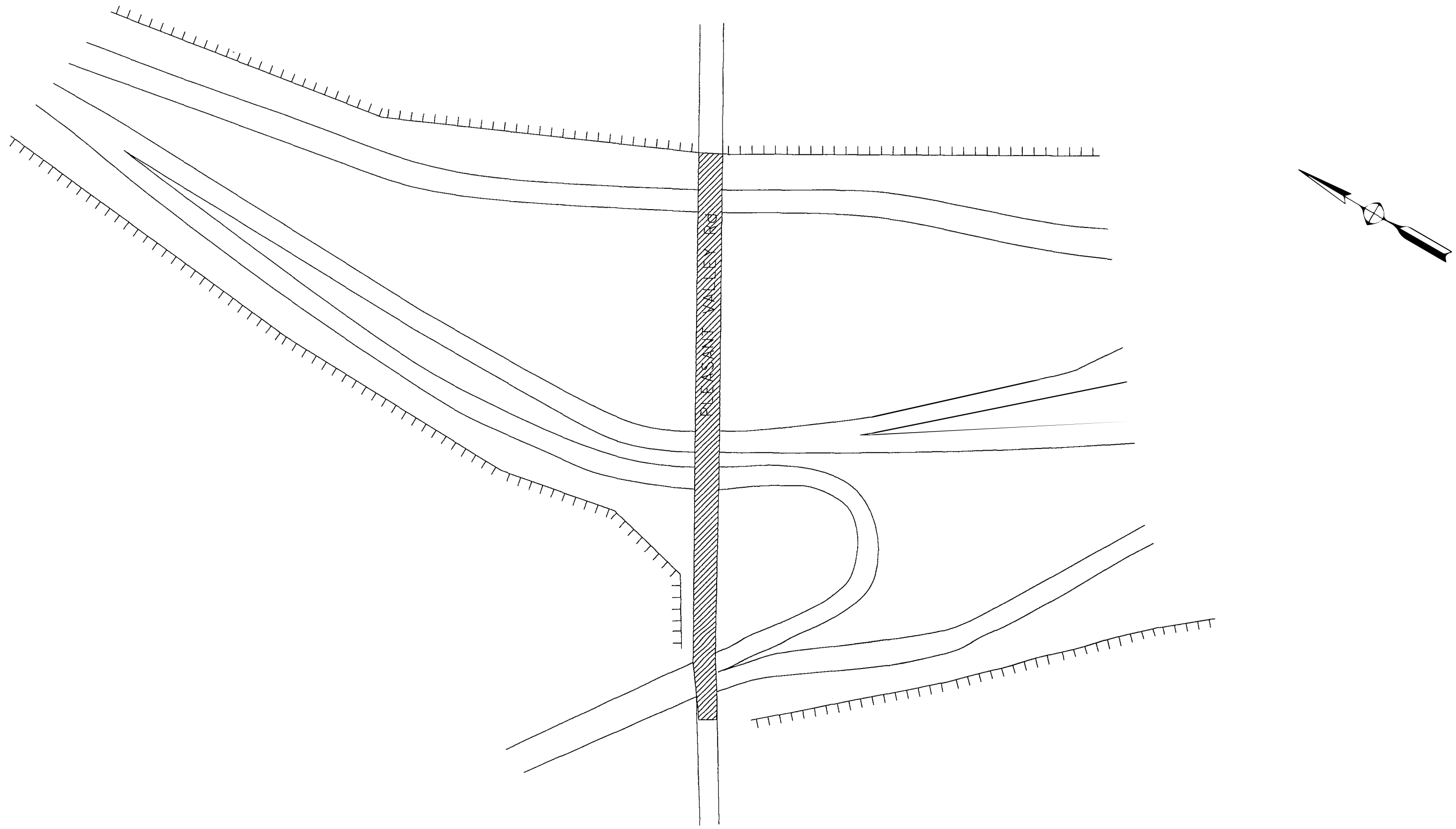
NO SCALE

DIST	COUNTY	ROUTE	POST MILES	SHEET No.	TOTAL SHEETS
07	VEN	1	15.01	9	9

LEGEND:

CITY IS RESPONSIBLE TO MAINTAIN AT CITY'S EXPENSE

STATE'S RIGHT OF WAY LIMITS



PLEASANT VALLEY ROAD OVERCROSSING
BRIDGE NUMBER 52 0443

EXHIBIT "A"

NO SCALE

EXHIBIT B

(Letter of Certificate of City of Oxnard Statement of Self Insurance)

California Department of Transportation
100 South Main Street, MS 03
Los Angeles, CA 90012 March 1, 2022

ATTN: Godson Okereke, Deputy District Director, Maintenance

RE: Statement of Self Insurance for the City of Oxnard (CITY) Related to Freeway Maintenance Agreement with State of California Department of Transportation ("STATE") for the maintenance responsibilities of CITY within STATE's right of way along Highway 1, 34, 101.

Dear Mr. Okereke,

The purpose of this letter is to certify that the CITY is self-insured and self-funded covering third-party claims arising out of its general operations (for example, commercial general liability and automobile liability insurance). Further the CITY is self-insured covering workers' compensation claims and has received the consent of the State Department of Industrial Relations to do so.

Each fiscal year, as a part of its budgetary process, the CITY appropriates funds specifically to satisfy valid third-party claims and workers' compensation claims, which may be brought against the CITY.

The CITY certifies its self-insured, general liability coverage for bodily injury liability and property damage liability, meets the required coverage amounts in section 17.3 (INSURANCE) of the Maintenance Agreement, specifically general liability insurance, coverage of bodily injury liability and property damage liability in an amount of $1 million per occurrence and $2 million in aggregate and $5 million in excess. The CITY further represents that regarding any claims made in connection with the Maintenance Agreement by the STATE, the STATE will be first-in-line regarding the reserved, self-insured amounts.

If you need any additional information regarding this letter, please direct those inquires through my office.

Sincerely,

Betsy George,
Chief Financial Officer
City of Oxnard

AD 2000-1 Improvement Fund Account Closeout and Budget Appropriation

Finance and Governance Committee, December 10, 2024
Council, January 7, 2025

Anthony Miller
Special Districts Manager

CITY OF OXNARD CALIFORNIA

RECOMMENDATION

The Finance and Governance Committee recommend that the City Council authorize a budget appropriation in the amount of $16,500 within account Fund 500, Subfund 50503801, for the cost of administering the Improvement Fund closeout and completing a final arbitrage rebate yield calculation; AND, approve, via resolution, a Declaration of Surplus, one of the following three options regarding the close-out and disposition of the Limited Obligation Improvement Bonds (the "Bonds") Account associated with the Oxnard Boulevard/Highway 101 Interchange project and approving the Closeout Report:

RECOMMENDATION

1) Credit the assessment levy in FY 2025-26; or

2) Call bonds ahead of schedule in FY 2025-26 and direct staff to provide annual levy credits (STAFF RECOMMENDED); or

3) Call bonds ahead of schedule in FY 2025-26 and direct staff to continue to collect in excess with the intention of authorizing additional annual bond calls, thereby reducing the outstanding principal and interest.

BACKGROUND

- AD 2000-1 Oxnard Blvd/Hwy 101 Interchange is an Integrated Financing District (referred to as an Assessment District) formed under the California Streets and Highways Code Municipal Improvement Act of 1913 by the Oxnard City Council on December 19, 2000. The Bonds were issued on August 14, 2003, under the Improvement Bond Act of 1915.
- The District was formed for the purpose of financing the construction of the interchange improvements including an eight-lane overcrossing to connect Oxnard Boulevard over U.S. Highway 101, northbound and southbound on and off ramps for U.S. Highway 101, widening U.S. Highway 101, traffic signals, landscaping and irrigation, decorative lighting, railings, sidewalks, curbs and gutters, pedestrian and bicycle paths, and other appurtenant work.

BACKGROUND

- This project was funded with the issuance of a limited obligation improvement bond in the total amount of $2,335,000. This included specific funds deposited for the purpose of constructing these improvements in an "Improvement Fund" account with an original amount of $2,106,242.50.
- Construction of this interchange was completed in 2015. After completion, but no sooner than August 14, 2005, the remaining amount in the Improvement Fund account of $182,375.06 was authorized to be distributed in a manner consistent with the Bond Indenture and California Streets and Highways Code Section 10427.

DISCUSSION

- After the completion of major infrastructure projects that were funded through bond proceeds, it is not uncommon for some unspent funding to remain within the improvement fund accounts. Typically, these fund accounts are closed out shortly after the completion of the project, so that they do not present the possibility of incurring arbitrage.
- Arbitrage is the act of making a profit by purchasing something at a lower price and selling it at a higher price. Therefore, arbitrage rules exist to prevent municipalities from issuing bonds for the sole purpose of profit and investment opportunities.

DISCUSSION

- As presented above, in addition to approving the cost of administering the close-out process, staff is recommending the City Council take one or a combination of the following three options regarding the closeout and disposition of the Improvement Fund account for AD 2000-1.
- The attached report, Improvement Fund Closeout Analysis Preliminary Report For: Assessment District No. 2000-1 (Oxnard Boulevard/Highway 101 Interchange) prepared by Special Districts Consultant, NBS, thoroughly details each option for the remaining $182,375.06 as well as the potential financial impact of each choice.
- All figures presented in the report are estimated as they are based on necessary assumptions to generate the expected bond payoff amount and schedule.

DISCUSSION

- The following table of "Pros" and "Cons" discusses the effects of each option if recommended in its entirety to the City Council.

DISCUSSION

OPTION	PRO	CON
1. Credit the assessment levy for FY 2025-26	- FY 2025-26 assessment levy would be reduced by approximately 93.5%. Property owners in the district would only be responsible for their share of approximately $13,000 for FY 2025-26. - Would allow for the earliest property owner savings. - Can fully commit all remaining funds ($182,375.06)	- FY 2025-26 assessment levy would be substantially lower for only one year, potentially misleading property owners into believing future levy amounts will be the same. - Would not result in long-term principal and interest savings. - Would only provide a fiscal benefit to property owners in FY 2024-25.
2. Call bonds to reduce the principal and interest and provide an annual levy credit (STAFF RECOMMENDED)	- Would reduce annual assessments with a levy credit each year for the remaining life of the bonds. - Total savings to property owners estimated at approximately $238,213 for the remaining life of the bond. - Can fully commit all remaining funds ($182,375.06) - Would provide a benefit (savings) to the greatest possible number of property owners as savings would be realized every year until the bond is paid.	- Would not result in highest long-term principal and interest savings.
3. Call bonds to reduce the principal and interest, levy in excess, and perform annual bond calls	- Would provide the greatest financial relief to property owners only if they owned property the entire time after the bond call until the bond is fully paid (early). - Would reduce the overall remaining life of the bond by 1 to 2 years. - Total savings to property owners estimated at approximately $340,343.62. - Can fully commit all remaining funds ($182,375.06)	- Would not provide annual savings to property owners as the assessment amounts would remain the same. - Savings would only be realized by property owners who own at the time of the final bond payment. - Total savings would not be realized for 7 to 8 years. (est.) - Could incur additional administrative expenses to perform annual bond calls depending upon Trustee fees.

DISCUSSION

- Since the remaining unspent funds are relatively low, staff suggests only selecting one of the three options above.
- However, City Council has the authority to use multiple combinations of the three options for the disposition of the funds, but the impacts of the choices would be minimal, while requiring additional time and resources of staff and consultants to formulate.
- In the event that the Committee chooses to recommend a combination of options, staff will need to return to the Committee with the exact calculations requested. Two example options have been provided below to inform the Committee of what can be recommended and how it may affect the District's property owners.

DISCUSSION

1. **Application of a 50% Improvement Fund surplus levy credit and a 50% surplus March 2025 bond call with no excess collections. -** This option would include no excess collections in future years, resulting in an annual levy credit in the amount of the difference between the principal and interest to be billed from the original lien schedule, and the principal and interest due based on the savings from the March 2025 bond call.

   The levy in FY 2025-26 would be reduced to approximately 37% of the original principal and interest scheduled due to the levy credit and debt variance. Subsequent years would result in a levy reduced to an average of 90% of the annual principal and interest due from the original lien schedule. Total savings through FY 2032-33 would be approximately $212,413. All property owners between FY 2025-26 and the bond maturity would see some savings on their annual property tax bill. However, total savings would be less than if the entire amount was applied to the bond principal (Option 2 above).

2. **Application of a 50% Improvement Fund surplus levy credit and a 50% surplus March 2025 bond call with excess collections. -** This option would include excess collections in future years, allowing for additional annual bond calls and maximum savings over the life of the assessment. The accumulated overpayments would be used to call bonds ahead of schedule, resulting in an early retirement of the debt. Property owner savings would be realized in FY 2025-26 and in FY 2031-32, but levies between those times would remain the same as in previous years.

   The levy in FY 2025-26 would be reduced to approximately 47% of the original principal and interest scheduled due to the one-time 50% surplus levy credit. Subsequent years would result in levies at 100% of the original scheduled principal and interest, except that the final year of assessment billing would occur in 2031, providing a final levy of approximately 63% of the originally scheduled lien amount, and 100% savings of the final scheduled lien amount due in 2032. Total savings through FY 2032-33 would be approximately $324,194. However, total savings would be less than if the entire amount was applied to the bond principal and if excess levies were applied (Option 3 above).

DISCUSSION

- Due to the complexity of these options and their limited impact on overall savings in exchange for a limited single-year levy credit, staff are not recommending this methodology over Option 2 listed in the Recommendation.
- Finally, this process is generally triggered after a Notice of Completion is issued at the end of the project. However, in this case, CalTrans was the lead agency responsible for the construction of the project. CalTrans completed the project in 2013 and via Relinquishment Agreement #07-4870, transferred portions of the improvements to the City.

DISCUSSION

- The Relinquishment Agreement (#07-4870) does not mention the improvements funded by the bonds as specifically completed by Caltrans, however, it is inferred that the improvements were complete at the time the City acquired the "facilities" in 2013 and the reason why the City did not file a standard Notice of Completion.

FINANCIAL IMPACT

- The estimated surplus in the Improvement Fund as of December 15, 2024, is projected to be $182,375.06 after costs associated with closeout have been paid and interest earnings accounted for. The financial impact of this closeout is dependent upon the action of the City Council and will be consistent with the results as detailed in the attached report (Attachment 1).
- Impacts based on Staff Recommendation in Assessment District Fund 500, Subfund 50503801:

Options	Amount
Current Balance	$182,375.06
Option 2- Call bonds to reduce the principal and interest and provide an annual levy credit	-$165,875.06
Budget appropriation for $16,500 in Assessment District	-$16,500
Balance	$0

CITY OF OXNARD CALIFORNIA

QUESTIONS

CITY OF OXNARD CALIFORNIA

FINANCE AND GOVERNANCE COMMITTEE
AGENDA REPORT

REPORTS
AGENDA ITEM NO. D.2

DATE: December 10, 2024

TO: Finance & Governance Committee

FROM: Javier Chagoyen-Lazaro, Chief Financial Officer, (805) 200-5400, javier.chagoyenlazaro@oxnard.org

SUBJECT: Update on the Financial Corrective Action Plan (FCAP) For Closing Past Audit Findings. (10 minutes)

RECOMMENDATION

That the Finance and Governance Committee receive an update on the Financial Corrective Action Plan (FCAP) for closing past audit findings and recommend staff forward the presentation to City Council.

Please click the following link to view the required Measure M pre-recorded presentation video: https://youtu.be/qhviZhYJvM4

BACKGROUND

The City's annual audit for FY 2014-15 produced 111 single-audit findings. These findings primarily concerned the City's policies and procedures (or lack thereof) for accounting and financial management. Between fiscal year 2016 through the fiscal year ended June 30, 2018, the City's annual audits continued to identify new findings in the double digits. For FY 2019-20, there was one additional audit finding, for Information Technology General Controls, which was communicated to City Council via a separate confidential written report due to its sensitive nature For FY 2020-21, there was one new finding for accounting and financial management, but only two earlier audit findings remained unresolved, and there were no material weaknesses. For FY 2021-22, there were no new findings for accounting and financial management; only two prior findings remained unresolved. FY 2021-22 was the third year in a row where the City had no material weaknesses. For FY 2022-23, there were no new findings for accounting and financial management (for the second year in a row); only one prior finding remains unresolved. Below is a table summarizing audit finding history.

History of Findings by Fiscal Year	A # of New Finding	B # of Repeat Findings	C = (A+B) + Prior Year C Total # of Findings
FY 2014-15	111	0	111
FY 2015-16	5	0	116
FY 2016-17	10	9	135
FY 2017-18	24	13	172
FY 2018-19	8	3	183
FY 2019-20	1	0	184

FY 2020-21	1	1	186
FY 2021-22	0	0	186
FY 2022-23	0	0	186

In order to correct the various accounting and financial management audit findings, the City was required to produce a Corrective Action Plan, or CAP. This plan, updated annually, addresses all unresolved findings, and the steps and timeline to correct them. Staff created a detailed audit scorecard, and began presenting it to the Finance & Governance Committee, and to City Council, every six months.

DISCUSSION

As reported in April 2024, during the FY 22-23 Single Audit, Eadie + Payne determined that the City sufficiently completed the corrective action plan for the finding identified in the FY 20-21 audit related to updating the Indirect Cost Allocation Plan.

Only one finding remains outstanding, the finding related to the Information Technology General Controls. This finding has 18 parts. As reported in April, per our auditor, six parts have been completed and two are no longer required, so ten parts remain. The City has continued to make progress on the corrective actions for the finding. The City Council will continue to receive updates on the IT General Controls finding through separate confidential reports.

Overall, the City has improved accounting and financial compliance, resulting in no new findings for two consecutive years. The Finance Department proposes that this FCAP Update change from twice a year to once a year.

STRATEGIC PRIORITIES

This agenda item supports the Organizational Effectiveness strategy. The purpose of the Organizational Effectiveness strategy is to reinforce, stabilize, improve, and strengthen the organizational foundation of the City in order to build a modern, high-functioning City government that effectively and efficiently supports the operating departments in providing high-quality services and programs for our residents and businesses.

FINANCIAL IMPACT

There is no financial impact.

Prepared by: Jennifer Hiraoka, Senior Manager Internal Controls

ATTACHMENTS

1. Update on the Financial Corrective Action Plan for Closing Past Audit Findings

UPDATE ON THE FINANCIAL CORRECTIVE ACTION PLAN FOR CLOSING PAST AUDIT FINDINGS

Presentation to Finance and Governance Committee

Jennifer Hiraoka, Senior Manager Internal Controls

December 10, 2024

CITY OF OXNARD CALIFORNIA

RECOMMENDATION

That Finance & Governance Committee receive the update on the Financial Corrective Action Plan (CAP) for closing past audit findings and recommend staff forward the presentation to City Council.

- Status of Financial Corrective Action Plan - no change since last update in April 2024
- Continued progress

CAP STATUS DEFINITIONS

Complete – Auditors have tested and determined that corrective action for the finding has been effectively implemented

To Be Tested – Policies and Procedures (P&P) approved (if applicable), training completed and corrective action ready for auditors to test during the next single audit

P&P Draft – P&P drafted but not yet approved by CFO and/or training not yet provided.

In Progress – Staff has taken steps towards implementation, but not yet drafted P&P or completed training

Not Started – Staff has not initiated mitigations, implemented resolutions or provided training

Passed/No Longer Required – Staff disagrees with the finding and/or auditors have determined corrective action is no longer required

CORRECTIVE ACTION PLAN STATUS AS REPORTED IN APRIL 2024

FINDINGS STATUS (2015-2023) (as of April '24)	**MATERIAL WEAKNESS**	**SIGNIFICANT DEFICIENCY**	**Non-Compliance**	**Best Practice**	**TOTAL**
TOTAL Findings	**72**	**78**	**17**	**19**	**186**
Repeat Findings	*(7)*	*(12)*	*(4)*	*(4)*	*(27)*
TOTAL Unique Findings	**65**	**66**	**13**	**15**	**159**
COMPLETE	63	62	7	12	144
Passed / No Longer Required	2	3	6	3	14
TO BE TESTED	0	0	0	0	0
P&P DRAFT	0	0	0	0	0
IN PROGRESS	0	1	0	0	1
NOT STARTED	0	0	0	0	0
TOTAL Unresolved Findings	**0**	**1**	**0**	**0**	**1**

FY 2023 SINGLE AUDIT RESULTED IN NO ADDITIONAL FINDINGS

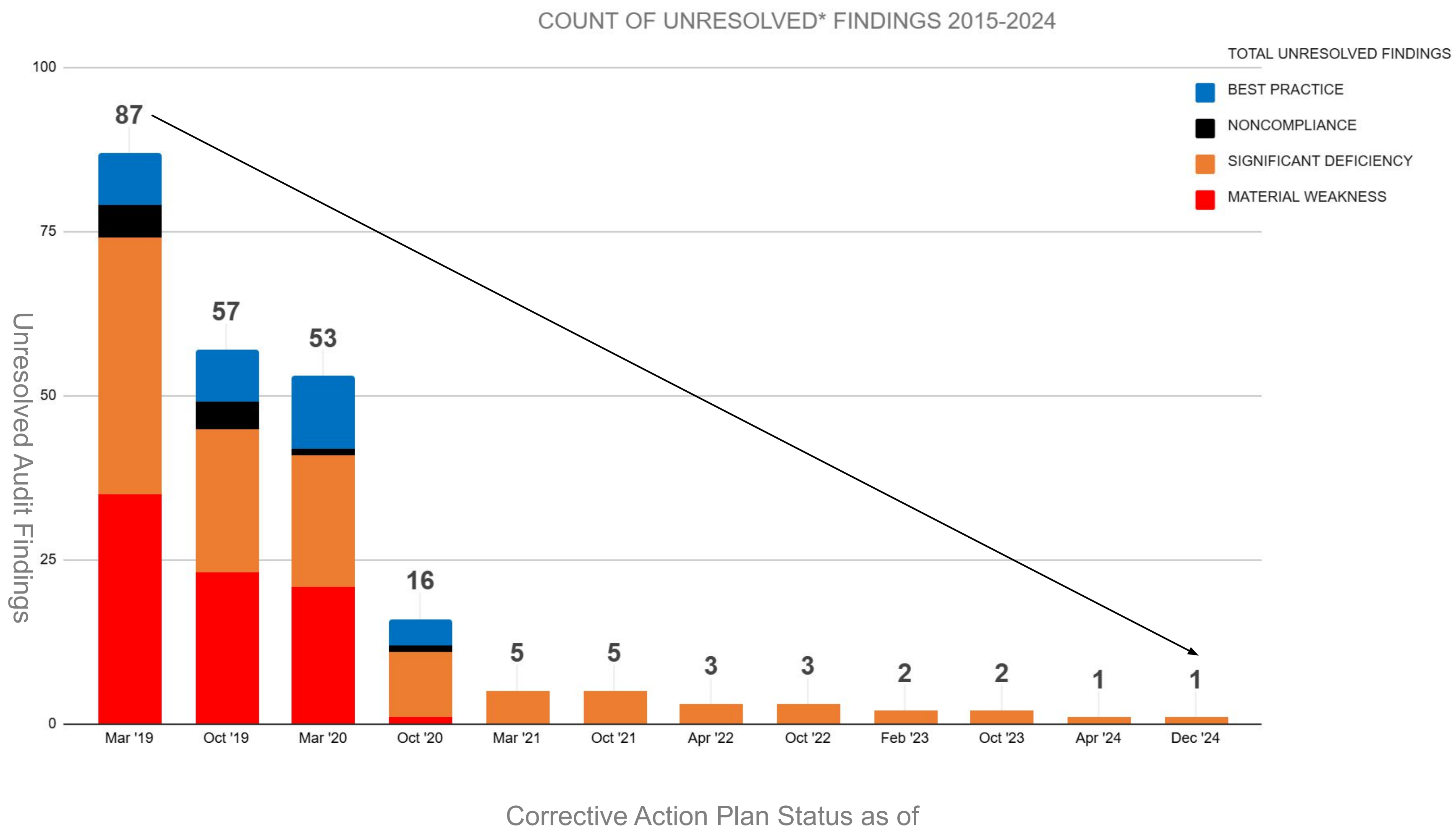
Second year in a row – no new audit findings!

The one (1) outstanding remaining finding:

Prior Audit Finding:

- Information Technology (IT) General Controls [IT Department] – City Council continues to receive updates via separate confidential reports

COMPLIANCE IMPROVEMENT



*Includes all unique findings excluding "Complete" or "Passed/No Longer Required" status

PROGRESS CONTINUES

- Going forward –
  - Next update in early 2025
  - Financial Corrective Action Plan Updates will change from twice a year to once a year

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Questions?