

DUE DECEMBER 31 Pursuant to Public Resources Code § 6306

Fiscal/Calendar Year: 2019-20

Grantee Name: CITY OF REDWOOD CITY

Contact Person: CAROLYNE KERANS

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1. Funds

a. Is a separate fund maintained for trust assets, liabilities, revenues and expenditures?

YES NO

If "Yes", please list the name(s) of the fund(s).

DOCKTOWN MARINA FUND

If "No", under what fund are they accounted for?

b. Are separate financial statements prepared for the trust?

YES NO

If "Yes," describe the organization of the separate financial statement.

INCLUDED IN THE FY 2019-20 ACFR, PAGES 31-34

If "No," in which financial statements are they included? (Name of the document(s) and the applicable page number(s)).

2. Revenue

a. What was the gross revenue received or generated from trust land or trust assets during the past fiscal year?

\$4,157,857

b. Please list all sources of revenue and the amount of revenue generated from each source (e.g., permits, rentals, percentage of lease, etc.).

SEE ATTACHED DOCUMENT- DOCKTOWN MARINA OPERATING AND NON-OPERATING REVENUES AND EXPENDITURES

GRANTED PUBLIC TRUST LANDS STANDARDIZED REPORTING FORM

SLC 150 (formerly Form 12.26)

3. Expenses

- a. What was the total expenditure of funds received or generated from trust land or assets during the past fiscal year?

\$749,381

- b. What expenses were allocated or charged directly to the trust? Please list the source of the expenditure and the amount expended.

SEE ATTACHED DOCUMENT- DOCKTOWN MARINA OPERATING AND NON-OPERATING REVENUES AND EXPENDITURES

- c. Have there been any capital improvements over \$250,000 within the current fiscal year? Are any capital improvements over \$250,000 expected in the next fiscal year?

NO, NO

- d. Describe any other disposition of trust funds or assets or any other disposition of the trust lands or trust assets themselves. Include any internal funds that were transferred to other grantees, to the management of entity or under the management of another political subdivision of the grantee under an agreement, settlement, or memorandum of understanding.

SEE ATTACHED DOCUMENT - MD&A PAGE 16 DESCRIBING DETAILS OF DOCKTOWN MARINA FUND

4. Beginning and Ending Balance

Please list the beginning and ending balances for the tidelands trust fund(s) for this past fiscal year.

SEE ATTACHED DOCUMENT- DOCKTOWN MARINA OPERATING AND NON-OPERATING REVENUES AND EXPENDITURES

Sewer Utility – The sewer utility fund realized operating income of \$8.8 million in the current fiscal year, \$3.5 million higher than the operating income of \$5.3 million in the prior fiscal year. Operating revenues increased by \$4.2 million, while operating expenses increased by \$700 thousand from the prior fiscal year, primarily due to the operating costs of SVCWA. After non-operating revenues (expenses), capital contributions, and transfers out of the sewer utility fund, net position increased by \$11.8 million, compared to \$11.3 million in the prior fiscal year.

Parking Fund – The parking fund realized an operating loss of \$2.1 million thousand in the current fiscal year, \$1.4 million higher than the operating loss of \$700 thousand in the prior fiscal year. Operating revenues decreased by \$1.0 million, due to the lack of parking permit revenue and meter revenue starting in March/April 2020, this fiscal year to \$1.7 million, while operating expenses increased by \$500 thousand from the prior fiscal year to \$3.8 million. After non-operating revenues (expenses), capital contributions, and transfers into the parking fund, net position decreased to negative \$300 thousand, compared to a positive \$400 thousand in the prior fiscal year, a decrease of \$700 thousand. It is likely that transfers from the General Fund will continue to be required in future fiscal years to cover operational deficits.

Port Fund – The port fund realized operating income of \$2.8 million in the current fiscal year, \$400 thousand higher than the operating income of \$2.4 million in the prior fiscal year. Operating revenues decreased by \$600 thousand, while operating expenses were down \$1.0 million over FY 2018-19. After non-operating revenues (expenses), net position increased by \$2.2 million, compared to \$1.7 million in the prior fiscal year.

Docktown Marina – The Docktown Marina fund realized an operating loss of \$700 thousand in the current fiscal year, better than the operating loss of \$1.8 million in the prior fiscal year. Operating revenues decreased by \$20 thousand, while operating expenses decreased by \$1.2 million. During FY 2019-20, the general fund transferred \$4.4 million into the Docktown Marina Fund in relation to a litigation settlement agreement to end residential uses at the marina. After non-operating revenues (expenses) and transfers into the Docktown Marina fund, net position increased by \$3.4 million, compared to an increase of \$1.5 million in the prior fiscal year. In addition, during FY 2017-18, the parking fund and equipment services fund loaned the Docktown Marina fund \$1.7 million and \$6.0 million, respectively. During FY 2018-19, the Docktown Marina fund was able to repay the parking fund and equipment services fund \$850 thousand and \$3.0 million, plus interest, respectively. In FY 2019-20, the Docktown Marina fund repaid the parking fund and equipment services fund in full.

GENERAL FUND BUDGETARY HIGHLIGHTS (BUDGET VS. ACTUAL RESULTS)

Property taxes exceeded budget by \$1.2 million primarily due to the continued strength of the local housing market and higher than expected Education Revenue Augmentation Fund revenues.

Sales and other taxes were higher than budget by \$3.4 million, primarily due to strong sales tax – as a result of 12 months of the new half-cent sales tax that became effective on April 1, 2019, transient occupancy tax that was slightly better than expected (after the large budget reduction in response to COVID-19), business license tax revenues that were \$200 thousand higher than budget, and utility users' tax revenue that was \$500 thousand higher than expected. These were offset by lower than expected franchise tax and property transfer tax revenues.

Licenses and permits were less than budget by \$700 thousand due to lower than expected building permit, cannabis permit, and fire related fees.

PROPRIETARY FUND FINANCIAL STATEMENTS

ENTERPRISE FUNDS

WATER UTILITY FUND

This fund is used to account for the provision of water services to the residents of Redwood City and some residents of areas adjacent to the City. All activities necessary to provide such services are accounted for in these funds, including, but not limited to, administration, operations, maintenance, capital improvements, financing, and billing/collections.

SEWER UTILITY FUND

This fund is used to account for the provision of sewer services to the residents of Redwood City and some residents of areas adjacent to the City. All activities necessary to provide such services are accounted for in these funds, including, but not limited to, administration, operations, maintenance, capital improvements, financing, and billing/collections.

PARKING FUND

This fund is used to account for on-street and off-street parking operations within the boundaries of the central business district of the City. All activities necessary to provide metered parking within the district are accounted for in these funds, including, but not limited to, administration, operations and maintenance, capital improvements, meter collection, and financing including related debt service. The authority for the formation of the district and the issuance of revenue bonds are contained in the State of California's Streets and Highway Code.

PORT OF REDWOOD CITY (PORT FUND)

This fund is used to account for Port activities within the Port Department as defined in the City Charter. These activities include, but are not limited to, administration, maintenance and operations, and Port improvements. Management of the Port of Redwood City is provided by the Port Commission, whose members are appointed for four-year terms by the City Council. The only limitation to the commissioner's authority is the power to levy taxes, which must be approved by the City Council. Also, the City Charter provides that the City Treasurer is the Port Treasurer and the City Attorney is the Port Attorney. This fund is included in this report because both the Bureau of Census and the State of California require the City to include a summary of the Port's financial transactions in the respective reports.

DOCKTOWN MARINA

This fund is used to account for the operation of the Docktown Marina including administration, operations, maintenance and billing/collections.

INTERNAL SERVICE FUNDS

These funds are used to account for the financing of goods and services provided by one City department to others on a cost reimbursement basis. Internal service funds are included with enterprise funds as both use the same accounting and financial reporting.

CITY OF REDWOOD CITY, CALIFORNIA
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2020

	Business-Type Activities-Enterprise Funds					Totals	Governmental Activities- Internal Service Funds
	Water Utility Fund	Sewer Utility Fund	Parking Fund	Port of Redwood City	Non-Major Docktown Marina		
	\$	\$	\$	\$	\$		
ASSETS							
Current assets:							
Cash and investments available for operations	47,269,748	39,362,966	9,327,087	18,360,194	269,430	114,589,425	54,874,553
Receivables (net of allowance for uncollectibles):							
Accounts	4,316,388	1,853,817	11,965	462,150	25,971	6,670,291	113,075
Accrued interest							6,615
Due from other governmental agencies	5,385	2,448,272				2,453,657	34,566
Due from other funds							300,000
Inventory of supplies at cost	715,945					715,945	133,574
Deposits	10,360					10,360	745,946
Prepaid items and other assets	83,253	19,856	1,423	343,963		448,495	73,507
Total current assets	<u>52,401,079</u>	<u>43,684,911</u>	<u>9,340,475</u>	<u>19,166,307</u>	<u>295,401</u>	<u>124,888,173</u>	<u>56,281,836</u>
Noncurrent assets:							
Cash and investments, restricted	17,649		9,370,425	1,103,043		10,491,117	
Advances to other funds							600,000
Investment in Sewer Authority		44,511,273				44,511,273	
Investment in sewer capacity rights				400,000		400,000	
Investment in property held for development					398,478	398,478	
Capital assets:							
Nondepreciable	6,766,394	6,402,511	557,140	5,548,749		19,274,794	1,244,094
Depreciable buildings, property, equipment and infrastructure, net	110,454,984	44,368,959	22,083,957	32,537,457	24,930	209,470,287	8,669,994
Total noncurrent assets	<u>117,239,027</u>	<u>95,282,743</u>	<u>32,011,522</u>	<u>39,589,249</u>	<u>423,408</u>	<u>284,545,949</u>	<u>10,514,088</u>
Total assets	<u>169,640,106</u>	<u>138,967,654</u>	<u>41,351,997</u>	<u>58,755,556</u>	<u>718,809</u>	<u>409,434,122</u>	<u>66,795,924</u>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred charge on refundings	1,202,191			178,621		1,380,812	
Deferred outflows - Pension	1,384,953	699,333	366,331	366,495	63,576	2,880,688	2,277,508
Deferred outflow - OPEB	497,584	237,693	137,807	47,344		920,428	827,765
Total deferred outflows of resources	<u>3,084,728</u>	<u>937,026</u>	<u>504,138</u>	<u>592,460</u>	<u>63,576</u>	<u>5,181,928</u>	<u>3,105,273</u>
LIABILITIES							
Current liabilities:							
Accounts payable	4,854,427	1,192,876	320,214	904,365	25,954	7,297,836	792,981
Deposits payable	1,039,852		20,730	283,977	10,846	1,355,405	
Due to other funds	300,000					300,000	
Insurance claims payable - current portion							6,195,761
Accrued sick leave and vacation - current portion	330,385	128,718	67,991	59,204	2,400	588,698	504,024
Revenue bonds payable - current portion	2,165,000			892,563		3,057,563	
Unearned revenue	1,956,324		81,886	175,431		2,213,641	
Accrued interest payable	758,620			39,742		798,362	
Total current liabilities	<u>11,404,608</u>	<u>1,321,594</u>	<u>490,821</u>	<u>2,355,282</u>	<u>39,200</u>	<u>15,611,505</u>	<u>7,492,766</u>
Noncurrent liabilities:							
Insurance claims payable							23,551,136
Accrued sick leave and vacation	331,042	147,261	121,901			600,204	786,573
Advances from other funds	600,000					600,000	
Net OPEB Liability	2,514,006	1,294,324	613,195	614,366		5,035,891	4,254,161
Net Pension liability	12,180,905	6,150,754	2,815,899	3,223,390	559,159	24,930,107	20,031,064
Revenue bonds payable	43,550,347			11,055,001		54,605,348	
Total noncurrent liabilities	<u>59,176,300</u>	<u>7,592,339</u>	<u>3,550,995</u>	<u>14,892,757</u>	<u>559,159</u>	<u>85,771,550</u>	<u>48,622,934</u>
Total liabilities	<u>70,580,908</u>	<u>8,913,933</u>	<u>4,041,816</u>	<u>17,248,039</u>	<u>598,359</u>	<u>101,383,055</u>	<u>56,115,700</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows - OPEB	305,466	147,068	83,275	145,987		681,796	508,979
Deferred inflows - Pension	263,146	132,876	49,782	69,635	12,080	527,519	432,735
Total deferred inflows of resources	<u>568,612</u>	<u>279,944</u>	<u>133,057</u>	<u>215,622</u>	<u>12,080</u>	<u>1,209,315</u>	<u>941,714</u>
NET POSITION							
Net investment in capital assets	71,523,680	44,368,959	22,083,957	31,690,890	24,930	169,692,416	9,914,088
Restricted for capital projects			9,370,425			9,370,425	
Restricted for debt service				892,563		892,563	
Unrestricted	30,051,634	86,341,844	6,226,880	9,300,902	147,016	132,068,276	2,929,695
Total net position	<u>101,575,314</u>	<u>130,710,803</u>	<u>37,681,262</u>	<u>41,884,355</u>	<u>171,946</u>	<u>312,023,680</u>	<u>12,843,783</u>

See accompanying notes to financial statements

CITY OF REDWOOD CITY, CALIFORNIA
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN FUND NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Business-Type Activities-Enterprise Funds					Totals	Governmental Activities- Internal Service Funds
	Water Utility Fund	Sewer Utility Fund	Parking Fund	Port of Redwood City	Non-Major Docktown Marina		
	\$	\$	\$	\$	\$	\$	\$
Operating Revenues:							
Charges for services	47,221,422	42,351,611	1,672,503	8,761,928	18,773	100,026,237	37,553,896
Total Operating Revenues	<u>47,221,422</u>	<u>42,351,611</u>	<u>1,672,503</u>	<u>8,761,928</u>	<u>18,773</u>	<u>100,026,237</u>	<u>37,553,896</u>
Operating Expenses:							
Employee services	6,051,795	3,073,178	1,335,719	2,156,508	224,490	12,841,690	18,943,583
Maintenance	693,693	313,198	106,481	399,366	18,023	1,530,761	900,519
Water purchases	20,032,749					20,032,749	
Utilities	1,099,577	762,351	101,740	270,353	13,191	2,247,212	41,270
Contractual services	1,309,839	23,706,690	936,963	435,375	157,505	26,546,372	1,496,877
Supplies and services	4,418,913	2,876,467	450,910	598,232	117,671	8,462,193	5,136,557
Noncapitalized projects		1,246,402		3,880	107,613	1,357,895	
Depreciation and amortization	3,279,479	1,035,464	755,235	1,730,886	19,062	6,820,126	1,503,132
Insurance and claims	1,171,200	517,300	128,373	336,054	35,231	2,188,158	8,173,823
Total Operating Expenses	<u>38,057,245</u>	<u>33,531,050</u>	<u>3,815,421</u>	<u>5,930,654</u>	<u>692,786</u>	<u>82,027,156</u>	<u>36,195,761</u>
Operating Income (Loss)	<u>9,164,177</u>	<u>8,820,561</u>	<u>(2,142,918)</u>	<u>2,831,274</u>	<u>(674,013)</u>	<u>17,999,081</u>	<u>1,358,135</u>
Nonoperating Revenues (Expenses):							
Impairment gain (loss) on property					(211,698)	(211,698)	
Property taxes			447,594			447,594	
Grant revenue			1,606	37,342		38,948	
Investment earnings	1,536,474	953,296	474,644	292,088	(15,355)	3,241,147	1,475,039
Interest expense	(1,756,626)			(510,405)	(56,595)	(2,323,626)	
Increase (decrease) in investment in sewer authority		2,498,610				2,498,610	
Insurance recovery	(278)	(2,950)				(3,228)	
Other	(6,411)			(451,328)		(457,739)	
Net Nonoperating Revenues (Expenses)	<u>(226,841)</u>	<u>3,448,956</u>	<u>923,844</u>	<u>(632,303)</u>	<u>(283,648)</u>	<u>3,230,008</u>	<u>1,475,039</u>
Net Income (Loss) Before Capital Contributions and Transfers	<u>8,937,336</u>	<u>12,269,517</u>	<u>(1,219,074)</u>	<u>2,198,971</u>	<u>(957,661)</u>	<u>21,229,089</u>	<u>2,833,174</u>
Capital contributions	586,422	101,724	50,000			738,146	
Transfers in	777,404		916,343		4,366,141	6,059,888	1,401,727
Transfers (out)	(50,188)	(588,822)				(639,010)	(13,357)
Total Capital Contributions and Transfers	<u>1,313,638</u>	<u>(487,098)</u>	<u>966,343</u>		<u>4,366,141</u>	<u>6,159,024</u>	<u>1,388,370</u>
Change in net position	<u>10,250,974</u>	<u>11,782,419</u>	<u>(252,731)</u>	<u>2,198,971</u>	<u>3,408,480</u>	<u>27,388,113</u>	<u>4,221,544</u>
Total net position-beginning	<u>91,324,340</u>	<u>118,928,384</u>	<u>37,933,993</u>	<u>39,685,384</u>	<u>(3,236,534)</u>	<u>284,635,567</u>	<u>8,622,239</u>
Total net position-ending	<u><u>101,575,314</u></u>	<u><u>130,710,803</u></u>	<u><u>37,681,262</u></u>	<u><u>41,884,355</u></u>	<u><u>171,946</u></u>	<u><u>312,023,680</u></u>	<u><u>12,843,783</u></u>

See accompanying notes to financial statements

CITY OF REDWOOD CITY, CALIFORNIA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Water Utility Fund	Sewer Utility Fund	Parking Fund	Port of Redwood City	Non-Major Docktown Marina	Totals	Governmental Activities - Internal Service Funds
	\$	\$	\$	\$	\$	\$	\$
Cash flows from operating activities:							
Cash received from customers	47,008,836	41,951,483	2,069,597	10,330,191	(3,854)	101,356,253	
Cash received from interfund services provided							37,677,896
Cash payments to suppliers for goods and services	(26,428,370)	(29,756,876)	(1,858,472)	(2,119,277)	(527,963)	(60,690,958)	(15,179,071)
Cash payments to employees for services	(5,250,190)	(2,683,353)	(1,096,447)	(1,953,017)	(183,022)	(11,166,029)	(17,655,278)
Net cash provided by (used in) operating activities	15,330,276	9,511,254	(885,322)	6,257,897	(714,839)	29,499,266	4,843,547
Cash flows from noncapital financing activities:							
Nonoperating grant revenue			1,606	37,342		38,948	
Insurance recovery (loss)	(278)	(2,950)				(3,228)	
Property taxes			447,594			447,594	
Transfers in	777,404		916,343		4,366,141	6,059,888	1,401,727
Transfers out	(50,188)	(588,822)				(639,010)	(13,357)
Advances from (to) other funds	(300,000)		850,000		(3,850,000)	(3,300,000)	3,300,000
Other	(6,411)			(408,830)		(415,241)	
Net cash provided by (used in) noncapital financing activities	420,527	(591,772)	2,215,543	(371,488)	516,141	2,188,951	4,688,370
Cash flows from capital and related financing activities:							
Acquisition and construction of capital assets	(5,445,980)	(6,535,813)	(1,153)	(227,467)		(12,210,413)	(1,468,563)
Sale of property held for development					130,027	130,027	
Contributions	586,422	101,724	50,000			738,146	
Principal retirements	(2,316,054)			(852,429)		(3,168,483)	
Interest paid	(1,699,246)			(492,087)	(56,595)	(2,247,928)	
Net cash used in capital and related financing activities	(8,874,858)	(6,434,089)	48,847	(1,571,983)	73,432	(16,758,651)	(1,468,563)
Cash flows from investing activities:							
Interest on investments	1,536,478	953,296	485,567	292,088	(15,355)	3,252,074	1,506,974
Net cash provided by investing activities	1,536,478	953,296	485,567	292,088	(15,355)	3,252,074	1,506,974
Net increase (decrease) in cash and cash equivalents	8,412,423	3,438,689	1,864,635	4,606,514	(140,621)	18,181,640	9,570,328
Cash and cash equivalents at beginning of fiscal year	38,874,974	35,924,277	16,832,877	14,856,723	410,051	106,898,902	45,304,225
Cash and cash equivalents at end of fiscal year	47,287,397	39,362,966	18,697,512	19,463,237	269,430	125,080,542	54,874,553
Financial statement presentation:							
Cash and investments available for operations	47,269,748	39,362,966	9,327,087	18,360,194	269,430	114,589,425	54,874,553
Cash and investments, restricted	17,649		9,370,425	1,103,043		10,491,117	
Cash and cash equivalents at end of year	47,287,397	39,362,966	18,697,512	19,463,237	269,430	125,080,542	54,874,553
Reconciliation of Net Cash Flow from Operating Activities							
Operating income (loss)	9,164,177	8,820,561	(2,142,918)	2,831,274	(674,013)	17,999,081	1,358,135
Adjustments to reconcile operating income to net cash provided by operating activities:							
Depreciation	3,279,479	1,035,464	755,235	1,730,886	19,062	6,820,126	1,503,132
Change in assets and liabilities:							
Decrease (increase) in accounts receivable	(230,519)	150,361	396,444	1,564,791	(22,205)	1,858,872	(108,056)
Decrease (increase) in due from other governmental agencies	14,339	(550,489)	910			(535,240)	232,056
Decrease (increase) in inventory/prepaid expenses/deposits	19,271	2,068	4,550	(4,726)		21,163	92,068
Decrease (increase) in pension deferred outflows	327,189	165,213	95,144	86,583	15,019	689,148	538,047
Decrease (increase) in OPEB deferred outflow	(34,830)	(10,165)	(36,874)	(47,344)		(129,213)	(57,935)
Increase (decrease) in vacation & sick leave payable	102,909	32,864	67,946	(6,670)	2,400	199,449	142,241
Increase (decrease) in accounts payable	2,278,330	(336,536)	(138,555)	(71,291)	(78,729)	1,653,219	(54,042)
Increase (decrease) in customer deposits	3,594		(260)	3,472	(422)	6,384	
Increase (decrease) in unearned revenue							
Increase (decrease) in net pension liability	448,476	226,458	96,905	118,679	20,587	911,105	737,501
Increase (decrease) in pension deferred inflows	75,406	38,076	21,478	19,954	3,462	158,376	124,001
Increase (decrease) in net OPEB liability	(388,867)	(192,231)	(80,470)	(62,417)		(723,985)	(646,914)
Increase (decrease) in OPEB deferred inflows	271,322	129,610	75,143	94,706		570,781	451,364
Increase (decrease) in insurance claims payable							531,949
Total adjustments	6,166,099	690,693	1,257,596	3,426,623	(40,826)	11,500,185	3,485,412
Net cash provided by (used in) operating activities	15,330,276	9,511,254	(885,322)	6,257,897	(714,839)	29,499,266	4,843,547
Noncash investing, capital and financing activities:							
Proceeds on sale of equipment							
Increase (decrease) in investment in sewer authority		2,498,610				2,498,610	
Impairment loss on property held for development					(1,054,510)	(1,054,510)	

See accompanying notes to financial statements